Legislation Details (With Text)

File #:	61185	**Version:**	1	**Name:**	Authorizing the Mayor and the City Clerk to execute an amendment to the loan agreement with the CDA to extend the payment deadline until June 1, 2022
Type:	Resolution			**Status:**	Passed
File created:	7/1/2020			**In control:**	COMMUNITY DEVELOPMENT AUTHORITY
On agenda:	7/14/2020			**Final action:**	7/21/2020
Enactment date:	7/27/2020			**Enactment #:**	RES-20-00526

Title: Authorizing the Mayor and the City Clerk to execute an amendment to the loan agreement with the CDA to extend the payment deadline until June 1, 2022.

Sponsors: Tag Evers, Sheri Carter

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/21/2020	1	COMMON COUNCIL	Adopt	Pass
7/20/2020	1	FINANCE COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
7/14/2020	1	COMMON COUNCIL	Refer	Pass
7/1/2020	1	COMMUNITY DEVELOPMENT AUTHORITY	Referred for Introduction	

Fiscal Note

The proposed amendment is for a UDAG loan that was originally lent to the Madison Mutual Housing Association (MMHA) for two parcels in the CDA 95-1 development. The CDA inherited this property when MMHA dissolved in 1995 and took on the notes payable at that time through a contract with MMHA, the CDA, and the City. The loan originally matured in 2017 but was extended until June 2020. The CDA is extending the deadline again since the original plan was to dispose of one parcel in this development and use the proceeds towards this loan payment. The CDA Board also passed a separate resolution to approve the extension. Any returned balance will be revenues to the Special Revenue Fund. There is no impact on the General Fund and/or General Fund unassigned fund balance.

Title

Authorizing the Mayor and the City Clerk to execute an amendment to the loan agreement with the CDA to extend the payment deadline until June 1, 2022.

Body

WHEREAS, in 1986, the City of Madison (“City”), the Community Development Authority of the City of Madison (“CDA”) and Madison Mutual Housing Association, Inc. (“MMHA”) entered into a loan agreement for the development of rental housing at 200 N Blount Street and 601 S Baldwin Street (“Property”); and

WHEREAS, the loan agreement called for the City to lend $345,000 to MMHA and the CDA acting as the City’s agent for managing the loan; and

WHEREAS, on October 16, 1995, the CDA purchased the Property and assumed the loan agreement; and

WHEREAS, the CDA has been making regular payments under the loan agreement; and

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WHEREAS, the loan agreement calls for a balloon payment of $345,000 plus accrued interest, totaling $370,861.61 (“Balloon Payment”) to be made to the City in June of 2020; and

WHEREAS, the CDA has not been able to make such payment and is currently in default, but within the remedy period under the loan agreement; and

WHEREAS, the CDA seeks to extend the deadline to make the Balloon Payment until June 1, 2022.

NOW THERE FORE BE IT RESOLVED, that the Common Council of the City of Madison hereby authorizes the Mayor and City Clerk to execute an amendment to the loan agreement and take any further action as may be necessary or appropriate to carry out the intent of this resolution in a form approved by the City Attorney.

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