



## Legislation Text

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**File #:** 01240, **Version:** 2

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### **Fiscal Note**

\$33,573 in Federal HOME funds will be available as part of a repayment from an earlier Movin' Out project for the same unit. Expenses will not be counted toward the State expenditure control limits.

### **Title**

SUBSTITUTE - Approving the provision of Federal HOME funds to assist the Wisconsin Initiative for Sustainable Housing acquire housing and authorizing the Mayor and City Clerk to sign an agreement to implement the project.

### **Body**

#### **BACKGROUND:**

Movin' Out is a community-base organization established to help people with disabilities secure more stable housing, and Wisconsin Initiative for Sustainable Housing (WISH) was also established to help people with disabilities secure more stable rental housing. The City has helped Movin' Out assist over 24 families into ownership.

#### **PROJECT:**

Movin' Out assisted an eligible household purchase a condominium in 1997 using \$20,176 in HOME funds. That individual is no longer able to live alone in the unit and must sell. By terms of the City contract with Movin' Out, the City would receive a pro-rate portion of the sale, and make it again available to Movin' Out to assist another eligible household. Movin' Out and WISH propose to use the repaid HOME funds (now augmented by the City's pro-rated share of appreciation since 1997) to help WISH purchase the unit and make it available to an individual served by WISH for long-term affordable rental housing.

#### **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, CDBG staff and the CDBG Commission have reviewed this proposal for funds and find that it furthers the goals of the CDBG 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:

Wisconsin Initiatives in Sustainable Housing, Inc. or a related non-profit LLC for up to \$33,573 in HOME and match funds to help acquire a dwelling unit for use as longer term affordable housing.

BE IT FURTHER RESOLVED that the assistance be offered on terms adopted in the 2005-2006 CDBG Program 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.

NOTE: A complete Project Proposal is available in the Council Office or from the CDBG Office by calling 267-0740.