



Legislation Text

File #: 03665, **Version:** 1

Fiscal Note

\$383,200 in Federal HOME, HOME match, and Federal EDI funds is available within the Housing Development Fund to cover the costs for the Arboretum homebuyers; \$88,800 in Federal HOME funds is available to cover the costs for the Habitat buyers.

Title

Authorizing the provision of HOME, HOME match, and EDI Workforce Housing funds to assist eligible buyers of Arboretum Co-housing and Habitat for Humanity of Dane County units in ways that address City Community and Neighborhood Development Objectives.

Body

AGENCY:

Habitat is a local community-based agency established to build affordable housing through the use of volunteers and sweat equity from lower income participants who become owners of the constructed housing. The organization is a locally incorporated entity, and affiliated with the international Habitat organization. The organization has constructed over 100 units of housing within the county since its founding.

Arboretum Co-Housing is an organization founded by a group of people interested in mixed-income housing that would be designed and operated in a manner that would encourage inter-generational living. The group worked with the Greenbush neighborhood and successfully proposed to St. Mary's Health organization the creative re-use of some of St. Mary's rental properties for owner-occupied housing.

PROJECT:

As part of a redevelopment agreement endorsed by the City of Madison for the expansion of St. Mary's Hospital, Arboretum Co-Housing will acquire 17 existing properties in the Erin Street area, demolish several, and construct additional new units so that the total project will include 41 units of housing. As part of the 41 unit complex, Arboretum Co-housing has agreed to sell an existing duplex to Habitat so that it can demolish and construct two larger units of new housing on the site. St. Mary's, Arboretum Co-housing, and Habitat are committed to marketing some of the units to employees of St. Mary's as part of a broader effort to promote workforce housing in the area.

The funds discussed in this resolution would be used to help eligible buyers of these properties, once the units are developed.

ACTIONS:

WHEREAS, the HOME program, as amended, and its implementing regulations located at 24 CFR Part 92, permit the City of Madison to help community agencies in the provision of housing assistance; and whereas the City received a Federal EDI grant in 2004 for the development of workforce housing;

WHEREAS, CD staff and the CDBG Commission have reviewed this proposal and find that it furthers 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 or a related affiliate for up to \$88,800 in HOME, HOME Match, and EDI funds toward homebuyer assistance for 2 homebuyers;

Arboretum Co-housing or a related affiliate for up to \$179,075 in HOME and HOME Match funds, and up to \$204,125 in EDI funds toward homebuyer assistance for 8 homebuyers;

BE IT FURTHER RESOLVED that the assistance be offered on terms adopted in the 2005-2006 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, Home Match, EDI and City Housing Trust 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.