July 17, 2023

TO: Diane McGinnis Casey, Community Development Administrator, City of La Crosse

FR: Nicole Solheim, Vice President-Development, Cinnaire Solutions

RE: The Collective on Fourth – additional funding request

Please accept this request for additonal funding to support the affordable housing development on 4th Street South, now known as *The Collective on Fourth.* The development is primarily composed of parcels currently owned and controlled by the City, and one privately-owned property. Cinnaire Solutions and partner Northernstar Companies were selected by the City following an RFP process in summer/fall 2021.

The City has committed a total of $1,700,000 to date in support of much-needed affordable housing in the community. We are requesting an additional $100,000 to support an increase in the purchase price of the City-owned parcels, which will be increased from $130,000 to $230,000. This increase is due to one of the parcels having a higher acquisition price than expected when the City put it under contract.

Below is a summary budget for the project, including the $100,000 request. I will also provide a presentation to the Economic and Community Development Commission on July 26 to provide an update on the project. Please feel free to reach out with any questions or if additional information is needed. We are excited to move forward with this important development in partnership with the City of La Crosse!

Source	Amount	Use	Amount
9% WHEDA Tax Credit Equity	9,494,800	Acquisition – City Parcels**	230,000
First Mortgage (WHEDA)	3,184,500	Acquisition – Non City Parcels	160,000
FHLBC Affordable Housing Grant	1,000,000	Construction Costs	12,696,500
City Affordable Housing RLF/ARPA	1,700,000	Soft Costs	3,113,000
Additional City Funds*	100,000	Reserves	367,700
WHEDA Housing Trust Funds (Pending)	500,000		
WHEDA Foundation Grant (Pending)	50,000		
Deferred Developer Fee/Owner Equity	537,900		
Total	**$16,567,200**	**Total**	**$16,567,200**

*Requested City Funding
**Previous acquisition price was $130,000