

**2014 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 Down Payment Assistance
2. **Agency Name:** Movin' Out, Inc
3. **Requested Amount:** \$108,000
4. **Project Type:** New Continuing
5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**
Objective B: Housing for Buyers; II. 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:**
First time homebuyers will use up to \$30,000 of HOME funds for down payment assistance with the purchase of their first home. Movin' Out will work specifically with households who have one member, adult or child, with a permanent disability. By providing a no interest, deferred loan, the first mortgage is lowered enough to make monthly payments affordable to low-income households. The loan is repaid when the buyer no longer occupies the property and the money is then available to other low-income buyers to continue to support Madison affordable housing, in perpetuity.
7. **Anticipated Accomplishments (Numbers/Type/Outcome):**
Three housing units will become affordable to purchase for low to moderate income households in 2014.
8. **Staff Review:**
Movin' Out offers a great amount of support and coaching throughout the purchase transaction. 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 18 years. Staff effectively matches homeowners with other available down payment funding sources, leveraging City of Madison's CDD funds to create an affordable mortgage payment for LMI families. Movin' Out counselors work in collaboration with a diverse array of organizations as well as the lender 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.

Movin' Out's 2014 contract award amount was \$219,515 of HOME funds. At this time the full amount of the contract has been reserved for households anticipating a 2014 closing date. An average of Movin' Out's disbursements for the last three years is \$381,021 and the organization assisted a total of 32 households between 2011 and 2013. An investment summary describing the history of Movin' Out's homeownership program is attached.

The demand for affordable housing in City of Madison is high. 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 is currently \$231,000 and interest rates have begun to increase for private financing. The gap needed to address the affordability of housing payments for LMI households can be provided by down payment assistance. In addition, this program allows potential homeowners to access the current housing market thus supporting the creation of mixed-income communities.

The staff recommendation is to fund Movin' Out for three units of down payment assistance at the 2013-2014 CDD Goals and Objectives level of \$36,000 per household or \$108,000 total. CDD staff recommends the existing 2014 contract be amended to include this total of \$108,000 from the Housing Reserve Fund.

Total Cost/Total Beneficiaries Equals:

\$531,000/ 3 households= \$177,000 per unit price

CD Office Funds/CD-Eligible Beneficiaries Equals:

\$108,000/3 households= \$36,000

CD Office Funds as Percentage of Total Budget: 20%