



Legislation Text

File #: 31264, **Version:** 1

Fiscal Note

Sufficient Federal funds are available for this project within the Community Development Division's Housing Development Reserve Fund, which was authorized as part of the CD Division's 2013 Adopted Operating Budget. The use of these funds will have no impact on the local levy.

Title

Approving \$108,000 from Housing Development Reserve Funds to provide additional down payment assistance to qualified homebuyers through Movin' Out, Inc.

Body

Movin' Out offers a great amount of support and coaching throughout the whole purchase transaction. Movin' Out is highly regarded with competent staff whom continue to attend trainings to stay up to date with industry changes. The organization has been awarding these targeted down payment assistance funds for 17 years. Staff effectively matches homeowners with other available down payment funding sources leveraging the City of Madison's CDD funds to create a feasible mortgage payment for LMI families. Counselors are working in collaboration with many sources besides a 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.

Movin' Out's 2013 contract was awarded at \$241,597 of HOME funds. At this time the full amount of the contract has been reserved for households anticipating a 2013 closing date. A total of five homeowners have already closed in 2013 which expended \$180,000 of the contract. The remaining funds are expected to close in the next 90 days.

The demand for affordable housing in City of Madison is a priority. 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 \$231,000 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, potential homeowners can access the current housing market, which allows for the creation of mixed-income communities.

ACTION:

WHEREAS, the CDD staff and CDBG Committee have reviewed the proposal and find that it furthers the goals expressed in the 2010-2014 Five-Year Community and Neighborhood Development Plan and the 2013 Community Action Plan which identifies affordable housing as a critical issue within the community, and outlines strategies and priorities to address those problems using community-based groups; and

WHEREAS, this project is eligible based on the 2013-2014 Community Development Program Goals and Priorities; and

WHEREAS, the CDBG Committee reviewed the proposal for \$180,000 of down payment assistance and reviewed the balance of the Housing Development Reserve Fund. Committee has determined that only 3 units of additional down payment assistance should be awarded this proposal given the limited availability of Housing Development Reserve Funds and the need for additional affordable housing options going forward from Housing Development Reserves.

NOW, THEREFORE, BE IT RESOLVED that the Common Council approves the provision of an additional \$108,000 in Housing Development Reserve funds to Movin' Out., Inc. and authorize the Mayor and City Clerk

to execute an amendment to the existing agreement with Movin' Out, Inc. to reflect the terms of this resolution.