CITY OF LA CROSSE

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LEGISLATION STAFF REPORT FOR COUNCIL

File ID
23-0180

Caption
Action on revised purchase price 17-30089-060 - 1123 4th St S

Staff/Department Responsible for Legislation
Jonah Denson / Planning, Community Development & Assessment

Requestor of Legislation
Jonah Denson

Location, if applicable
1123 4th St S

Summary/Purpose
Increase funding request to aquire & demo 1123 4th St S for Affordable Housing Project

Background
A signed offer to purchase for 1123 4th St S was required by 1-26-23 so the developer of The Sandy Terrace development at 4th & Jackson St could move forward with a Low Income Housing Tax Credit application to help fund a multi-family project. This project could leverage over $8 million in tax credits and create 64 units of mixed income housing. All other parcels needed for the project had been secured and razed except for this last parcel. Staff worked hard for a couple years to purchase the property the Council initially approved on March 3, 2021 for $70,000. The seller, Mr. Doug Buchner, expressed his willingness to sell but he wanted to find a replacement property for his current tenants. Multiple offers, all above assessed value, were submitted to Mr. Buchner but all were rejected. Less than a week before the deadline, Mr Buchner & his Realtor met in person with staff and provided a final offer of $310,000. He believed this would be needed to find suitable replacement housing for the tenant. The developer advised the project would not move forward without this parcel so a signed offer of $310,000 pending Economic and Community Development Commission approval was made.

Fiscal Impact
Parcel needed for the developer to apply for tax credits. The project will create 64-units of quality mixed income housing, 13 for individuals experiencing homelessness, 38 low-to-moderate income and 13 market rate units. Estimated

Staff Recommendation
Staff recommends approval of the $310,000 purchase price. The developer will pay $100,000 and staff will apply for a La Crosse County grant of $100,000 for acquisition and demolition. Remaining funds will come from CDBG.