



## Legislation Text

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**File #:** 26152, **Version:** 1

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### **Fiscal Note**

No fiscal impact.

### **Title**

Authorizing the subordination of previously approved loans to Madison Development Corporation and authorizing the Mayor and City Clerk to sign agreements to subordinate the loans.

### **Body**

Madison Development Corporation needs an additional \$75,000 from their first mortgage holder Town Bank to complete substantial rehabilitation for 738 E. Dayton St. Madison Development Corporation proposes to increase their first mortgage from \$500,000 to \$575,000; and,

WHEREAS, the Common Council approved loans to Madison Development Corporation for the acquisition and rehabilitation of affordable rental housing; and,

WHEREAS, the CDD staff has reviewed the request by Madison Development Corporation for the City to subordinate its loans to a new first mortgage loan that will provide additional construction capital for Madison Development Corporation's rental rehabilitation; and,

Whereas, the CDD staff has reviewed the request by Madison Development and has determined that the new loan-to-value ratio is within CDBG guidelines and the project budget shows they are financially capable of handling the new first mortgage amount.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes the subordination for the previously approved City loans totaling \$229,353 to Madison Development Corporation to a first mortgage from Town Bank in the amount of \$575,000 and authorizes the Mayor and City Clerk to sign agreements to effect such subordination.