Legislation Details (With Text)

File #:	49306	**Version:**	1	**Name:**	Small Cap TIF loan #32 to Frantz Stanford for up to $80,000 to renovate the property located at 308 N. Livingston Street, Madison, WI.
Type:	Resolution			**Status:**	Passed
File created:	10/24/2017			**In control:**	FINANCE COMMITTEE
On agenda:	11/21/2017			**Final action:**	11/21/2017
Enactment date:	11/27/2017			**Enactment #:**	RES-17-00906

Title: Approving a Small Cap TIF #32 Mansion Hill-James Madison Park Neighborhood loan of up to $80,000 to Frantz Stanford Borrower(s) for the renovation of the property located at 308 N. Livingston Street, Madison, WI and its conversion from rental to owner-occupied housing; and authorizing the Mayor and City Clerk to execute a loan agreement with the Borrower(s) to effectuate this transaction.

Sponsors: Ledell Zellers

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
11/21/2017	1	COMMON COUNCIL	Adopt	Pass
11/6/2017	1	FINANCE COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
10/31/2017	1	COMMON COUNCIL	Refer	Pass
10/24/2017	1	Community Development Division	Referred for Introduction	

Fiscal Note

The proposed resolution approves a Small Cap TIF loan of $80,000 to Frantz Stanford for renovation of the property located at 308 N. Livingston Street in the Mansion Hill-James Madison Park Neighborhood. This renovation includes conversion from rental to owner-occupied housing. The 2017 Adopted Capital Budget includes $440,000 for the State Street District Improvement Retail Grant and Small Capital Loan Programs in Tax Increment District 32. Council adopted RES-17-00733 (Legistar File 48235) amended the 2017 Adopted Capital Budget to add $260,000 to the aforementioned programs.

The retail grant program has awarded $251,332.30 to date and the small capital loan program has awarded $360,000 to date. Disbursement of $80,000 for the Small Cap TIF loan proposed by this resolution leaves a remaining balance of $8,667.70 for the State Street District Improvement Retail Grant and Small Capital Loan Programs. These grant and loan programs are funded by Tax Increment District 32.

Title

Approving a Small Cap TIF #32 Mansion Hill-James Madison Park Neighborhood loan of up to $80,000 to Frantz Stanford Borrower(s) for the renovation of the property located at 308 N. Livingston Street, Madison, WI and its conversion from rental to owner-occupied housing; and authorizing the Mayor and City Clerk to execute a loan agreement with the Borrower(s) to effectuate this transaction.

Body

BACKGROUND

The Mansion Hill-James Madison Park Neighborhood program, part of the approved plan for Tax Incremental District #32 (Upper State Street) was created on January 2011 (RES-11-00042, Legistar #20749) for the

purpose of assisting with conversion of deteriorating rental housing into renovated owner occupied. The program was amended on August 2014 (RES-14-00576, Legistar #34644), April 2015 (RES-15-00344, Legistar #37775) and November 2016 (RES-16-00856, Legistar #44934). It provides forgivable loans to eligible borrowers for the purchase and/or renovation of rental properties in the Mansion Hill-James Madison Park Neighborhood.

Loan funds provided through the Program for each renovation project are subject to the following conditions:

- TIF assistance is provided in the form of a 0% interest note secured by subordinated mortgage on the Property, with no debt service payments. Principal balance is forgiven after the completion of renovation work has been verified by the City. A Land Use Restriction Agreement (LURA) is also executed, to ensure owner-occupancy for the entire ten-year period, and contains a penalty provision requiring loan repayment of up to $50,000 to the City if the Property is rented for more than 12 consecutive months or becomes non-owner occupied.

- 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.

- 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 must:
  - contact the City's Civil Rights Division to assure that Borrower is in compliance with the aforementioned requirements;
  - assist and actively cooperate with the Civil Rights Division in obtaining the compliance of contractors and subcontractors with such applicable provisions of the MGO; and
  - allow maximum feasible opportunity to minority/disadvantaged women business enterprises to compete for any contract.

- Borrower must meet applicable accessibility accommodations for the Project, as required by MGO 39.05.

- Borrower must comply with all applicable local, state and federal provisions concerning Equal Opportunity and Fair Housing.

- Borrower must guarantee that the construction of the Project with be completed within one year of closing, or City approves an extension.

ACTION

WHEREAS, Frantz Stanford ("Borrower") agrees to renovate the property located at 308 N. Livingston Street, Madison, WI ("Property") and either be the owner-occupant(s) or sell the Property to a "Qualified Buyer"; and

WHEREAS, after review of the Borrower's Small Cap TIF application and its attachments, staff has concluded that Small Cap TIF assistance of up to $80,000 would stimulate the rehabilitation and conversion of the Property into owner-occupied housing as set forth in the adopted Small Cap TID #32; 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 provisions 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 #32 Project Plan and that the City's loan to the Borrower will stimulate redevelopment in TID #32, thereby contributing to accomplishment of the public

purpose objectives set forth in the Project Plan and its amendment, the TIF Law and City TIF Policy; and,

BE IT FURTHER RESOLVED, that funding is subject to the conditions described herein; and

BE IT FINALLY RESOLVED, that the TIF loan to the Borrower is hereby approved in an amount not to exceed $80,000, 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.

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