



Legislation Text

File #: 35495, **Version:** 1

Fiscal Note

Funding of \$108,000 in Federal Housing Reserve Funds is available and authorized in the 2014 adopted CDBG operating budget. No additional appropriation is required.

Title

Approving \$108,000 from Housing 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 purchase transaction. Movin' Out is highly regarded with competent staff that continues to attend trainings to stay up to date with industry changes. The organization has been awarding these targeted down payment assistance funds for 18 years. Staff effectively matches homeowners with other available down payment funding sources, leveraging City of Madison's CDD funds to create an affordable mortgage payment for LMI families. Movin' Out counselors work in collaboration with a diverse array of organizations as well as the 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 2014 contract award amount was \$219,515 of HOME funds. At this time the full amount of the contract has been reserved for households anticipating a 2014 closing date. An average of Movin' Out's disbursements for the last three years is \$381,021 and the organization assisted a total of 32 households between 2011 and 2013..

The demand for affordable housing in City of Madison is high. 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, this program allows potential homeowners to access the current housing market thus supporting the creation of mixed-income communities.

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 2014 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 \$108,000 of down payment assistance and reviewed the balance of the Housing Reserve Fund. Committee has determined that a maximum of three units of additional down payment assistance should be awarded this proposal given the limited availability of Housing Reserve Funds and possibility of additional affordable housing options being requested from Housing Reserves.

NOW, THEREFORE, BE IT RESOLVED that the Common Council approves the provision of an additional \$108,000 in Housing 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.

