



Legislation Text

File #: 05373, Version: 1

Fiscal Note

\$499,600 in Federal HOME/match funds are already approved for a Common Wealth housing project and would be transferred to this site. An additional \$214,400 in HOME and other funds is available within the Housing Development Fund to cover the cost for this project.

Title

Authorizing the provision of HOME funds to assist Common Wealth Development, Inc. develop the Central Park Lofts housing project in ways that address City, Community and Neighborhood Development Objectives.

Body

AGENCY

Common Wealth is a community-based agency established by residents of the Wil-Mar neighborhood to undertake housing and economic development projects that enhance the quality of life within the area. During their 30-year history, Common Wealth has sponsored many development activities, including the construction of affordable rental and for-sale housing, and the development and operation of two successful business incubators.

PROJECT

Common Wealth seeks HOME funds to participate with Stonehouse Development in the construction of 76 family-friendly homes near the planned "Central Park" in the Marquette neighborhood. The City funds would be initially targeted to 14 of the rental units to make them affordable and accessible to lower-income households. As part of the financing package, Common Wealth would obtain an option to purchase 24 of the rental units at the end of the tax credit period for the current inclusionary zoning set price, which would enable them to convert them to affordable for-sale units at the end of the HOME Affordability Period.

ACTIONS

Whereas, the HOME program, as amended, and its implementing regulations located at 24 CFR 92.400ff, permit the City of Madison to help community agencies in the provision of housing assistance;

Whereas, CD staff and the CDBG Commission have reviewed this proposal and find that it furthers the goals expressed in the Five-Year Community and Neighborhood Development Plan, and contributes to the affordable housing unit benchmark expressed in "Madison Measures";

Now, therefore be it resolved, that the Common Council approve the provision of funds for the following project, and authorize the Mayor and City Clerk to enter into an agreement with:

Common Wealth Development, Inc. or an affiliated development entity, for up to \$714,000 in HOME and match funds toward the acquisition and related pre-development and development costs of 14 rental dwelling units; \$499,600 in funds previously approved for the Thornton site and \$214,400 in additional HOME, HOME match or Housing Trust funds.

Be it further resolved that the assistance be offered on terms adopted in the 2007-2008 CD program Funding Framework, such that the capitalized assistance to the organization (and to the future buyer) be offered in the form of a deferred payment loan payable upon change of use or sale to a non-income eligible buyer, with repayment equal to the greater of the amount of HOME and City match funds invested in the property or the percent of appraised value that the funds represent in the value of the property. The sale of the units to income-eligible households enrolled in Common Wealth's lease-purchase program will not trigger the repayment requirement. Further, Common Wealth must begin expenditure of the funds prior to December 31, 2007 and complete the project by December 31, 2008. Expenditure of funds and continuation of the contract shall be contingent upon WHEDA approval of the financing request by Stonehouse Development for the Central Park Lofts.