

**2016 STAFF REVIEW OF PROPOSALS FOR
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS**
(Housing Development Funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds, Futures Funds)

1. **Project Name/Title:** Movin Out: Homeownership Downpayment Assistance
2. **Agency Name:** Movin Out, Inc
3. **Requested Amount:** \$216,000
4. **Project Type:** New Continuing
5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**
 - Objective 1.2 Housing Assistance: Improve housing stability for homebuyers, renters, homeless and special needs populations.
 - Homebuyer Assistance: Funds from eligible sources will be available for down payment and closing cost assistance in order to promote affordable housing opportunities for low to moderate income homebuyers.
6. **Product/Service Description:**

Potential homebuyers will use up to \$36,000 of HOME funds for down payment and closing cost assistance. Movin' Out will work specifically with households who have one member, adult or child, with a permanent disability. Movin' Out will provide homebuyer education to all eligible households and send verification of household's eligibility to Community Development staff. Movin' Out may be reimbursed up to 15% of the total amount awarded for these services. The deferred loan will be repaid when the home buyer no longer occupies the property, transfers title or requests a cash-out refinance for non-home improvements. Returned funds are made available to other low income buyers to continue to support Madison affordable housing, in perpetuity.
7. **Anticipated Accomplishments (Numbers/Type/Outcome):**

Additional six housing units will become affordable to purchase by low to moderate income households in 2016.
8. **Staff Review:**

During the CDD 2014 RFP process for 2015-2016 funding, Movin' Out submitted a proposal for up to \$360,000 to provide homebuyer assistance. The organization was successfully awarded \$180,000 in HOME funds for its 2016 program. That contract allocation, plus an additional \$42,188 in program income, permitted Movin' Out to serve seven households in 2016. December 2015, Movin' Out requested and was awarded \$144,000 of HOME funds from Housing Reserve Fund to assist four additional households in 2016.

Over the past 18 years of its CDD-funded program, Movin' Out has been able to assist an average of 12-15 households annually. The supplemental \$216,000 being requested, if approved, would permit the agency to serve an additional 6 clients during the year, providing up to 17 eligible households with down payment assistance in 2016.

Movin' Out participants face barriers in housing choices due to lack of income or accessibility issues due to physical limitations. People with disabilities require stability and continuity for them to be successful in their communities and home ownership supports both of those outcomes. Madison has one of the highest median housing costs in Wisconsin, while people with disabilities, on average, have a lower household income than the general population. Movin' Out's counselors, who are HUD approved counseling providers, offer pre-purchase and post-purchase education to ensure families are successful. Providing education and mortgage reduction options Movin' Out clients are able to obtain affordable housing options stabilizing the household. Movin' Out is highly regarded with competent staff that continues to attend trainings to stay up to date with industry changes. The organization has been awarding these targeted down payment assistance funds for over 18 years. Staff effectively matches homeowners with other available down payment funding sources leveraging the City of Madison's CDD funds to create a feasible mortgage payment for LMI families. Counselors are working in collaboration with many real estate professionals on behalf of the household. Coordination between realtor, human services system, family and support staff, housing authorities, etc is needed for all of the households.

The demand for affordable housing in City of Madison is a priority. A majority of Movin' Outs clients are below 60% CMI and have a fixed monthly income such as federal assistance (SSDI). The median price of housing in Madison increasing each year and is currently \$244,900. The gap needed to address the affordability of

housing payments for LMI households can be provided by down payment assistance. In addition, potential homeowners can access the current housing market which allows for the creation of mixed-income communities.

Staff Recommendation

Staff recommends that Movin' Out be funded for six units of down payment assistance at the 2015-2016 CDD Goals and Priorities level of \$36,000 per household and that the organization's existing 2016 contract be amended to include the additional \$216,000 from the Housing Reserve Fund.