

Minutes of the
HOME Board Meeting
April 17, 2008

Members Present: Duane Paulson, Ron Buchanan, Mark Baldwin, Alan Schupp, Kathleen Schilling, Mark Hoefert, Scott Seefeldt and Maria Watts

Staff: Glen Lewinski, Kathy Kamp, Kristin Silva and Nancy Mojica

Excused Absent: Joseph Birbaum, Sharon Schmeling, Mike Burow, Richard Bertram and John Gallo

Guest: Marcia Bergeson, HUD, Carol Biersach, Slinger Housing Authority, Robin Lulich, Hartford C.D.A., Russell Wanta, Habitat for Humanity of Washington County, Dennis Heling, Jefferson County Economic Development, Tom Farley, Waukesha County Corporation Counsel, Steve Schnoll, General Capital Group and Rose Sura, hbc services, inc.

- I. The meeting was called to order by the Chair with a quorum of the Board present at 9:03 a.m.
- II. On a motion by Ron Buchanan and seconded by Kathleen Schilling, the minutes from the March 20, 2008 were unanimously approved.
- III. Staff provided the Board with the HUD HOME Snapshot report, which compares Waukesha County accomplishments to other states and national grantees. Staff noted that negative “red flags” dropped from four to one (50% of median income rental rate goal of 70% was slightly below at 66%).
- IV. Marcia Bergeson, HUD, Senior Representative handed out copies of her monitoring letter for discussion with the Board.

The monitoring identified “one” finding related to Program Administration and two “concerns” one related to outstanding loans held by CHI, and the other related to program staffing. Ms. Bergeson identified a number of administrative Policies and Procedures which need to be completed, some of which are awaiting approval and others to be addressed. Ms. Bergeson indicated that Technical Assistance is available to address some of the essential efficiencies. Following is the current status of Policies and Procedures identified.

- a. Procedures and Guidelines for Program and Development Projects, some procedures have been completed by WI Partnership, more formal Policies and Procedures will be developed in conjunction with technical assistance.
- b. Procurement Guideline has been completed and will be provided to the Board for approval prior to submission to HUD.
- c. Procedures for Progress Payment will be developed.
- d. Lead Paint Procedures have been completed and need Board approval.
- e. Underwriting and Subsidy Layering Guidelines will be written after technical assistance.

- f. Rehabilitation and Property Standards have been written and awaiting final approval.
- g. Affirmative Marketing Policy needs to be developed as part of the marketing allocation.
- h. Subrecipient, CHDO and Contractor Agreements are being finalized after county Corporation Counsel attended training and review with HUD.
- i. On-site Inspection of Rental Properties is scheduled to be conducted this summer along with completion of written Policies and Procedures.
- j. Compliance Monitoring:
 - 1. Rental Projects – to be undertaken this summer
 - 2. Rehab Projects – audited by HUD
 - 3. Homeownership – audited by HUD
 - 4. CHDO's – on-going project monitoring
 - 5. Subrecipients – WI Partnership audited by HUD
 - 6. Contractors – Homebuyer Counseling/Inspection Services continuous.

The HOME Consortium will formally request from HUD technical assistance for those items identified in the monitoring letter and will respond quarterly to the status of the outstanding monitoring findings.

During the presentation, Ms. Bergeson while commenting on HOME rental projects, indicated that Waukesha County, as the grantee, was responsible for repayment of any HOME funds provided to a rental project if the property went into foreclosure prior to the completion of the affordability period. This issue raised a number of questions related to Waukesha County liability which will be addressed by Waukesha County to the Board since Waukesha County is subject to the repayment provision.

- V. Scott Fergus, President of Community Housing Initiative (CHI), gave the Board an update on the status of his organization indicating that upon transfer and assignment of loans to Waukesha County, the organization CHI will close. He agreed to assign all outstanding loans to Waukesha County who will be responsible thereafter for completing Satisfaction, Subordination and loan payoffs. Mr. Fergus indicated that he would need to identify a new entity to service the lender portion of the interest buydown loans, which have deferred HOME funds invested.

- VI. The WI Partnership reported on the following items:
 - a. The fund balance report was reviewed and accepted without action.
 - b-e The policies and procedures manual related to Rehab Standards, Lead Paint and Environment were reviewed with approval under the action items.
 - f. Recommended changes in inspection fee was reviewed and discussed with approval under action item.
 - g. Changes to the funding for Marketing and development of an Affirmative Marketing Plan were discussed with approval under the action items.

- VII. Action Items:
 - a. On a motion by Kathleen Schilling and seconded by Ron Buchanan, the Board unanimously approved the modification to the 2008 HOME allocation with the following changes:
 - 1. Reduce the 2007 Housing Rehabilitation by \$100,000.
 - 2. Reduce the 2007 Downpayment Assistance by \$124,000.
 - 3. Allocate \$56,000 to Waukesha County Set-aside for 2008 less the publication cost for advertising.


4. Allocate \$56,000 to Washington County Set-aside for 2008 less the publication cost for advertising.
5. Allocate \$56,000 to Jefferson County Set-aside for 2008 less the publication cost for advertising.
6. Allocate \$56,000 to Ozaukee County Set-aside for 2008 less the publication cost for advertising.

\$50,000 of each allocation is for project implementation, \$5000 for administration and \$1,000 for program marketing.

- b. On a motion by Duane Paulson and seconded by Maria Watts, the Board unanimously approved the revised By-Laws/Operating Manual with a change in the term to coincide with a new appointment by the county Executive or Chair.
- c-e On a motion by Duane Paulson and seconded by Ron Buchanan, the Board unanimously approved the "draft" Rehab Standards, Lead Compliance and Environmental manual as written by the WI Partnership for Housing Development.
- f. On a motion by Duane Paulson and seconded by Ron Buchanan, the Board unanimously approved the payment for additional inspections to be paid with Housing Rehabilitation funds with no cost to the homeowner. Funds for inspection would be considered a program administration cost. WI Partnership staff will determine the number of re-inspections needed based on the type of rehabilitation being undertaken.
- g. On a motion by Duane Paulson and seconded by Ron Buchanan, the Board accepted the application after a presentation by Steve Schnoll from General Capital requesting funding for renovation of Oak Hill Village a senior apartment complex. WI Partnership will prepare an analysis of the proposal for future funding consideration.
- h. On a motion by Mark Hoefert and seconded by Ron Buchanan, the Board unanimously approved 2007 CHDO Operating funds in the amount of \$9,000 per unit for the total of \$36,000 for the approved four units to be developed by the Washington County Habitat for Humanity.
- i. On a motion by Ron Buchanan and seconded by Maria Watts, the Board unanimously approved making the Marketing Budget as a direct cost of the Housing Rehabilitation and Downpayment Assistance programs. Funds previously approved for Marketing \$11,588 will be transferred to Administration. WI Partnership will determine the marketing cost per Housing Rehab/DPA based on a total marketing budget of \$22,500.

VIII. On a motion by Ron Buchanan and seconded by Duane Paulson, the meeting adjourned at 11:50.

Respectfully submitted,


Mark Baldwin
Chair, HOME Board