



## Legislation Text

File #: 23463, Version: 1

### Fiscal Note

Sufficient HOME Match funds are available for this project within the Community Development Division's Housing Development Reserve Fund, which was authorized as part of the CD Division's 2011 Adopted Operating Budget. (The Federal HOME funds for Movin' Out's Rental Housing program, referenced herein, were previously authorized as part of the 2008 and 2011 Adopted Operating Budgets.)

### Title

Authorizing the Mayor and City Clerk to execute a loan agreement with Movin' Out Inc. for up to \$283,759 in HOME Match funds to purchase land at 2100 Winnebago Street on which to construct mixed-income multi-family rental housing.

### Body

#### Background:

Movin' Out, Inc. has proposed redevelopment of a vacant commercial & industrial site located at 2100 Winnebago Street to construct Winnebago Lofts, a 60 unit mixed-income rental development. Winnebago Lofts will provide 56 units of affordable housing for low and moderate income people below 60% AMI and 4 market rate units. HOME and HOME Match funds will be used for acquisition only to create 11 HOME funded units. Movin' Out, Inc. intends to submit a Section 42 Low-Income Housing Tax Credits application in January 2012 for approximately \$12,000,000. Committing a total of \$470,000 in HOME and HOME Match funds in advance of the tax credit application significantly enhances Movin' Out, Inc.'s ability to submit a competitive application. Movin' Out will use its 2011 HOME rental contract funds (\$180,000), plus the remaining balance from its 2008 HOME rental contract funds (\$6,241), in combination with the current request of \$283,759 in HOME Match funds to provide a \$470,000 loan to its affiliated entity, Movin' Out Homes, LLC.

#### Action:

WHEREAS, the CDD 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 2011 Community Action Plan;

WHEREAS, the acquisition and new construction of this property and designation of 11 HOME units will ensure that these units are created and maintained as permanently affordable rental housing for low-income people with disabilities; and

WHEREAS, receipt of the \$283,759 in HOME Match funds from the CDD is contingent upon Movin' Out, Inc. receiving the 2012 tax credit allocation; and

WHEREAS, according to the 2000 Schenk-Atwood-Starkweather-Worthington Park Neighborhood Plan and the Schenk-Atwood Neighborhood Business District Master Plan this project addresses the housing and redevelopment recommendations in each plan;

NOW, THEREFORE BE IT RESOLVED: that the Common Council authorize the City to enter into a long-term deferred loan agreement with Movin' Out, Inc. for HOME Match funds up to \$283,759 to acquire and construct 60 units of rental housing of which 11 units will be secured by a mortgage, promissory note and Land Use Restriction Agreement and remain affordable per the HOME requirements and the written loan agreement, to be expended by December 31, 2012;

NOW, THEREFORE BE IT FURTHER RESOLVED that receipt of the \$283,759 in HOME Match funds is

contingent upon Movin' Out, Inc. receiving a 2012 tax credit allocation.