



Legislation Details (With Text)

File #:	38215	Version:	1	Name:	Authorizing an amendment to Common Wealth Development, Inc.'s contract for HOME-assisted rental housing acquisition and rehabilitation at 5726 Balsam Road., reducing the number of HOME-assisted units by one for the purpose of creating an unrestricted resi
Type:	Resolution	Status:			Passed
File created:	4/29/2015	In control:			BOARD OF ESTIMATES (ended 4/2017)
On agenda:	5/19/2015	Final action:			5/19/2015
Enactment date:	5/21/2015	Enactment #:			RES-15-00450
Title:	Authorizing an amendment to Common Wealth Development, Inc.'s contract for HOME-assisted rental housing acquisition and rehabilitation at 5726 Balsam Road., reducing the number of HOME-assisted units by one for the purpose of creating an unrestricted resident manager unit.				
Sponsors:	Samba Baldeh, Maurice S. Cheeks, Matthew J. Phair				
Indexes:					
Code sections:					
Attachments:	1. CWD Balsam Contract Amendment Memo.pdf, 2. CWD Letter & Info Requesting Amendment to Balsam Contract.pdf				

Date	Ver.	Action By	Action	Result
5/19/2015	1	COMMON COUNCIL	Adopt	Pass
5/11/2015	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
5/7/2015	1	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE	Return to Lead with the Recommendation for Approval	
5/5/2015	1	BOARD OF ESTIMATES (ended 4/2017)	Referred	
5/5/2015	1	COMMON COUNCIL	Referred	
4/29/2015	1	Community Development Division	Referred for Introduction	

Fiscal Note

Up to \$439,029 in federal HOME funds were previously authorized by the Common Council as part of the Community Development Division 2013 and 2014 Adopted Operating Budgets for rental housing acquisition and rehabilitation. This Resolution authorizes an amendment to the contract. No additional funds are being requested, and there is no impact on the local levy.

Title

Authorizing an amendment to Common Wealth Development, Inc.'s contract for HOME-assisted rental housing acquisition and rehabilitation at 5726 Balsam Road., reducing the number of HOME-assisted units by one for the purpose of creating an unrestricted resident manager unit.

Body

BACKGROUND

In September 2014, Common Wealth Development, Inc. (CWD) and the City of Madison entered into a contract for \$439,029 for the acquisition and rehabilitation of eight units of affordable rental housing at 5726 Balsam Road as part of the 2013-14 funding process. CWD has since identified the need for a resident manager to provide a much needed on-site presence and related resident services for their growing southwest portfolio. Staff recommends approval of this request as it would facilitate the stabilization of the properties in

CWD's southwest portfolio and the neighborhood by extension.

To accomplish this, CWD is seeking an amendment to the contract to reduce the number of HOME-assisted units at 5726 Balsam Rd. from eight to seven units for the purpose of creating an unrestricted Resident manager unit not subject to the regulations of the federal HOME funds. Authorizing a contract amendment to reduce the number of HOME-assisted units also results in an increased CDD investment per unit. This triggers a request for authorization to:

- a. Invest an additional \$6,000 per unit based on increased costs to provide accessibility, lead based paint mitigation, and energy efficiency improvements. Justification for the actual additional costs of \$9,251 per unit for these improvements is demonstrated in CWD's attached documentation; and
- b. Invest an additional \$2,718 per unit above the maximum investment of \$60,000 per unit for a total investment of \$62,718 per unit. This request, which requires a waiver of the 2013-2014 CD Program Goals and Objectives under which it was funded, merits approval as it represents a worthwhile City investment toward the stabilization of CWD's southwest portfolio and the Meadowood Neighborhood.

ACTION

WHEREAS, the Common Council previously authorized the combined allocation of \$439,029 in HOME and City funds to Common Wealth Development, Inc. for acquisition and rehabilitation of eight units of affordable rental housing in 2014 on the southwest side; and,

WHEREAS, CWD and the City of Madison entered into a contract for \$439,029 for the acquisition and rehabilitation of eight units of HOME-assisted rental housing at 5726 Balsam Road in September 2014; and,

WHEREAS, CWD has indentified the need for a Resident manager unit and requested an amendment to the executed contract for 5726 Balsam Rd. reducing the number of HOME-assisted units from eight to seven units for the purpose of creating an unrestricted Resident manager unit; and,

WHEREAS, the reduction in the number of HOME-assisted units results in a greater per unit cost than previously authorized by the CDBG Committee and Common Council; and,

WHEREAS, CWD has demonstrated the need for an additional award of \$6,000 per unit in actual rehabilitation costs to provide accessibility, lead based paint mitigation, and energy efficiency improvements; and,

WHEREAS, exceeding the maximum investment of \$60,000 per unit requires a waiver of the 2013-2014 CD Program Goals and Objectives; and,

WHEREAS, the CDBG staff and the CDBG Committee have reviewed this request and find that it furthers the neighborhood stabilization goals expressed in the 2013-2014 and 2015-2016 CD Program Goals and Objectives; and

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and the City Clerk are hereby authorized to execute an amendment to the Loan Agreement dated September 25, 2014 and related documents with Common Wealth Development, Inc. reducing the number of HOME-assisted units from eight to seven for the purpose of creating an unrestricted Resident manager unit; and,

BE IT FURTHER RESOLVED, that a waiver of the 2013-2014 CD Program Goals and Objectives be granted to allowing the project to exceed the maximum investment of \$60,000 per unit, for a total investment of \$62,718 per unit; 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.

