



## Legislation Text

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File #: 37806, Version: 1

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### Fiscal Note

Sufficient federal CDBG funds are available within the Community Development Division's Housing Development Reserve Fund to provide the requested \$200,000 for this project. Use of this fund was authorized as part of the Division's 2015 Adopted Operating Budget. The use of CDBG funds will have no impact on the City levy.

### Title

Authorizing an allocation of up to \$200,000 in federal CDBG funds to support Porchlight, Inc.'s acquisition of property located at 4130 Lien Road, for the purpose of building 16 units of supportive permanent housing.

### Body

#### BACKGROUND

Porchlight, Inc. is seeking funding to acquire property located at 4130 Lien Road, a 82,882 sq. ft. (1.9 acre) parcel that includes a 21,116 sq. ft. building. CDBG funds will be used to acquire only the vacant portion of the parcel for the purpose of constructing 16 to 21 efficiency-style units of permanent supportive housing. Porchlight will target the units to single adults who are facing homelessness or are at risk of homelessness. In addition to expanding the supply of rental housing, Porchlight will utilize the property's existing building as increased program space for the agency's Porchlight Products. Porchlight Products is a food manufacturing program that provides employment training opportunities to homeless persons with disabilities, and currently operates out of an overcrowded kitchen space located on Brooks Street. The Lien Road building space will afford Porchlight Products the capacity for additional growth, expanding the availability of employment training opportunities provided by the program from 38 to 60 trainees per year.

The allocation of \$200,000 in federal CDBG funds will be contingent upon Porchlight, Inc. demonstrating that it has secured financing sufficient to complete the project and that the agency has received from the City all necessary land use and permit approvals. Further, the funds will be provided to Porchlight in the form of a long-term deferred loan, payable upon the sale, transfer, or change in use of the property. The loan will be secured by a mortgage and a promissory note, and the note will require repayment of a percent of the appraised value of the property, based on the amount of City funds invested in the property, or net proceeds, whichever is less.

#### ACTION

WHEREAS, City staff prepared a report in June of 2013, entitled *Strategies to Provide Affordable Housing with Supportive Services for the Homeless*, that described the housing needs of very low-income individuals; and,

WHEREAS, after review and comments on the report by the Housing Strategy Committee, the CDA, and the CDBG Committee, the Common Council in 2013 accepted the *Strategies to Provide Affordable Housing with Supportive Services for the Homeless* report; and

WHEREAS, the Dane County Continuum of Care's *Community Plan to Prevent and End Homelessness*, which received support from the City, also articulates a strategy to develop additional housing for homeless persons that connects them with supportive services as one approach to reducing homelessness; and,

WHEREAS, the above-described project proposed by Porchlight, Inc. addresses the goals outlined in

the City's *2015-2019 Consolidated Plan* and its *2015 Action Plan*, both of which guide the use of CDBG funds; and,

WHEREAS, funds for this project will be used to acquire a parcel of land on Lien Road upon which Porchlight, Inc. will construct 16 units of permanent supportive housing by April 2016;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council hereby approves the allocation of up to \$200,000 in CDBG funds to Porchlight, Inc. to acquire property located at 4130 Lien Road for the creation of affordable permanent supportive housing; and,

BE IT FURTHER RESOLVED, that the \$200,000 allocation be provided to Porchlight according to the contingencies and terms articulated above; and,

BE IT FINALLY RESOLVED, that the Mayor and City Clerk are hereby authorized to execute a contract and related loan documents with Porchlight, Inc., and to execute, deliver, accept, publish, file and record any and all other documents, instruments, notes and records and take such other actions as shall be necessary or desirable to accomplish the intent of this resolution in a form approved by the City Attorney, and to comply with and perform the obligations of the City hereunder.