

**PROPOSAL REVIEW: Individual Staff Review for 2011-2012
For Community Resources Proposals to be Submitted to the
CDBG Committee**

1. **Program Name:** Program A (Housing for Homebuyers)

2. **Agency Name:** Movin' Out Inc

3. **Requested Amounts:** 2011: \$360,000
 2012: \$360,000 **Prior Year Level: \$270,000**

4. **Project Type:** New Continuing

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

- | | |
|---|---|
| <input type="checkbox"/> A. Housing – Owner – occupied housing | <input type="checkbox"/> J. Improvement of services to homeless and special populations |
| <input checked="" type="checkbox"/> B. Housing – Housing for homebuyers | <input type="checkbox"/> X. Access to Resources |
| <input type="checkbox"/> D. Housing – Rental housing | <input type="checkbox"/> K. Physical improvement of community service facilities |
| <input type="checkbox"/> E. Business development and job creation | |
| <input type="checkbox"/> F. Economic development of small businesses | |
| <input type="checkbox"/> L. Revitalization of strategic areas | |

6. **Anticipated Accomplishments (Proposed Service Goals)**

Creation of 8 owner occupied units for LMI households. Movin' Out will provide acquisition and counseling assistance to 8 LMI households where at least one member of the household has a permanent disability.

7. **To what extent does the proposal meet the Objectives of the Community Development Program Goals and Priorities for 2011-2012?**

Staff Comments: Objective B- Housing for Homebuyers, Increase in homeownership opportunities for low and moderate income households. Given that people with disabilities, on average, have a lower household income than the general population this program will increase homeownership opportunities to those in significant need of assistance. Movin' Out is a HUD approved counseling agency which can provide homeowners with extensive face to face homebuyer education pre and post purchase.

8. **To what extent is the proposed program design and work plan sufficiently detailed to demonstrate the ability to result in a positive impact on the need or problem identified?**

Staff Comments: This has continuously been a very successful program. Movin' Out counselors are one of the few HUD approved counseling agencies in City of Madison. They offer a great amount of support and coaching throughout the whole purchase transaction. The average down payment for each household would be \$38,250. An analysis of the current market prices shows this would create a feasible mortgage payment for most LMI families. Turnover of Movin' Out assisted homes is very low creating long term affordable housing for households.

9. **To what extent does the proposal include objectives that are realistic and measurable and are likely to be achieved within the proposed timeline?**

Staff Comments: Timeline is acceptable. Movin' Out has a solid track record of using all CDBG funds.

10. **To what extent do the agency, staff and/or Board experience, qualifications, past performance and capacity indicate probable success of the proposal?**

Staff Comments: Program has been successful in the past. Capacity of staff can handle the workload for 2011-2012. Movin' Out is highly regarded with competent staff who continue to attend training to stay up to date with industry changes.

11. **To what extent is the agency's proposed budget reasonable and realistic, able to leverage additional resources, and demonstrate sound fiscal planning and management?**

Staff Comments: Homeowners often take advantage of other smaller down payment funding sources offered in City of Madison. Examples include FHLBC AHP, Home Buy, HCRI and ADDI. Movin Out effectively matches the appropriate funds for each homeowner needed for the purchase. CDBG funds are 30% of the funds used for this program. This budget is reasonable to run the program with all of the sources that Movin' Out is requesting.

12. **To what extent does the agency's proposal demonstrate efforts and success at securing a diverse array of support, including volunteers, in-kind support and securing partnerships with agencies and community groups?**

Staff Comments: Movin Out works with many other agencies to create a straightforward transaction for each household. They work with area Realtors, lenders and housing authorities to provide assistance to homeowners. The do

not use volunteers to run this program, however they have asked former recipients to volunteer their time to market their program to interested parties.

13. To what extent does the applicant propose services that are accessible and appropriate to the needs of low income individuals, culturally diverse populations and/or populations with specific language barriers and/or physical or mental disabilities?

Staff Comments: Program is open to any LMI household where at least one member has a permanent disability. Movin' Out works with third party translators when needed and works closely with additional family members/caretakers when the need arises. Movin' Out works closing with households with physical disabilities to make sure the units are accessible for all.

14. To what extent does the proposal meet the technical and regulatory requirements and unit cost limits as applicable? To what extent is there clear and precise proposal information to determine eligibility?

Staff Comments: Movin' Out is familiar with all CDBG underwriting guidelines. They will try to maximize the total unit cost for each unit by using additional funding offered through the office such as ADDI and Home Buy. Movin' Out staff understands the units cannot exceed the max amount of funds. The Movin' Out staff is familiar with all Minimum Housing Code and Lead-Based Paint Inspections required of the CDBG office and work with the borrower to fix all issues prior to closing date.

15. To what extent is the site identified for the proposed project appropriate in terms of minimizing negative environmental issues, relocation and neighborhood or public concerns?

Staff Comments: Sites have not been determined at this time. Movin' Out is familiar with all CDBG guidelines related to Environmental Review, minimum housing codes and Voluntary Sale of properties.

16. Other comments: Movin' Out is a CHDO and can make use of the required 15% of set aside HOME funds to be used for CHDO activities.

Questions:

1. Capital Budget has average first mortgage amount at \$101,750, monthly principal and interest payment at this loan amount is \$546 at stated 5% rate. Is this a reasonable estimate to the actual first mortgage amount on average Movin' Out clients can afford?

17. Staff Recommendation

- Not recommended for consideration
- Recommend for consideration
- Recommend with Qualifications
Suggested Qualifications: