



CITY OF MIDDLETON

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DOWN PAYMENT ASSISTANCE PROGRAM (DPAP)

- Requesting \$50,000 (HOME) and \$50,000 (CDBG) funds to complement funds already invested by the City of Middleton: \$390,852 land price reduction on offered sale price for 8.27 acres to Ellefson Company; and \$140,000 investment (\$100,000 for down payments and \$40,000 for program startup and administration) by Middleton Community Development Authority. Total City Investment: \$530,852.
- Purchasers must have 40% to 80% of Dane County median income to qualify. Down payment is a 0% loan to those who live in their Middleton home for 15 years, requiring payback of only the original amount. If a property is resold within the first 15 years, then DPAP, on a sliding scale, receives a portion of the increased resale value capped at up to twice the original amount of the down payment assistance.
- Targeting Middleton workers who would like both to live and work in the city, but non-Middleton workers are also eligible. Purchasers of both new and existing housing stock are eligible.
- Middleton has net employment migration of +1,500 (as of 2000 Census) into the city each day, and we have grown our employment much more since then. City leaders wish to assist local workers in finding decent and affordable housing in a community experiencing vast increases in housing costs. In so doing, the City aims to cut down on commuting time and air pollution while increasing family time for Middleton workers.
- Ellefson Company, over an estimated 3 years, will integrate 35 affordable condominium units (therefore, 35 prospective DPAP participants) into a housing development (Corner Stone) of 132 units just south of Airport Road and near the bus line, the City's two major business parks and airport, a major community park under development, hiking and pedestrian trails and a future County park in the Town of Middleton.
- The City projects another 15 purchasers from the inception of the program in May, 2005 through the end of 2006. Thus far, we have had two successful participants in the program's first 5 months. Supply of housing is the critical issue, and the purchase agreement between the City and the Ellefson Company addresses that need in Middleton.
- In April the City sponsored a seminar for local bankers, realtors, church leaders and builders to become familiar with our program. Associated Bank has stepped forward to offer a Home Buyer Education Program, and WHEDA and the Dane County Housing Authority are also planning to dovetail their down payment assistance programs with Middleton's.
- As Middleton grows to its north/northeast, the City will have the opportunity to implement this program further beyond the existing city limits.
- The City hopes to encourage leaders of other small cities and villages in taking an active role in providing workforce housing in their communities.