



## Legislation Text

**File #:** 14606, **Version:** 1

### Fiscal Note

The YWCA of Madison, Inc. will repay \$127,956.50 to satisfy six mortgages and promissory notes on their property at 101 E. Mifflin Street for CDBG Office financed projects from 1987 through 2004. A new mortgage and promissory note will be created that includes the \$127,956.50, as well as \$250,000 in new HOME funds that were previously approved by the Council on 2/3/2009 (Resolution File #13114; Enactment No. RES-09-00161). The total City investment is, therefore, \$377,956.50.

### Title

Approve satisfying six existing mortgages and promissory notes in the amount of \$127,956.50 that represent CDBG Office financed improvements at 101 E. Mifflin, create a new mortgage and promissory note for a combined \$377,956.50 to reflect the value of the old notes and the new \$250,000 loan approved by the CDBG Commission on 1/6/2009; and approve a waiver of the 2009-10 Program Funding Framework to reflect no shared appreciation on the new note.

### Body

YWCA of Madison is undertaking a large rehabilitation project at 101 E. Mifflin Street that includes offices, family shelter rooms, transitional housing, and SRO permanent housing for single women. The CDBG Commission approved \$250,000 to acquire or rehabilitate up to 11 units in the building. The YWCA is also applying for tax credits to help finance the rehab project, setting up a separate LLC to own the property. The consolidation of the outstanding deferred loans with the new loan will make the project more attractive to potential tax credit investors and eliminate additional legal and accounting costs that occur with the property transaction with the LLC.

WHEREAS, CDBG staff and the CDBG Commission have reviewed this proposal by the YWCA of Madison and find that it furthers the goals expressed in the 2005-2009 Five-Year Community and Neighborhood Development Plan and the 2009 Community Action Plan;

WHEREAS, the YWCA's acquisition and rehabilitation of this property will ensure that these units are maintained as affordable housing for at least 15 years;

WHEREAS, the YWCA of Madison wants to repay the existing CDBG loans, and then borrow the aggregate amount repaid as a single new loan without the shared appreciation formula specified in the 2009-10 Program Funding Framework to make the project more attractive to potential tax credit investors

NOW, THEREFORE, BE IT RESOLVED that the Common Council approve satisfying six existing mortgages and promissory notes in the amount of \$127,956.50 that represent CDBG Office financed improvements at 101 E. Mifflin, create a new mortgage and promissory note for a combined \$377,956.50 to reflect the value of the old notes and the new \$250,000 loan approved by the CDBG Commission on 1/6/2009; and approve a waiver of the 2009-10 Program Funding Framework to reflect no shared appreciation on the new note.