



Legislation Text

File #: 02005, **Version:** 1

Fiscal Note

\$138,800 in Federal HOME and EDI/Housing Trust funds is available in the Housing Development Fund, as included in the 2005 CDBG Adopted Operating Budget. Expenses will not be counted toward the State expenditure control limits.

Title

Approving the provision of Federal HOME funds to assist Movin' Out acquire housing and authorizing the Mayor and City Clerk to sign an agreement to implement the project.

Body

BACKGROUND:

Movin' Out is a community-based organization established to help people with disabilities secure more stable housing. Movin' Out has been active in counseling people with disabilities and in helping them with down-payment assistance. The organization has also partnered with other non-profits to produce housing, including Coachyard Square in census tract 18. The City has helped Movin' Out assist over 55 families into ownership.

PROJECT:

The CD Office has encouraged Movin' Out to explore ways in which it might develop activities that qualify for a special subset of HOME funds called Community Housing Development Organization (CHDO) activities. Movin' Out proposes to acquire two properties and partner with another non-profit for their property management. A third organization would provide residential support services if needed

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;

WHEREAS, the HOME Program, as amended, and its implementing regulations located at 24 CFR 92.200 ff., permit the City of Madison to help community agencies that create affordable housing for lower income persons; and WHEREAS the City has \$50,000 in Housing Trust Funds available to provide long term affordable housing to lower income households, WHEREAS, CD staff and the CDBG Commission have reviewed this proposal for funds and find that it furthers the goals of the CD program expressed in the Five-Year Community and Neighborhood Development Plan;

NOW, THEREFORE, BE IT RESOLVED that the Common Council approve the provision of funds for the following project and authorize the Mayor and the City Clerk to enter into an agreement with:

Movin' Out, Inc. for up to \$138,800 in HOME, Match and Housing Trust funds to help acquire a duplex and a larger single-family home for use as longer term affordable housing.

BE IT FURTHER RESOLVED that the assistance be offered on terms adopted in the 2005-2006 CD Program Framework, such that the capitalized assistance to the organization be offered in the form of a deferred payment loan payable upon change of use, transfer, or sale, with repayment equal to the greater of the amount of CDBG, HOME, ESG, and City funds invested in the properties or the percent of appraised value that the CDBG, HOME, ESG, and City funds represent in the value of the properties.

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