



Legislation Text

File #: 37626, **Version:** 1

Fiscal Note

The 2015 Adopted Capital Budget includes \$2 million (\$1,050,000 general obligation borrowing and \$950,000 other sources) to support the two-phase development of up to 110 units of very low cost permanent housing units, which was initiated in 2014. The project will be designed to serve persons who are homeless or recently homeless. It anticipates new construction of housing facilities. The first phase, being undertaken in partnership with Heartland Housing Inc., will develop 60 housing units. Pre-development costs for Phase I were incurred in 2014, and included successful efforts to secure Section 42 Affordable Housing Tax Credits. Construction of Phase I is expected to begin in 2015, with funding from the City, Dane County and other sources. 2015 funds will support construction costs. Funding for Phase II, including pre-development and construction costs, as well as for any potential further development of permanent supportive housing, is provided in the Affordable Housing Fund (2015 Adopted Capital Budget Project No. 42).

MUNIS Code 10588-64-140

Title

Authorizing the Mayor and City Clerk to execute a loan agreement with Heartland Housing, Inc. or an affiliate legal entity, for up to \$1,050,000 for the development of permanent supportive housing at 707-709 Rethke Avenue.

Body

Background

As part of the City's 2015 Adopted Capital Budget, \$1,050,000 of City funds were authorized to support permanent supportive housing in the City of Madison to be developed by Heartland Housing Inc. during 2015.

Additionally, the first phase has been awarded federal low-income housing tax credits (LIHTC) administered by the Wisconsin Housing and Economic Development Authority (WHEDA), funding from Dane County, and private foundation awards.

ACTION

WHEREAS, on October 17, 2013 the Council passed Enacted Resolution No. RES-13-00804 directing the CDA to draft and issue a request for qualifications ("RFQ") for development services relating to the development and financing of housing for homeless adults; and

WHEREAS, the Council passed Resolution No. RES-13-00878 selecting Heartland Housing, Inc. ("Developer") for the provision of development services relating to the development and financing of housing for homeless adults; and

WHEREAS, the City's 2015 Adopted Capital Budget authorized \$1,050,000 of City funds to support the development of permanent supportive housing in the City of Madison by the Developer during 2015; and,

WHEREAS, the Plan Commission granted the Developer Conditional Use Approval to develop a 60 unit apartment building at 707-709 Rethke Avenue with the stated use of permanent supportive housing; and,

WHEREAS, it is anticipated that funds will be offered to the developer in the form of a low-cost loan that will be

deferred until change in use or sale of the property occurs;

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and the Common Council hereby authorize the allocation of up to \$1,050,000 to support the development of permanent supportive housing by Heartland Housing Inc., the specific terms and award amounts to be determined via CDD staff negotiations and in accordance with the recitals of this resolution and other terms stated herein; and,

BE IT FURTHER RESOLVED, that the Common Council hereby authorizes the Mayor and the City Clerk to execute a subordinate loan agreement and related documents with the Developer, the Developer's partner(s), and/or an affiliate LLC; and,

BE IT FINALLY RESOLVED, that the Mayor and the City Clerk are hereby authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records, and take such other actions as shall be necessary or desirable to accomplish the purpose of this Resolution, and to comply with and perform the obligations of the City hereunder.