

Minutes of the
HOME Board Meeting
August 11, 2011

Members Present: Duane Paulson, Jan Rooou, Lee Krueger, Ron Buchanan, Mark Baldwin, Peter Sorce, Joe Birbaum, and Jennifer Hanneman

Staff: Glen Lewinski, Kristin Silva and Nancy Mojica

Excused Absence: Kathleen Schilling, Greg David, Mark Hoefert, Jay Schreurs, Maria Watts, Glen Stumpf and Jill Haupt

Guest: Lee Martinson, Slinger Housing Authority, Joana Hemschemeyer, Richard's Place, Dale Shaver, Sandy Scherer, Marylee Richmond, Peggy Tilley, Waukesha County, Howard Mandeville, Movin' Out and Jacob Klein, MSP Real Estate, Inc.

- I. The meeting was called to order by the Chair with a quorum of the Board present at 9:05 a.m.
- II. The Chair led the Pledge of Allegiance.
- III. On a motion by Ron Buchanan and seconded by Joe Birbaum, the minutes of the July 21, 2011 meeting were approved.
- IV. No Public/Staff Comments
- V. The Board reviewed and accepted the Fund Balance report without action
- VI. Staff and the HOME Executive Committee (or replacement members) reviewed the funding request for the MSP Real Estate Inc. thirty four (34) units Elderly rental project in New Berlin. Using the developer application scoring format, the project scored a sixty seven (67).

A number of issues related to the project scoring, information provided and future project reviews were raised.

On a motion by Joe Birbaum and seconded by Ron Buchanan, the Board approved a loan (from entitlement funds of \$300,000 at the following terms for MSP Real Estate Inc. for the project in New Berlin:

3% simple interest, 30 year amortized loan, initial five (5) year deferral with annual payments in years 2017-2041 of \$15,178 due by December 1st of each year. Thirty four (34) units for senior citizens to be constructed, eight (8) HOME units funded, 30 year affordability period with a \$37,500 per HOME unit. Developer is also required to escrow ¼ of an annual payment in years 2-5 to cover an annual payment in case of week rent-up.

- VII. Staff and the HOME Executive Committee (or replacement members) reviewed the funding request from Movin' Out, as a joint developer/manager, for funding for eleven units (11) of family rental housing designated for households with a disabled family member as part of a 102 unit rental development. Using the developer application scoring format, the project scored a seventy two (72).

A number of issues related to the project scoring, information provided and future project reviews were raised. The Board agreed to consider the issues at the next meeting. On a motion by Duane Paulson and seconded by Ron Buchanan, the board approved an allocation of \$500,000 in CHDO Reserve funds. The CHDO representative, Howard Mandeville requested that the Board amended the motion to include CHDO Operating funds in the award in the amount of \$55,555.

On an amended motion by Joe Birbaum and seconded by Ron Buchanan, the board approved a revised allocation to \$555,555 in CHDO Reserve funds. The initial motion for \$500,000 was withdrawn and the \$555,555 was unanimously approved at the following terms:

0% interest, initial 5 year payment deferral with annual payment in years 2017-2041 of $(\$555,555/25 = 22,222.20)$ per year due by December 1st of each year.

102 total family units to be constructed, 11 HOME funded units with priority to persons with disabilities and incomes under 40% of median. CHDO is required to escrow $\frac{1}{4}$ of an annual payment for years 2-5 to cover an annual payment in case of weak rent-up.

- VIII. Staff reported that Hebron House had submitted another 811 application for the Summit Avenue property. Waukesha County did repay HUD \$300,450 in land purchase funds for failure to begin construction in a timely manner.
- IX. On a motion by Duane Paulson seconded by Joe Birbaum, the Board approved the de-obligation of the balance of the Hebron House funds \$81,000 in CHDO Reserve and the return of \$25,000 to the Waukesha County Set-aside.
- X. Staff reported no new foreclosures and three pre-foreclosure filings were settled without foreclosure action.
- XI. On a motion by Duane Paulson and seconded by Ron Buchanan, the meeting adjourned at 10:14 a.m.

Respectfully submitted,

Peter Sorce
Acting-Chair, HOME Board