



Legislation Text

File #: 15148, **Version:** 1

Fiscal Note

This resolution does not commit any funds; but establishes guidelines for the underwriting for all CDBG Office funded loans to qualified households.

Title

Adopting underwriting guidelines for Community-Development assisted properties at initial sale, and authorizing the CDBG Committee to make additional changes as needed.

Body

WHEREAS, the Community Development Division, through the CDBG Office, provides some funds for community-based agencies to purchase, construct, or renovate housing for sale to eligible homebuyers as part of its overall strategy for community development; and

WHEREAS, the experience of the Division with these projects has been positive and exemplary in terms of moving people into ownership positions, and helping them retain permanent affordable housing, and has resulted in national recognition for such innovative approaches to homeownership as the Operation Fresh Start program, the Madison Area Community Land Trust, Habitat for Humanity, the Common Wealth Lease-Purchase program, the Urban League rent-to own program, and the Movin' Out program; and

WHEREAS, the emergence of certain loan originators that emphasize short-term results over long-term financial planning suggests a need for prudent action to protect both the program's public investment and eligible households' positions;

THEREFORE BE IT RESOLVED, that the Common Council of the City of Madison hereby adopts the attached underwriting guidelines for Community Development-assisted properties and authorizes the CDBG Committee to make any needed changes to these guidelines as it monitors their effect, and directs Staff to incorporate these guidelines into contractual terms with community-based agencies in future projects.