



Legislation Text

File #: 31695, **Version:** 1

Fiscal Note

Sufficient funds are available in the Housing Development Reserve Fund for this project. There is no direct impact on the City levy.

Title

Authorizing the use of Housing Development Reserves funds in an amount not to exceed \$100,000 to provide additional down payment assistance to qualified lower income homebuyers as part of the City's American Dream Down payment (ADDI) program.

Body

Background: Since the conception of the ADDI program, under the policy guidance of the CDBG Committee, the Division has committed over \$2.27 million to serve 280 households. The loan is a long term deferred loan and is due and payable when the property is sold or no longer the primary resident of the buyer. The repayment is based on the loan amount plus a proportional share of equity. The average ADDI loan amount is \$7,309.

The Community Development Division has worked with realtors, lenders, community-based groups and associations to market the program, and leverage other resources for families. The CDD expects to commit all of the remaining \$36,908 in 2013 HOME ADDI program funds before the end of December. At this point in the 2013 program year, the Community Development Division concludes that there are sufficient funds within the Housing Development Reserves funds to provide an additional level of support to the ADDI program, and meet the estimated level of demand for these funds.

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; and,

WHEREAS, this project is eligible based on 2013-2014 Community Development Program Goals and Priorities; and,

WHEREAS, the City has sufficient funds available within its Housing Development Reserve Fund to provide downpayment assistance to lower income households to promote long term affordable owner-occupied housing; and,

WHEREAS, CDBG staff and the CDBG Committee have reviewed this proposal for funds and find that it furthers the goals of the CDBG program expressed in the Five -Year Community and Neighborhood Development Plan;

NOW, THEREFORE, BE IT RESOLVED that the Common Council approves the provision of \$100,000 from the Housing Development Reserve fund for the ADDI program and authorizes CDBG Office staff to administer the program under the guidelines adopted by the Common Council and the CDBG Committee.