

**STAFF REVIEW OF PROPOSALS FOR
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS
(Housing Development Funds)**

- 1. Project Name/Title:** Northport Commons
- 2. Agency Name:** Habitat for Humanity of Dane County
- 3. Requested Amount:** \$560,000 in HOME, HOME MATCH or Housing Trust Funds
- 4. Project Type:** X New or Continuing (Prior Year Level \$)

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

B. Housing for Buyers

6. Product/Service Description:

Habitat intends to construct up to 25 new housing units on the remaining parcels on the site.

This proposal seeks Commission approval for \$560,000 of funds to assist in the land acquisition and construction costs for up to 10 of those affordable housing units.

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

10 new affordable housing units for families at < 60% of the median income will be constructed, with resale and recapture covenants for future buyers.

8. Staff Review:

Date of Review: 02/27/08

Previously the City provided \$570,000 in assistance to C-Cap corporation to develop this property on Madison's northside into single family units and town homes for sale to households at, 80% AMI. The C-Cap development completed sales of 4 of the CDBG assisted units to income eligible households but has been slowed by the housing market and by the need to find buyers for each unit. Habitat, because of its unique model of building for families already chosen would not have this problem and would be able to complete the development of units for sale to LMI families. Habitat is seeking to buy the property from C-Cap with the help of our funds which will allow C-Cap to repay the CDBG funds we invested in the property and us to invest HOME funds in the property which were unavailable at the time we entered into the original contract with C-Cap in 2003.

The funds will be used for acquisition of the land and costs related to construction of the 10 new units and passed on as second mortgage loans to the homebuyers at the time of sale per the terms of the CD Office Program Framework.

Total Cost/Total Beneficiaries Equals:	\$2,291,000/25homes = \$91,640 per home
CD Office Funds/CD-Eligible Beneficiaries Equals:	\$560,000 for 10 homes for low income first-time homebuyers
CD Office Funds as Percentage of Total Budget:	24.4% of the acquisition and construction budget for the 10 homes

9. Staff Recommendation:

Approve the request for \$560,000 HOME or HOME Match funds for the acquisition and new home construction. Require that the transaction involve the sale of the property to Habitat by C-Cap so that the original CDBG funds are repaid by C-Cap. Require Habitat to pass the funds through to the buyers following the underwriting and security rules of the CD Office Program Framework.

Require 1 of the houses to be constructed to meet the accessibility needs of a person with disabilities.

Habitat 's Board has indicated that they will market some of the lots or parcels as market rate lots, or offer them for sale to other non-profit agencies whose buyers have higher income levels as the way to assure a mix of incomes in the development of this site.

Technical and Regulatory Issues	Project information
Within unit, capital, mortgage limits	Yes
Within Subsidy layering limits	Yes
Environmental Review issues	None Identified
Eligible project	Yes
Conflict of interest	None reported
Church/State issues	No
Accessibility of program	Addresses this requirement
Accessibility of structure	At least 1 of the houses will be constructed for a disabled household
Lead-based paint issues	None identified (new construction)
Relocation/displacement	No
Zoning restrictions	No
Fair Labor Standards	No
Vulnerable populations	No
Matching Requirement	No
Period of Affordability for HOME funds	Applies – 15 years
Supplanting issues	None
Living wage issues	Would need to meet this requirement
B.A.D. building process	Not applicable
MBE goal	Not applicable
Aldermanic/neighborhood communication	Supportive of Project
Management issues:	None