



Legislation Text

File #: 04613, **Version:** 1

Fiscal Note

\$110,000 in Federal HOME funds is available in the Housing Development Fund. Expenses will not be counted toward the State expenditure control limits. \$10,000 is available in the Housing Trust Fund and is authorized for commitment in 2006.

Title

Approving the provision of \$110,000 in Federal HOME/Match Funds and \$10,000 in Housing Trust Funds to assist Housing Initiatives acquire housing and authorizing the Mayor and City Clerk to sign an agreement to implement the project.

Body

Background:

Housing Initiatives is a community-based organization established to help consumers of mental health services secure more stable housing. Housing Initiatives has been active in counseling people and in helping them secure permanent housing. The City has helped Housing Initiatives assist over 36 families into longer-term rental housing.

Project:

Housing Initiatives proposes to acquire up to 4 units and partner with other organizations for supportive services and case management. Housing Initiatives will acquire the building with HOME/Housing Trust Funds and make renovations with other leveraged funds.

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 Federal HOME/Match funds and local Housing Trust Funds within its Housing Development Fund 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 Housing Initiatives or its affiliated limited liability corporations for up to \$110,000 in HOME and Match funds and \$10,000 in local Housing Trust Funds, to help acquire a 4-unit building for use as longer-term affordable housing.

Be it further resolved that the assistance be offered on terms adopted in the 2005-2006 Community Development Program Funding 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.