

File No. 061034 is a resolution approving the Land Disposition Report for the Redevelopment Authority owned properties in the vicinity of North Dr. Martin Luther King, Jr. Drive and West Hadley Street for sale to Martin Luther King Economic Development Corporation for development of King Commons II, in the 6th Aldermanic District.

Background

1. The Common Council and RACM approved the King Commons development in 2002. The surrounding vacant lots in the King Commons target area – W. Center to W. Locust, N. 1st to N. 7th Streets -- were previously declared blighted and authorized for acquisition as part of the initial approval of the King Commons Initiative in 2002.
2. The property at 2767-79 North King Drive was added to the project in 2003 and Phase I was constructed in 2004.
3. DCD credits the high competition for WHEDA tax-credit allocations as the reason for Phase II of not being developed before the original purchase authorization expired. The developer received a 2006 WHEDA tax-credit allocation for 17 units in April 2006 and expects to receive an additional allocation for the remaining units in early January.
4. RACM conditionally reauthorized the \$10,000 option to purchase on 11/16/2006.

Discussion

5. King Drive Commons II, LLC and the Harambee Ombudsman Project are collaborating to acquire and develop the Phase II which includes scattered site row houses and single family rental units, including 24 affordable housing units financed by the tax credits. Martin Luther King Economic Development Corporation (MLK EDC) is the parent company for King Drive Commons II, LLC.
6. Total project costs are estimated at \$5.2 million. Closing is tentatively set for mid-December 2006.
7. MLK EDC has a 6-month option to submit proposals (until June 12, 2007) to purchase 7 additional properties to build single-family homes for sale to owner occupants. RACM can take back any lots that WHEDA does not provide additional tax credits for.
8. This file approves the Land Disposition Report for the RACM owned properties near N, Dr. Martin Luther King, Jr. Drive and W. Hadley St, for sale to MLK EDC to develop Phase II of King Commons II.

Fiscal Impact

The sales proceeds, estimated at \$10,000 less the 25% RACM administrative fee, will be deposited to the Reserve for Tax Deficit Fund.