



C/o Waukesha County CDBG Program
Lead Agent
515 W. Moreland Blvd.
Waukesha, WI 53188
1.262.896.3370 (direct)
1.262.896.8510 (fax)

C/o Wisconsin Partnership for Housing Development, Inc.
Program Administrator
121 South Pinckney Street Suite 420
Madison, WI 53703
1888.318.4486 (toll-free)
1.608.258.5560 (direct)
1.608.258.5565 (Fax)

The HOME Consortium
Board of Directors Meeting
Thursday, April 18, 2013
515 W. Moreland Blvd. Rm. 355/359
Waukesha, WI 53188
@ 9:00 A.M.

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Approval of the Minutes from the February 18, 2013 Board Meeting
4. Public/Staff Comment – Correspondence
5. WI Partnership Fund Balance Report
6. 2013 WI Partnership Loan Programs
7. Slinger Housing Authority Request for Administration Funds
8. 2007 Downpayment Assistance (DPA) Loans
9. CHI/CCAP Issues
10. Hebron House Application - Update
11. Habitat for Humanity – Jefferson County
12. Federal Home Loan Bank of Chicago (FHLBC) – Returned Funds
13. Adjournment

All agenda items are potentially actionable

In accordance with the Americans with Disabilities Act, persons requiring any means of handicap accessibility for this meeting must contact Kristin Silva at 896-3370 (FAX 896-8510) at least 48 hours prior to meeting.

Minutes of the
HOME Board Meeting
February 21, 2013

Members Present: Mark Baldwin, Joe Birbaum, Ron Buchanan, Jennifer Hanneman, Christine Howard Turowski, John Kannard, Russell Kutz, Dennis Myers, Duane Paulson, Peter Sorce and Maria Watts

Staff: Kristin Silva and Nancy Mojica

Excused Absence: Mark Hoefert, Glenn Stumpf, Kathleen Schilling and Jay Schreurs

Guests: Lisa Kratz, Debbie Narus, Wisconsin Partnership, Kimberly Haines, Sandy Scherer, Dale Shaver, Waukesha County, Bernie Juno, Hebron House, Aaron Matter, Jim Tarantino, Tarantino Company and Dennis Heling, Jefferson County Economic Consortium.

- I. The meeting was called to order by the Chair with a quorum of the Board present at 9:00 a.m.
- II. The Chair led the Pledge of Allegiance.
- III. On a motion by Peter Sorce seconded by Dennis Myers, the minutes from the December 20, 2012 meeting were approved.
- IV. No Public Comments were heard.

New Board member Christine Howard Turowski was introduced to the Board.

Lisa Kratz, Wisconsin Partnership, updated the Board on the State HCRI grant in the amount of \$100,000 that they received two years ago to help homeowners with either foreclosure assistance or downpayment assistance in the four county area. WPHD tried to use it for foreclosure prevention but because of the restrictions on the funds they could not find the ideal households to receive the funds. They will now convert the funds to downpayment assistance. The Maximum is \$5,000 per household; they have enough funding for 20 households. It is a 5 year forgivable loan very similar to the HOME Consortium Downpayment Assistance program (\$5,000). They will be offering it with the HOME Consortium Downpayment Assistance, which means a homebuyer can potentially receive both. Wisconsin Partnership also runs the Federal Home Loan Bank of Chicago Downpayment Plus s program (\$6,000) which means a household can now get up to a total of \$16,000 if they qualify.

- V. Staff informed the Board that we had an issue with a 2011 IDIS CHDO drawdown of the Movin' Out project in the amount of \$555,555. The funds should have been drawn from the CHDO Reserve allocation and instead were drawn from our entitlement allocation. Staff is working with HUD to resolve this issue.
- VI. Wisconsin Partnership staff prepared a program summary for 2012 showing the success of the core programs. We had a very good year in DPA with 80 loans, Purchase Rehabilitation with 15 loans and the Rehabilitation program with 11.

- VII. On a motion by Ron Buchanan and seconded by Peter Sorce, the Board approved the appointment of Mark Baldwin to the position of Treasurer to the HOME Board.
- VIII. Staff informed the Board that Scott Fergus (Community Housing Initiatives) contacted Waukesha County to inform them that he had dissolved Community Housing Initiatives and CCAP. Staff has been working with Waukesha County Corporation Counsel to come up with a solution to address this situation.
- IX. A presentation by Bernie Juno, Hebron House, Jim Tarantino, Aaron Matter, Tarantino & Company for the request of \$133,000 of CHDO Reserve funds for the Section 811 project at 620 Summit Avenue in Waukesha. On a motion by Duane Paulson and seconded by Dennis Myers, the Board has asked the Executive Committee Board to review the application and bring it back to HOME Board with recommendations
- X. Staff informed the Board that the deadline for the Habitat for Humanity development project in Jefferson County was approaching for the two remaining lots. Habitat for Humanity of Jefferson County lost their Director and now has merged with Rock County, and the organization is now called Rock and Jefferson County Habitat for Humanity. This merged organization has the responsibility of completing the two remaining lots. Staff has learned that one of the two remaining lots will be completed by spring and the other has only the initial construction started, and may not be finished until the end of the year. We are working with the organization to resolve this and will keep the Board updated.
- XI. On a motion by Peter Sorce and seconded by Ron Buchanan, the meeting adjourned at 10:10 a.m.

Respectfully submitted,

Joe Birbaum
Chair, HOME Board

Daniel P. Vrakas
County Executive

Dale R. Shaver
Director



April 2, 2013

Congressman F. James Sensenbrenner
U.S. House of Representatives
Wisconsin 5th District
120 Bishops Way, Suite 154
Brookfield, WI 53005

Dear Representative Sensenbrenner:

I am writing to request your assistance in a matter with the Department of Housing and Urban Development. I am the Community Development Coordinator for Waukesha County, and I manage the federal programs Waukesha County receives for housing, economic and community development, including CDBG and the HOME Program. Waukesha County has been a CDBG entitlement community since 1992, and a HOME participating jurisdiction as part of the HOME Consortium (Jefferson, Ozaukee, Washington and Waukesha Counties) since 1998.

Waukesha County administers the HOME Program as the lead agent for the HOME Consortium. In 2011, the HOME Consortium received \$1,297,244 in HOME Program funding. The funds were allocated primarily to the Consortium's three "Core Programs;" a Downpayment Assistance Program, a Purchase-Rehabilitation Program, and a Homeowner Rehabilitation Program. These programs are all loan programs that provide qualified low and moderate income people (all making under 80% of the county median income) with an opportunity to purchase or rehab moderately priced housing in one of the four participating counties, with loans at a zero percent interest rate.

With the remainder of the 2011 HOME allocation, Waukesha County also funded a low income housing tax credit development project in New Berlin, Wisconsin, for \$555,555. This project was funded using a subset of the HOME funding called CHDO (Community Housing Development Organization) funds. 15% of the HOME allocation must be set-aside for eligible CHDO projects each year.

The Problem: When the project was set up in IDIS (Integrated Disbursement & Information System), HUD's database for reporting, monitoring and drawing funds for HOME and CDBG, Waukesha County staff made a data input error. A voucher was set up incorrectly and drawn down at the end of 2011. The \$555,555 should have been funded completely out of the CHDO

Community Development
515 W. Moreland Blvd • Room AC 320
Waukesha, Wisconsin 53188
Phone: (262) 548-7920 • Fax: (262) 896-8510
www.waukeshacounty.gov/communitydevelopment

subfunds available at the time in 2011 and from previous years, but instead it was funded partially out of the CHDO subfund for 2011 (\$157,335.30) and partially out of the general HOME allocation (\$398,219.70). Unfortunately, if this simple data entry error is not corrected, funding of projects, expected to be accomplished by HUD through the general allocation, will not be possible.

Waukesha County worked with the HUD staff at the Milwaukee Field Office to get the drawdown request revised. The HUD staff were sympathetic to the issue and advised us to make a request to the HUD national office using the HUD "OneCPD Resource Exchange". HUD declined to revise the voucher, citing "time, complexity and high cost constraints." **We believe that making a revision of this sort takes a minimal amount of time and would allow Waukesha County to meet other HUD desired outcomes for low and moderate income individuals through the Down Payment Assistance and Purchase-Rehabilitation programs with the funding that had been tied up through this input error.**

The Impact: Due to the data input error not being quickly resolved, we have already put the Homeowner Rehabilitation and Purchase-Rehabilitation Programs on hold, and have growing waiting lists for both programs.

The Request: Waukesha County would greatly appreciate your help in asking HUD to revise the voucher. The activity number in IDIS is 3857, and the CHDO is called Movin' Out. We would like the voucher to be revised so that \$398,219.70 is returned to our general HOME allocation (referred to as Entitlement funding). We would like the voucher to instead draw that amount from the following CHDO Reserve subfunds from previous years:

2006 CHDO Subfund \$143,884.00
2007 CHDO Subfund \$50,090.95
2008 CHDO Subfund \$200,392.05
2009 CHDO Subfund \$3,852.70

Thank you very much for considering this request. Waukesha County is proud of it's HOME Program and the impact it has had on helping low and moderate income families purchase and rehab housing. We have helped thousands of families become homeowners, and hundreds of families maintain their houses. Revising the voucher will allow us to continue to provide this much needed service in 2013.

Please contact me with any questions, at (262) 896-3370 or ksilva@waukeshacounty.gov.

Sincerely,



Kristin Silva
Community Development Coordinator

SUMMARY OF FUND BALANCES FOR HOME CONSORTIUM

	ESTIMATED TOTAL FUNDS AVAILABLE DURING 2013	March, 2013		2013 Year to Date		FUNDS AVAILABLE March 31, 2013	Comments	FUNDS AVAILABLE TO COMMIT
		Number of Loans	Reserved Amount	Number of Loans	Reserved Amount			
	1		2		3	4		5
Carryover from 2012 DPA, PIR, and Rehab	\$ 12,156.37	1	\$ 12,156.37	1	\$ 12,156.37	\$ -		
Downpayment Assistance Program 2013	\$ 300,000.00	11	\$ 75,025.00	11	\$ 75,025.00	\$ 224,975.00		
Purchase/Rehab Program 2013	\$ 175,000.00	2	\$ 16,522.63	2	\$ 16,522.63	\$ 158,477.37		
Rehab Program 2013	\$ 225,000.00	7	\$ 113,269.50	7	\$ 113,269.50	\$ 111,730.50	includes 4 loan in process for \$66,789	
County Allocations								
Jefferson County	\$ 25,975.31				\$ 25,975.31	\$ -	\$25,975 remaining to be drawn	
Ozaukee County	\$ -					\$ -		
Washington County	\$ -					\$ -	\$0 remaining to be drawn	
Waukesha County	\$ 102,915.00				\$ 102,915.00	\$ -	\$102,915 remaining to be drawn	
CHDO Operating Funds								
Movin' Out (Globe Apts., Watertown)	\$ 28,000.00				\$ 28,000.00	\$ -	\$28,000 remaining to be drawn	
CHDO Reserve Funds								
Movin' Out (Globe Apts., Watertown)	\$ 435,000.00				\$ 435,000.00	\$ -	\$435,000 remaining to be drawn	
2012 CHDO Reserve allocation	\$ 4,812.80					\$ 4,812.80		
2013 Estimated CHDO Reserve allocation	\$ 157,335.30					\$ 157,335.30		
UNALLOCATED CHDO RESERVE	\$ 341,968.40					\$ 341,968.40		\$ 504,116.50
Administrative Funds								
Waukesha County Admin 2011	\$ 80,836.32				\$ 80,836.32	\$ -	\$17,802 remaining to be drawn	
Waukesha County Admin 2012	\$ 69,890.20				\$ 69,890.20	\$ -	\$69,890 remaining to be drawn	
Waukesha County Estimated Admin 2013	\$ 69,890.20				\$ 69,890.20	\$ -	\$69,890 remaining to be drawn	
WPHD Admin/Technical Assistance 2013	\$ 35,000.00				\$ 35,000.00	\$ -	\$35,000 remaining to be drawn	
UNALLOCATED ADMINISTRATIVE	\$ 47,335.94					\$ 47,335.94		\$ 47,335.94
Other Entitlement Projects								
Habitat for Humanity - Jefferson Co	\$ 17,400.00				\$ 17,400.00	\$ -	\$17,400 remaining to be drawn	
MSP (New Berlin project)	\$ 300,000.00				\$ 300,000.00	\$ -	\$300,000 remaining to be drawn	
UNALLOCATED ENTITLEMENT	\$ (195,146.94)					\$ (195,146.94)		\$ (195,146.94)
CHL - Rehab funds held by Waukesha Co.	\$ 24,039.23					\$ 24,039.23		
FHLBC - Rehab funds held by Waukesha Co.	\$ 17,066.39		\$ 17,066.39		\$ 17,066.39	\$ -	Funds returned to FHLBC	
TOTAL AVAILABLE	\$ 2,274,474.52					\$ 876,527.60		\$ 356,305.50

NOTES

1. Total funds available during 2013, includes funds carried over from prior years, 2013 allocation and program income received during 2013
2. These are amounts of funds reserved during the month. For downpayment, these means that the banks have reserved the funds for particular home buyers. For the rehab program, it means that an application has been approved and reserved for particular home owners.
3. These are amounts of funds reserved since the beginning of the year. For downpayment, these means that the banks have reserved the funds for particular home buyers. For the rehab program, it means that applications have been approved and reserved for particular home owners.
4. These are amounts available after deducting funds reserved during the year.
5. These are amounts available to fund new applications for funding such as CHDO and Development Projects.



**The Wisconsin Partnership
for Housing Development, Inc.**

Date: April 11, 2013
To: HOME Consortium Board
From: Lisa Kratz
Subject: 2013 Loan Programs

The first 2013 applications for the Down Payment Assistance Program were received during March. We currently have \$115,000 reserved for 17 households. Funding remaining for the 2013 program is \$185,000 (total of \$300,000).

We have had to turn away several HOME DPA applicants because they needed Rehab funding to bring the house up to code. This was due to funding for the Purchase/Rehab program not currently being available. We notified the lenders using the DPA program that if they believed the house would not pass the home inspection, they shouldn't submit the DPA application.

The HOME Program guidelines state that households that receive DPA funding only have one year to return and apply for Purchase/Rehab funding. We have had inquiries from households that received DPA funding in 2012 wanting to apply for Purchase/Rehab funds. They were informed that funding for the program wasn't currently available, and were placed on a waiting list.

We also have several households on the waiting list to receive Rehab funding.

We would like to be able to offer all the loan programs since there is a demand for them. But we are looking to the HOME Board for guidance on which program(s) are the priority. We also need to know the funding level for the program(s).

Thank You.



**The Wisconsin Partnership
for Housing Development, Inc.**

Date: April 11, 2013
To: HOME Consortium Board
From: Lisa Kratz
Subject: 2007 DPA program

We began administering the HOME Consortium's loan programs in 2007. At that time the Down Payment Assistance program offered was a \$5,000 deferred loan, due upon sale. At the July, 2007 HOME Board meeting it was decided to change to a 5 year forgivable 0% loan and that is how the program has been run ever since. During that 6-month period there were 21 DPA loans that closed as deferred loans.

We received a letter from a homeowner that got a \$5,000 deferred loan in 2007 asking for our help to modify the loan to a 5 year forgivable. This particular household has some other financial issues and should they sell their home it would be unlikely the HOME Consortium would receive repayment of the DPA loan.

We wanted to bring this to the HOME Board's attention to see if you would consider modifying this homeowner's loan, and possibly the other DPA deferred loans from 2007.

Thank You.



Kristin Silva

Waukesha County Community Development Office

515 W Moreland Blvd, Room AC320

Waukesha, WI 53188

3/19/2013

Dear Kristin,

I'm writing to you in hopes that you can help us change our current loan with you to a forgivable down payment loan. In 2006, my husband and I started the process of taking advantage of the down payment assistance loan program to help assist us in our dream of owning a home. At that time, we started the process to get a \$5,000 loan. We understood that loan would be a forgivable, if we were to keep primary residence for five years the loan would be forgiven and no repayment would be due. But at our closing appointment we found out that the loan was changed to a type of loan we would need to pay back. At the time, we had no choice but to sign the loan documentation and accept the agreement but we are hoping someone can help us now.

Back in 2006, My husband and I went through the application process and attended the homebuyer counseling program. We were very excited to find out that we were eligible for the program and started house hunting. We found a house in West Bend and our offer was accepted in December of 2006. We were set to close on the house in March of 2007. As we did not have any extra money to use, we had to wait until our lease was up at our current residence in order to avoid paying the new mortgage and rent at the same time. There was even a gap of time between our current lease and the closing date that my husband, 9 month old son and I had to stay with my sister in her 2 bedroom apartment for 10 days.

The week of our closing, one of the Home Consortium inspectors came out to the property to inspect it according to the HOME Consortium code requirements. This was after, we already had a separate inspector come out to the property and advise us that everything looked fine. The Home Consortium inspector told us that the railing on the second story balcony was not up to their code and we needed to replace the railing before closing. He was willing to come back out the next day to inspect the balcony again, if we did not get it up to code by then we would not be closing on the March 8th. That night, with a temperature of close to 20 degrees and about a foot of snow/ice on the balcony, my husband and I spent most of the night installing a new railing on the balcony. The inspector came out the next day and gave us a passing grade for the balcony.

By the day of our closing, my husband and I were fully stressed and ready to get the buying process completed. We jumped through all of the hoops and completed everything that was needed for the forgivable loan. But it was at the closing appointment, we find out that the forgivable loan of \$5,000 was changed to a loan we would need to pay back in full. It seems between the time we started the

process for the down payment help and closing date the type of loan was changed and we were not notified. My husband and I had no choice but to accept the loan agreement and sign the papers at that time, because we could not afford the house without the \$5,000 loan.

We have been in the house for over 6 years and are now upside down in our mortgage. We are unable to sell the house or refinance for that reason. Like many of our fellow homeowners we in this predicament because of the current economy and housing market. The only difference is my family and I have this loan hanging over our heads as well. We originally applied for this loan for help in the American dream of owning a home but somehow we did not get what we originally signed up for. I did try to call a couple of years ago to discuss this and was told there is nothing that could be done for us but I do not think that is fair to me and my family. They did tell me that the next month after we closed on our house (April, 2007), the loan offered to others went back to a forgivable loan because nobody was applying for the loan when it had to be paid back. If we knew, that the loan was not going to be a forgivable loan, my family would have never had gone through the process in the first place. We are asking for help now in changing our loan to what we originally thought we were going to have which is a forgivable loan.

Please feel free to give me a call with any further questions.

Thank you for your time and consideration,

Kyle and Tracy Mayo

626 Wolcott St, West Bend, WI 53090

Phone: 1-262-352-5596

Cc: Lisa Kratz, Debbie Narus

Daniel P. Vrakas
County Executive

Dale R. Shaver
Director



April 8, 2013

Ms. Sernorma L. Mitchell
CPD Director
US Department of HUD
310 W. Wisconsin Avenue
Suite 1380
Milwaukee, WI 53203-2289

Dear Ms. Mitchell:

The HOME Consortium recently received an application from Hebron House of Hospitality for a CHDO-funded development project in the City of Waukesha. Waukesha County, as the Lead Agent for the HOME Consortium, has some questions about HOME eligibility for this request.

The project, located at 620 Summit Avenue, is primarily funded through the HUD Section 811 program. Hebron House of Hospitality received a Capital Advance of \$1,298,200 to construct eight units of supportive housing for persons with disabilities, and a Project Rental Assistance Contract (PRAC) to help operate the project. This project will provide permanent housing that will be affordable for very-low income persons (30% CMI or under), plus supportive services coordinated by Hebron House.

Hebron House is asking for \$133,000 in HOME CHDO funds, and specifies in the application that four of the eight units will be HOME designated units, with an affordability period of 20 years. Hebron House already owns the site, and the City of Waukesha granted final plan approval on March 27th. The Environmental Review was completed for the Section 811 submission, and will just need to be posted for public comment for the HOME program before construction begins. Hebron House is partnering on this project with a local developer, Tarantino & Company, LLC. If they are able to coordinate all of their financing sources, they anticipate being able to start construction on June 1, 2013, and complete construction approximately 9 months later, by March 31, 2014.

The total project budget is \$1,437,755. The application for CHDO funds is to fill a project budget shortfall. The funds will be used to pay for additional architectural fees, stabilization and construction of an existing retaining wall, demolition of existing buildings, removal of an identified underground storage tank, excess site work and increased construction costs. I've attached the Development Budget that Hebron House included in their application for more detail.

Community Development
515 W. Moreland Blvd • Room AC 320
Waukesha, Wisconsin 53188
Phone: (262) 548-7920 • Fax: (262) 896-8510
www.waukeshacounty.gov/communitydevelopment

Waukesha County, on behalf of the HOME Consortium, has two questions that we request HUD answer before approval of the HOME CHDO funds will be considered.

1. Are the costs that Hebron House identified in the Development Budget HOME eligible costs for this project?
2. Waukesha County loaned Hebron House of Hospitality \$297,000 for the purchase of the site. Are the Section 811 Program HUD Capital Advance funds allowed to be used to repay Waukesha County for the full cost of this loan?

We appreciate your help in answering our questions. The project will help to serve a very vulnerable population in Waukesha County that we have identified in our Consolidated Plan as a high priority need.

Sincerely,



Dale Shaver
Director

Cc: Maryvel Turman, HUD CPD Representative
Kristin Silva, Community Development Coordinator, Waukesha County
Bernie Juno, Hebron House of Hospitality
Jim Tarantino, Tarantino & Company, LLC

Daniel P. Vrakas
County Executive

Dale R. Shaver
Director



Waukesha COUNTY

DEPARTMENT OF
PARKS AND LAND USE

March 6, 2013

Ms. Susan Wohlhart
Assistant Vice President
Federal Home Loan Bank of Chicago—Community Investment
200 East Randolph Drive
Chicago, IL 60601

Dear Ms. Wohlhart:

The Community Development Office of Waukesha County has conducted a file review of our Homeowner Rehabilitation Program. This program uses both federal HOME and CDBG funds, and is available in the four counties of the HOME Consortium area (Jefferson, Ozaukee, Washington and Waukesha Counties).

From 1999 to 2007, a nonprofit organization called Community Housing Initiatives, Inc. (CHI) was under contract with Waukesha County to administer the HOME Program for the HOME Consortium, including the Homeowner Rehabilitation Program. CHI administered this program, in addition to administering programs for other entities, such as a State of Wisconsin Downpayment Assistance Program. CHI also collaborated with Guaranty Bank and was awarded FHLBC Affordable Housing Program (AHP) funding for a homeowner rehab program.

CHI went out of business abruptly in early 2008, and all of their files were transferred to Waukesha County. Waukesha County contracted with the Wisconsin Partnership for Housing Development (WPHD) to administer the HOME Program, and the files were transferred to that organization. WPHD conducted a thorough file review of all of the HOME Consortium programs, including the homeowner rehabilitation files to determine if there were any funds remaining to be paid out to homeowners for rehabilitation work.

Review of the files indicated that CHI sometimes offered homeowners AHP funding in addition to HOME and CDBG funding for homeowner rehabilitation. To close out this program, \$17,066.39 in AHP funding should be returned to FHLBC. I have enclosed a check for that amount from Waukesha County with this letter.

Please contact me if you have any questions, at ksilva@waukeshacounty.gov, or 262-896-3370.

Sincerely,



Kristin Silva
Community Development Coordinator

Community Development
515 W. Moreland Blvd • Room AC 320
Waukesha, Wisconsin 53188
Phone: (262) 548-7920 • Fax: (262) 896-8510
www.waukeshacounty.gov/communitydevelopment