

Legislative Agenda Topic: Housing

GOAL: Improve housing

ISSUES: Affordable housing is a critical issue for the low-income community in Madison, more affordable housing is needed. The City should also encourage housing that will keep middle income families in Madison. The City may want to explore opportunities to renovate rundown housing. The City working alone cannot build sufficient housing to meet these needs; it must explore opportunities to encourage private development and should consider options to improve the Small Cap TIF program.

BACKGROUND: This section contains information about selected housing programs available to Madison residents. Please see the attached loan history which provides information on the number of loans issued for Community Development Authority Rehabilitation, Home Buyers Assistance Loans and the Home-Buy Down Payment Assistance Loans.

Healthy Neighborhood Initiative – Meriter

The Healthy Neighborhood Initiative is an employer assisted housing loan program. Property is located in the Green Bush-Vilas area. City participated in 2 loans during 2012 on 2 single family owner-occupied properties. The loans total \$20,000 and are deferred loans.

Community Development Authority

The Community Development Authority (CDA) Housing Operations Division administers 766 public housing units at 40 locations in the City of Madison for low-income families, people over the age of 50, and individuals with disabilities. In addition, CDA administers the Section 8 Rental Assistance Program providing assistance to approximately 1,364 low-income households in the City of Madison.

Community Development Authority redevelopment services include active projects such as; Lake Point condominiums, The Village on Park, public housing redevelopment at Truax Park and the Allied Drive Neighborhood Redevelopment. The CDA also operates close to 200 affordable apartments with long term rent restrictions but no federally funded operating subsidy. Total expenditures for CDA Redevelopment in the 2013 Proposed Executive Budget is \$3,631,787.

Section 8 Voucher Program

The Section 8 Voucher Program provides rental assistance for low-income families to secure decent, safe, and sanitary housing. Participants can take the Housing Choice Voucher and use it to rent properties in the private market within the Madison city limits. The program is federally funded through the Department of Housing and Urban Development (HUD) and administered by the Community Development Authority (CDA). Due to limited federal funding, the Section 8 Housing Choice Voucher Program waiting list is closed to new applicants.

Small Cap TIF Program

The Mansion Hill Neighborhood has a Small Cap TIF Program which helps homebuyers to purchase and rehabilitate a home in the Mansion Hill – James Madison Park Neighborhood. The

program provides 0% interest forgivable second mortgage loans to eligible borrower(s) to finance a portion of the purchase price and rehabilitation costs of an eligible property. The maximum loan amount is \$60,000 for a one unit; \$70,000 for a two unit; and \$80,000 for a three unit. To date Madison has issued two loans totaling \$138,828 on four units

Home-Buy

The proposed 2013 Executive Operating Budget for the Home-Buy Fund is \$385,500.

The HOME-BUY (Down Payment/Closing Cost Assistance Loan) Program will provide a mortgage loan, up to \$5,000, with no interest and no monthly payments to eligible homebuyers to partially cover the down payment/closing costs of the first mortgage loan. The loan will become due and payable, when the property is no longer owner-occupied or the first mortgage is refinanced. In 2013, matching funds will be available to assist Home-Buy borrowers purchasing homes in the Allied Drive Phase 2 development. The Home-Buy program began in August of 1991 and through 2011 has assisted approximately 673 households for an approximate total investment of \$2.5 million.

Home Buyers Assistance Loan

The Home Buyers Assistance Loan supports the purchase of a 1-8 unit property in the City of Madison which will be owner occupied. These funds are used for down payment/closing costs and rehabilitation.

American Dream Downpayment Initiative

The Madison American Dream Downpayment Initiative, funded by the U.S. Department of Housing and Urban Development (HUD), provides low-income homebuyers with loan assistance for down payment and closing costs.

The loan assistance is a deferred long-term loan ranging from a minimum of \$1,000 to a maximum of 6% of the purchase price not to exceed \$10,000. The loan amount will depend upon the need and the availability of funds. The loan assistance will not exceed the amount necessary for the homebuyer to purchase the property.

Housing Rehabilitation Services

The proposed 2013 Executive Operating Budget for Housing Rehabilitation Service is \$1,013,909.

The purpose of the Housing Rehabilitation Services Program Installment Loan is to provide financial incentives to upgrade eligible housing units in need of rehabilitation, resulting in an improved housing stock. To accomplish this goal the City provides interest bearing loans, below market rate, to eligible families as well as providing certain technical assistance. Deferred payment loans are available to single-family homeowners at or below 80% of County median income, and installment loans are available to property owners who own a 1 -8 unit building. In 2013, funding will continue to be available for loans to owners of 2-8 unit buildings on Lake Point Drive to enhance the exterior quality and aesthetics of their buildings. The HRSP was established in 1974 and through 2011 has closed 1,762 loans to assist 2,937 units for a total investment of \$29,509,329.

MOVING FORWARD:

Relevant City Departments and Committees:

Building Code, Fire Code, Conveyance	• Department of Civil Rights
Code & Licensing Appeals Board	• Planning & Community & Economic
Community Development Authority	Development
Community Development Block Grant	• Public Health Madison & Dane County
Committee	
Community Services Committee	
Commission on People with Disabilities	
Economic Development Committee	
Education Committee	
Board of Estimates	
Landmarks Commission	
Madison Development Corporation	
Board of Directors	
Plan Commission	
Urban Design Commission	

External Partners:

State of Wisconsin - Housing Cost Reduction Initiative (HCRI)
Housing and Urban Development (HUD)
Operation Fresh Start
National Low-Income Housing Coalition
Movin' Out
Project Home
Wisconsin Community Action Partnership (WISCAP)
Wisconsin Partnership for Housing Development

Timeline and Milestones:

Adjustments in loan distributions and program funding can take place within a year or two. Changes to housing stock both in amount and quality will occur over the next five to ten years.

Home-Buy Down Payment Assistance Loans

	No. of Loans	\$ Amount	10-Year Forgivable Loans	Grants
8/27/91 - 12/31/91	13		\$24,650	
1992	27		\$61,855	
1993	19		\$41,261	
1994	22			\$48,674
1995	96			\$106,731
1996	4	\$8,594		
1997	20	\$56,451		
1998	13	\$29,580		
1999	8	\$20,000		
2000	16	\$40,000		
2001	14	\$35,000		
2002	15	\$46,400		
2003	31	\$96,100		
2004	42	\$130,200		
2005	35	\$108,500		
2006	31	\$136,400		
2007	61	\$361,500		
2008	63	\$379,650		
2009	66	\$364,636		
2010	44	\$234,100		
2011	33	\$200,000		
2012	39	\$242,000		
Totals	712	\$2,489,111	\$127,766	\$155,405
GRAND TOTAL:		\$2,772,282		
as of 9/30/12				

Home Buyers assistance statistics

year	#Loans	# Units	Total \$
2012 (through Sept)	6	6	210,000
2011	4	5	170,000
2003-2010	29	36	1,120,875
2002	2	3	50,000
2001	7	8	120,000
2000	4	8	150,000
1999	10	19	360,000
1998	5	9	140,000
1997	9	13	234,400
1996	1	1	20,000
1995	4	9	138,750
1994	2	6	72,500
1993	0	0	0
1992	3	5	82,400
1991	3	3	47,850
1990	4	6	102,700
1974-1989		89	896,175

Total 1990 through 9/2012 137 Units \$ 3,019,475
Total 1974 through 9/2012 226 Units \$ 3,915,650

CDA Rehabilitation Loan History Report

Year	# of Loans	# of units	Dollars
1974-1984	394	853	7,575,600
1985	53	114	485,650
1986	42	88	764,750
1987	35	173	491,050
1988	34	66	503,875
1989	31	82	713,875
1990	57	83	561,125
1991	51	76	647,500
1992	52	128	981,000
1993	49	123	777,150
1994	78	95	1,011,700
1995	73	99	1,223,325
1996	64	75	858,050
1997	66	71	918,600
1998	53	59	736,450
1999	84	90	1,227,900
2000	63	69	904,900
2001	47	54	685,250
2002	46	51	685,450
2003	58	64	1,027,800
2004	40	57	757,000
2005	51	105	1,015,900
2006	35	38	660,100
2007	45	46	960,125
2008	58	71	1,322,504
2009	40	40	729,400
2010	37	39	729,000
2011	26	28	554,300
2012 through Sept	24	24	\$493,100
Totals 1985-2012	1368	2084	\$22,426,829
Total History to Sept 30, 2012	1762	2937	\$30,495,529