



Legislation Text

File #: 27406, **Version:** 1

Fiscal Note

\$108,000 in Federal HOME funds from CDD Housing Reserve Funds are authorized and available in the CDBG 2012 adopted operating budget.

Title

Approving \$108,000 in Federal HOME funds to provide additional down payment assistance to qualified homebuyers through Movin' Out, Inc.

Body

Movin' Out has been running the downpayment assistance program with CDD funding for 16 years. Movin' Out is highly regarded with competent staff whom continue to attend trainings to stay up to date with industry changes. Staff effectively matches homeowners with other available down payment funding sources leveraging the City of Madison's CDD funds to create a feasible mortgage payment for LMI families. Movin' Out provides funding for households with a member with a permanent disability. Counselors are working in collaboration with many sources besides a lender on behalf of the household. Coordination between realtor, human services system, family and support staff, housing authorities, etc is needed for all of the households.

Movin' Out's 2012 contract was awarded at \$298,675 (\$270,000 HOME during 2010 Summer Funding and \$28,675 of HOME Program Income). A total of six homeowners have already closed in 2012 which expended \$204,102 of the contract. The remaining funds are expected to close in the next 60 days.

Interest rates are at historically low rates which are providing an excellent opportunity for Movin Out to assist households in obtaining fixed rate financing at reasonable housing prices. The demand for affordable housing in City of Madison is a priority which Movin Out staff has shown the capacity to find qualified homeowners in need of this service.

ACTION:

WHEREAS, the CDD staff and CDBG Committee have reviewed the request and find that it furthers the goals expressed in the 2010-2014 Five-Year Community and Neighborhood Development Plan and the 2012 Action Plan which identifies affordable housing as a critical issue within the community, and outlines strategies and priorities to address this issue using community-based groups; and

WHEREAS, this project is eligible based on the 2011-2012 Community Development Program Goals and Priorities; and

WHEREAS, the City entered into a Loan Agreement with Movin' Out, Inc., effective January 1, 2012 to provide \$298,675 in HOME funds as long-term deferred loans to clients of Movin' Out, Inc. under the terms of the 2011-2012 Community Development Program Goals and Priorities.

NOW, THEREFORE, BE IT RESOLVED that the Common Council approve the provision of an additional \$108,000 in HOME Housing Reserve funds to Movin' Out., Inc. and authorize the Mayor and City Clerk to execute an amendment to the existing agreement with Movin' Out, Inc. to reflect the terms of this resolution.