



Legislation Text

File #: 09330, Version: 3

Fiscal Note

\$560,000 in Federal HOME/HOME Match Funds are available within the Housing Development Fund to cover the costs for this project. \$418,000 will be repaid to the City on sale of the property to Habitat by C-Cap and reprogrammed into this project; \$142,000 of new HOME funds will be available for the construction.

Title

SECOND SUBSTITUTE - Authorizing the provision of HOME/HOME Match Funds to assist Habitat for Humanity of Dane County to acquire the undeveloped portion of Northport Commons.

Body

AGENCY:

Habitat for Humanity of Dane County is a local chapter of a national organization established to promote affordable housing using self-help participation and volunteer labor. Locally the Habitat chapter has developed Twin Oaks, Harmony Park and several dozen other ~~single family~~ single-family houses.

PROJECT:

Habitat ~~intends plans~~ plans to acquire the undeveloped portions of a C-Cap project known as Northport Commons, and develop the project as a mixed income development. Habitat intends to sell 5 lots to private builders for market rate housing, and arrange for the development of 4 units to other builders for sale to households over 70% 60% area median income, or elderly or disabled; and construct up to ~~20~~ 16 owner-occupied ~~townhouses~~ homes for families who could not otherwise afford them. This project will address neighborhood revitalization goals of the area.

ACTIONS:

Whereas, 24 CFR 92 permits cities to use Federal HOME funds to help develop affordable housing; and
Whereas 24 CFR 570 permits cities to use Federal CDBG funds to acquire land for housing or other purposes;
and

Whereas, CD staff and the CDBG Commission have reviewed this proposal and find that it further the goals 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:

Habitat for Humanity of Dane County for up to \$560,000 of HOME/Home Match or CDBG funds toward the development of 16 homes and related development costs in this subdivision.

BE IT FURTHER RESOLVED that the City will require the following conditions:

- 1) The transaction shall involve the sale of the property to Habitat by C-CAP or its mortgage holder so that the original CD funds are repaid to the City.
- 2) Habitat shall pass through a portion of the authorized funds to eligible buyers following the underwriting and security rules of the CD Program Funding Framework.
- 3) Habitat shall construct at least one of the sixteen homes to meet the accessibility needs of a person with

disabilities.

4) Habitat shall market the five single family parcels as market rate-lots for at least a period of three years. Any use or sale of these parcels as other than market rate lots for market rate housing is subject to CDBG office approval.

5) For the period of three years, Habitat will work to develop or sell four additional lots or homes for sale to families who meet at least one of the following characteristics: a) elderly over 50 years of age; b) households at greater than 60% AMI; or c) a households with a member who is disabled. After the period of three years, Habitat may, with CDBG office approval, sell or convert the lots for an alternative public use, such as parkland, garden space, public open space, or some type of public service center. Any alternate use of the parcels will be subject to CDBG office approval.

Be it further resolved that the assistance be offered on terms adopted in the 2007-2008 Framework for Community and Neighborhood Development, such that the assistance to the organization (and to the buyer) be offered in the form of a deferred payment loan payable upon change of use or sale, with repayment equal to the greater of the amount of HOME and HOME Match funds invested in the property or the percent of appraised value that the funds represent in the value of the property.

Note: The proposal describing the above project and the CD staff and CDBG Commission recommendation are available on file in the Council Office and in the CD Office.

*~~articulated~~ Articulated as a benchmark in the "Madison Measures"