

Minutes of the
HOME Board Meeting
September 14, 2011

Members Present: Kathleen Schilling, Duane Paulson, Jan Roou, Ron Buchanan, Mark Baldwin, Peter Sorce, Joe Birbaum, Mark Hoefert, Greg David, Glen Stumpf, Jennifer Hanneman and Maria Watts

Staff: Glen Lewinski, Kristin Silva, Debbie Narus and Nancy Mojica

Excused Absence: Jay Schreurs, Lee Krueger and Jill Haupt

Guest: Dale Shaver, Sandy Scherer, Debbie Price, Marylee Richmond, Waukesha County, Trena Bond, Housing Resources, Inc., Dennis Heling, Jefferson County Economic Development Consortium, David Porterfield, Movin' Out, Menachem Rapoport, Crown Court Properties, Inc.

- I. The meeting was called to order by the Chair with a quorum of the Board present at 9:02 a.m.
- II. The Chair led the Pledge of Allegiance.
- III. On a motion by Peter Sorce and seconded by Mark Baldwin, the minutes of the August 11, 2011 meeting were approved with Glen Stumpf and Greg David abstaining.
- IV. No Public/Staff Comments
- V. The Board reviewed and accepted the Fund Balance report without action
- VI. Kristin Silva presented a request to transfer funds from the Downpayment Assistance to the Purchase/Rehab program to meet the increasing demand for Purchase/Rehab.

On a motion by Mark Hoefert and seconded by Glen Stumpf, the Board approved the transfer of \$100,000 from the Downpayment Assistance (DPA) to the Purchase/Rehab decreasing the DPA from \$500,000 to \$400,000 and increasing Purchase Rehab from \$172,933 to 272,933.
- VII. Menachem Rapoport representing Wilkinson Manor asked the Board to clarify the previously approved HOME loan terms related to the deferral of the initial 5 year payments.

On a motion by Duane Paulson and seconded by Mark Baldwin the Board approved a revised payment schedule for the \$350,000 loan with no principal or interest payments for years 1-5 and the balance of the loan to be amortized and repaid in years 6-30 (2017-2041) @ 3% interest in annual repayments of years 6-30.
- VIII. Debbie Price, Waukesha County Corporation Counsel addressed the Board regarding a request for a deferral of the annual loan payment for the Highland South project.

Ms. Price indicated that the managing entity of Highland South has requested a payment deferral for the 2011 payment due November 1, 2011. The Board discussed the request.

On a motion by Joe Birbaum and seconded by Duane Paulson, the Board agreed to deny the request to defer the Highland South 2011 loan payment.

Kristin Silva, WI Partnership provided a number of suggestions to modify the HOME developer application and scoring format. The recommendation included adding a 5 point section for "match" contribution to the scoring, clarifying the review committee participants for development applications and providing the developer a scoring form to self score their application. Also clarified was the maximum number of points for homeowners and rental projects.

On a motion by Joe Birbaum and seconded by Jan Rouu, the recommended changes were approved by the Board.

- IX. Assistant Corporation Counsel Marylee Richmond addressed the Board regarding HOME funds for the Movin' Out's involvement in the New Berlin housing projects. She explained the complex corporate structure of the CHDO and its relationship with MSP. The Board agreed that no payment of principle or interest would be required in years 1-5 and that commencing with year 6, interest would be 0% and the principle amount of \$555,555.00 would be amortized over the next 25 years at repayment of 22,222.00 per year. Attorney Richmond also discussed the issue raised by the developer that payments would be made only if there is surplus cash available to make the payment and that a provision for surplus cash only payments would be included in the contract. Attorney Richmond and Kristin Silva discussed that this was not an uncommon provision in HOME contracts; amounts not paid in one year would be amortized over the remaining years. The Board agreed to the surplus cash provision but required that if there was a default of payment despite a surplus cash finding that MSP would provide a corporate guarantee for that.

On a motion by Mark Baldwin and seconded by Peter Sorce (Glen Stumpf voting no), the Board approved the recommended changes.

Assistant Corporation Counsel Marylee Richmond also addressed the HOME Contract with MSP-New Berlin. The Board agreed to the surplus cash provision for this contract under the similar conditions as above requiring a corporate guarantee from MSP to cover any default payment despite surplus cash flow.

On a motion by Duane Paulson and seconded by Job Birbaum (Glen Stumpf voting no), the Board approved the recommended changes.

- X. Staff reported no new foreclosures for the month of August 2011.
- XI. On a motion by Mark Baldwin and seconded by Greg David, the meeting adjourned at 10:45

Respectfully submitted,

Peter Sorce
Acting-Chair, HOME Board