

**2013 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:** \$180,000
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 household. 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):**
Additional five housing units will become affordable to purchase for low to moderate income households in 2013.
8. **Staff Review:**
Movin' Out offers a great amount of support and coaching throughout the whole 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 17 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 sources besides a 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 2013 contract was awarded at \$241,597 of HOME funds. At this time the full amount of the contract has been reserved for households anticipating a 2013 closing date. A total of five homeowners have already closed in 2013 which expended \$180,000 of the contract. The remaining funds are expected to close in the next 90 days.

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 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, potential homeowners can access the current housing market which allows for the creation of mixed-income communities.

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%
9. **Staff recommendation:**
Staff recommendation is to fund Movin' Out for at least 3 units of down payment assistance at the 2013-2014 CDD Goals and Priorities level of \$36,000 per household. CDD staff is recommending the 2013 contract be amended an additional \$108,000 from the Housing Reserve Fund. Funding for all five units is not recommend as counselors are working with 6 households statistically 50% will not be ready to purchase until 2014 which can be funded with Movin' Out's 2014 HOME contract which has already received preliminary commitment. Staff is closely monitoring the need for down payment assistance available through Movin' Out and the Community Development Division (ADDI Program) which will both need to access Housing Reserve Funds to keep programs available to the public.