

A quorum of the Administration Committee, Board of Public Works, Park Board, and/or Common Council may attend this meeting; (Although it is not expected that any official action of any of those bodies will be taken).

**CITY OF MENASHA
HOUSING AUTHORITY
Council Chambers, 3RD Floor City Hall
140 Main Street, Menasha**

September 17, 2014

5:30 PM

AGENDA

- A. CALL TO ORDER
- B. ROLL CALL/EXCUSED ABSENCES
- C. MINUTES TO APPROVE
 - 1. [Minutes of the October 29, 2013 Housing Authority Meeting](#)
- D. PUBLIC COMMENT ON ANY ITEM OF CONCERN ON THIS AGENDA
Five (5) minute time limit for each person
- E. REPORT OF DEPARTMENT HEADS/STAFF/CONSULTANTS
 - 1. None
- F. DISCUSSION
 - 1. Review and Discussion of the CDBG Program Changes
 - 2. [Loan Subordination Policy](#)
- G. ACTION ITEMS
 - 1. Review of Applicants
- H. ADJOURNMENT

CITY OF MENASHA
Housing Authority
Council Chambers, City Hall – 140 Main Street
October 29, 2013
DRAFT MINUTES

A. CALL TO ORDER

The meeting was called to order at 6:05 p.m. by Frank Haffner.

B. ROLL CALL/EXCUSED ABSENCES

MEMBERS PRESENT: Commissioners Ald. Mike Keehan, Frank Haffner, Christine Kaup, Cliff Fischer, and Larry Haase.

MEMBERS EXCUSED/ABSENT: Tim Maurer, Mike Sheleski

OTHERS PRESENT: CDD Keil, PP Homan and Mary Bach.

C. MINUTES TO APPROVE

1. **Minutes of the October 2, 2012 Housing Authority Meeting**

Motion by Comm. Haase, seconded by Comm. Fischer to approve the October 2, 2012 Housing Authority meeting minutes.

The motion carried.

D. PUBLIC COMMENT ON ANY ITEM OF CONCERN ON THIS AGENDA

Five (5) minute time limit for each person.

1. No one spoke.

E. REPORT OF DEPARTMENT HEADS/STAFF/CONSULTANTS

1. Mary Bach described initiatives being undertaken by Rebuilding Together and the city to assist elderly and disabled persons with housing rehabilitation. Kara Homan commented on the rehabilitation work initiated by Habitat for Humanity.

F. DISCUSSION ITEMS

1. **Review and Discussion of the CDBG Program Guidelines**

Mary Bach gave an overview of the city's housing program. The program operates on funds originating from Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) sources. The loans that were made to homeowners under these programs which have been repaid are entered into the city's housing rehabilitation revolving loan fund. The current RLF balances are \$85,722.04 in CDBG and \$18,439 in HOME funds.

Mary Bach distributed the city's current housing program guidelines, and asked the commissioners for comments. Discussion ensued on the following topics:

- Whether the establishment of target areas would be of benefit
- Whether minimum housing quality standards should be established
- The equitable distribution of housing program funds
- Whether garages should be required for all new housing development
- Whether conditions should be attached to CDBG loans with regard to property use and occupancy
- Whether housing design standards should be applied.
- Loan subordination criteria
- The different criteria under which loans may be made under the CDBG and HOME programs

G. ACTION ITEMS

1. Review of CDBG/HOME Rehab Requests for Funding

Applicant #126. Emergency furnace replacement in the amount of \$3,346.

Motion by Comm. Kaup, seconded by Comm. Ald. Keehan to approve \$3,346.00 for emergency replacement of the furnace.

The motion carried.

Applicant #127. Emergency furnace and water heater replacement in the amount of \$4,617.83.

Motion by Comm. Haase, seconded by Ald. Keehan to approve \$4,617.83 for the emergency furnace and water heater.

The motion carried.

Applicant #128. Roof repair/replacement and gutters/downspouts in the amount of \$11,000.

Motion by Comm. Fischer, seconded by Ald. Keehan to approve a maximum expenditure of up to \$11,000.00. Discussion regarding existing debt and prospects for default. Possible referral to Rebuilding Together.

The motion failed.

Motion to reconsider by Comm. Haase, seconded by Ald. Keehan. Discussion regarding using consistent criteria for reviewing applications.

The motion carried.

Motion by Comm. Haase, seconded by Ald. Keehan to approve \$11,000.00 for roof, gutter and downspout replacement if Rebuilding Together does not fund the project by 12/31/13.

The motion carried.

Applicant #129. No action taken; homeowner requested application to be placed on hold.

Applicant #130. Window replacement requested in the amount of \$6,978.00.

Motion by Comm. Haase, seconded by Ald. Keehan to approve \$6,978.00 for new windows.

The motion carried.

Applicant #131. Sewer repair and electrical upgrades that include basement re-wire to meet code, new 100 amp service with 30 amp panel; electrical repairs throughout home; add whole house attic fan; add GFCI outlets throughout home.

Motion by Comm. Haase, seconded by Comm. Kaup to approve \$2,115.00 for sewer repair, \$3,145.00 for electrical repairs and up to \$1,500.00 for stair repair.

The motion carried.

Applicant #132. Replace roof, gutters, windows, bring porches up to code, sewer replacement and electrical.

Motion by Comm. Haase, seconded by Ald. Keehan to approve replacement of roof, gutters, windows (to be paid out of HOME funds, balance from CDBG) porches including lead reduction,

sewer replacement and electrical.

The motion carried.

G. ADJOURNMENT

Motion by Comm. Haase, seconded by Ald. Keehan to adjourn at 7:25 p.m.

The motion carried.

Minutes respectfully submitted by Greg Keil, CDD.

MORTGAGE SUBORDINATION

A. Subordination Policy

1. The City of Menasha will, on a case-by-case basis, review and approve or deny requests from loan recipients for mortgage subordination agreements.
2. The City of Menasha will consider subordination request for homeowners wishing to:
 - a. Refinance an existing mortgage to obtain a reduced interest rate.
 - b. Refinance an existing mortgage to obtain a comparable interest rate and extended payment terms.
 - c. Obtain a home equity loan for the sole purpose of rehabilitating their primary residence. (An escrow account must be set up with the lender to monitor rehab/construction payouts.)
 - d. Refinance an existing mortgage as necessary to halt foreclosure proceedings by a bank or to halt tax deed proceedings by the county.
 - e. Obtain a home equity loan to pay for medical emergencies.
3. The City of Menasha *will not* consider subordinating for consolidation of consumer debt, such as credit cards, automobiles or other “cash to homeowner” transactions or for any home equity loans other than for the sole purpose of rehabilitating one’s primary residence. The City of Menasha *will not* consider any request that places City of Menasha’s security interest in jeopardy, as determined by standard underwriting practices, unless requested to halt foreclosure or tax deed proceedings or to assist with medical emergencies.

B. Subordination Requirements

1. Homeowners will be required to meet the following guidelines for subordination:
 - a. Lender must be a well-established federal and state regulated financial institution.
 - b. Closing costs are not to exceed \$1,000. (consult the city housing administrator, Mary Bach, at 470-3333 if costs exceed \$1000)
 - c. Loan terms must be a fixed rate mortgage for a minimum period of 15 years.
 - d. Escrows cannot be used as payout and must be continued as part of new loan.
2. Homeowners who do not meet these guidelines may be considered for subordination upon successful completion of a budget counseling program and a third party verification of the homeowner’s ability to maintain safe, decent, and affordable housing. (contact City of Menasha CDBG Program staff for a budget counselor in your area.)

C. Request for Subordination

1. Homeowners who anticipate refinancing an existing loan and requesting that City of Menasha subordinate its mortgage position, must submit in writing the following information to City of Menasha.
 - a. The reason for the subordination request.
 - b. The name, address, and contact person(s) at the cooperating financial institution.
 - c. The new mortgage amount that would take precedence over the City of Menasha mortgage.
 - d. Copy of the loan application and good faith estimate.
 - e. The terms of the loan and all associated closing costs.
 - f. Copies of estimates for any rehab/construction work being completed (if applicable).
 - g. Copy of the appraisal if one is required by the lending institution.*
 - h. Copy of the title report.
2. Written request for subordination must be approved by the City of Menasha staff and/or Housing Authority Housing Committee.

*A copy of an appraisal may be requested on a case-by-case basis.

The subordination document must be drafted at the homeowner's expense by the cooperating financial institution, title company or homeowner's legal counsel. A sample subordination document which has been approved by the city's legal counsel is available upon request.

All fees including recording fees are the responsibility of the homeowner. Please enclose a self-addressed, stamped return envelope along with the subordination document that is to be signed and returned. Mail to:

**Mary Bach
City of Menasha
CDBG Administrator
P.O. Box 412
Menasha, WI 54952
(920) 470-3333
bach2chc@milwpc.com**

Please note that subordination requests may take 7-10 days to process depending upon the information required and the timing of the requests. Subordination requests that need to be presented to the Housing Authority Committee will be put on the agenda for review at the next scheduled committee meeting.