



Legislation Text

File #: 83173, **Version:** 1

Fiscal Note

The proposed resolution amends the CDA Redevelopment Division's 2024 Adopted Capital Budget to add \$1.0 million in General Fund-supported GO Borrowing to finance construction of the Theresa Terrace Redevelopment project (Munis program 11817, project 14465).

\$2.0 million in Developer Capital Funding was authorized in the 2024 Adopted Capital Budget for Affordable Housing Redevelopment, Development, & Preservation; this \$2.0 million came from Affordable Housing Funds allocated to the Madison Revitalization and Community Development Corporation (MRCDC) for the Theresa Terrace project via RES-23-00749, Legistar file 80359.

The sole bid for the Theresa Terrace project came in at approximately \$2.74 million. This resolution authorizes additional borrowing for a loan to the CDA to cover the funding gap. The loan will be repaid by MR CDC when the project stabilizes.

Title

Amending the Community Development Authority (CDA) Redevelopment Division's 2024 Adopted Capital Budget to authorize up to \$1.0 million of additional GO Borrowing for construction financing of the Theresa Terrace redevelopment. (District 20)

Body

WHEREAS, the Madison Revitalization and Community Development Corporation (the "MR CDC"), the nonprofit arm of the Community Development Authority ("CDA"), is the owner of two duplexes located at 1309-11 and 1401-03 Theresa Terrace in the City of Madison, Wisconsin (the "Properties"); and

WHEREAS, the MR CDC intends to replace the four existing units on the Properties with six townhouse-style homes that will be managed by MR CDC as affordable rental units (the "Project"); and

WHEREAS, on December 5, 2023 (RES-23-00749, Legistar file 80359) the Common Council of the City of Madison allocated up to \$2.0 million of City Affordable Housing Funds (AHF) to MR CDC for the Project; and

WHEREAS, the CDA Redevelopment Division's 2024 Adopted Capital Budget includes up to \$2.0 million for Affordable Housing Redevelopment, Development, & Preservation; and

WHEREAS, the \$2.0 million of Affordable Housing Funds authorized in RES-23-00749 encompass the Developer Capital Funds authorized in CDA Redevelopment's 2024 Adopted Capital Budget; and

WHEREAS, the sole responsive and responsible bidder provided an all-inclusive cost of \$2,730,762 for the Project; and

WHEREAS, due to delays in federal approvals and cost inflation for new construction of "missing middle" housing in the Madison area, the existing budget authority is insufficient to complete the Project as originally contemplated, and the additional budget will allow MR CDC to begin construction in mid-2024.

NOW, THEREFORE, BE IT RESOLVED that the CDA Redevelopment Division's 2024 Adopted Capital Budget

is hereby amended to authorize up to \$1.0 million in General Fund GO Borrowing for construction financing of the Theresa Terrace redevelopment project.