

**2016 STAFF REVIEW OF PROPOSALS FOR  
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS**  
(Housing Development Funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds, Futures Funds)

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1. **Project Name/Title:** Movin' Out: Homeownership Down Payment Assistance
2. **Agency Name:** Movin' Out, Inc
3. **Requested Amount:** \$144,000
4. **Project Type:**  New  Continuing
5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**
  - Objective 1.2 Housing Assistance: Improve housing stability for homebuyers, renters, homeless and special needs populations.
  - Homebuyer Assistance: 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 Community Development Division (CDD) funds for down payment assistance. Movin' Out will work specifically with households who have one member, either an adult or a child, with a permanent disability. By providing a no interest, deferred loan, the first mortgage will be lowered enough to make monthly payments affordable to low-income households. The loan will be repaid when the buyer no longer occupies the property.
7. **Anticipated Accomplishments (Numbers/Type/Outcome):**

Four housing units will become affordable to purchase for low- to moderate-income households in 2016.
8. **Staff Review:**

During the 2014 CDD summer funding process, Movin' Out applied for \$360,000 to be used for homebuyer assistance during 2016. The organization was ultimately awarded \$180,000 in HOME funds. In addition, Movin' Out has \$42,188 in program income that it will use under its 2016 contract. The total amount of the 2016 contract at this time is \$222,188. That amount will be used to serve seven households. The average number of households served by Movin' Out each year with CDD funds is 10-13. If awarded the additional \$144,000 being requested, Movin' Out anticipates being able to serve a total 11-12 households in 2016.

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 \$231,500 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.

Movin' Out offers a great amount of support and coaching throughout the purchase transaction. The organization is highly regarded, with competent staff that continues to attend trainings to stay up to date with industry changes. Movin' Out has been awarding targeted down payment assistance funds for 18 years. Their 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.

Staff recommends providing Movin' Out \$144,000 in CDD Housing Reserve Funds for four additional units of down payment assistance. This total is \$36,000 per household, the level set by the 2015-2016 CDD Goals and Objectives. CDD staff further recommends that Movin' Out's 2016 contract be amended to include this total.
9. **Staff recommendation:**