



Legislation Text

File #: 70985, **Version:** 1

Fiscal Note

The Community Development Division's Accessory Dwelling Unit Financing capital program (Munis Project # 13943) was created in the 2022 Adopted Capital Budget, which appropriated \$400,000 of general obligation borrowing in 2022. The following resolution requests approval of program parameters to administer the funds. No additional appropriation is required.

Title

Approving Program Parameters for a New City Program Offering Assistance to Develop Accessory Dwelling Units

Body

As part of the City's 2022 Adopted Capital Budget, the Madison Common Council authorized creation of a loan program to help finance Accessory Dwelling Units (ADUs), and approved \$400,000 to fund the program. Support for ADUs is one strategy for helping to increase housing supply and expand housing choices for residents. There is currently limited private financing available to assist homeowners with developing ADUs (e.g., converting a garage into a backyard cottage). This new program will help begin to fill the gap by providing loans directly to homeowners, focusing on those without access to full financing from private lenders. Preliminary estimates suggest that \$400,000 would likely be sufficient to support about 3-5 ADU projects.

ACTION:

WHEREAS, the City's 2022 Adopted Capital Budget authorized the creation of a loan program to help finance the development of Accessory Dwelling Units, to be administered by the City's Community Development Division, and allocated \$400,000 toward that program beginning in 2022; and,

WHEREAS, a work group comprised of staff from the City's Community Development and Planning Divisions, in consultation with the Community Development Block Grant (CDBG) Committee, the body that will oversee the program's operation, formulated program parameters for the new ADU Lending Program to present to the Common Council; and,

WHEREAS, the proposed ADU Lending Program will offer funding to help overcome barriers in the private market with respect to the development of ADU units in the City of Madison; and,

WHEREAS, the anticipated development and use of ADUs brought about by this Program will adhere to newly developed provisions in the City's zoning ordinances and all adopted plans.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council approves the proposed ADU Lending Program prepared by City staff, and reviewed and endorsed by the CDBG Committee; and,

BE IT FURTHER RESOLVED, , that the Common Council directs staff from Community Development, Planning and other agencies as needed to begin implementation of the approved Program; and,

BE IT FINALLY RESOLVED that the Common Council authorizes the CDBG Committee to monitor the Program's implementation and revise its financing terms and conditions, as needed, to further the Program's

goals.