



Legislation Text

File #: 47417, Version: 1

Title
Amending CDA Resolution 4165
Body
Authorizing the CDA to enter into an Option Agreement with Movin' Out, Inc. and/or its assigns for sale of the property located at 2230 W. Broadway in Madison, WI ~~to include 1918 W. Broadway and 5330 Hoboken~~

WHEREAS, enacted Res-14-00907 approved the transfer of \$500,000 from Tax Increment Financing District #27 to the CDA for the acquisition of 2230 W. Broadway in Madison, WI to facilitate the development of affordable housing within the boundary of TID #27, and

~~WHEREAS, the CDA also owns parcels at 1918 W. Broadway and 5330 Hoboken in Madison, WI located proximate to 2230 W. Broadway, and~~

WHEREAS, Movin' Out, planned to develop affordable housing on the 2230 W. Broadway and a replacement facility for Bridge Lake Point Community Center as part of the development, and

~~WHEREAS, Movin' Out, plans to develop additional affordable housing units on the at 1918 W. Broadway and 5330 Hoboken as part of the development, and~~

WHEREAS, on June 11, 2015 the CDA Board passed a resolution authorizing the CDA to enter into an Option Agreement with Movin' Out, Inc. and/or its assigns for sale of the property located at 2230 W. Broadway in Madison, WI.

NOW THEREFORE BE IT RESOLVED, that the CDA is authorized to amend the option agreement granted to Movin' Out extending the exclusive option to purchase the 2230 W. Broadway property ~~to include parcels located at 1918 W. Broadway and 5330 Hoboken~~ subject to the terms and conditions generally consistent with the terms set forth in Exhibit A.

BE IT FURTHER RESOLVED that the Chair and the Secretary are authorized to execute such documents as are necessary to carry out the intent of this resolution in a form authorized by the City Attorney.

EXHIBIT A

Option Agreement

The CDA will grant Movin' Out, Inc. or its assigns (the "Buyer") the exclusive option to purchase the parcels 2230 W. Broadway, ~~1918 W. Broadway and 5330 Hoboken~~ on the following general terms and conditions:

- a. Purchase Price of \$200,000.
- b. The Buyer may exercise the option to purchase at any time prior to ~~June 1, 2016~~ December 31, 2017 contingent upon
 - a. evidence that Buyer has received an allocation of affordable housing tax credits,
 - b. evidence that Buyer has all land use approvals necessary to construct the Affordable Housing

- Development including replacement space for the Bridge Lake Point Waunona Neighborhood Center,
- c. evidence that such other financing as is necessary to construct the Affordable Housing Development including replacement space for the Bridge Lake Point Waunona Neighborhood Center is in place, and
 - d. the CDA's approval, in its sole discretion of the development plan including but limited to the number, size and affordability of apartments and the provision of space for the Bridge Lake Point Community Center
- e. The parties agree to extend the option to purchase for a period of 12 months at such time as Buyer delivers notice and evidence that the Development has received an allocation of Affordable Housing Tax Credits from WHEDA.

Loan Agreement.

At closing, the City shall accept a mortgage and note from the Buyer in the amount of \$200,000 for the purchase of the property (the "Acquisition Loan"). The Acquisition Loan will have a term of 30-years, an interest rate of 0% and shall be subordinate to all other forms of financing. The Acquisition Loan shall be payable in annual installments but only to the extent there is sufficient cash flow from the Affordable Housing Development.

At Closing, the CDA shall make a loan to Buyer in an amount equal to \$50,000. The CDA loan will have a 30-year term, an interest rate of 0% and shall be subordinate to all other forms of financing. The CDA loan shall be payable in annual installments but only to the extent there is sufficient cash flow from the Development.