

\*\*\* All present are expected to conduct themselves in accordance with our City's Core Values \*\*\*



## OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

**Meeting:** COMMUNITY DEVELOPMENT CITIZENS ADVISORY COMMITTEE  
**Date/Time:** Monday, February 29, 2016 at 4:30 p.m.  
**Location:** Board Room, 2nd Floor, City Hall, 407 Grant Street  
**Members:** Bohlken, Gumness, Freiberg, Thao, Reif, S. Ackerman, D. Ackerman, Olaffson, Campbell, Bloomquist, Hebert, Kellbach, and Osborn

### AGENDA ITEMS FOR CONSIDERATION AND POSSIBLE ACTION

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- 1 Call to Order
- 2 Approval of Minutes from December 9, 2015
- 3 2016 Block Grant Program: Re-allocation of Decreased Funding from U.S. Department of Housing and Urban Development (HUD)
- 4 Approval of Proposed Guideline Changes for the Downpayment Assistance Program

Adjournment

Bruce Bohlken (Chair)

**This notice was posted at City Hall and emailed to local media on 2/24/16.**

Questions regarding this agenda may be directed to the Community Development Office, (715)261-6680.

It is possible that members of, and possibly a quorum of the Council and/or members of other committees of the Common Council of the City of Wausau may be in attendance at the above-mentioned meeting to gather information. **No action will be taken by any such groups.**

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids & services. For information or to request this service, contact the City Clerk at (715) 261-6620.

Other Distribution: Media, Alderpersons, Mayor and Department Heads

## COMMUNITY DEVELOPMENT CITIZENS ADVISORY COMMITTEE

Time and Place: The Community Development Citizens Advisory Committee met on Wednesday, December 9, 2015 at 5:30 pm, Board Room at City Hall

Members Present: Chairman Bohlken, S. Ackerman, Kellbach, D. Ackerman, Freiberg, Gumness, Bloomquist, Olafsson, Campbell

Members Absent: Thao and Reif

Others Present: Tammy Stratz and Travis Lepinski, staff

In compliance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and e-mailed to the Daily Herald in the proper manner.

**(1) Call to Order**

Chairman Bruce Bohlken called the meeting to order at 5:38 pm and thanked everyone for attending.

**(2) Approval of the November 5 and November 11, 2015 minutes.**

Gumness approved the minutes, D. Ackerman seconded. Motion passed unanimously.

**(3) Development of a proposed statement of objectives and use of funds in connection with the City of Wausau Consolidated Plan for the 2016 Community Development Block Grant Program.**

Stratz revealed that she received an e-mail from the HOPE Life Center stating they would like to pull their application. She indicated that she had visited the Center and had a great conversation with them regarding their programs and what the reporting would look like if they received funding from CDBG. After they discussed it more with their board, they decided they did not want the responsibility of the extra paperwork for the few thousand dollars that they might receive.

Stratz asked if the committee would like to start with the Public Service portion of the funding or if they would like to start with the other activities. Bohlken responded that typically we start with the Public Services because those are the most difficult to get through and then determines how much is left with the remaining projects. D. Ackerman stated that if the non-public service activities are funded according to what was requested, that would add up to \$482,000 – leaving \$78,000 for the public services. This amount is under the 15% maximum amount of \$84,000. S. Ackerman asked if there was a possibility of giving additional funding to those non-public service activities. Stratz answered that if there was a program that they deemed necessary to give additional funding, they as a committee could do so. Stratz asked how many committee members funded the maximum to the Public Services – there were a few that answered that they did. The rest were around the \$75,000 - \$78,000 amount.

The Hispanic Chamber of Commerce's application was also discussed. Based on the application request, they could be listed as either a public service or an economic development activity. If we fund them at all, we need to be very specific as to how the money was to be expended. If we funded them for their educational/business mentoring program, that would fall under the public service category. If we funded them for loans to start-up businesses/job creation/etc., then it would fall under the Economic Development category. Stratz indicated that if the committee elects to fund them through Economic Development, the committee could increase the funding amount and "ear mark" funding towards the Hispanic Chamber. Stratz also stated that staff would work with the Chamber and not just cut a check to them – the check would be cut directly to the business owner. This would allow the Chamber and Community Development staff to work together to understand each other's requirements and processes. Freiberg liked that idea. Campbell mentioned that the Salvation Army's application mentioned that they

work with the Hispanic Chamber of Commerce at NTC and was wondering if that would be a duplication  
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of services. Stratz indicated that the Salvation Army provides transportation to the GOAL lab at NTC to help with their population obtaining their G.E.D. Since the Hispanic Chamber of Commerce is located at NTC and offers educational classes to the Hispanic population, she could see how the Salvation Army works with the Chamber.

Bohlken requested if there was a consensus of funding the non-public service categories fully and then move on to the public services. All agreed. In doing so, that left \$78,000 for the public services.

D. Ackerman requested more detailed information regarding the Street Reconstruction program that shows how many properties benefited from the Block Grant Funds and how much each property received. Stratz stated we could get that information to the committee.

Stratz asked if any committee member DIDN'T fund any program? Bloomquist had questions regarding Benedictine Living Community and her concerns that if we fund this organization, would it open it up to other organizations to apply? And why didn't they apply elsewhere to get funding. Stratz indicated that she probably doesn't know of any funding sources. Katie had called Community Development and Stratz met with her to discuss their needs and if it would qualify for Block Grant Funds. Through this discussion, it was deemed that their proposed program would qualify. There is always a possibility of other organizations applying for the same program after word gets out, but if their organization qualifies for working with low-income clientele, we would be open to funding them as well. Bloomquist also stressed her concern about the size of the room and all the activities that are going on and if it would be overwhelming to the clients. Freiberg stated that the organization was requesting the Cadillac version and may not need the full \$10,000 to do good things. She would like to get them started and would be a great partnership and could showcase it. Freiberg was concerned about the plan for the Occupational Therapist and how each client would be set up once the room was there. S. Ackerman liked that this would be a one-time request. Gurness requested if there were any other funding sources that they might have if we did not fund them to the capacity that they needed and had many questions. Several committee members were concerned about the size of the space and having it be overwhelming. Bohlken liked the request and would like them to be able to answer these questions and come back and make another request. Campbell asked if the \$10,000 would fund it. Stratz indicated that the \$10,000 would give them everything and they would be happy with less. Stratz asked how many didn't fund and how many funded. Half said they didn't fund – the other half had an average of \$5,000. After more discussion, all agreed to not to fund at this time.

Stratz asked if there were any other organization members did not fund. Bloomquist stated that she thought the Hispanic Chamber of Commerce is a wonderful program but she was confused as to what they were requesting funding for. Freiberg stated that there were two parts of their application, one was the mentoring program and then there was a portion that was an economic development loan program. Stratz stated that the application itself didn't differentiate which program they were requesting funds for and, if funded, we would have to be specific as to how their funding would be utilized for. Bloomquist asked if McDevco would be a better place to partner with. Bohlken agreed. Stratz indicated that McDevco started funding loans with the assistance of the City of Wausau and after working closely together and understanding the necessary paperwork/criteria, McDevco was able to perform as CDBG required and now we are able to just send funding over to them and they manage and service those funds accordingly. With hopes of working together and seeing how they work, we might be able to work the same with the Hispanic Chamber. There were concerns about monitoring them and proving that the clients that are being helped are Wausau clients. After more discussion, committee members agreed not to fund the public service side but to try to assist them through the Economic Development loan funds.

Big Brothers Big Sisters was discussed next. A couple members gave it zero because it is a great organization and they have many other funding sources that they would be ok if we didn't fund them. Several think this organization is very important to the community and work with the kids that really need the mentoring and support. Many loved the high school mentoring component. After discussion, the committee settled on \$8,000.

Children's Service Society was discussed next. All loved this program and agreed to fund it – childhood development is a big problem. After negotiations, the amount of \$20,000 was agreed upon.

Short Street Housing Services was next. Bohlken mentioned the article that was recently in the City Pages with the first success story from this pilot program. Funding recommendations were across the board and started at \$15,000. Many wanted more to truly get this project up and running like it should. Members agreed on \$20,000. S. Ackerman suggested that when the families move from the Short street locations, that they try to find a new home in the same grade school area so those kids are not uprooted again.

Project Step Up – Stratz indicated that she had discussed with Catholic Charities if this requested amount was to assist with Short Street and they responded that it was to maintain their program. Bloomquist added that Catholic Charities does an amazing program in assisting people finding places to live and to maintain their housing and find additional services they may need. All agreed that it is a great program and agreed to totally fund it at \$10,000.

Warming Shelter was next. This will be their third year opened and third request from Block Grant. Campbell asked what the clientele looked like this year. Bloomquist responded that they are younger and more mental issues. It used to be just "drunk" people who were easier to work with. Now, they want to fight more. They only get three strikes and then they are no longer welcome to come back. They all agreed this is a great program but not a lot of funding to go around so recommended \$5,000.

That leaves \$15,000 for the Salvation Army. S. Ackerman questioned why they didn't come to the public hearing. Stratz stated that she wasn't really sure why the mix up happened. The leadership is newer and trying to get their arm wrapped around all their funding sources. Discussion was had regarding their current facility that isn't able to assist the needs of the community and they are looking for ways to correct that. S. Ackerman suggested that \$10,000 goes to the Salvation Army and the remaining \$5,000 goes into Economic Development for the Hispanic Chamber of Commerce. Gumness stated that if the Chamber does not come up with a project to utilize those funds, that won't help the public services that are on the table today. Stratz indicated that the Economic Development funds already allocated may assist any projects the Hispanic Chamber of Commerce initiates. We do not have to say only a certain dollar amount is for the Hispanic Chamber and only so much is for any other potential clients. After more discussion, the committee agreed to fund the remaining \$15,000 to the Salvation Army.

The total 2016 recommended allocations are as follows:

Administration	-	\$112,000
Brownfield Revolving Loan Fund	-	\$ 30,000
Economic Development	-	\$ 35,000
Homeowner Rehabilitation	-	\$150,000
Neighborhood Revitalization	-	\$ 30,000
Street Reconstruction	-	\$125,000

Big Brothers Big Sisters	-	\$ 8,000
Children's Service Society	-	\$ 20,000
Project Step Up	-	\$ 10,000

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Warming Center	-	\$ 5,000
Salvation Army	-	\$ 15,000
Hispanic Chamber of Commerce	-	\$ --0—
Short Street Housing Services	-	\$ 20,000
Benedictine Living Community	-	\$ --0—
TOTAL		\$560,000

S. Ackerman moved to approve the 2016 Community Development Block Grant program as recommended. Olafsson seconded. Motion passed unanimously. Stratz indicated that we will wait until we received notification from HUD as to what the true allocations will be. Committee members may need to meet once we have those true numbers if the allocation amount changes significantly. From there we will take the proposed program to Finance Committee and on to Common Council.

**(4) Adjourn**

With no other business before the committee, D. Ackerman moved to adjourn the meeting, Freiberg seconded. The meeting was adjourned.

Respectfully Submitted,

Bruce Bohlken  
Chairman

## 2016 CDBG Program

Activity Code	Applicant/Agency	Requested	Initial Cit. Adv. Recommended	Final Cit. Adv. Recommend	Council Approved
A - 570.206	CD Administration	\$ 112,000	\$ 112,000	\$ 111,497	
ED - 570.201 (d)	Brownfield Revolving Loan	\$ 30,000	\$ 30,000		
ED - 570.203 (b)	Economic Development	\$ 35,000	\$ 35,000		
H - 570.202	Homeowner Rehabilitation	\$ 150,000	\$ 150,000		
PF - 570.201 (c)	Neighborhood Revitalization	\$ 30,000	\$ 30,000		
PF - 570.201 (c)	Street Reconstruction	\$ 125,000	\$ 125,000		
PS - 570.201 (e)	Big Brothers Big Sisters	\$ 10,000	\$ 8,000		
PS - 570.201 (e)	Childrens Service - Start Right	\$ 36,523	\$ 20,000		
PS - 570.201 (e)	Project Step Up (Cath. Charities)	\$ 10,000	\$ 10,000		
PS - 570.201 (e)	Warming Center (Cath. Charities)	\$ 10,000	\$ 5,000		
PS - 570.201 (e)	Sal. Army - Transitional Living Center	\$ 30,000	\$ 15,000		
PS - 570.201 (e)	Hispanic Chamber of Commerce	\$ 20,064	\$ -		
PS - 570.201 (e)	Short Street Housing Services	\$25,000	\$ 20,000		
PS - 570.201 (e)	Benedictine Living Community	\$ 10,000	\$ -		
	<b>Total</b>	<b>\$ 633,587</b>	<b>\$ 560,000</b>	<b>\$ 557,487</b>	

Note: Public Service funding cannot exceed 15% of grant amount      \$      83,623

\$      (2,513)

P.S. - Public Service Cap 15%      Left to Fund      \$      -

Administration Cap 20%      PS Left to Fund      \$      5,623

Code Definitions:

- A      Administration/Planning
- C      Clearance
- ED      Economic Development
- H      Housing
- PF      Public Facility
- PS      Public Service
- SB      Slum & Blight



## MEMO

**TO:** Citizens Advisory Committee members

**FROM:** Tammy Stratz, Community Development Manager

**RE:** 2016 Community Development Block Grant funding allocations

**DATE:** February 23, 2016

On December 9, 2015, the Community Development Citizens Advisory Committee met to allocate the anticipated funding for the 2016 Community Development Block Grant program year. For planning purposes we anticipated receiving \$560,000.

On February 16, 2016 the City of Wausau received notification of the actual 2016 Block Grant funding. That amount is \$557,487 - \$2,513 *less* than anticipated. Therefore, we would like to meet again to review the original recommendations and to re-adjust accordingly.

Attached is a breakdown sheet that shows the amounts requested by the individual organizations, the amounts previously recommended by the committee, and a blank column for us to complete the new recommendations. After the administration maximum was decreased, it leaves \$2,010 that will need to come off of the previously recommended project(s). Please take time to think about which project(s) you would recommend being decreased. Staff will also provide their recommendations at the meeting. We will then work together to finalize the 2016 program year.

Thank you for your continued support of the Community Development Department and Block Grant funding. I look forward to finalizing our 2016 budget. If you have any questions before next Monday, please feel free to call me at 715-261-6682 or e-mail me at [tammy.stratz@ci.wausau.wi.us](mailto:tammy.stratz@ci.wausau.wi.us).



**CITY OF WAUSAU**  
**COMMUNITY DEVELOPMENT DEPARTMENT**

**HOMEBUYER**  
**DOWNPAYMENT PROGRAM**

DIVISION OF HOUSING  
WISCONSIN DEPARTMENT OF ADMINISTRATION

Revised July 8, 2013

## HOME / HCRI GUIDELINES

### **PURPOSE**

The overall objective of the Downpayment Program is to provide opportunity for low and moderate income individuals or families to purchase a home.

### **AUTHORITY**

The Downpayment Program is conducted by authority of the City of Wausau Common Council.

### **ADMINISTRATION**

The Community Development Advisory Committee is the policy making body for the Downpayment Program.

The City of Wausau Community Development Department will:

1. Perform a preliminary determination of the applicant's income and asset eligibility. If determined eligible the applicant's income and assets are verified, a credit report is ordered, the application is rated and reviewed for approval or denial by the Community Development Department for participation in the Downpayment Program.
2. Advise the applicant(s) of their responsibilities in obtaining and keeping the Downpayment Certificate.
3. Inspect the potential properties to ensure that the property meets Housing Quality Standards at a minimum.
4. Oversee loan processing and attend loan closings.

## **ELIGIBLE LOAN RECIPIENTS**

The Downpayment Program is on a “first-come, first serve basis” to provide assistance to individuals and families whom fall within the income guidelines as defined by the U.S. Department of Housing and Urban Development.

The potential recipients for the downpayment certificate must be a qualified home buyer.

The applicant(s) must provide to the Community Development Department the following items:

- Previous years income tax return, both federal and state;
- Verification of current income in the form of six consecutive paycheck stubs for all family employment, and any additional income such as social security, child support, pension, etc;
- Evidence of \$1,500.00 in the applicant’s name or \$1,000.00 in the case of a employer partnership;

The annual household income shall be calculated by using the total Gross household income to include but may not be limited to;

Salaries, Unemployment, Public Assistance (AFDC, SSI, SS)

Estate of Trust Income

Self employment: Self employed persons income shall be based on averaging the past two years income, by using the past two years of IRS forms.

Interest and Dividends

Liquid Assets:

Maximum limit for a Very Low Income individual or family is \$20,000.00

Maximum limit for a Low Income individual or family is \$15,000.00

If the loan recipients assets exceed the allowable amount and they still wish to participate in the Downpayment Program. The dollar amount that is over the allowable amount must be put into the loan closing in the form of a downpayment.

## **ELIGIBLE LOAN ACTIVITIES**

Loan funds shall be used for assisting with the purchase of any single family home located within the corporate limits of the City of Wausau. Under special circumstances duplexes may be purchased with prior approval from the Community Development Department.

The total loan shall be applied towards the downpayment, closing costs and other costs associated with a mortgage loan. Costs normally paid by a buyer in a home purchase transaction, including such things as a title search; buyers portion of title insurance; appraisal fees, points, interest, legal fees, property inspections, credit reports, settlement and recording fees, transfer charges and mortgage insurance.

## **INELIGIBLE APPLICANTS OR LOAN ACTIVITIES**

Downpayment Certificated may not be used for any properties outside of the corporate limits of the City of Wausau.

The purchase of a mobile home or a multi-unit income producing property is ineligible.

An applicant(s) whose liquid assets exceed the maximum allowable limit.

An applicant is ineligible if they have an active offer to purchase on a property before applying for the loan.

An applicant whose gross household income exceeds the Department of Housing and Urban Development's Income limits is ineligible for this loan.

## TERMS/CONDITIONS

Financial assistance from the City of Wausau's Downpayment Program is designed to assist with the acquisition of a single family home to eligible low to moderate income individuals or families. Loan terms and type of assistance are under the following terms and conditions;

1. **Loan Limits** - Loans are made between \$2,000 – \$6,000, based on the gap financing needed as determined by financial institute and CDD. Loan limits may exceed established amounts under special circumstances and approval of the CDD Director and/or CDD Administrator.
2. **Equity** - Each loan applicant must provide evidence of \$1,500.00 in the applicant's name or \$1,000.00 in the case of an employer partnership; of this, \$1,000.00 shall be used toward the purchase of the property, or in the case of a employer partnership, \$500.00.
3. **Security** - Loans will be secured by a mortgage and note, Affidavit of Interest Claimed in Real Estate or Right of First Refusal document.
4. **Loans Fees** - No loan fees are charged for a loan application. Loan may be pre-paid without a premium, penalty or additional charge.
5. **Interest Rate** - The interest rate is 2%.
6. **Loan Terms** - \$2,000 - \$6,000 (5/7/10/12)- Year Loans – 1 months deferred.

The first one (1) month of principal and interest (2%) shall be deferred until month two (2).

A two percent (2%) annual interest rate for months two (2) through remaining loan term based on loan amount. See table below.

Amount Funded	Amortization Term - Years	Payment
\$ 2,000.00	5	\$ 35.06
\$ 2,500.00	7	\$ 31.92
\$ 3,000.00	7	\$ 38.30
\$ 3,500.00	10	\$ 32.21
\$ 4,000.00	10	\$ 36.81
\$ 4,500.00	10	\$ 41.41
\$ 5,000.00	12	\$ 39.09
\$ 5,500.00	12	\$ 43.00
\$ 6,000.00	12	\$ 46.91

**If client makes payments as agreed and follows all promissory note requirements, the last year of loan payment will be forgiven.**

7. Applicant's first mortgage will have an interest rate no more than 2% above prime.
8. Applicant's first mortgage closing costs will not exceed \$1,500.00 if the loan amount is less than \$80,000. If the loan amount exceeds \$80,000, closing costs may not exceed 2% of the loan amount. Closing costs may exceed established amounts under special circumstances and approval of the CDD Director and/or CDD Administrator.

Closing costs for WHEDA Fannie Mae Advantage loans may not exceed \$2,300.

## **APPLICATION/LOAN PROCESS**

The City of Wausau shall process and administer each Downpayment loan in a manner that is usual and customary with regard to other loans of similar circumstances. The basic steps for securing a Downpayment loan are as follows:

1. Applicants meet with the Community Development Department (CDD) to discuss program guidelines and complete the application form.
2. The application provides to the CDD the following items;
  - a. Previous years income tax return, both federal and state;
  - b. Verification of current income in the form of six consecutive check stubs for all family employment, and documentation of any additional income;
  - c. Evidence of \$1,500.00 in the applicant's name OR \$1,000.00 in the case of a employer partnership.
3. The CDD will request a credit report on each applicant through its membership with a local credit agency. There shall be no judgements, open collections, or past due balances, unless extenuating circumstances exist, then staff will review.
4. The CDD will review and rate each application on the following factors:
  - a. Income,
  - b. Location of current residence,
  - c. Employment status,
  - d. Veteran,
  - e. Disability,
  - f. Minority status.
5. All successful applicants will receive notification in the form of a downpayment certificate executed by the Mayor.
6. The CDD will notify all unsuccessful applicants.
7. Previous applicants will be assessed a \$50.00 application fee that will be credited to the applicant at loan closing, less the cost of an updated credit report. If the certificate expires and there is no closing the \$50.00 fee will be forfeited to the CDD.

8. The CDD will conduct an inspection on potential property to ensure the property meets U.S. Department of Housing and Urban Development Housing Quality Standards at a minimum. Any non-code compliant item discovered during inspection must be repaired and re-inspected by staff before closing can happen.
9. Staff will review HUD prior to closing to insure client is bringing in the required down payment and lender is not charging additional closing costs.
10. Staff will attend closing bringing to required mortgage, note, truth-in-lending, check, and repayment information.

### **TIMETABLE**

Successful applicants will have 90 days to turn into the city an accepted offer to purchase and an additional 90 days to close on the property. Extensions may be granted under special circumstances with prior approval from the Community Development Department.

### **PROCEDURES**

An applicant shall have 90 days from the date of issuance of the approval certificate to receive an accepted offer to purchase on a property. If an applicant does not find a suitable property within that time frame, they may request an extension for an additional 90 days. If they still have not found a suitable property, an applicant must update their application to ensure their continued eligibility for the program.