



Legislation Text

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Fiscal Note

Any redevelopment of Allied Drive area properties by the City or CDA is expected to have a significant budgetary impact. Until a specific development proposal and budget is completed, however, it is impossible to speculate on how much such redevelopment would cost. There is \$500,000 budgeted in TIF District #29 for Allied Drive redevelopment in 2007, of which about \$50,000 has been spent to date. Expenditures for the redevelopment of these properties beyond that amount would require separate Council authorization.

This resolution would authorize the CDA to solicit RFP's and RFQ's to obtain outside professional services including, but not be limited to, housing studies, architectural services, financial/development consulting services, appraisals and legal services in anticipation of the proposed development. This procurement work could be accomplished with the reallocation of current Economic and Community Development Unit staff resources, although the CDA does not presently have sufficient resources available to fully fund the costs of the anticipated pre-development services. No contracts for these pre-development services could be entered into until a "final agreement between the City and the CDA" is approved by the Common Council.

Title

AMENDED SECOND SUBSTITUTE - Authorizing the City to Negotiate with the CDA to act as Master Developer of the City properties located at 2317, 2345, and 2409 Allied Drive and 4705 and 4713 Jenewein Drive.

Body

WHEREAS, the City of Madison through action of the Common Council adopted an affordable housing plan for the Allied area; and

WHEREAS, the four-day community design workshop process outlined several visions for redevelopment of the City-owned properties; and

WHEREAS, the CDA has access to financing that will help spur the redevelopment of the City-owned properties; and

WHEREAS, there are limited financial options to ensure that affordability of rental and ownership property is maintained because of the lack of additional TIF dollars and limitations regarding the availability of project based Section 8 Vouchers; and

~~WHEREAS, the CDA is the best organization to obtain, over time, repayment for the original City investments in the Hawk Property while at the same time providing affordable and high quality housing opportunities for a diversity of households in the Allied area; and the City desires repayment for the original City investments in the City-owned property while at the same time providing affordable and high-quality housing for a diversity of households in the Allied area; and~~

~~WHEREAS, the CDA would be able to commit development proceeds back into additional redevelopment opportunities within the neighborhood; and the City desires that any proceeds generated by a redevelopment effort be re-invested in the neighborhood; and~~

WHEREAS, that while there has been interest expressed by local non-profit housing developers and providers to get involved, there are no local non-profit providers who are able to assume responsibility for the entire project. Thus, the ability to manage the redevelopment in phases is essential; because it allows developers, non-profits, and agencies to be involved at all levels commensurate with their resources; and

WHEREAS, the CDA will retain ownership of all the land under the rental units so as to keep units affordable in perpetuity, guard against blight, and provide a modest source of long-term income to contribute to local community services in the neighborhood; and

WHEREAS, applications for WHEDA Section 42 Low-Income Housing Tax Credits are due in February 2008 and the CDA

is one of only a few organizations with the ability and wherewithal to assemble an application in time; and

WHEREAS, the CDA would assume responsibility for some or all of the rental portion of the site and issue RFPs for the balance of the site;

NOW THEREFORE BE IT RESOLVED that the City agrees to negotiate with the CDA to act as the Master Developer of the City-owned properties at 2317, 2345, and 2409 Allied Drive and 4705 and 4713 Jenewein Drive; and

BE IT FURTHER RESOLVED that the CDA will include the following in their final proposal back to the City Council:

~~– A market analysis conducted by an independent entity.
– A plan for how the CDA will develop the capacity necessary to implement this redevelopment project;
– An overall 3-5 year plan for the neighborhood and how this redevelopment project fits into a broader, comprehensive strategy for the neighborhood, and that the CDA will include the following in its master development plan for the City-owned property back to the **Community Development Block Grant Commission before coming back to the City Council:**~~

- A market analysis conducted by an independent entity.
- A staffing plan demonstrating the capacity to implement this redevelopment project.
- An overall 3-5 year plan for the neighborhood and how this redevelopment project fits into a broader, comprehensive strategy for the neighborhood, and
- A proposed budget and timelines for the project.

BE IT FURTHER RESOLVED that the CDA will solicit neighborhood involvement by developing several options for redevelopment, conducting an initial neighborhood meeting that presents those options to neighbors and solicits feedback, and conducting at least one additional meeting that presents a more detailed plan addressing the feedback; and

BE IT FURTHER RESOLVED that a portion of the current City property will be redeveloped into a mix of 40-48 lower-income rental units to provide housing to the households in need of very affordable housing, with priority given to existing City property and Allied area residents; and

BE IT FURTHER RESOLVED that the WHEDA application will be submitted in February 2008; and

BE IT FURTHER RESOLVED, that the rental units will be developed by the CDA using traditional real estate development models, the visions developed by the community design workshops and the resolution adopting an affordable housing plan for Allied Drive. Fees earned by the CDA for this phase of the redevelopment will be systematically redeployed into the neighborhood as part of the adopted City policies, plans, and objectives; and

BE IT FURTHER RESOLVED, that the remaining portion of the City-owned property will be redeveloped into a mix of 50-70 units, a majority of which shall be owner-occupied units (available via direct purchase, rent-to own, or other strategies that will encourage availability to low-income residents). Redevelopment of these sites will be initiated as a joint effort between the CDA and public, non-profit, or private developers through an RFP process; and

~~BE IT FURTHER RESOLVED, that it is anticipated that the total redevelopment of these sites will add another \$15-\$17 million of value to the neighborhood tax base, thereby improving the fiscal condition of the City related to the purchase of the former Hauk property; and~~

~~BE IT FURTHER RESOLVED that the Common Council hereby finds and determines that this transfer of the City properties to the CDA is consistent with the public purposes, plans and objectives set forth in the TID29 Project Plan, the community design workshop process, and the resolution adopting an affordable housing plan for Allied Drive; and~~ BE IT FURTHER RESOLVED that the Common Council hereby finds and determines that negotiations between the City and CDA are consistent with the public purposes, plans and objectives set forth in the TID 29 Project Plan, the Community Design Workshop process, and the resolution adopting an affordable housing plan for Allied Drive.

BE IT FURTHER RESOLVED that any transfer of property from the City to the CDA is contingent upon obtaining WHEDA tax credit financing by October 31, 2008 and that if WHEDA tax credits are not granted to the CDA in April, 2008, the City will begin on May 1, 2008, to develop an RFP for other developers, to be released no later than August 31,

2008, so that another developer is in position to apply for WHEDA tax credits for the project in 2009.

BE IT FURTHER RESOLVED that staff is representatives of the City and CDA, appointed by the Mayor and Chair of the CDA respectively, are authorized to negotiate an agreement to provide for the transfer of the City properties to the CDA, for all associated terms and conditions, and that such negotiations be based on the terms in RES-07-00847 as approved by the Common Council; and

BE IT FURTHER RESOLVED that the Council hereby authorizes the CDA to prepare and release Requests for Proposals and Requests for Qualifications for outside services, to include, but not be limited to, housing studies, architectural services, financial/development consulting services, appraisals, legal services, but in no event shall contracts be entered into until the final agreement between the City and the CDA has been approved by the Council.

BE IT FURTHER RESOLVED, that if negotiations for the transfer of the properties are agreeable that the proposed agreement will be brought before the Common Council for further action; and BE IT FURTHER RESOLVED, that if negotiations for the transfer of the properties are agreeable, that the proposed agreement will be brought before the Allied Area Task Force and then the Common Council for further action; and

BE IT FINALLY RESOLVED that, once the final plan has been approved by the City Council, the Mayor and City Clerk are authorized to sign any and all documents related to this transfer. once the CDA's master development plan for the City-owned property has been approved by the Common Council, the Mayor and City Clerk are authorized to sign any and all documents related to this transfer.