

**NOTE: This is a  
Teleconference**



**ROCK COUNTY HOUSING AUTHORITY MEETING  
WEDNESDAY, APRIL 21, 2021 – 9:00 A.M.  
CALL: 1-312-626-6799  
MEETING ID: 827 3368 6724  
PASSCODE: 798682**

Join Zoom Meeting

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Join by SIP

[82733686724@zoomcrc.com](mailto:82733686724@zoomcrc.com)

If you are interested in providing public comments on items on this agenda, you must submit your comments by noon on Tuesday, April 20, 2021. To submit a public comment use the following email: [planning@co.rock.wi.us](mailto:planning@co.rock.wi.us).

**Join from a telephone:**

- On your phone, dial the phone number provided above
- Enter the meeting ID number when prompted, using your dial-pad.
- Please note that long-distance charges may apply. This is not a toll-free number.
- Supervisors: Please identify yourself by name
- **Please mute your phone when you are not speaking to minimize background noises**
- We are new at holding meetings this way, so please be patient

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## Agenda

### ROCK COUNTY HOUSING AUTHORITY MEETING

WEDNESDAY, APRIL 21, 2021 – 9:00 A.M.

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1. Call to Order
2. Adoption of Agenda
3. Introductions
4. Citizen Participation, Communications and Announcements
5. **Action Item:** Request to Approve a \$300,000 Home Fund Loan for a 24 Unit Rental Rehab project in Edgerton. The project will be under the \$24,999 cap per unit as authorized in Policy and Procedures Manual (memo attached).
6. **Action Item:** Request to Approval a HOME Fund Loan that will Exceed Maximum Loan Amount Approvable by Staff as per the Policy and Procedures Manual (\$35,000) for a Homeowner Rehab project (memo attached).
7. Committee Reports
8. Discuss Future Meeting Schedule
9. Adjournment

#### Future Meeting Dates

To Be Determined

Memorandum

To: Andrew Baker

From: Todd Mandel, WPHD

Re: Rental Rehab project in Edgerton

In follow-up to our discussion the other day regarding the Rock County HOME funds, the following is information regarding the rental rehab project that we have been approached about in Edgerton. The property is the Edgerton Retirement Apartments, a 24-unit rental property that is restricted to elderly and the disabled.

The request is for \$300,000 of HOME funds to help renovate all 24 units and relieve the deferred maintenance that the property is facing. The property began its life as a Rural Development project. All 24 units are occupied by low-income residents and 17 of the units receive Rural Development rental assistance. It is not unusual to see projects like this with significant repair and capital needs as they age. Often, the operating income is limited due to the limited income of the tenants and this constrains the ability of the owners to conduct improvements and repairs. The owner is a non-profit organization.

The estimated total cost of the renovation project is \$1 million which is \$41,667 per unit. The renovation would be financed through four sources:

- A bank loan from Blackhawk Credit Union = \$268,000
- FHLBC Affordable Housing Program grant = \$432,000
- Rock County HOME Funds = \$300,000

Note that these numbers are subject to change somewhat but are a good start for discussion. This level of HOME assistance comes out \$12,500 per unit which is well within HUD guidelines and county guidelines.

I would recommend that the project be funded with the following terms:

- 0% interest
- 15-year amortization and term
- Deferred payments until the 15-year mark and then a balloon payment of the principal, however repayment is subject to surplus cash flow each year (if there is money left after expenses then those funds are used to repay the note).
- Legal fees paid for by the borrower.

Note that these terms are subject to a subsidy layering analysis that WPHD will conduct per guidance in the HOME Final Rule. It is possible that the layering analysis will reveal some payment amount that the property could sustain. But we will not know that until we have hard numbers and an actual Capital Needs Assessment to work from.

The provision of funds would require annual monitoring for compliance with HOME rules during the period of affordability (15 years). WPHD would utilize an attorney to draft an agreement. The agreement would place the financial risk on the owners/property managers for compliance. If a failure to comply triggered a repayment of HOME funds, this would be the responsibility of the owners/property

managers. WPHD would perform annual monitoring visits of the property which would include a review of tenant files, property condition, and financial performance.

Date: 4/5/2021

To: Andrew Baker, Rock County

From: Todd Mandel, WPHD

Subj: Request to exceed project cap for rehab project

We have a rehabilitation project that is requiring an additional \$16,120 in roofing work that was not in the original project scope. This additional work, along with the project's original \$29,225 quote, exceeds the amount we can authorize without Housing Committee approval. The new total project cost is \$45,345.

The original project scope replaced two leaking skylights. During the replacement process, the contractor discovered the skylights that were originally installed were not installed in the same manner as current model skylights. Thus, replacing the skylights will require removing shingles and roofing around the skylight and adjusting the opening. This work has revealed that the lifespan on the existing roof is less than five years, therefore the contractor is recommending that the roof be replaced. Upon further examination of the roof, a variety of flashings, ice shields, and exhaust vents were either missing or non-functional, so those have been added to the scope as well.

If the roof is not replaced, the contractor will not be able to install the skylights as directed by the manufacturer. This would likely void the warranty and would expose the county to liability should the skylights leak after installation. This is due to the original skylights being a type commonly used in modular housing but not in use today. The benefit is that the client will have a new roof that will perform for many years. The roof at present is deficient and has a limited lifespan.

Since the HOME Final Rule prevents investing HOME funds into a home more than once during the affordability period, it makes the most sense to utilize the HOME funds now. Even with the additional expense, the project still meets underwriting guidelines. WPHD recommends that the project exception be approved.