City of Madison

City of Madison
Madison, WI 53703
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Legislation Details (With Text)

File #:	15807	**Version:**	1	**Name:**	Authorizing the use of Federal HOME funds in an amount not to exceed $250,000 to provide additional down payment assistance to qualified homebuyers as part of the City's American Dream Down payment (ADDI) program, and authorizing the Mayor and Clerk to ex
Type:	Resolution			**Status:**	Passed
File created:	8/26/2009			**In control:**	BOARD OF ESTIMATES (ended 4/2017)
On agenda:	10/6/2009			**Final action:**	10/6/2009
Enactment date:	10/8/2009			**Enactment #:**	RES-09-00838

Title: Authorizing the use of Federal HOME funds in an amount not to exceed $250,000 to provide additional down payment assistance to qualified homebuyers as part of the City's American Dream Down payment (ADDI) program, and authorizing the Mayor and Clerk to execute any associated agreements as required.

Sponsors: Shiva Bidar, Tim Bruer, Marsha A. Rummel

Indexes:

Code sections:

Attachments: 1. ADDI request Letter.pdf

Date	Ver.	Action By	Action	Result
10/6/2009	1	COMMON COUNCIL	Adopt	Pass
9/21/2009	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
9/15/2009	1	COMMON COUNCIL	Referred	
9/3/2009	1	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE	Referred for Introduction	

Fiscal Note

Funding of $250,000 in Federal HOME funds is available in the Housing Development Fund to cover the costs of this project.

Title

Authorizing the use of Federal HOME funds in an amount not to exceed $250,000 to provide additional down payment assistance to qualified homebuyers as part of the City's American Dream Down payment (ADDI) program, and authorizing the Mayor and Clerk to execute any associated agreements as required.

Body

The Federal Department of Housing and Urban Development (HUD) initiated a funding stream in 2004 through the Federal HOME program for larger local jurisdictions to provide down payment assistance to eligible homebuyers (80% of the area median income and below). The Council approved local guidelines for the program in 2005 and the Community Development Division began making these loans in July 2005. During the first four years, under the policy guidance of the CDBG Committee, the Division has committed over $1.2 million to serve 151 households.

Homebuyers are provided a loan in the amount of 6% of the purchase price not to exceed $10,000. The loan is a long term deferred loan and is due and payable when the property is sold or no longer the primary resident of the buyer. The repayment is based on the loan amount plus a proportional share of equity. The average ADDI loan amount is $8,299.

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PROJECT:
The Community Development Division has worked with realtors, lenders, the CDA Unit, community-based groups and associations to market the program, and leverage other resources for families. The Division expects to commit all of the remaining HOME ADDI program funds by the end of December, and would be compelled to shut down the program until additional funds are allocated. At this point in the 2009 program year, the Community Development Division concludes that there are sufficient funds within the Housing Development Fund to provide an additional level of support to the ADDI program, and meet the estimated level of demand for these funds.

ACTION:
WHEREAS, the Common Council has adopted a five-year Community and Neighborhood Development Plan which identifies affordable housing as a critical issue within the community, and outlines a set of strategies and priorities to address those problems using community-based groups; and,

WHEREAS, the HOME Program, as amended, and its implementing regulations located at 24 CFR 92.200 ff., permit the City of Madison to use HOME funds to provide down payments for lower income persons; and,

WHEREAS, the City has sufficient Federal HOME funds available within its Housing Development Fund to provide long term affordable housing to lower income households; and,

WHEREAS, CDBG staff and the CDBG Committee have reviewed this proposal for funds and find that it furthers the goals of the CDBG program expressed in the Five-Year Community and Neighborhood Development Plan;

NOW, THEREFORE, BE IT RESOLVED that the Common Council approves the provision of $250,000 in HOME funds for the ADDI program and authorizes CDBG Office staff to administer the program under the guidelines adopted by the Common Council and the CDBG Committee.

NOTE: A complete Project Proposal is available in the Council Office or from the Community Development Division by calling 267-0740.