



Legislation Text

File #: 38987, Version: 1

Fiscal Note

\$500,000 is authorized in the 2015 DPCED Adopted Capital budget for the TID #43 Small Cap Loan Program, Project No. 34 TID #43 (Park/Drake) Account No. 824301. If approved, this will be the **first** loan under the program.

(\$90,000) 14206643-54835-00000 TID 43 PARK/DRAKE LOANS

Title

Authorizing the Mayor and City Clerk to execute a loan agreement to fund a \$90,000 (Park/Drake) Greenbush Housing Small Cap TIF #43 loan to Ryan & Kara O'Connor, Borrower(s) to purchase and renovate the property located at 1027-1029 Chandler Street, Madison and convert it from rental to owner-occupied housing.

Body

WHEREAS, on August 5, 2014, the Common Council adopted Enactment No. RES-14-00577 that authorized the creation of the Greenbush Housing Renovation Program ("Program") and set terms for the administration of the Program, which were subsequently amended by Enactment No. Res-15-00343, (collectively referred to as the "Resolution"). Under the terms of the Program, the City could provide funding for the purchase and/or renovation of rental property to owner occupied properties.

WHEREAS, Ryan & Kara O'Connor ("Borrower") shall purchase and/or renovate the property location at 1027-1029 Chandler Street, Madison ("Property") and be the owner-occupant(s) or sell to a "Qualified Buyer";

WHEREAS, after review of the Small Cap TIF application and its attachments, staff has concluded that Small Cap TIF assistance in the amount of \$90,000 would stimulate the rehabilitation and conversion of the Property into owner-occupied housing as set forth in the adopted Small Cap TIF program for TID #43; and

WHEREAS in addition to any other powers conferred by law, the City may exercise any power necessary and convenient to carry out the purpose of the TIF law, including the power to cause Project Plans to be prepared, to approve such plans, and to implement the provision that effectuate the purpose of such plans; and

NOW, THEREFORE, BE IT RESOLVED that the City hereby finds and determines that the Project is consistent with the public purposes, plans and objectives set forth in the TIF #43 Project Plan and that the City's loan to the Borrower will stimulate redevelopment in TID #43, thereby making more likely an accomplishment of the public purpose objectives set forth in the Project Plan and its amendment, the TIF Law and City TIF Policy.

BE IT FURTHER RESOLVED that funding is subject to the following conditions:

1. The Project. Borrower agrees to purchase and/or renovate the Property located at 1027-1029 Chandler Street, Madison, WI.
2. Form of Assistance. TIF assistance shall be provided in the form of a ten-year note secured by subordinated mortgage on the Property, at 0% interest, no debt service payments in the amount of \$90,000. Principal balance is forgiven after the completion of renovation work is to be verified by the City. The Restrictions shall

run with the land, shall be appurtenant to the Property and shall be binding upon all future owners of the Property during the term of the Agreement. The Agreement shall become effective on the date the Land Use Restriction Agreement ("LURA") is executed (the "Closing Date"). The Agreement shall continue in full force and effect until the 10th anniversary of the Closing Date. A LURA to ensure owner occupancy for a period of ten (10) years containing a penalty provision requiring payment of the loan amount not to exceed \$50,000 to the City if the Property is rented for more than 12 consecutive months.

3. Title Insurance. At funding, Borrower must provide a commitment for a title insurance policy of the proper type and amount of coverage to the City. The City shall receive a lender's policy.
4. Affirmative Action (MGO 39.02(9)). Borrower and its contractors/subcontractors must comply with all applicable provisions of the Madison General Ordinance (MGO) 39.02(9), concerning contract compliance requirements. Prior to commencing construction, Borrower shall contact the City's Civil Rights Division to assure that Borrower is in compliance with the aforementioned requirements. Borrower shall assist and actively cooperate with the Civil Rights Division in obtaining the compliance of contractors and subcontractors with such applicable provisions of the MGO. Borrower shall allow maximum feasible opportunity to minority/disadvantaged women business enterprises to compete for any contract.
5. Accessibility (MGO 39.05). Borrower agrees to meet applicable accessibility accommodations for the Project as required by MGO 39.05.
6. Equal Opportunity and Fair Housing. Borrower shall comply with all applicable local, state and federal provisions concerning Equal Opportunity and Fair Housing.
7. Project Completion. Borrower must guarantee that the construction of the Project will be completed within one year of closing.

BE IT STILL FURTHER RESOLVED that the TIF loan to the Borrower is hereby approved in an amount not to exceed \$90,000 and that the Mayor and City Clerk are hereby authorized to execute a loan agreement and other documents as may be necessary to effectuate the transaction, all of which are subject to the approval of the City Attorney.