



Legislation Text

File #: 48996, **Version:** 1

Title

CDA Resolution 4243 - Rescinding Resolution 4165 and Authorizing the CDA to transfer to Movin' Out, Inc. and/or its assigns for sale of the property located at 2230 W. Broadway in Madison, WI by Warranty Deed with Reversionary Interest

Body

RESOLUTION

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 (the "Property") to facilitate the development of affordable housing within the boundary of TID #27, and

WHEREAS, Movin' Out, planned to develop affordable housing on the 2230 W. Broadway property, and

WHEREAS, on June 11, 2015 the CDA Board passed a resolution (#4136) 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; and

WHEREAS, on May 24, 2017 the CDA Board passed amended Resolution 4165 extending the option through December 31, 2017; and

WHEREAS, Movin' Out has to meet an expenditure goal in order to comply with WHEDA's terms which requires closing on the land and expending \$200,000; and

WHEREAS, in order to assist in complying with WHEDA, the CDA agrees to transfer the Property subject to the remaining conditions of the Option Agreement which will be documented as a reversionary interest.

NOW THEREFORE BE IT RESOLVED, that the CDA will rescind CDA Resolution 4165 granting Movin' Out Inc an exclusive option to purchase the 2230 W. Broadway property.

BE IT FURTHER RESOLVED, that the CDA is authorized to extend a warranty deed with reversionary interest to Movin' Out for the purchase of the 2230 W. Broadway property 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

Agreement

The CDA will grant Movin' Out, Inc. or its assigns (the "Buyer") a warranty deed with reversionary interest for the parcels 2230 W. Broadway, on the following general terms and conditions:

- a. Purchase Price of \$200,000.
- b. The Buyer may purchase the property at any time prior to 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
 - c. evidence that such other financing as is necessary to construct the Affordable Housing Development

- 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.

Loan Agreement.

After closing, the CDA 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.