



Legislation Text

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Fiscal Note

Amending the Homebuyers Assistance Program Handbook is not anticipated to affect the City's capacity to fund the loans. Funding is available from City Homebuyers Assistance loan paybacks, City Installment loan paybacks, City Cooperative Ownership Assistance Program (COAP) loan paybacks and Section 17 loan paybacks. No impact on cost controls.

Title

Authorizing amendments to the Homebuyers Assistance Program.

Body

WHEREAS on September 27, 1988, the Common Council approved the Homebuyers Assistance Program and designated the Community Development Authority (CDA) as the agent of the City to administer the Program; and

WHEREAS there is a provision in the Handbook for continuing review and evaluation of the program for changes on the basis of operating experience and changing needs of the community; and

WHEREAS the CDA has conducted a thorough review and analysis of the Homebuyers Assistance Program and determined a need to amend the Program (report attached).

NOW, THEREFORE, BE IT RESOLVED that the Common Council does hereby authorize the following amendments to the Homebuyers Assistance Program Handbook:

1. Maximum Loan Amount: Increase the maximum loan amount to \$40,000 for a single-family structure and \$10,000 for each additional unit up to a maximum of \$110,000 for an eight-unit structure.
2. Deferred Payment Loans: Provide deferred payment loans (DPL) to households earning 80% of the Dane County median income or less.
3. Down Payment Requirements: Lower the down payment requirement to 3% of the total project cost (cost of property + rehabilitation costs + closing costs), of which 1% must be from borrower's own funds.
4. Minimum Rehab Requirement: Increase the minimum rehab requirement from 5% to 10% of the purchase price.
5. Down Payment Matching Loans: Provide no interest deferred payment loans to eligible households earning 80% or less of the Dane County median income in an amount up to \$3,100 to match the City's "Home Buy" Down Payment Assistance funds going into a transaction.
6. Short Term Construction Financing: Extend the term of the construction loans to developers from 12 months to 24 months.
7. Land Acquisition: Change the Program Eligibility Costs Requirements to include the cost of land acquisition and the cost of land write down for the development of affordable owner-occupied housing for eligible buyers under the Home Buyers Assistance Program. Provide short-term financing up to a maximum of \$250,000 to qualifying developers to assist in land acquisition for affordable housing. (Please note that the \$250,000 limit may be increased by \$50,000, subject to CDA review and approval.)
8. Property Eligibility Requirements: Change the Program Property Eligibility Requirements to include up to eight units.