



Legislation Text

File #: 19540, **Version:** 1

Fiscal Note

MDC has a current revolving loan balance of \$112,554 in CDBG program income, which will be used to partially fund this project. Sufficient HOME Match funds are available within the Community Development Division's Housing Development Reserve Fund (which was authorized as part of the CD Division's 2010 Adopted Operating Budget) to fund the remaining balance of \$137,446 in anticipated project costs, for a total of \$250,000 in funding for this project.

Title

Authorizing the provision of \$250,000 in Federal CDBG and HOME Match funds to assist Madison Development Corporation to acquire and rehabilitate existing rental housing located at 738 E. Dayton Street.

Body

Madison Development Corporation (MDC) is a local community-based agency that provides permanent, affordable rental housing low or moderate income households. MDC acquires and rehabilitates rental property and then manages the property as long term affordable housing.

MDC plans to acquire the 16-unit apartment building at 738 E. Dayton St., rehabilitate the common areas and apartments to meet or exceed code and to maintain the property as permanent, rental housing with at least six units designated as HOME units and affordable to households with incomes at less than 50% Area Median Income. None of the current tenants will be displaced.

WHEREAS, the CDBG staff and the CDBG Committee have reviewed this proposal and find that it furthers the goals expressed in the 2005-2009 Five-Year Community and Neighborhood Development Plan and the 2010 Community Action Plan; and

WHEREAS, the successful completion of this project will improve the quality of existing rental housing at 738 E. Dayton Street and provide permanent, affordable rental housing for low-income people;

NOW, THEREFORE, BE IT RESOLVED that the Common Council authorize a long-term deferred loan to Madison Development Corporation to acquire and/or rehabilitate the existing rental housing at 738 E. Dayton Street and authorize the Mayor and the City Clerk to enter into an agreement with MDC for \$250,000 in CDBG and HOME Match funds to be expended by December 31, 2011.

BE IT FURTHER RESOLVED that the assistance be offered on terms adopted in the 2009-2010 Program Funding Framework for Community and Neighborhood Development.