

**2008 STAFF REVIEW OF PROPOSALS FOR  
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS  
(Housing Development Funds, Affordable Housing Trust Funds,  
Facility Acquisition/Rehab Funds, Futures Funds)**

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1. **Project Name/Title:** Hilldale: The Heights
2. **Agency Name:** Wisconsin Partnership for Housing Development, Inc.
3. **Requested Amount:** \$46,000
4. **Project Type:**                      New      Or      X      Revision of Existing Contract

5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**

B: Housing for Buyers: Increase opportunities for homeownership for low and moderate-income households.

6. **Product/Service Description:**

The Wisconsin Partnership for Housing Development is securing funds to provide down payment subsidy loans to assist the buyers of 1 IZ Unit in the new development at Hilldale.

7. **Anticipated Accomplishments (Numbers/Type/Outcome):**

One unit of affordable housing for an income eligible homeowner.

8. **Staff Review:**

WPHD had received \$292,320 in Home/Home Match Funds to provide loans to lower income families, at 70% AMI or less, in order to enable them to purchase IZ units in the Hilldale development. The development plans for the Hilldale property have changed and the new units will no longer be constructed.

Freed and Assoc, the developer of Hilldale has offered one of the eligible buyers one of the Hilldale Row Town home units at the IZ set price for the Heights units, with all the IZ requirements to be attached. This loan would carry a minimum 15-year period of affordability and make an otherwise non-affordable unit in the Town homes affordable. The unit would be subject to all the typical IZ unit terms, like appreciation recapture and City holding the first option to purchase.

WPHD will continue to work with this one eligible buyer to determine exactly how much assistance the buyer needs and will tailor the loan amounts to meet that need.

**Total Cost/Total Beneficiaries Equals:** \$46,000/ 1 household

**CD Office Funds/CD-Eligible Beneficiaries Equals:** \$46,000

**CD Office Funds as Percentage of Total Budget:**

9. **Staff recommendation:**

Approve the use of \$46,000 CD Office funds under the general terms of the 2007-2008 Program Framework for the one buyer already identified for a unit in the Heights.

Require that a minimum 15 year period of affordability be tied to the loan if the total amount of assistance exceeds \$40,000 and that loan be made only to a household at 70% AMI or less of County median income.

Allow disbursement of the administrative funds portion of the contract on a loan-by-loan basis as each loan is closed.

<b>Technical and Regulatory Issues</b>	<b>Project information</b>
Within unit, capital, mortgage limits	Yes
Within Subsidy layering limits/ analysis	Yes
Environmental Review issues	No
Eligible project	Yes
Conflict of interest	No
Church/State issues	No
Accessibility of program	Yes
Accessibility of structure	Yes
Lead-based paint issues	No
Relocation/displacement	No
Zoning restrictions	No
Fair Labor Standards	No
Vulnerable populations	No
Matching Requirement	No
Period of Affordability for HOME funds	15 years
IZ Enhancement Benefits or issues	Yes
Supplanting issues	No
Living wage issues	No
B.A.D. building process	No
MBE goal	Yes
Aldermanic/neighborhood communication	No
Management issues:	No

**Review Criteria for Using CD Office Funds in IZ Projects  
Wisconsin partnership for Housing Development**

<p>% Of CD Office Funds expended Year to Date for IZ Related Projects</p> <p>Within 20% limit?</p>	<p>\$408,000 to Madison Area CLT to acquire IZ Units as part of their scattered site program.</p> <p>Yes</p>
<p>Will Funding this Project meet one or more of the Participation Rules for IZ projects and to what extent?</p>	
<p>1. Longer Term of Affordability</p>	<p>IZ does not have a period of affordability. These units would have a minimum of a 10-year period of affordability.</p>
<p>2. Sale to Lower AMI Range Buyer</p>	<p>IZ Requires: By requiring, as staff recommends, that the loans only be used for households at 70% AMI or less this project will be providing assistance to a lower range of incomes than required by the IZ program.</p>
<p>3. More Units than Required Under IZ</p>	<p># Affordable Units Required Under IZ <u>    0    </u> # Affordable Units Proposed Using CD Funds: <u>    1    </u></p>
<p>4. Affordable Units Available Sooner</p>	<p>Time line for Units Under IZ? 2008 Time line for Units Under this proposal? 2008 This funding should enable a lower income household to make a commitment to buy this unit earlier than they would otherwise be able to.</p>
<p>5. Location of IZ project: Geographically Diverse from other CD Office Assisted Project? (This should be matched with another of the CD into IZ criteria as the IZ Units will be geographically diverse without CD funding)</p>	<p>We have no other CD assisted units in this area of Madison. The near west side has traditionally been so high cost that the typical amount of CD assistance available per unit has not been able to bridge the affordability gap.</p>
<p><b>STAFF RECOMMENDATION:</b></p> <p>Approve the additional \$46,000 in CD Office funds under the general terms of the 2007-2008 Program Framework. Require that a minimum 15 year period of affordability be tied to each loan and that loans be made only to families at 70% AMI or less of County median income. Allow disbursement of the administrative funds portion of the contract on a loan-by-loan basis as each loan is closed.</p>	