Minutes of the HOME Board Meeting April 26, 2012

Members Present: Duane Paulson, Kathleen Schilling, Mark Hoefert, Ron

Buchanan, Peter Sorce, Glenn Stumpf, Jay Schreurs, Jennifer Hanneman, Russell Kutz and John Kannard

Staff: Kristin Silva, Debbie Narus and Nancy Mojica

Excused Absence: Joe Birbaum, Jill Haupt, Mark Baldwin and Maria Watts

Guest: Sandy Scherer, Dale Shaver, Waukesha County, Lee Martinson, Carol

Biersach, Slinger Housing Authority, Ryan Huffman, Connie Boehle,

Highland South and Dennis Heling, Jefferson County Economic

Development 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 Ron Buchanan and seconded by Glenn Stumpf, the minutes from the February 16, 2012 meeting were approved.
- IV. No Public Comments were heard.

Staff shared an article from the Milwaukee Sentinel regarding the status of the New Berlin project.

The Board welcomed two new Board members: Mr. Russell Kutz and Mr. John Kannard, representing Jefferson County.

- V. The Wisconsin Partnership Fund Balance was reviewed and accepted.
- VI. On a motion by Duane Paulson and seconded by Ron Buchanan, the Board de-obligated \$94,585 of entitlement funds that was previously committed to Richard's Place. They were unable to get the remaining funds needed to move forward with the project. A notification of the Board's action will be sent to Richard's Place.
- VII. Staff went over the WHEDA 2012 Low Income Housing Tax Credit (LIHTC) awards. Although the Global Apartments project in Watertown (Movin' Out CHDO project) was not awarded they scored fairly high. They would like their previously committed funds to be held for another two months should other projects before them fall through. This will be brought in front of the Board again at a later date.
- VIII. Slinger Housing Authority and Jefferson County Economic Development programs are moving faster than last year and are seeing a lot of activities. They asked the Board if they could be notified as soon as possible of any potential shut down of the Core programs (DPA, Housing Rehab and Purchase Rehab). They need to notify the lenders they work with of any changes.
- IX. Connie Boehle and Ryan Huffman representing Highland South addressed the Board regarding a loan modification request. They have been in contact with Glen Lewinski Community Development Coordinator and Marylee Richmond, Waukesha County Corporation Counsel

Attorney regarding this concern over a year ago. Highland South from an operations stand point is doing as well as can be expected. Last year in 2011 it was 96% average occupied. They were charging the maximum allowable rents allowed by WHEDA. Their bad debt was 1½ percent and their concessions were \$1,200 for the year. The operating expenses continue to be a bit problematic in uncontrollable areas like electric, taxes and insurance. The overall stand point is that they are still operating within nominal level. The loan payments started in 2008 and since that time the project has not met its debt coverage for all the debt incurred on the deal. After a Board discussion the following motion was made:

On a motion by Ron Buchanan and seconded by Duane Paulson, the Board tabled the request until the Executive Committee can meet to discuss this prior to the next Board meeting. Staff was also asked to provide a list of all HOME loans.

- X. We have received four new notices of default that are from recent loans and there is presently a concern about the loan to value ratio limits. Our current Purchase Rehab and Housing Rehab loan to value ratio is 120% that was set by this Board. In the past couple of years Housing Rehab had 18 files, the average combine loan to value was 92%, 8 of those were over 100% when approved. Purchase Rehab's last 13 loans the average combine loan to value was 104% 5 of those were over 110% loan to value ratio. Assessment values have been going down in the last few years which add to the concern. The Board asked to be kept up with foreclosures received, and did not take any action on changing the loan to value at this time.
- XI. On a motion by Ron Buchanan and seconded by John Kannard, the meeting adjourned at 9:55 a.m.

Respectfully submitted,

Peter Sorce Chair, HOME Board