

Minutes
Beloit Community Development Authority
100 State Street, Beloit WI 53511
March 28, 2012
4:30 P.M.

The regular meeting of the City of Beloit Community Development Authority was held on Wednesday, March 28, 2012 in the Forum at City Hall, 100 State Street.

1. **Call to Order and Roll Call**

Meeting was called to order by Chairperson Johnson at 4:30 p.m.

Present: Commissioners Adama, Johnson, Luebke, Smith and Van De Bogart

Absent: Commissioner Jacobs and Simpkins

Staff Present: Julie Christensen, Teri Downing, and Scott Schneider

2. **Citizen Participation**

None.

3. **Review and Consideration of the Minutes of the Regular Meeting Held on February 22, 2012**

Commissioner Van De Bogart made a motion to approve the minutes, seconded by Commissioner Luebke to approve the minutes. The motion carried, 5-0.

4. **Housing Authority**

Items 4a – 4d were laid over to the next meeting.

5. **Community Development**

a. **Review and Consideration of Resolution 2012-10, Recommending Approval of an Amendment to the 2012 HOME Investment Partnership (HOME) Budget Related to Community Housing Development Organization (CHDO) Funding**

Julie Christensen presented the staff report. Commissioner Van De Bogart asked if we should be awarding a larger amount to Community Action, Inc. if NHS is having a difficult time spending the funds. Ms. Christensen suggested that we start with splitting it evenly between the two agencies, and if NHS continues to have difficulty expending the funds, we can bring it back before the board.

Commissioner Van De Bogart made a motion to approve the resolution, seconded by Commissioner Luebke. The motion carried, 5-0.

b. **Review and Consideration of Resolution 2012-11, Authorizing the Community Development Authority to Purchase 720 Parker Avenue**

Teri Downing summarized the staff report and explained that we are still negotiating with the bank on this purchase. Commissioner Van De Bogart asked if it would be helpful to approve a low-ball offer of \$10,000. Ms. Downing explained that we are on tight deadlines with the state related to the expenditure of funds for the Neighborhood Stabilization Program (NSP) program, and we are losing

properties to others because others are willing to pay more. We risk losing the property if we go as low as \$10,000.

Commissioner Luebke expressed concern that we were going invest \$120,000 in rehabbing the house and asked how much we anticipated selling the house for. Teri Downing explained that the house would probably sell for \$60-70,000 in that neighborhood but that the purpose of the NSP program is to stabilize neighborhoods and to purchase and rehab foreclosed houses that the private market does not want to buy. She further explained that this particular property has two houses on one lot and that the back house is condemnable. The private market is not likely to pick it up, and it is a beautiful house worthy of rehabilitation.

Commissioner Van De Bogart commented that the City has the grant funds to buy these properties, but is it really worth it. Teri Downing responded that it is. Commissioner Luebke commented that we really need to get good homeowners. Otherwise, we could spend the money to rehab it, and the house could be back in the condition it is now. He also commented that he hoped we would work to get the best prices we could on the rehab. Julie Christensen explained that the CDA board will have approval of the bids and the sale price once the house is rehabbed and sold.

Teri Downing explained that some of the costs are related to items such as asbestos removal, lead abatement, and the house has knob and tube wiring which needs to be replaced.

Commissioner Luebke asked if we had a program to use underemployed and unemployed people. Teri Downing responded that Community Action has a program and that the Section 3 requirements give preference to local and low and moderate income contractors.

Commissioner Adama asked if we could take a loss on the property. Teri Downing responded that we can take a loss on the property, and she further explained that she already had this purchased pre-approved with the state, who funds this program.

Commissioner Adama made a motion to approve the resolution, seconded by Commissioner Luebke. Motion carried, 5-0.

Commissioner Van De Bogart left the meeting.

c. Review and Consideration of Resolution 2012-12, Authorizing the Community Development Authority to Purchase 736 Parker Avenue

Teri Downing summarized the staff report. Commissioner Adama asked what price we sell the vacant lot for once the house is demolished. Teri Downing

commented that we anticipate selling it for between \$0 and \$500. Scott Schneider commented that we did sell the last lot under NSP for between \$1,100 and \$1,200.

Commissioner Luebke made a motion to approve the resolution, seconded by Commissioner Adama. Motion carried, 4-0.

d. Review and Consideration of Resolution 2012-13, Authorizing the Community Development Authority to Purchase 823 St. Lawrence Avenue

Teri Downing summarized the staff report. Commissioner Luebke commented that he had the same concerns about 823 St. Lawrence Avenue as he expressed for 720 Parker Avenue. We need to keep the rehab costs down as much as possible. Scott Schneider explained that he estimates conservatively. He likes to keep the estimates high, so that the board is not shocked by higher prices when the bids come in.

Commissioner Luebke asked if we have to purchase high-end appliances. Teri Downing explained that the grant does require us to purchase energy star appliances. Scott Schneider explained that we are trying to raise the property values in the area and trying to provide housing that is as energy efficient as possible.

Commissioner Adama commented that we are giving people the opportunity to have a quality house. Teri Downing commented that we also need to make these houses as sellable as possible. We need to have the amenities that a homeowner would want so that the houses will sell.

Commissioner Smith asked if someone has to approve the loss on the property or is that expected. Teri Downing responded that it is expected.

Commissioner Adama made a motion to approve the resolution, seconded by Commissioner Smith. Motion carried, 4-0.

6. **Adjournment**

Commissioner Luebke made a motion to adjourn, seconded by Commissioner Adama. Motion carried, 4-0. The meeting was adjourned at 5:00 p.m.