



Legislation Text

File #: 49310, **Version:** 2

Fiscal Note

The proposed resolution authorizes \$216,000 in additional funding for down payment assistance through Movin' Out, Inc. The additional \$216,000 will be funded by 2016 CDBG program income and CDD's revenue and purchased services in the 2017 Adopted Operating Budget will be amended as appropriate.

Title

SUBSTITUTE - Authorizing an allocation of up to \$216,000 in CDD Housing Development Reserve Funds to provide additional down payment assistance to qualified low- to moderate-income homebuyers through Movin' Out, Inc. and amending the Community Development Division's 2017 Adopted Operating Budget as appropriate.

Body

BACKGROUND

Movin' Out, Inc. offers a significant amount of support and coaching to its homebuyer assistance clients throughout the purchase transaction. Agency staff effectively matches homeowners with other available down payment funding sources, leveraging the City of Madison's Community Development Division (CDD) funds to create an affordable mortgage payment for LMI families. Its counselors also work in collaboration with a diverse array of organizations (as well as the lender) on behalf of the household, to provide the essential coordination among parties (including the realtor, human services, housing authorities, family, support staff, etc.) to effectively navigate the home-buying process.

During the CDD 2014 RFP process for 2015-2016 funding, Movin' Out submitted a proposal for up to \$360,000 to provide homebuyer assistance. The organization was successfully awarded \$180,000 in federal funds for its 2016 program. That contract allocation permitted Movin' Out to serve eleven households in 2016. December 2016, Movin' Out requested and was awarded an additional \$216,000 of CDBG funds from Housing Reserve Fund to assist six additional households. Movin' Out's 2017 program allocation was re-authorized at the original award amount of \$180,000; those funds have been fully committed to low-moderate income households.

Over the past 19 years of its CDD-funded program, Movin' Out has been able to assist an average of 12-15 households annually. The supplemental \$216,000 being requested, if approved, would permit the agency to serve an additional 6 clients during the year, providing up to 11 eligible households with down payment assistance in 2017.

ACTION

WHEREAS, the CDD staff and CDBG Committee have reviewed Movin' Out's submitted proposal, and find that it furthers the affordable housing goals expressed in the 2015-2019 City of Madison Consolidated Plan; and,

WHEREAS, the agency's homebuyer assistance program meets the eligibility criteria set forth under Objective 1.2 ("Housing Assistance") of the 2015-2016 Community Development Program Goals and Objectives; and,

WHEREAS, sufficient funds exist within the CDD Housing Development Reserve Fund to provide the requested additional program support;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council hereby approves the provision of up to

\$216,000 in additional funding to Movin' Out., Inc., and authorizes the Mayor and City Clerk to execute an amendment to the 2018 agreement with Movin' Out, Inc. to reflect the terms of this Resolution; and,

NOW, BE IT FUTHER RESOLVED, that the Common Council amends the 2017 Adopted Operating Budget of the Community Development Division to recognize the associated program income revenue and expenditures as appropriate.