



Legislation Text

File #: 01054, Version: 2

Fiscal Note

No additional expenditures beyond the current budgeted levels are authorized by this resolution.

Title

AMENDED - Amending Madison's 2005-2006 Program Funding Framework for Community and Neighborhood Development to permit programs funded through the City CDBG Office for homebuyer, rehab, and rental housing development to offer assistance to undocumented immigrants who otherwise meet the guidelines for those programs, and authorizing the City funded rehab loans to ~~undocumented immigrants~~ persons with a federal Individual Taxpayer Identification Number (ITIN).

Body

BACKGROUND

The Wisconsin Housing and Economic Development Authority (WHEDA) has initiated a program that provides homebuyer assistance to credit-worthy applicants who live in the State but do not have documentation to qualify as legal immigrants. The Federal Department of Housing and Urban Development has reversed a former regulation that forbade the provision of homebuyer assistance to undocumented immigrants and now permits cities and states to use CDBG, HOME and other funds to make such loans. The City has received several requests to provide such loans to otherwise qualified applicants.

ACTION

WHEREAS, the Common Council has adopted a five-year Community and Neighborhood Development Plan which addresses various critical community issues, and outlines a set of strategies and priorities to address those problems using community-based groups;

WHEREAS, the City has experienced an increase in the number of Latino immigrants within the last five years, some of whom do not have legal documentation of immigration, but have a federal Individual Taxpayer Identification Number (ITIN) and some of whom would prefer to settle in Madison and become a part of its community life;

WHEREAS, both WHEDA and the Federal Department of Housing and Urban Development now permit the use of their funds to provide rehab and homebuyer assistance to ~~undocumented immigrants~~ persons with a federal Individual Taxpayer Identification Number (ITIN);

WHEREAS, the CDBG Commission has reviewed suggested changes to Community Development Program Funding Framework to permit programs funded through the CDBG Office to use those funds where permitted by the funding sources; and has adopted, contingent upon Council approval of this resolution, underwriting guidelines that would permit the provision of such assistance but distinguish the level of risk of repayment by different loan to value ratios;

WHEREAS, the CDA desires to permit Individual Taxpayer Identification Number (ITIN) lending for housing rehab and homebuyer loans to households who are undocumented but to persons who would otherwise qualify for such loans;

NOW, THEREFORE, BE IT RESOLVED that the Common Council approve the insertion of the following language into the Community Development Program Funding Framework and direct staff to implement this change in the use of 2005-2006 funds, if permitted by the original funding source;

1. To page ten, paragraph 3 under general criteria for the use of funds: "Permit financial assistance in the form of home repairs, housing rehab, or homeownership assistance to ~~undocumented immigrants~~ persons with a federal Individual Taxpayer Identification Number (ITIN) if the households are otherwise qualified under the particular guidelines for the program."

BE IT FURTHER RESOLVED, that the Council does hereby authorize permitting City funded rehab loans to ~~undocumented immigrants~~ for Individual Taxpayer Identification Number (ITIN) lending.

NOTE: A complete packet of background materials with correspondence from HUD, WHEDA and others is on file in the Council Office and the CDBG Office.