



Legislation Text

File #: 06979, **Version:** 1

Fiscal Note

\$32,400 in Federal HOME/ match funds is available within the Housing Development Fund to cover the costs for the Rehab project; \$292,320 in Federal Home/match funds is available to assist the Partnership buyers.

Title

Authorizing the provision of HOME/Match funds to assist Housing Initiatives with a rental housing rehab project and HOME/Match funds to assist eligible buyers under a Wisconsin Partnership for Housing Development program in ways that address City, Community and Neighborhood Development Objectives.

Body

AGENCIES:

Housing Initiatives is a local community-based agency established to acquire, rehab or construct, and manage small scale, scattered site housing for very low income persons who are associated with supportive services. Housing Initiatives owns and manages about 36 units of housing.

The Wisconsin Partnership for Housing Development is an organization founded to promote affordable housing throughout the state, providing technical assistance to cities and organizations, managing a statewide down payment assistance program, and in Madison, serving as co-developer of the Coachyard housing project.

PROJECTS:

Housing Initiatives recently acquired a four-plex on East Mifflin Street. The initial renovation budget is inadequate to complete rehab of the building, replace the roof, and bring the building to code. These additional funds would help bring the building to code, and bring a fourth unit within affordability levels.

The Wisconsin Partnership is negotiating with the developers of Hilldale Heights to help market the inclusionary zoning units. The project is to market, provide counseling and down payment assistance to a range of eligible buyers who would not normally access these housing units. Since Hilldale is an employment center, and is located within an area with very few income-eligible owners, this project would help address both workforce housing and fair share housing goals. The funds discussed in this resolution would be used to help eligible buyers of these properties, once the units are developed.

ACTIONS:

WHEREAS, the HOME program, as amended, and its implementing regulations located at 24 CFR Part 92, permit the City of Madison to help community agencies in the provision of housing assistance;

WHEREAS, CD staff and the CDBG Commission have reviewed these proposals and find that they further the goals 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 projects, and authorize the Mayor and the City Clerk to enter into agreements with:

Housing Initiatives or a related affiliate for up to \$32,400 in HOME or HOME Match funds toward rehab of a property on East Mifflin Street;

Wisconsin Partnership for Housing Development for up to \$292,320 in HOME, Match or other CD Office funds to provide down payment assistance for at least 16 households with incomes at 70% of Area Median Income or below at the time of the offer to purchase.

BE IT FURTHER RESOLVED that the assistance be offered on terms adopted in the 2007-2008 Framework for Community and Neighborhood Development, such that the assistance to the organization (and to the buyer) be offered in the form of a deferred payment loan payable upon change of use or sale, with repayment equal to the greater of the amount of HOME, Home Match, EDI and City Housing Trust funds invested in the property or the percent of appraised value that the funds represent in the value of the property.

NOTE: The Proposals describing the above projects and the CD staff and CDBG Commission recommendation are available on file in the Council Office and in the CD Office.