Legislation Details (With Text)

File #:	89378 **Version:** 1	**Name:**	Authorizing the allocation of up to $2,000,000 of City Affordable Housing Funds to help the Madison Revitalization and Community Development Corporation (MRCDC) finance the rehabilitation and preservation of seven (7) units of rental housing and common ar
Type:	Resolution	**Status:**	Passed
File created:	7/30/2025	**In control:**	Community Development Division
On agenda:	9/2/2025	**Final action:**	9/2/2025
Enactment date:	9/5/2025	**Enactment #:**	RES-25-00481

Title: Authorizing the allocation of up to $2,000,000 of City Affordable Housing Funds to help the Madison Revitalization and Community Development Corporation (MRCDC) finance the rehabilitation and preservation of seven (7) units of rental housing and common area improvements at separate scattered site properties, and the Community Development Authority (CDA) finance the rehabilitation and preservation of eleven (11) units of rental housing at Monona Shores Apartments, and authorizing the Mayor and the City Clerk to enter into Loan Agreements. (District 5, District 10, District 11, District 14, District 16)

Sponsors: John P. Guequierre, Barbara Harrington-McKinney, Dina Nina Martinez-Rutherford, Sean O'Brien, Yannette Figueroa Cole, Bill Tishler, Regina M. Vidaver

Indexes:

Code sections:

Attachments: 1. 080125_CC_public_comment.pdf

Date	Ver.	Action By	Action	Result
9/2/2025	1	COMMON COUNCIL	Adopt	Pass
8/25/2025	1	FINANCE COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
8/7/2025	1	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE	Return to Lead with the Recommendation for Approval	Pass
8/5/2025	1	FINANCE COMMITTEE	Referred	
8/5/2025	1	COMMON COUNCIL	Refer	Pass
7/30/2025	1	Community Development Division	Referred for Introduction	

Fiscal Note

The proposed resolution authorizes the award of up to $2.0 million in Affordable Housing Funds to finance the rehabilitation of rental housing property held by MRCDC and CDA. The resolution proposes awarding $1.64 million to MRCDC for rehabilitation of 7 units at scattered sites and awarding $360,000 to CDA for rehabilitation of 11 units at Monona Shores Apartments. Funding in the form of GO Borrowing is available within the Affordable Housing - Development Projects capital program (program #17110) within the Community Development Division's 2025 Adopted Capital Budget. No additional City appropriation required.

Title

Authorizing the allocation of up to $2,000,000 of City Affordable Housing Funds to help the Madison Revitalization and Community Development Corporation (MRCDC) finance the rehabilitation and preservation of seven (7) units of rental housing and common area improvements at separate scattered site properties, and the Community Development Authority (CDA) finance the rehabilitation and preservation of eleven (11) units of rental housing at Monona Shores Apartments, and authorizing the Mayor and the City Clerk to enter into Loan Agreements. (District 5, District 10, District 11, District 14, District 16)

Body

Background

The Madison Revitalization and Community Development Corporation (MRCDC) was established on September 8, 1998, to invest in, receive, hold, use, and dispose of real or personal property and to engage in related activities to facilitate community redevelopment. The MRCDC is recognized under Wisconsin state law as a non-stock, 501(c)(3) Non-Profit Corporation and is legally separate from the Madison Community Development Authority (CDA). The MRCDC's primary mission is to serve and be accountable to low-income persons and communities through representation on its governing board. The MRCDC has corporate bylaws which govern its operating rules.

On January 1, 2022, the MRCDC acquired 12 scattered site properties (total of 32 housing units) of former Public Housing from the CDA. The MRCDC maintains these properties as affordable housing for families with household incomes at or below 80 percent of the Area Median Income (AMI) through a recorded, long-term land-use restriction (affordability covenant), as required by HUD. The MRCDC has entered into a Section 8 Project-Based Voucher contract with the Madison Housing Authority (CDA) to provide rent subsidies at each rental unit.

Although the properties have been generally well-maintained, the ability to make long-term capital improvements is much more limited. Since it acquired the properties, MRCDC has completed three phases of rehabilitation across the portfolio with financial support from Council-approved Affordable Housing Fund awards (Legistar Files #79138 and #74137). The funding proposed in this resolution (approximately $1.6 million) will support the final phase-completing rehabilitation of the remaining seven (7) units as well as common area improvements-ensuring the entire portfolio meets long-term livability, sustainability and affordability goals.

The remaining funds are needed by the CDA to support the rehabilitation of eleven (11) units at a property it owns at 2 Waunona Woods Ct., in Madison, known as Monona Shores Apartments. The CDA provides affordable housing services to low- and moderate-income households in Madison including at this 104-unit rental property.

The MRCDC's scattered site housing portfolio and CDA's Monona Shores Apartments are valuable affordable housing resources to the City of Madison. As Public Housing, the lack of sufficient financial resources, under the significantly under-funded Public Housing program, prevented needed rehabilitation. Providing the funds to support those investments now will enhance the quality and livability of 18 homes for lower income households today and ensure they remain affordable for current and future tenants.

Action Items

WHEREAS, the Madison Revitalization and Community Development Corporation (MRCDC) was established on September 8, 1998 to invest in, receive, hold, use, and dispose of real or personal property and to engage in related activities to facilitate community redevelopment; and,

WHEREAS, the MRCDC is managed by the Community Development Authority (CDA), but is a separate legal entity; and,

WHEREAS, the MRCDC acquired scattered site properties from the CDA in January 2022, which removed the units from Public Housing program restrictions; and,

WHEREAS, MRCDC and CDA have indicated their commitment to preserving the long term affordability of the units, consistent with the City's goal of maintaining and expanding the supply of affordable housing; and, WHEREAS, MRCDC and CDA have committed to rehabilitating these properties as units become vacant to address capital improvement needs, modernize living conditions, and enhance long-term sustainability; and,

WHEREAS, the CDA owns the 104-unit Monona Shores Apartments property, and needs assistance to rehabilitate units within that development; and,

WHEREAS, the Community Development Division allocates up to $2 million of Affordable Housing Fund dollars annually to support City- and/or CDA-sponsored affordable housing activities such as those described in this resolution; and,

WHEREAS, those funds are currently available to support both the proposed MRCDC and CDA rehabilitation efforts.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council approves awarding up to $1,640,000 of Affordable Housing Funds to the MRCDC to undertake the fourth phase of rehabilitation that will improve 7 housing units and improve common areas within its 32-unit scattered site portfolio; and up to $360,000 to the CDA for the purpose of rehabilitating at least 11 units of housing at its Monona Shores Apartments property; and,

BE IT FURTHER RESOLVED, that the City will provide the funds in the form of a long-term deferred loan, repayable upon sale, transfer or change in use of the property; and the loans will be secured by a mortgage and a promissory note; and,

BE IT FINALLY RESOLVED, that the Council authorizes the Mayor and the City Clerk to execute a contract and related loan documents with the MRCDC and the CDA to carry out the intent of this Resolution.