

## Item 23-0489: Request to approve the Second Amendment to the Development Agreement with Rise Apartments, LLC

Community & Economic Development Committee

Wed, May 10, 2023 6:30PM

### **Alderson Denise Fenton (District 6) 01:10**

We have no public hearings or appearances, so we'll move on to our action items. Number 23-0489 request to approve the Second Amendment to the development agreement with Rise apartments LLC assigned from MF Housing Partners LLC for redevelopment located on North Oneida Street, East Harris Street, and North Appleton street (parcels numbers 31-2-0441-00 31-2-0536-00 and 31-2-0529-00) per attached certified survey maps in the process of being recorded in tax increment financing district number 11 and approve the associated assignment and assumption of the development agreement.

### **Alderson Nate Wolff (District 12) 02:02**

Motion to approve.

### **Alderson Vaya Jones (District 10) 02:03**

Second.

### **Alderson Denise Fenton (District 6) 02:04**

Okay, we have a motion and a second. Who is going to speak to this?

### **Director Kara Homan (Community And Economic Development) 02:09**

It will actually be Matt Rehbein today.

### **Alderson Denise Fenton (District 6) 02:11**

Okay.

### **Matt Rehbein (Economic Development Specialist) 02:12**

I'll take this one. Thank you. So, this project has been before you in the past. You may recall this is a low to moderate income housing project, 48 units in total, 43 of which will be low to moderate income. And it is going to be on three different parcels along North Oneida Street, one south of Harris Street, one north of Harris Street, and then one kitty corner on Packard and Appleton Street will be the parking lot.

### **Matt Rehbein (Economic Development Specialist) 02:47**

When we did the first amendment to this development agreement, the plan was to build the entire project as one multifamily project on the southernmost parcel or the parcel south of Harris Street. Subsequently, the developer has drawn up the plans to do a multifamily project of 40 units on that southernmost parcel, and then eight townhomes on what I'd call the middle parcel, or the one just north of Harris street. So, we are asking to amend the development agreement to reflect including all three of the parcels that will be part of this development.

### **Matt Rehbein (Economic Development Specialist) 03:27**

As in doing that, that affects the TIF contribution with respect to the base value that we have for the project, because we're adding those parcels. We do not anticipate the value will change. It's still going to be 48 units as before. It's just going to be split up differently, and the assessor agrees with that. And so, we need to adjust the

base value. We are not adjusting the amount that we are contributing because we are still anticipating the same assessed value when project is complete. So, all that we're doing with that portion is adjusting the tax ID numbers for—or the parcel ID numbers to reflect that.

**Matt Rehbein (Economic Development Specialist) 04:09**

The other component of what we're doing here is the developer has asked to assign the development agreement originally approved to MF Housing Partners to Rise Apartments LLC, which is an entity owned by the same individuals or the same ownership group. The attorney's office has looked at the assignment and assumption agreement and is fine with the form to that. And so, we're just asking for authorization to sign off on that assignment as well.

**Aldersperson Denise Fenton (District 6) 04:45**

Thank you very much. Any questions? Comments?

**Aldersperson Israel Del Toro (District 4) 04:49**

Question.

**Aldersperson Denise Fenton (District 6) 04:50**

Oh.

**Aldersperson Israel Del Toro (District 4) 04:50**

Yeah.

**Aldersperson Denise Fenton (District 6) 04:51**

Alder Del Toro.

**Aldersperson Israel Del Toro (District 4) 04:52**

Thank you, chair. Quick question on the timeline. Does this amendment change the timeline for proposed completion of the project?

**Matt Rehbein (Economic Development Specialist) 05:01**

It does not. They're still planning to start construction actually very soon.

**Director Kara Homan (Community And Economic Development) 05:05**

Any day.

**Matt Rehbein (Economic Development Specialist) 05:07**

Yeah.

**Director Kara Homan (Community And Economic Development) 05:09**

They're working on buttoning up all of their final agreements. So, we had the ARPA grant agreement. I believe they have a grant agreement they're working through with the county. Finalizing this. And I think some of their WHEDA tax credit paperwork.

**Matt Rehbein (Economic Development Specialist) 05:21**

Yeah, they need to make sure that all of these—that's part of the reason for asking for the assignment is they need certain things to align according to their need. Either it's being requested by their attorneys or their folks

who are looking at the financing, but to finalize that financing package. But as far as construction, yeah, they're looking to get going ASAP.

**Alderson Israel Del Toro (District 4) 05:27**

Thank you.

**Alderson Denise Fenton (District 6) 05:28**

If I could just for—just for clarification from some questions that we've heard. Am I correct in understanding that the mix of multifamily and townhomes is not changing from the original plan?

**Matt Rehbein (Economic Development Specialist) 06:00**

So, the original plan was for multifamily and townhomes. The first amendment went strictly to one multifamily project.

**Alderson Denise Fenton (District 6) 06:11**

Okay.

**Matt Rehbein (Economic Development Specialist) 06:11**

This amendment brings it back to the multifamily and townhomes again.

**Alderson Denise Fenton (District 6) 06:15**

Okay.

**Matt Rehbein (Economic Development Specialist) 06:15**

I believe the first, the original agreement, may have been 45 units or something as well, and now it's 48. So, there may be a couple more, but I'd have to double check that. I don't have that right in front of me.

**Alderson Denise Fenton (District 6) 06:27**

And following up on that, just for clarification, the mix of affordable and market remains the same, 43 being affordable.

**Matt Rehbein (Economic Development Specialist) 06:39**

Correct.

**Alderson Denise Fenton (District 6) 06:39**

And I do understand from talking to Director Homan earlier today that we don't necessarily know where the townhomes fall in that breakdown.

**Director Kara Homan (Community And Economic Development) 06:50**

Right. I did try to connect with the developer prior to the meeting to see if they had an indication of how many of the townhomes might be LMI versus market rate. You know, knowing that there's it—I wasn't able to connect, but knowing that there's 40 units in the mid-rise building and 8 in the townhome complex with 43 total LMI, [**Note: "Low- and Moderate- Income"**] at least some of the townhomes would need to be LMI.

**Alderson Denise Fenton (District 6) 07:15**

Okay. All right. Thank you both very much. Any other questions, comments? All right, hearing none, we have a motion and a second. So, let's go ahead and vote. All those in favor, please signify by saying aye. Chair votes aye. That passes five zero.