



Legislation Text

File #: 18241, **Version:** 1

Fiscal Note

The Resolution authorizes total funding of \$620,320 to assist Madison Development Corporation (MDC) to acquire and rehabilitate rental housing. Funding sources include \$326,708 in Federal HOME Program Income funds, \$162,967 in Federal HOME Match funds and \$130,645 of Neighborhood Stabilization Funds (NSP). The Federal HOME and HOME Match funds will be used to support a long-term deferred loan to MDC totaling \$489,675; the NSP funds of \$130,645 will be awarded as grant funds (as previously authorized via Resolution (Legistar #169894, RES-10-00091, adopted 2/2/10)). Additionally, as a condition of receiving the loan funds, MDC will return to CDBG funding of \$101,000 of other previously approved funding. All funding is available in the CDBG 2010 adopted operating budget.

Title

Authorizing the provision of \$326,708 in Federal HOME Program Income funds, \$162,967 in Federal HOME Match funds and \$130,645 of Neighborhood Stabilization Funds (NSP) to assist Madison Development Corporation to acquire and rehabilitate rental housing.

Body

Madison Development Corporation is a local community-based agency that provides permanent, affordable rental housing to low or moderate income households. MDC acquires and rehabilitates property, and then manages the property as long term affordable housing. Low market prices for rental property and the availability of State of Wisconsin Neighborhood Stabilization Program (WNSP) funds previously awarded to MDC via resolution #16984 for use in acquiring foreclosed properties are providing MDC with an opportunity to acquire units currently under foreclosure as additional, affordable units of rental housing. They plan to acquire 14 affordable housing units on Carling Drive with these NSP and HOME funds.

WHEREAS, the CDBG staff and the CDBG Committee have reviewed this proposal and find that it furthers the goals expressed in the 2010-2014 Five-Year Community and Neighborhood Development Plan and the 2010 Community Action Plan; and

WHEREAS, the successful completion of this project will provide 14 additional permanent, affordable rental housing units for low-income households; and

WHEREAS, this project will assist in the continued stabilization of the Allied Drive Neighborhood.

NOW, THEREFORE, BE IT RESOLVED that the Common Council authorize a long-term deferred loan of \$489,675 and a grant of \$130,645 to Madison Development Corporation to acquire and/or rehabilitate fourteen units of affordable rental housing and authorize the Mayor and the City Clerk to enter into agreements with Madison Development Corporation for \$326,708 in Federal HOME Program Income funds, \$162,967 in Federal HOME Match funds and \$130,645 in Neighborhood Stabilization Funds, all funds to be expended by July 31, 2010.

BE IT FURTHER RESOLVED that the HOME Match assistance be offered on terms adopted in the 2010-2011 Program Funding Framework for Community and Neighborhood Development and the MDC be required to return \$101,000 of their 2010 CDBG Program Income Contract capital funds to the City as a condition of receiving these loan funds.