File #: 44933, **Version:** 1

Fiscal Note

The proposed resolution demonstrates the City's commitment to create 57 units of Affordable Housing at 7941 Tree Lane. The 2017 Executive Capital Budget was amended by the Board of Estimates (BOE Amendment #2) to appropriate an additional $1.2m to the Affordable Housing project. This amendment is jointly funded: $750,000 as a direct appropriation from the General Fund and $500,000 from reserves in the Affordable Housing Fund. This commitment will allow the project developers to seek WHEDA tax credits when the application period opens during the 1st Quarter of 2017.

Title

Authorizing the allocation of up to $1,250,000 in Affordable Housing Funds to support the development of approximately 57 units of affordable senior housing on property located at 7941 Tree Lane.

Body

BACKGROUND

On June 7, 2016, the Common Council adopted a resolution authorizing the Community Development Authority to purchase property at 7941 Tree Lane and undertake an RFQ process for a development partner for a mixed-income senior housing project at that site. On August 2, 2016, the Council adopted a second resolution selecting CommonBond Communities as the development and property management partner.

This project anticipated the authorization of Affordable Housing Funds (AHF) to assist the developer in financing the project and in securing federal Low-Income Housing Tax Credits (LIHTC) administered by the Wisconsin Housing and Economic Development Authority (WHEDA) in 2017. LIHTCs are allocated through an annual competitive process with applications due by February 3, 2017. The commitment of City funds proposed by this Resolution is intended to improve the competitiveness of a City-supported application to WHEDA.

The project will include approximately 57 units of housing for seniors, 54 of which will be affordable to households with incomes at or below 60% of the county median income. Provided such tax credits are secured, construction is expected to commence early in 2018 and be completed in 2019.

ACTION

WHEREAS, on December 2, 2014 the Common Council enacted Resolution No. RES-14-00906 directing Housing Strategy Committee to develop recommendations for a housing policy that promotes transit oriented housing for seniors. The policy should support safe and affordable housing with access to transit and amenities for older adults; and,

WHEREAS, on February 23, 2016 the Common Council accepted the Senior Housing Chapter of the Biennial Housing Report which recommended the creation of a city-led pilot project consisting of an affordable, mixed-income, transit-oriented senior housing development with a strong connection to services and healthcare on an infill site; and,

WHEREAS, on June 7, 2016, the Council enacted Resolution No. RES-16-00433 authorizing the Community

Development Authority (CDA) to purchase property at 7941 Tree Lane and directing the CDA to conduct a request for qualifications (RFQ) process to select a development partner for an affordable, mixed-income senior housing project at that site; and,

WHEREAS, on August 2, 2016 the Common Council enacted Resolution No. RES-16-00585 recommending the selection of CommonBond Communities for the provision of services as specified in the RFQ including the development, financing, and operation of the senior housing development as well as conducting a robust neighborhood engagement process; and,

WHEREAS, the RFQ offered City financial assistance in Affordable Housing Funds to support such a project, contingent upon the approval of these funds as part of the City's Proposed 2017 Capital Budget and the developer demonstrating the need for any City capital subsidy commitment that may be necessary for the proposed development; and,

WHEREAS, the successful completion of this project addresses the high priority of increasing the supply of affordable housing proximate to transit, services, and other amenities for low-income seniors; and,

WHEREAS, staff recommended awarding up to $1,250,000 in Affordable Housing Funds to support a 57 total units of rental housing, 54 of which are proposed to be affordable to households with incomes at or below 60% of the county median income; and,

WHEREAS, consistent with the terms of the City's AHF program, it is anticipated that funds will be offered in the form of low-cost loans, 50% of which will be amortized over 30 years and repayable over 16 years, contingent upon available cash flow, and 50% of which will have repayment deferred until a change in use or sale of the property occurs; and,

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and the Common Council hereby authorize the allocation of up to $1,250,000 in Affordable Housing Funds to support the CommonBond's Senior Housing development at 7941 Tree Lane; and,

BE IT FURTHER RESOLVED, that the disbursement of City funds will be made contingent upon CommonBond Communities demonstrating that it has (1) secured financing sufficient to complete the project, including 2017 WHEDA LIHTCs; (2) received from the City all necessary land use and permit approvals; (3) satisfied any other City requirements; and (4) provided any other City-requested documentation, including a commitment to a 30-year period of affordability secured by a Land Use Restriction Agreement; and,

BE IT STILL FURTHER RESOLVED, that CDD staff is authorized to provide a letter of funding commitment by February 3, 2017, with the amounts and terms consistent with this Resolution; and,

BE IT FINALLY RESOLVED, that the Mayor and 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 deemed necessary or desirable to accomplish the purpose of this Resolution, and to comply with and perform the obligations of the City hereunder.

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