Legislation Details (With Text)

File #:	07439	**Version:**	1	**Name:**	Approving $200,000 in Federal HOME funds to provide additional down payment assistance to qualified homebuyers as part of the American Dream Down payment program
Type:	Resolution			**Status:**	Passed
File created:	8/30/2007			**In control:**	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE
On agenda:	10/2/2007			**Final action:**	10/2/2007
Enactment date:	10/2/2007			**Enactment #:**	RES-07-01016

Title: Approving $200,000 in Federal HOME funds to provide additional down payment assistance to qualified homebuyers as part of the American Dream Down payment program

Sponsors: Marsha A. Rummel, Thuy Pham-Remmele

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
10/2/2007	1	COMMON COUNCIL	Adopt	Pass
9/12/2007	1	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office	
9/11/2007	1	CDBG Office	Fiscal Note Required / Approval	
9/6/2007	1	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass

Fiscal Note

$200,000 in Federal HOME funds is available in the Housing Development Fund. Expenses will not be counted toward the State expenditure control limits.

Title

Approving $200,000 in Federal HOME funds to provide additional down payment assistance to qualified homebuyers as part of the American Dream Down payment program

Body

BACKGROUND:

The Federal Department of Housing and Urban Development initiated a funding stream in 2004 through the Federal HOME program for larger local jurisdictions to provide down payment assistance to eligible homebuyers (80% of the area median income and below). The Council approved local guidelines for the program in 2005 and the CD Office began making these loans in July 2005. During the first twenty-six months, under the policy guidance of the CDBG Commission, the Office has committed over $544,000 to serve 70 households. The CD Office provided an annual report on the program to the Common Council during July 2006, and again as part of the Comprehensive Annual Performance and Evaluation Report for 2005 and for 2006.

PROJECT:

The CD Office has worked with realtors, lenders, the CED Unit, community-based groups and associations to market the program, and leverage other resources for families. The Office expects to commit all of the remaining HOME ADDI funds by the end of December, and would be compelled to shut down the program until HUD made available new funds in the coming calendar year. In addition, the CD Office anticipates that the level of funding through the set-aide appears insufficient to meet the predicted demand and level of activity, based on the successful start of the ADDI program over the previous 26 months. At this point in the 2007 program year, the CD Office concludes that there are sufficient funds within the Housing Development Fund to provide an additional level of support to the ADDI program and meet the estimated

level of demand for these funds until the 2008 allocation is authorized.

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 use HOME funds to provide down payments for lower income persons; and
WHEREAS the City has more than $200,000 in Federal HOME funds within its Housing Development Fund available to provide long term affordable housing to lower income households,
WHEREAS, CD staff and the CDBG Commission have reviewed this proposal for funds and find that it furthers the goals of the CD program expressed in the Five-Year Community and Neighborhood Development Plan;
NOW, THEREFORE, BE IT RESOLVED that the Common Council approve the provision of $200,000 in HOME funds for the ADDI program and authorize CD Office staff to administer the program under the guidelines adopted by the Common Council and the CDBG Commission.

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