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# SALT LAKE CITY COUNCIL STAFF REPORT

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**DATE:** October 19, 2004

**SUBJECT:** American Dream Downpayment Initiative  
Program Funding

**AFFECTED COUNCIL DISTRICTS:** Citywide

**STAFF REPORT BY:** Gary Mumford

**ADMINISTRATIVE DEPT.  
AND CONTACT PERSON:** Department of Community Development  
LuAnn Clark

**NOTICE REQUIREMENTS:** Seven-day advanced newspaper notice of  
public hearing for budget amendment

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## KEY ELEMENTS:

The American Dream Downpayment Initiative (ADDI) is a new federal program with two-years of funding available (\$81,429 for 2003-04 and \$96,089 for 2004-05 for a total of \$177,518). ADDI aims to increase the homeownership rate, especially among lower income and minority households, and to revitalize and stabilize communities. In future years, applications for ADDI funding from nonprofits organizations or City divisions will be evaluated at the same time as applications for CDBG, ESG, HOME, and HOPWA.

## MATTERS AT ISSUE/POTENTIAL QUESTIONS FOR ADMINISTRATION:

The Housing Trust Fund Advisory Board has reviewed the ADDI applications and has made the following recommendations:

SLC Housing & Neighborhood Development	\$100,000
SL Neighborhood Housing Services	<u>77,518</u>
Total	\$177,518

The City's Housing & Neighborhood Development Division proposes to provide down payment assistance to 15 low to moderate-income first time home buyers. Neighborhood Housing Services proposes to provide 15 to 20 down payment and closing cost assistance to low-income, first time home buyers purchasing homes in west side neighborhoods including Glendale, Poplar Grove, Fairpark, Rose Park and lower West Capitol Hill.

The other applicant for ADDI funds was the Community Development Corporation, which proposed to provide 10-30 down payment assistance grants ranging from \$1000 to \$10,000, depending on needs, to low-income families. The Housing Trust Fund Advisory Board did not recommend allocating ADDI funding to the Community Development Corporation because this organization was awarded \$125,000 from the City's 2004-05 HOME funds.

At the briefing, Council Members may wish to ask questions of the Administration such as:

- What are the specific eligible requirements?
- Can either spouse have owned a home sometime in the past?
- What is the maximum income for low and moderate-income families?
- For what type of costs can ADDI assistance be used?
- Can ADDI funds be combined with other assistance to provide additional support?
- What is the maximum ADDI assistance allowed for each family?
- What is the time frame in which the funds must be spent or be forfeited by the City?
- Were funds for this type of assistance previously provided to Salt Lake City Housing and Neighborhood Development or Neighborhood Housing Services through the HOME program?
- Of the three organizations that applied for funding, which of the organizations has an existing program of a similar nature (i.e. would any of the organizations need to create additional overhead in order to administer the program)?

### **OPTIONS:**

Appropriations of ADDI funds need to be made by budget amendment following a public hearing. The Council may wish to consider the following options:

1. Include the ADDI appropriations in budget amendment #3 which will include a public hearing on November 9<sup>th</sup> (primarily for CIP appropriations). The Council may wish to request that the three applicants be informed of the public hearing.
2. Defer appropriation of these funds until the next quarterly budget amendment (public hearing tentatively scheduled for first week in January).
3. Revise the allocation amounts.
4. Request additional information or schedule an additional work session.

cc: Rocky Fluhart, Sam Guevara, David Dobbins, Luann Clark