



Legislation Text

File #: 36134, **Version:** 1

Fiscal Note

Up to \$660,000 (\$394,159 in federal HOME/HOME Match funds and \$265,841 in Affordable Housing Trust Funds) was previously authorized by the Common Council for the Dempsey Place rental housing development project (RES-13-00753, 10/3/2013, Legistar ID# 31263).

This Resolution only authorizes a change of legal entity for the receipt of these funds. As no additional funds are being requested, there is no impact on the local levy.

Title

Authorizing a change of legal entity from Movin' Out, Inc. to Pinney Lane Apartments, LLC, as recipient of the federal and local funding allocations previously authorized by the Common Council for the Dempsey Place rental housing development project.

Body

BACKGROUND

In October 2013, the Common Council authorized the allocation of \$660,000 (RES-13-00753, Legistar # 31263) to Movin' Out, Inc. (MOI), toward the development of Dempsey Place, a 70-unit mixed-use rental housing project the agency is developing with its partner, Stone House Development. This award included a combination of Affordable Housing Trust Fund (AHTF), federal HOME, and local HOME Match funds.

On July 23, 2013, the U.S. Department of Housing and Urban Development (HUD) published significant amendments to the HOME Program regulations for project commitments made after August 23, 2013. One change that has important implications for the Dempsey project is the amended requirement that authorization and provision of HOME funds now be made directly to the legal entity that will serve as the owner of record of the property, as opposed to the past requirement that the HOME funds be indirectly loaned to the LLC via a nonprofit Community Housing Development Organization (CHDO).

In response to and compliance with these regulatory changes, Movin' Out and Stone House Development have jointly created a new legal entity for the purpose of acquiring, owning, developing and financing the Dempsey Place rental housing development project. The management of this Wisconsin limited liability company, Pinney Lane Apartments, LLC, is vested in MOI and Stone House, which shall maintain joint membership at 51% and 49%, respectively.

ACTION

WHEREAS, the Common Council previously authorized the combined allocation of \$660,000 in AHTF, HOME, and HOME Match funds to Movin' Out, Inc. toward the development of Dempsey Place, a 70-unit mixed-use rental development; and,

WHEREAS, the HOME and HOME Match funds allocated for the Dempsey Place project are subject to recently amended HOME regulations as described in 24 CFR Part 92, thus requiring the change in legal entity requested by this Resolution; and,

WHEREAS, this requested change in legal entity is merely technical/administrative in nature, and does not alter the scope of the project previously approved by the CDBG Committee and Common Council;

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and the City Clerk are hereby authorized to execute Loan Agreements and Documents with Pinney Lane Apartments, LLC for the development of Dempsey Place, in accordance with the terms and amounts previously authorized in RES-13-00753 (Legistar # 31263); and,

BE IT FURTHER RESOLVED, that the Mayor and the City Clerk are hereby authorized to execute, deliver, publish, file and record any additional documents, instruments, notices and records, and take such other actions as shall be necessary or desirable, to accomplish the purposes of this Resolution and to comply with and perform the obligations of the City hereunder.