

Agenda
HOME Program Commission Meeting
Municipal Building, 625 52nd Street - Room 202, Kenosha, WI
Tuesday, September 13, 2016
5:00 pm

Aldersperson Dave Paff
Aldersperson Anthony Kennedy
Aldersperson Curt Wilson

Committee Member Anita Faraone
Committee Member Ron Frederick
Committee Member Scott Haraty

Call to Order
Roll Call
Citizens Comments

Approval of the Minutes of the Meeting Held October 28, 2015

1. Election of Chairperson and Vice Chairperson of the HOME Program Commission.
2. Amendment to the *HOME Program Policies and Procedures*. PUBLIC HEARING

Committee Member's Comments

*IF YOU ARE DISABLED AND NEED ASSISTANCE, PLEASE CALL 653-4030 BY NOON
OF THIS MEETING DATE TO MAKE ARRANGEMENTS FOR REASONABLE ON-SITE ACCOMMODATIONS.*

HOME PROGRAM COMMISSION
Minutes
October 28, 2015

MEMBERS PRESENT: Alderperson Anthony Kennedy, Alderperson Dave Paff, Alderperson Kurt Wicklund, Alderperson Curt Wilson, Anita Faraone, Ronald Frederick and Anderson Lattimore

STAFF PRESENT: Mike Maki

The meeting was called to order at 5:00 pm by Alderperson Wicklund and roll call was taken.

A motion was made by Ms. Faraone and seconded by Mr. Lattimore to approve the minutes from October 21, 2014. The motion passed. (Ayes 6, Noes 0)

1. Election of Chairperson and Vice Chairperson of the HOME Program Commission.

A motion was made by Ms. Faraone, seconded by Mr. Lattimore to nominate Alderperson Paff as Chairman. The motion passed. (Ayes 6, Noes 0)

A motion was made by Mr. Lattimore, seconded by Alderperson Kennedy to nominate Alderperson Wicklund as Vice Chairperson. The motion passed. (Ayes 6, Noes 0)

2. Discussion of the 2016 HOME Program Description. PUBLIC HEARING

Mike Maki, Community Development Specialist, gave an overview of the Program Description and the proposed additions.

Alderperson Kennedy said if we are going to have rental housing rehabilitation, can it be owner occupied? Mr. Maki said yes, but we don't want someone to buy a single-family home, rehab it and turn it into a rental unit. It must be an existing rental unit to be funded under rental rehab. Alderperson Kennedy asked if the rent to own program would be eligible? Mr. Maki said not under the current program.

Ms. Faraone asked if single family homes would be eligible? Mr. Maki said yes, but we envision 5 or more scattered properties with more than one unit on each property. They would also have other restrictions that we would have to monitor.

Mr. Frederick arrived.

Alderperson Kennedy has concerns and would like safe guards against fraud abuse. Mr. Maki said we are looking for developers, not single property owners, because of the extensive underwriting that needs to be done. Alderperson Kennedy asked if we could make that a condition. Yes, we could require that the applicant own the building one or more years before being eligible to receive funds.

Alderperson Kennedy also asked why 46% of the funds were put into the program. Mr. Maki said that happens to be the equivalent of the current program income. We must

use the program income funds before we can request additional Entitlement Funds, the funds must be committed to a specific program by a contract through Council or the Housing Authority within 2 years. We also have a 5 year deadline to spend the Entitlement Funds, once we received them.

Alderson Paff asked if we could sustain the new inquiries that were received for rental rehabilitation. Mr. Maki said it will be dependent on how quickly the funds are spent.

Alderson Wicklund asked if the amount of funds we have right now is typical. Mr. Maki said no, a large share is the program income money from the sale of homes. Alderson Wicklund asked if we will be receiving more program income. Mr. Maki said yes, one more home and then a partial amount from the two other homes the City still has for sale. Alderson Wicklund then asked if this will be a one year program. Mr. Maki said we can continue, but not at this same level.

Alderson Wicklund also asked how would we identify who would receive these funds? Mr. Maki said we would advertise that the funds are available. When we receive a request, we would bring the information back to this Commission for review.

Ms. Faraone said if you limit the requirement to someone who has 5 or more units, you are discriminating against those who have 1 or 2 units. Why can't we use the money to assist the Redevelopment Authority and purchase the slum properties. Mr. Maki said that would be allowable, but the City would be obligated to purchase the property, demolish it and rebuild a new affordable housing structure all within a 1 year time period.

Ms. Faraone also asked if the tenant based rental requirement is 30% of income. Mr. Maki said that if factored into the assistance, but the applicant could pay more than 30% if they select a unit with a higher rent. The applicant must also be on the Section 8 waiting list, but they cannot receive both Section 8 and Tenant Based Rental Assistance funds. The Council also placed a requirement that the applicant must be elderly, and elderly veteran or elderly with disabilities.

Mr. Lattimore verified that there are no changes for the 2016 Program and we are still requiring the applicant to be elderly. Mr. Maki said correct.

Mr. Frederick said there are two CDBG applicants that are looking for homebuyer counseling assistance, can they apply for these funds? Mr. Maki said not on their own, the homebuyer counseling assistance portion must be in conjunction with something else, such as affordable housing.

A motion was made by Ms. Faraone to take \$200,000 of the \$650,000 and to increase Rental Assistance for the Elderly and Disabled. Motion died for lack of a second. Mr. Maki the Housing Authority has money for rental assistance, but they have exhausted the waiting list so it would be difficult to spend that much more.

Alderson Kennedy said maybe we could add a different category that would receive the assistance. Mr. Maki said we could, but would need to discuss with Housing Authority. Alderson Kennedy suggested that Mr. Maki ask Housing Authority what is the next largest category in need of assistance so we would have that information for a future designation.

A motion was made by Alderperson Wilson and seconded by Alderperson Kennedy to approve the 2016 HOME Program Description, including the addition of *Rental Unit Rehabilitation* as an "Eligible Activity".

Mr. Frederick asked where do adults with disabilities stand in relationship to the other categories? Mr. Maki said he would have to need to ask the Housing Authority, but we do have a greater population of people with disabilities on that list than we have units available that can accommodate those people.

Alderperson Kennedy clarified that the "years of ownership requirement" and the "number of units requirement" are not in the Description for Rental Assistance at this time. Mr. Maki said correct, we could add to the motion or it could be changed at Council if you want this requirement. Alderperson Kennedy said it should not be added at this time.

The motion passed. (Ayes 6, Noes 1) *Ms. Faraone voted no.*

3. Amendment to the *HOME Program Policies and Procedures*. PUBLIC HEARING

Public hearing opened, no comments, public hearing closed.

A motion was made by Alderperson Kennedy and seconded by Alderperson Wilson to approve the Amendment. The motion passed. (Ayes 7, Noes 0)

Public Comments

No public comments.

Commissioner Comments

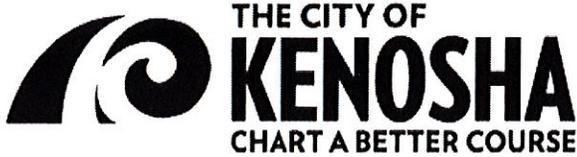
Ms. Faraone commented on the Amendment to the Policies and Procedures.

Staff Comments

No Staff comments.

A motion to adjourn was made by Alderperson Wilson and seconded by Alderperson Kennedy. The motion passed. (Ayes 7, Noes 0) The meeting adjourned at 5:05pm.

Meeting Minutes Prepared by: Kay Schueffner, Community Development & Inspections



HOME PROGRAM COMMISSION
Staff Report - Item 1

Tuesday, September 13, 2016 at 5:00 pm
Municipal Building
625 52nd Street - Room 202 - Kenosha, WI 53140

Election of Chairperson and Vice Chairperson of the HOME Program Commission.

NOTIFICATIONS AND APPROVAL REQUIREMENTS:

This item is for HOME Program Commission action.

ANALYSIS:

1. The Code of General Ordinance, Section 1.06 U.5., references "City Boards and Commissions, HOME Program Commission, Officers", states:

The Commission shall elect from its members the chairperson and vice chairperson annually at its first meeting in May of each year.

2. Section 1.06 U.5 is attached for your reference.

RECOMMENDATION:

A recommendation is made to elect a Chairperson and Vice Chairperson.



Mike Maki, Community Dev Specialist



Jeffrey B. Labahn, Director

CODE OF GENERAL ORDINANCES, 2012 - KENOSHA, WISCONSIN

available.

U. HOME Program Commission.

1. Title. There is hereby created a "HOME Program Commission".

2. Purpose. The purpose of the HOME Program Commission is to solicit, review and recommend projects to be funded by HOME Investment Partnership Program grants from the United States Department of Housing and Urban Development which will strengthen public-private partnerships and provide more affordable rental and homeownership housing through acquisition, rehabilitation, new construction and any other eligible activities under the HOME Program.

3. Members. The composition of the HOME Program Commission shall consist of the members of the City Development Block Grant Committee established in Section 1.06X.

4. Term. The terms of office shall be consistent with the terms of office for the respective terms of the members of the City Development Block Grant Committee.

5. Officers. The Commission shall elect from its members the chairperson and vice chairperson annually at the first meeting in May of each year. The Mayor may appoint a City employee to act as secretary for the Commission at no additional compensation to be paid to said employee other than compensatory time off unless such compensation is authorized in advance by the Common Council.

6. By-Laws. The Commission may, from time to time, adopt bylaws and rules of procedure fixing the time and place of meeting, prescribing the manner of keeping records and treating other matters.

7. Duties. The Commission shall:

- a. Annually solicit, review and recommend to the Common Council projects to be funded with Federal HOME Program grant funds.
- b. Develop a program description for Common Council approval to be submitted to the U.S. Department of Housing and Urban Development.
- c. Meet periodically to review program activities and results.

8. Appropriation and Allotment of Funds to the Commission. The Common Council may, from time to time, allocate such funds as said Council deems necessary and appropriate for the use of the Commission in the performance of duties herein relevant. Out-of-City trips must be approved, in

writing, in advance, by the Mayor, and all expenses and receipts furnished, when available.

V. Board of Review.

1. Title. There is hereby created a "Board of Review" in accordance with Section 70.46, Wisconsin Statutes.

2. Purpose. The purpose of the Board of Review shall be to conduct proceedings and act in accordance with Section 70.47, Wisconsin Statutes, and such other provisions of Chapter 70, Wisconsin Statutes, as may be applicable.

3. Members. There shall be five (5) members appointed by the Mayor and confirmed by the Common Council. The membership shall consist of citizens who are residents of the City, and may include public officers and employees who are residents of the City of Kenosha, except that the Assessor and employees of the Assessment Department may not be members. Members shall serve without salary.

4. Term. The term of members shall be five (5) years, which shall be staggered by creating initial terms for a period of one (1), two (2), three (3), four (4) and five (5) years, respectively.

5. Officers. The Board shall elect a chairperson and a vice-chairperson from among its members at its initial meeting and annually at its first meeting of each calendar year. The Mayor may appoint a City employee to act as Secretary for the Commission at no additional compensation to be paid to said employee, other than compensatory time off, if applicable, unless such compensation is authorized in advance by the Common Council.

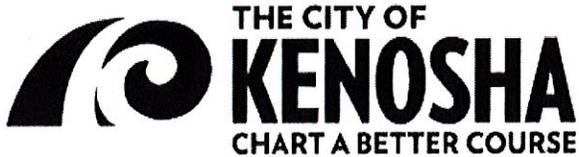
6. By-Laws. The Board may, from time to time, adopt bylaws and rules of procedure fixing the time and place of meeting, prescribing the manner of keeping records, and treating other matters.

7. Duties. The Board shall have the duties specified in Section 70.47, Wisconsin Statutes, and such other provisions of Chapter 70, Wisconsin Statutes, as may be applicable.

W. Board of Assessors.

1. Title. There is hereby created a "Board of Assessors" in accordance with Section 70.075, Wisconsin Statutes.

2. Purpose. The purpose of the Board of Assessors shall be to conduct proceedings and act in



HOME PROGRAM COMMISSION
Staff Report - Item 2

Tuesday, September 13, 2016 at 5:00 pm
Municipal Building
625 52nd Street - Room 202 - Kenosha, WI 53140

Amendment to the *HOME Program Policies and Procedures*. PUBLIC HEARING

NOTIFICATIONS AND APPROVAL REQUIREMENTS:

This item is for HOME Program Commission action.

ANALYSIS:

1. The City of Kenosha HOME Program Commission adopted their HOME Policies and Procedures on July 21, 2014. The Policies and Procedures are reviewed on a continuous basis to ensure they meet all HOME Program requirements and are amended when changes are proposed.
2. Based on input from the Mayor, Staff recommends the following changes to the Owner Occupied Housing Rehabilitation Section:
 - a. The maximum loan amount is amended to 125% of the value of the property, less any existing loan balances.
 - b. The credit score is recommended to be 600, with exceptions made in cases of lower credit scores when installment loan accounts show no delinquencies or late payments within the last year.
 - c. A Deed Restriction will be required to be recorded restricting the use of the property to an owner-occupied single family residence.
 - d. The Program will be restricted to an area between 52nd Street and 60th Street, from the Chrysler site east to 22nd Avenue. Previously the Program was available City-Wide.

Information detailing the proposed changes is attached.

RECOMMENDATION:

A recommendation is made to incorporate the proposed changes into the HOME Policies and Procedures.

Mike Maki, Community Dev Specialist

Jeffrey B. Labahn, Director

Housing Rehabilitation Loan Program Terms

1. Applicant(s) must be U.S. Citizen(s) or have qualified Alien status
2. Non-refundable application fee of \$25 for single applicants and \$40 for two (2) applicants
3. Applicant(s) must reside at the property for a minimum of ninety (90) days
4. Maximum loan amount of \$45,000, limited to available equity, up to ~~100%~~ **125%** value of the property
5. Applicant(s) must meet maximum income limits of 80% based on household size
6. **Minimum Recommended** credit score of 600 (**Exceptions made when installment loan accounts show no delinquencies or late payments within the last year**)
7. Applicant(s) to provide proof of current homeowner's insurance, employment and/or income verification
8. Existing mortgage(s) must have current payments (no late payments in the last 2 months)
9. Taxes must be current, with no Special Assessments
10. **Owner-occupied Deed Restriction recorded against property**
11. **Eligible applicant(s) are limited to an area between 52nd Street and 60th Street, from the Chrysler site to 22nd Avenue**