



## Legislation Text

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**File #:** 04225, **Version:** 1

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### **Fiscal Note**

Funds are available within the Housing Development Fund. Expenses will not count toward the State Expenditure Limit.

### **Title**

Approving additional Federal HOME funds to assist The Wisconsin Partnership for Housing Development with activities to create affordable owner-occupied housing, and authorizing the Mayor and City Clerk to sign agreements to implement the projects.

### **Body**

#### **BACKGROUND:**

The Wisconsin Partnership for Housing Development (WPHP) was established to provide financing and technical assistance to non-profit groups engaged in housing development for lower income households. The Partnership has since expanded its role to administer some homeownership financing programs, as well as serving as lead developer for select projects.

#### **PROJECT**

The Council previously approved resolution #62101 that authorized \$471,000 in Federal CDBG/ HOME/match funds and an interim loan of \$38,200 to help WPHD design a mixed income owner-occupied project, acquire land in the Twin Oaks subdivision and construct the housing units. The project will include eleven units for households that meet income guidelines with the remainder sold at market rate. The interim loan would cover costs associated with general development of the project, and would be repaid when conventional financing was obtained for the project. WPHD originally requested less than the allowable per unit amount of HOME funds for construction of the project and are now requesting an increase in HOME/match funds to bring the project to the allowable limit due to rising construction costs.

#### **ACTION**

Whereas, the HOME program, as amended, and its implementing regulations located at 24 CFR 92 permit the City of Madison to help community agencies in the provision of housing development assistance;

Whereas, CDBG 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;

Whereas, the Council has adopted a CD Program Funding Framework since the initial WPHD proposal that permits the City to invest up to an additional \$2,600/affordable unit, and other funding source delays have added cost to the project;

Now, therefore, be it resolved that the Common Council approve an increase in the per unit amount of HOME funds provided to The Wisconsin Partnership for Housing Development for construction of a mixed income owner-occupied housing development at the Twin Oaks subdivision and authorize the Mayor and the City Clerk to enter into agreements with:

The Wisconsin Partnership for Housing Development for up to an additional \$28,600 in HOME/match funds to use for construction at the Twin Oaks subdivision;

Be it further resolved that the assistance be offered on terms adopted in the 2005-2006 CDBG Program Framework, such that 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 HOME funds invested in the property or the percent of appraised value that the HOME funds represent in the value of the property, with the provision that these repayment terms start with the new homeowners after the sale of the completed units by the Partnership.