



Legislation Text

File #: 26921, **Version:** 2

Fiscal Note

\$300,000 is authorized in the 2012 DPCED Adopted Capital budget for the TID 32 Small Cap Loan Program, Project No. 2, TID 32-(Upper State Street) Account No. 823201. If approved, this will be the second loan issued under the program.

Title

SUBSTITUTE Authorizing the Mayor and City Clerk to execute a loan agreement to fund a \$68,828 Mansion Hill-James Madison Park Neighborhood Small Cap TIF Loan to Joan Lin ("Borrower") to purchase and renovate the property located at 322 E. Mifflin Street and convert it from a rental to owner-occupied housing.

Body

WHEREAS on July 1, 2003 the Common Council of the City of Madison adopted Resolution No. 60,678, I.D. 33,974 creating a boundary and Project Plan for Tax Incremental District (TID) #32 - Upper State Street ("District") as set forth by Wis. Stats. 66.1105 ("TIF Law"); and

WHEREAS on July 18, 2006 the Common Council of the City of Madison adopted RES 06-00603 adopting a first amendment to the boundary and Project Plan for the District as set forth by TIF Law; and

WHEREAS on September 21, 2010, the Common Council of the City of Madison adopted RES 10-00758 adopting a second amendment to the boundary and Project Plan for the District as set forth by TIF Law; and

WHEREAS Joan Lin ("Borrower") shall purchase and renovate the property located at 322 E. Mifflin Street ("Property") and be the owner-occupant(s) ("Project"); and

WHEREAS after review of the Small Cap TIF Application and its attachments, staff has concluded that Small Cap TIF assistance in the amount of \$68,828 would stimulate the rehabilitation and conversion of the Property into owner-occupied housing as set forth in the adopted Small Cap TIF program for 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 TID #32 Project Plan and that the City's loan to the Borrower will stimulate redevelopment in TID #32, thereby making more likely an accomplishment of the public purpose objectives set forth in the Project Plan and its amendment, the TIF Law and City TIF Policy.

BE IT FURTHER RESOLVED that funding is subject to the following conditions:

1. The Project. Borrower agrees to purchase and renovate the Property located at 322 E. Mifflin Street, Madison, WI.
2. Form of Assistance. TIF assistance shall be provided in the form of a ten-year deferred zero interest (0%) forgivable loan ("TIF Loan") at closing from the City to Borrower, in the amount of \$68,828 to partially finance Borrower's development of the Project. Of the City loan, \$32,228 will be used for

rehabilitation and \$36,600 will go towards down payment and closing costs. Borrower shall execute a note, mortgage, Loan Agreement, and land use restriction in favor of the City.

3. Property Insurance. Prior to funding, evidence must be provided that a property insurance policy of the proper type and amount of coverage to protect the City's participation has been obtained. The policy shall name the City of Madison as an additional insured mortgagee.
4. Title Insurance. At funding, 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.
5. Affirmative Action [MGO 39.02(9)]. 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 shall contact the City's Affirmative Action Division to assure that Borrower is in compliance with the aforementioned requirements. Borrower shall assist and actively cooperate with the Affirmative Action Division in obtaining the compliance of contractors and subcontractors with such applicable provisions of the MGO. Borrower shall allow maximum feasible opportunity to minority/disadvantaged women business enterprises to compete for any contracts.
6. Accessibility (MGO 39.05). Borrower agrees to meet applicable accessibility accommodations for the Project as required by MGO 39.05.
7. Equal Opportunity and Fair Housing. Borrower shall comply with all applicable local, state and federal provisions concerning Equal Opportunity and Fair Housing.
8. Project Completion. Borrower must guarantee that the construction of the Project will be completed within one year of loan closing.

BE IT STILL FURTHER RESOLVED that the TIF loan to the Borrower is hereby approved in an amount not to exceed \$68,828 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.