



CITY HALL • 100 STATE STREET • BELOIT, WI 53511

**MEETING NOTICE AND AGENDA**  
**Community Development Authority**  
**March 6, 2013 at 4:30 pm**  
**The Forum**  
**Beloit City Hall**  
**100 State Street**

1. Call to Order and Roll Call
2. Election of Officers
  - a. Nomination and election of Chairperson
  - b. Nomination and election of Vice-Chairperson
3. Citizen Participation
4. Review and Consideration of the Minutes of the Regular Meeting held on January 30, 2013
5. Appointment of a CDA member to the Greater Beloit Economic Development Corporation (Christensen)
6. Housing Authority
  - a. Presentation of December Activity Report (Pollard)
  - b. Presentation of December Financial Report (Pollard)
  - c. Presentation of January Activity Report (Pollard)
  - d. Presentation of January Financial Report (Pollard)
  - e. Review and Consideration of Resolution 2013-05, Approval of Revision to Beloit Housing Authority's Housing Choice Voucher Administrative Plan (Cole)
7. Community Development
  - a. Review and Consideration of Resolution 2013-06, Increasing the NSP3 Budget for 122 Hackett (Schneider)
  - b. Review and Consideration of Resolution 2013-07, Authorizing the Sale of 517 Liberty Avenue (Schneider)
8. Adjournment

*If you are unable to attend this meeting, notify the Housing Authority Office at 364-8740 **no later than 4:00 PM the day before the meeting.***

Notice E-Mailed: March 1, 2013

Approved: Julie Christensen, Ex. Director

\*\* Please note that upon reasonable notice, at least 24 hours in advance, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, please contact the City Clerk's Office at 364-6680, 100 State Street, Beloit, WI 53511.

**Minutes**  
**Beloit Community Development Authority**  
**100 State Street, Beloit WI 53511**  
**January 30, 2013**  
**4:30 P.M.**

The regular meeting of the City of Beloit Community Development Authority was held on Wednesday, January 30, 2013 in the Forum of Beloit City Hall, 100 State Street.

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

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

**Present:** Commissioners Evans, Jacobs, Johnson and Luebke

**Absent:** Commissioners Adama and Leavy

**Staff Present:** Julie Christiansen, Cathy Pollard, Clint Cole, Scott Schneider and Ann Purifoy

2. **Citizen Participation:**

None

3. **Approval of Minutes:**

Motion was made by Commissioner Luebke and seconded by Commissioner Jacobs to approve the minutes of the Regular Meeting held on November 7, 2012. Motion carried unanimously.

4. **Housing Authority:**

a. **Presentation of the October and November Activity and Reports**

Cathy Pollard, Beloit Housing Authority Director, gave a brief summary of the reports.

b. **Presentation of the October and November Financial Reports**

Cathy Pollard gave a brief summary of the reports.

We are doing very well at this time with \$450,000 in reserves. Project-based units will be ready after our third-party evaluation on rent reasonableness.

c. **Review and Consideration of Resolution 2013-01, Approval of Revision to Beloit Housing Authority's Public Housing Family Self-Sufficiency Action Plan**

Clint Cole presented the staff report and recommendation.

Commissioner Luebke moved and Commissioner Jacobs seconded a motion to approve Resolution 2013-01. Motion carried unanimously.

- d. Review and Consideration of Resolution 2013-02, Approval of Revision to Beloit Housing Authority's Housing Choice Voucher Family Self-Sufficiency Action Plan  
Clint Cole presented the staff report and recommendation.

Commissioner Evans moved and Commissioner Luebke seconded a motion to approve Resolution 2013-02. Motion carried unanimously.

- e. Review and Consideration of Resolution 2013-03, Authorization to Write-Off Beloit Housing Authority Public Housing Tenants Accounts Receivable 2012 Fourth Quarter Vacated Residents  
Cathy Pollard presented the staff report and recommendation.

Commissioner Luebke moved and Commissioner Evans seconded a motion to approve Resolution 2013-03. Motion carried unanimously.

5. **Community Development:**

- a. Review and Consideration of Resolution 2013-04, Authorizing the Community Development Authority to Award the Rehabilitation Contract for 745 Vernon  
Scott Schneider presented the staff report and recommendation.

Commissioner Evans asked for clarification on how the program works. Julie Christensen explained that The Wisconsin Neighborhood Stabilization Program 3 (WNSP 3) is a government program created to allow cities to buy foreclosed houses, rehab them and resell them at an affordable rate for low and moderate income homeowners. The intent is to help neighborhoods, not to make a profit.

Commissioner Luebke moved and Commissioner Evans seconded a motion to approve Resolution 2013-04. Motion carried unanimously.

6. **Adjournment:**

Motion by Commissioner Evans and seconded by Commissioner Jacobs to adjourn at 4:52 p.m. Motion carried.

## **REPORT TO THE BELOIT COMMUNITY DEVELOPMENT AUTHORITY**

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**AGENDA ITEM:** 4a

**TOPIC:** December Activity Report

**REQUESTED ACTION:** Information only- No action required

**PRESENTER:** Cathy Pollard

### **STAFF REPORT:**

#### Public Housing:

There were no vacancies in public housing units in December and one upcoming vacancy in January of 2013. Public housing accounts receivable on occupied units totaled \$2,842.61 and vacated units totaled \$4,596.01 at the end of December, 2012 which brings the totaled outstanding public housing accounts receivable to \$7,438.62. Two applicants were pulled from the public housing waiting list in December; two applicants were briefed. Seven public housing inspections and Twenty-one annual and interim re-certifications were completed in December.

#### Section 8:

591 vouchers were housed by December 31, 2012 with 4 voucher holders either searching for units or waiting for passed inspections. 9 portable vouchers were paid by BHA in December with another 5 families waiting to Port-Out. 56 Section 8 inspections were completed in December, and the Housing Specialists completed 105 annual or interim re-certifications in December. No applicants were notified; one was briefed.

### **ATTACHMENTS:**

December Activity Report

**Beloit Community Development Authority  
Activity Report to Board for February 2013**

**December Activity Report**

**Public Housing**

**Tenants Accounts Receivable**

<b>Outstanding Receivables – Occupied Units 11/30/12</b>	<b>\$ 1,875.64</b>
<b>Outstanding Receivables – Vacated Units 11/30/12</b>	<b>\$ 4,596.01</b>
<b>Outstanding Receivables – Occupied Units 12/31/12</b>	<b>\$ 2,842.61</b>
<b>Outstanding Receivables – Vacated Units 12/31/12</b>	<b>\$ 4,596.01</b>
<b>Total November 30, 2012 Outstanding Receivables:</b>	<b>\$ 6,471.65</b>
<b>Total December 31, 2012 Outstanding Receivables:</b>	<b>\$ 7,438.62</b>
<b>Increase of:</b>	<b>\$ 966.97</b>

**Vacancies – 12/31/12**

<b><u>Total Public Housing Units</u></b>	131 Units 100% Occupancy
0 Vacancies:	Elderly - 100% Occupancy Family - 100% Occupancy

**Public Housing Inspections**

7 Inspections completed. There were 7 annual inspections; there were 0 move-in inspections. There were no move-out inspections. There were no housekeeping inspections, or preventative maintenance inspections.

**Public Housing Activities**

Annual Recerts:	8
Interim Recerts:	13
Notice to Vacate:	0

New Tenants:	1
Transfers:	0
Lease Terminations:	0
Possible Program Violations:	1
Evictions	0

Public Housing Briefings

Number Notified:	2
Number Briefed:	2

**Section 8 Program**

**Total Section 8 Vouchers**

598 Vouchers

December 591 under lease - 99% Occupancy  
 9 Portable Vouchers –9 Not Absorbed (0/Port-In)  
 4 Voucher holders searching or waiting for passed inspections

Section 8 Inspections

56 inspections were completed in August. 30 were annual inspections. 12 were initial inspections, 14 were re-inspections and there was 0 special inspections.

Section 8 Activities

New Participants:	1	
Annual Recerts:	42	
Interim Recerts:	63	
Abatements:	1	
Movers:	6	
Possible Program Violations:	8	program violations
End of Program	3	

Section 8 Briefings

Number Notified:	0
Number Briefed:	1

**APPLICATIONS**

Applications Taken:	15	East	5
		Parker Bluff	1
		West	5
		Sec. 8	15
		Proj. Based	0

Waiting List:	227	Public Housing East
	235	Public Housing West
	85	Parker Bluff
	22	Project-Based
	673	Sec. 8

1 Tenants removed for Repayment Default  
0 Tenants removed for unreported income  
0 Tenants removed for unauthorized occupants  
0 Applicants removed for debts owed  
Some applicants are on both lists, some are not  
**Section 8 waiting list opened 4/4/11**

# **REPORT TO THE BELOIT COMMUNITY DEVELOPMENT AUTHORITY**

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**AGENDA ITEM:** 4b

**TOPIC:** Monthly Reports

**REQUESTED ACTION:** Information only – No action required

**PRESENTER:** Cathy Pollard

## **STAFF REPORT:**

Attached is the Beloit Housing Authority Unaudited Financial Statement for the year ending December 31, 2012 prepared by the BHA Accountant. Beloit Apartments Redevelopment, LLC activities are included with Public Housing for purposes of this report.

Through the month of December, the Low Income Public Housing (LIPH) program income was \$916,999, Project Based Voucher (PBV) program income was \$3,273 and the Housing Choice Voucher (HCV) program was \$3,334,450, for a combined income of \$4,254,722, which is \$319,622 less than budgeted year-to-date.

Through the month of December, the Low Income Public Housing (LIPH) program expenses were \$1,001,127, Project Based Voucher (PBV) program expenses were \$13,579 and the Housing Choice Voucher (HCV) program expenses were \$3,366,961. Combined program expenses are \$4,402,207, which is \$55,663 more than the approved budget year to date.

Through the month of December, the Housing Authority shows an overall deficit of (\$147,485) year-to-date. Public Housing deficit is (\$104,760), Redevelopment Phase 1 & 2 surplus is \$93, Project Based Voucher deficit is (\$10,306), Section 8 administrative deficit is (\$3,741), and Section 8 HAP deficit is (\$28,771).

Through the month of December, the FSS program has 10 of the 30 enrolled tenants holding escrow accounts totaling \$10,305.29. Four new participants were enrolled this month. The Homeownership program has 4 tenants receiving homeownership assistance payments in December totaling \$1,471.

## **ATTACHMENTS:**

Monthly Financial Report



**Cash Flow Statement  
Beloit Housing Authority  
December 31, 2012**

	LIPH YTD Actual	PBV YTD Actual	Phase 1 & 2 Actual	HCV YTD Actual	YTD Budget	Variance Over (Under)
<b>Income</b>						
Dwelling Rent/Utilities	28,320.00	1,643.00	125,819.00	-	178,696.00	(22,914.00)
Interest on Investments	975.29	-	22.75	409.93	3,100.00	(1,692.03)
Other Income	215,008.22	1,629.59	170,329.12	34,366.34	591,261.00	(169,927.73)
HUD Admin Fees	-	-	-	329,498.00	339,758.00	(10,260.00)
HUD Grants/Subsidies	376,525.00	-	-	2,970,176.08	3,461,530.00	(114,828.92)
<b>Total Income</b>	<b>620,828.51</b>	<b>3,272.59</b>	<b>296,170.87</b>	<b>3,334,450.35</b>	<b>4,574,345.00</b>	<b>(319,622.68)</b>
<b>Expenses</b>						
Administrative						
Salaries/Benefits	260,155.20	-	-	337,002.76	599,434.52	2,276.56
Office Expenses	32,917.54	-	36,454.89	44,643.10	174,670.00	60,654.47
Office Contracted Services	3,226.65	-	-	1,864.47	-	(5,091.12)
Oper Sub Transfer/Mgmt Fee Pd	150,175.11	2,273.36	77,038.92	-	-	(229,487.39)
Housing Assistance Pmts	-	-	-	2,973,916.91	3,129,414.00	155,497.09
Maintenance						
Salaries/Benefits	207,352.84	-	-	-	206,066.48	(1,286.36)
Materials & Supplies	583.80	1,761.81	1,359.62	-	7,700.00	3,994.77
Maintenance Contracts	12,957.52	5,182.81	133,879.89	-	165,630.00	13,609.78
Utilities	12,750.69	4,299.16	20,517.24	-	16,700.00	(20,867.09)
Other Operating						
Protective Services	(18,559.06)	-	-	(16,184.76)	-	34,743.82
Insurance	1,466.30	-	1,767.87	-	1,300.00	(1,934.17)
PILOT	8,300.39	327.28	10,993.74	1,885.20	28,300.00	6,793.39
Other Operating Expenses	54,261.79	(265.62)	14,065.83	23,834.05	17,329.00	(74,567.05)
<b>Total Expenses</b>	<b>725,588.77</b>	<b>13,578.80</b>	<b>296,078.00</b>	<b>3,366,961.73</b>	<b>4,346,544.00</b>	<b>(55,663.30)</b>
Net Admin Income (Loss)	(104,760.26)	(10,306.21)	92.87	(28,770.55)		
Net HAP Income (Loss)				(3,740.83)		
<b>Total YTD Income (Loss)</b>	<b>(104,760.26)</b>	<b>(10,306.21)</b>	<b>92.87</b>	<b>(32,511.38)</b>		

## **REPORT TO THE BELOIT COMMUNITY DEVELOPMENT AUTHORITY**

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**AGENDA ITEM:** 4c

**TOPIC:** January Activity Report

**REQUESTED ACTION:** Information only- No action required

**PRESENTER:** Cathy Pollard

### **STAFF REPORT:**

#### Public Housing:

There were two vacancies in public housing units in January and one upcoming vacancy in February of 2013. Public housing accounts receivable on occupied units totaled \$859.59 and vacated units totaled \$7,299.74 at the end of January, 2013 which brings the totaled outstanding public housing accounts receivable to \$8,159.33. Eight applicants were pulled from the public housing waiting list in January; two applicants were briefed. Fourteen public housing inspections and Eighteen annual and interim re-certifications were completed in January.

#### Section 8:

588 vouchers were housed by January 31, 2013 with no voucher holders either searching for units or waiting for passed inspections. 9 portable vouchers were paid by BHA in January with another 5 families waiting to Port-Out. 65 Section 8 inspections were completed in January, and the Housing Specialists completed 76 annual or interim re-certifications in January. No applicants were notified; two were briefed.

### **ATTACHMENTS:**

January Activity Report

**Beloit Community Development Authority  
Activity Report to Board for February 2013**

**January Activity Report**

**Public Housing**

**Tenants Accounts Receivable**

<b>Outstanding Receivables – Occupied Units 01/31/13</b>	<b>\$ 859.59</b>
<b>Outstanding Receivables – Vacated Units 01/31/13</b>	<b>\$ 7,299.74</b>
<b>Outstanding Receivables – Occupied Units 12/31/12</b>	<b>\$ 2,842.61</b>
<b>Outstanding Receivables – Vacated Units 12/31/12</b>	<b>\$ 4,596.01</b>
<b>Total January 31, 2013 Outstanding Receivables:</b>	<b>\$ 8,159.33</b>
<b>Total December 31, 2012 Outstanding Receivables:</b>	<b>\$ 7,438.62</b>
<b>Increase of:</b>	<b>\$ 720.71</b>

**Vacancies – 01/31/13**

**Total Public Housing Units**

131 Units  
99% Occupancy

2 Vacancies:

Elderly - 100% Occupancy  
Family - 98% Occupancy

**Public Housing Inspections**

14 Inspections completed. There were 11 annual inspections; there were 1 move-in inspections. There were two move-out inspections. There were no housekeeping inspections, or preventative maintenance inspections.

**Public Housing Activities**

Annual Recerts:	9
Interim Recerts:	9
Notice to Vacate:	2

New Tenants:	1
Transfers:	1
Lease Terminations:	2
Possible Program Violations:	6
Evictions	1

Public Housing Briefings

Number Notified:	8
Number Briefed:	2

**Section 8 Program**

**Total Section 8 Vouchers**

598 Vouchers

January

588 under lease - 98% Occupancy  
 9 Portable Vouchers –9 Not Absorbed (0/Port-In)  
 0 Voucher holders searching or waiting for passed inspections

Section 8 Inspections

65 inspections were completed in August. 50 were annual inspections. 4 were initial inspections, 11 were re-inspections and there was 0 special inspections.

Section 8 Activities

New Participants:	0	
Annual Recerts:	32	
Interim Recerts:	44	
Abatements:	1	
Movers:	4	
Possible Program Violations:	5	program violations
End of Program	5	

Section 8 Briefings

Number Notified:	0
Number Briefed:	2

**APPLICATIONS**

Applications Taken: 29	East	12
	Parker Bluff	4
	West	12
	Sec. 8	26
	Proj. Based	2

Waiting List:	235	Public Housing East
	243	Public Housing West
	89	Parker Bluff
	24	Project-Based
	698	Sec. 8

0 Tenants removed for Repayment Default  
0 Tenants removed for unreported income  
0 Tenants removed for unauthorized occupants  
0 Applicants removed for debts owed  
Some applicants are on both lists, some are not  
**Section 8 waiting list opened 4/4/11**

## **REPORT TO THE BELOIT COMMUNITY DEVELOPMENT AUTHORITY**

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**AGENDA ITEM:** 4d

**TOPIC:** Monthly Reports

**REQUESTED ACTION:** Information only – No action required

**PRESENTER:** Cathy Pollard

### **STAFF REPORT:**

Attached is the Beloit Housing Authority Financial Statement for the month ending January 31, 2013 prepared by the BHA Accountant. Beloit Apartments Redevelopment, LLC activities are included with Public Housing for purposes of this report.

Through the month of January, the Low Income Public Housing (LIPH) program income was \$51,161, Project Based Voucher (PBV) program income was \$68 and the Housing Choice Voucher (HCV) program was \$213,508, for a combined income of \$264,737, which is \$116,773 less than budgeted year-to-date.

Through the month of January, the Low Income Public Housing (LIPH) program expenses were \$69,701, Project Based Voucher (PBV) program expenses were \$3,742 and the Housing Choice Voucher (HCV) program expenses were \$272,702. Combined program expenses are \$346,145, which is \$22,541 less than the approved budget year to date.

Through the month of January, the Housing Authority shows an overall deficit of (\$81,409) year-to-date. Public Housing deficit is (\$18,547), Redevelopment Phase 1 & 2 surplus is \$7, Project Based Voucher deficit is (\$3,674), Section 8 administrative deficit is (\$3,457), and Section 8 HAP deficit is (\$55,737).

Through the month of January, the FSS program has 10 of the 30 enrolled tenants holding escrow accounts totaling \$11,255.77. The Homeownership program has 4 tenants receiving homeownership assistance payments in November totaling \$1,471.

### **ATTACHMENTS:**

Monthly Financial Report

**Cash Flow Statement**  
**Beloit Housing Authority**  
**January 31, 2013**

	BHA YTD	LLC Phase 1 & 2	HCV YTD	YTD Budget	Variance
	Actual	Actual	Actual		Over (Under)
<b>Income</b>					
Dwelling Rent/Utilities	68.00	12,089.00	-	20,191.25	(8,034.25)
Interest on Investments	20.28	6.63	16.01	68.33	(25.41)
Other Income	1,606.02	14,862.64	-	18,899.67	(2,431.01)
HUD Admin Fees	-	-	23,886.00	2,233.33	21,652.67
HUD Grants/Subsidies	22,576.00	-	189,605.93	340,116.50	(127,934.57)
<b>Total Income</b>	<b>24,270.30</b>	<b>26,958.27</b>	<b>213,507.94</b>	<b>381,509.08</b>	<b>(116,772.57)</b>
<b>Expenses</b>					
	BHA YTD	LLC Phase 1 & 2	HCV YTD	YTD Budget	Variance
	Actual	Actual	Actual		Under (Over)
<b>Administrative</b>					
Salaries/Benefits	19,758.85	7,527.39	24,267.88	55,943.43	4,389.31
Office Expenses	3,154.72	-	1,916.39	7,332.92	2,261.81
Office Contracted Services	768.22	-	787.78	1,700.00	144.00
Oper Sub Transfer/Mgmt Fee Pd	-	1,363.02	-	2,216.67	853.65
Housing Assistance Pmts	-	-	245,343.34	250,809.08	5,465.74
<b>Maintenance</b>					
Salaries/Benefits	6,925.32	9,977.63	-	17,993.58	1,090.63
Materials & Supplies	(570.27)	650.69	-	759.00	678.58
Maintenance Contracts	841.80	374.38	-	2,529.17	1,312.99
Utilities	1,986.21	4,214.02	-	1,541.67	(4,658.56)
<b>Other Operating</b>					
Protective Services	638.10	854.75	-	566.67	(926.18)
Insurance	946.70	1,210.07	386.66	1,886.01	(657.42)
PILOT	(104.86)	779.69	-	2,435.58	1,760.75
Other Operating Expenses	12,147.02	-	-	22,972.92	10,825.90
<b>Total Expenses</b>	<b>46,491.81</b>	<b>26,951.64</b>	<b>272,702.05</b>	<b>368,686.67</b>	<b>22,541.17</b>
Net Admin Income (Loss)	(22,221.51)	6.63	(3,456.70)		
Net HAP Income (Loss)			(55,737.41)		
<b>Total YTD Income (Loss)</b>	<b>(22,221.51)</b>	<b>6.63</b>	<b>(59,194.11)</b>		

## **REPORT TO THE BELOIT COMMUNITY DEVELOPMENT AUTHORITY**

**AGENDA ITEM:** 4e.

**TOPIC:** Revision to Beloit Housing Authority's Housing Choice Voucher Administrative Plan.

**REQUESTED ACTION:** Approval of the revision to the Beloit Housing Authority's Housing Choice Voucher Administrative Plan.

**PRESENTER:** Clinton Cole

### **STAFF REPORT:**

The Beloit Housing Authority administers HUD's Housing Choice Voucher (HCV) program with the purpose of assisting low-income individuals and families of Beloit with rental housing costs. In some cases, these participants are eligible for Utility Reimbursement Payment (URP) to assist with utility costs for their assisted unit. According to the current BHA HCV Administrative Plan, participants residing in Project-Based Section 8 units may receive the URP check directly. The proposed revision allows the BHA to make this URP payment directly to the utility provider, after first notifying the resident of this action.

### **STAFF RECOMENDATION:**

Staff recommends approval of Resolution 2013-05: Approval of the revision to the Beloit Housing Authority's Housing Choice Voucher Family Administrative Plan.

### **ATTACHMENT:**

Proposed revision to the Housing Choice Voucher Family Administrative Plan



**RESOLUTION NUMBER 2013-05**

**APPROVAL OF REVISION TO THE БЕLOIT HOUSING  
AUTHORITY'S HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN**

**WHEREAS,** the Beloit Housing Authority currently has an Administrative Plan that guides the operation of HUD's Housing Choice Voucher (HCV) program that was approved by the Community Development Authority Board of Commissioners;

**WHEREAS,** the Beloit Housing Authority must periodically revise the HCV Administrative Plan to maintain compliance with HUD regulations, as well as to maximize program efficiency;

**NOW THEREFORE BE IT RESOLVED** that the Beloit Housing Authority through the Community Development Authority Board of Commissioners resolve to approve the revision, per attachment, to the HCV Administrative Plan as written.

Adopted this 27th day of February, 2013

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Thomas Johnson, Chairman  
Beloit Community Development Authority

ATTEST:

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Julie Christensen, Executive Director  
Beloit Community Development Authority

### **17-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]**

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

#### **Tenant and PHA Responsibilities**

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the PHA.

Likewise, the PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The PHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

#### **Utility Reimbursements**

If the amount of the utility allowance exceeds the total tenant payment, the PHA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

The PHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

#### PHA Policy

The PHA will make utility reimbursements directly to the utility supplier on behalf of the family and notify the family as required.



CITY HALL • 100 STATE STREET • BELOIT, WI 53511

## REPORT TO THE BELOIT COMMUNITY DEVELOPMENT AUTHORITY

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**AGENDA ITEM:** 7a

**TOPIC:** Resolution 2013-06, Increasing the NSP3 Budget for 122 Hackett

**ACTION:** Approve Resolution 2013-06

**PRESENTER:** Scott Schneider

### **STAFF REPORT:**

The Wisconsin Neighborhood Stabilization Program 3 (WNSP 3) is authorized under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Department of Housing and Urban Development awarded \$5,000,000 in NSP 3 funds to the State of Wisconsin Department of Commerce. \$1,293,000 of these NSP3 grant funds were awarded to the Rock County NSP Consortium of which \$655,750 will be utilized in Beloit's Census Tract 16, one of the areas most affected by foreclosures. These funds are used to buy foreclosed houses and either rehabilitate and resell them or demolish them.

The property at 122 Hackett is the first of four houses to be rehabbed by the Community Development Authority under the NSP3 program. The resolution approved by the CDA authorized using \$59,651 of NSP3 funds and \$20,000 of State Lead Grant funds for the rehabilitation of the house. The total amount approved was enough to pay for the rehabilitation work for the lowest bidder, plus 10 percent in contingencies. As work progressed, three major conditions were discovered, which prompted staff to bring Resolution 2012-39 to the CDA which increased the budget by \$2,904, increasing the contingency to 14.0%. Unfortunately, several more issues have arisen:

1. The plumbing waste line from the kitchen sink and clothes washer that is located under the concrete floor of the basement has collapsed. This has only come to light recently, as the water is shut off to the houses until we are reasonably confident that the furnace is operating properly. The estimate to fix the plumbing and repair the floor was estimated to be \$700 - \$1000, and will be handled on a time and materials basis.

2. Sometime during the weekend of February 16<sup>th</sup>, the house was broken into. Someone broke a pane of glass in the front door in order to unlock the door. No items were stolen, and no vandalism occurred. At the time of writing this staff report, no quote was available, but I would guess the repair to cost about \$100. The amount of the insurance deductible for criminal damage is significantly higher than what I am expecting the window pane to cost, so there is no point in filing a claim.
3. The original intent was to refinish as many hardwood floors as possible in the house. Upon completion, the floors in the living room and west bedroom were too badly stained and discolored to be acceptable, even with the contractor heavily sanding the stains. The decision was made to carpet those floors in order to maintain the marketability of the house.

Due to these last few items, we will be exceeding the 14% contingency that the CDA approved. Therefore, staff is requesting to increase the contingency to 15% to accommodate the remaining portion of this project.

We expect to be able to sell this house upon completion for \$65,000 - \$70,000.

Attached is Resolution 2013-06, Increasing the NSP3 Budget for 122 Hackett. This resolution, if approved, would increase the overall budget for this property by \$716.50.

**STAFF RECOMENDATION:**

Staff recommends that the Community Development Authority approve Resolution 2013-06.

**ATTACHMENTS:**

Resolution 2013-06

**RESOLUTION 2013-06  
INCREASING THE NSP3 BUDGET FOR 122 HACKETT STREET**

**WHEREAS**, the City of Beloit has received \$655,750 for the Neighborhood Stabilization Program 3 (NSP3) from the Wisconsin Department of Commerce under Title III of Division B of the Housing and Economic Recovery Act (HERA), 2008 for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties; and

**WHEREAS**, the City Council approved a resolution designating the Community Development Authority as the oversight agency for Beloit's NSP3 program; and

**WHEREAS**, Ron's Drywall & Painting submitted the low bid of \$72,410, and was awarded the contract for the rehabilitation of 122 Hackett Street; and

**WHEREAS**, the CDA already increased the contingency to 14% to address unforeseen issues in 2012;

**WHEREAS**, several more issues have arisen which need to be addressed since the contingency was increased to 14%, which will exceed the 14% contingency;

**NOW THEREFORE BE IT RESOLVED THAT** the Community Development Authority does hereby approve the additional funding for the 122 Hackett Rehabilitation budget:

Current amount approved by CDA	\$82,555.00
Additional amount requested	\$716.50
<b>AMENDED CONTRACT AWARD</b>	<b><u>\$ 83,271.50</u></b>

**NOW THEREFORE BE IT FURTHER RESOLVED**, that the amount of \$716.50 be, and hereby is, funded as follows:

**FUNDING:**

73675200-524023-10471	NSP3 Resale – Beloit	\$ 716.50
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Adopted this 27th day of February, 2013.

**Community Development Authority**

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Thomas Johnson, Chairperson

**ATTEST:**

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Julie Christensen, Executive Director



CITY HALL • 100 STATE STREET • BELOIT, WI 53511

## REPORT TO THE BELOIT COMMUNITY DEVELOPMENT AUTHORITY

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**AGENDA ITEM:** 7b

**TOPIC:** Resolution 2013-07, Authorizing the Sale of 517 Liberty Avenue

**REQUESTED ACTION:** Approval of Resolution 2013-07

**PRESENTER:** Scott Schneider

### **STAFF REPORT:**

The Neighborhood Stabilization Program (NSP) is authorized under Title III of Division B of the Housing and Economic Recovery Act (HERA), 2008 for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties. The Department of Housing and Urban Development awarded \$38,779,123 in NSP funds to the State of Wisconsin. \$772,111 of these NSP grant funds were awarded to the City of Beloit and will be utilized in Beloit's neighborhoods most affected by foreclosures. The City will administer these funds in cooperation with Neighborhood Housing Services of Beloit. These funds will be used to buy foreclosed houses and either rehabilitate and resell them or demolish them.

The property at 517 Liberty Avenue was donated to the Community Development Authority and demolished using NSP1 dollars. Since this was such a small lot, 50' X 62', the intention at the time the house was demolished was to sell it to an adjacent neighbor. The neighbor to the west (Javier and Angela Saucedo) located at 1101 Elm Street has expressed interest in purchasing the land to increase the yard of their residence. This would allow the lot to be restored to its original platted size, 50' X 123', which would help decrease residential density in this neighborhood. Based on historical vacant lot sales by the City of Beloit, we set the asking price of the lot at \$500, and this price was acceptable to the Saucedos.

To date, we have spent \$7,280 on the property. A significant loss was expected on the demolition side of the NSP program, and this is no exception. Attached is Resolution 2013-07 Authorizing the Sale of 517 Liberty Avenue to Javier and Angela Saucedo.

**STAFF RECOMENDATION:**

Staff recommends that the Community Development Authority approve Resolution 2013-XX, Authorizing the Sale of 517 Liberty Avenue to Javier and Angela Saucedo.

**ATTACHMENTS:**

Resolution 2013-07, Location and Zoning Map, and WB-13 for 517 Liberty

**RESOLUTION 2013-07**  
**AUTHORIZING THE SALE OF 517 LIBERTY AVENUE**

**WHEREAS**, the City of Beloit has received \$772,111 for the Neighborhood Stabilization Program (NSP) under Title III of Division B of the Housing and Economic Recovery Act (HERA), 2008 for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties; and

**WHEREAS**, the property known as 517 Liberty Avenue was acquired under the Neighborhood Stabilization Program for demolition, and

**WHEREAS**, the home was demolished, and the remaining vacant lot is available for sale, and

**WHEREAS**, Javier and Angela Saucedo desire to purchase 517 Liberty and combine it their adjoining parcel to the west;

**NOW THEREFORE BE IT RESOLVED**, that the CDA accepts the offer dated 2/19/2013 and signed by the Saucedos; and

**NOW THEREFORE BE IT FURTHER RESOLVED**, that the Executive Director of the Community Development Authority is hereby authorized to complete all paperwork in conjunction with this sale; and

**NOW THEREFORE BE IT FURTHER RESOLVED**, that the proceeds from this sale be distributed to the account 73675200-443503-1047 NSP Demo – Beloit

Adopted this 27th day of February, 2013.

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Thomas Johnson, CDA Chairperson

ATTEST:

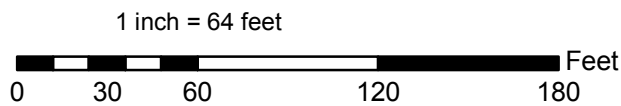
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Julie Christensen, Executive Director



# Location & Zoning Map

517 Liberty Avenue



Map prepared by: Julie Christensen  
Date: February 2013  
For: City of Beloit, Planning and Building Services  
Date of Aerial Photography: April 2011

**WB-13 VACANT LAND OFFER TO PURCHASE**

1 **BROKER DRAFTING THIS OFFER ON** 2/19/2013 **[DATE] IS (AGENT OF SELLER)**XXXXXXXXXXXXXXXXXXXXXXXXXXXX **[STRIKE TWO]**  
2 **[GENERAL PROVISIONS]** The Buyer, Javier O & Angela R Saucedo, Husband and Wife  
3 offers to purchase the Property known as **[Street Address]** 517 Liberty, Tax Parcel 12650580  
4 \_\_\_\_\_ in the City \_\_\_\_\_ of Beloit \_\_\_\_\_, County of Rock \_\_\_\_\_,  
5 Wisconsin, (Insert additional description, if any, at lines 179 - 187 or attach as an addendum, line 188), on the following terms:  
6 ■ **PURCHASE PRICE:** Five Hundred Dollars and Zero cents  
7 \_\_\_\_\_ Dollars (\$ 500.00 \_\_\_\_\_).  
8 ■ **EARNEST MONEY** of \$ 50.00 (Fifty Dollars) accompanies this Offer and earnest money of \$ \_\_\_\_\_  
9 will be paid within \_\_\_\_\_ days of acceptance.  
10 ■ **THE BALANCE OF PURCHASE PRICE** will be paid in cash or equivalent at closing unless otherwise provided below.  
11 ■ **ADDITIONAL ITEMS INCLUDED IN PURCHASE PRICE:** Seller shall include in the purchase price and transfer, free and clear of  
12 encumbrances, all fixtures, as defined at lines 15 - 18 and as may be on the Property on the date of this Offer, unless excluded at line 14,  
13 and the following additional items: N/A  
14 ■ **ITEMS NOT INCLUDED IN THE PURCHASE PRICE:** N/A  
15 A "Fixture" is defined as an item of property which is physically attached to or so closely associated with land so as to be treated as part  
16 of the real estate, including, without limitation, physically attached items not easily removable without damage to the Property, items  
17 specifically adapted to the Property, and items customarily treated as fixtures including but not limited to all: perennial crops; garden  
18 bulbs; plants; shrubs and trees. CAUTION: Annual crops are not included in the purchase price unless otherwise agreed at line 13.  
19 ■ **ZONING:** Seller represents that the Property is zoned R-1B  
20 **[ACCEPTANCE]** Acceptance occurs when all Buyers and Sellers have signed an identical copy of the Offer, including signatures on  
21 separate but identical copies of the Offer. **CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider**  
22 **whether short term deadlines running from acceptance provide adequate time for both binding acceptance and performance.**  
23 **[BINDING ACCEPTANCE]** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on or  
24 before March 8, 2013. **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**  
25 **[DELIVERY OF DOCUMENTS AND WRITTEN NOTICES]** Unless otherwise stated in this Offer, delivery of documents and written notices  
26 to a Party shall be effective only when accomplished by one of the methods specified at lines 27 - 36.  
27 (1) By depositing the document or written notice postage or fees prepaid in the U.S. Mail or fees prepaid or charged to an account with  
28 a commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery designated at lines 30 or 32 (if any),  
29 for delivery to the Party's delivery address at lines 31 or 33.  
30 Seller's recipient for delivery (optional): Scott Schneider, City of Beloit Project Engineer  
31 Seller's delivery address: 2400 Springbrook Ct, Beloit, WI 53511  
32 Buyer's recipient for delivery (optional): \_\_\_\_\_  
33 Buyer's delivery address: \_\_\_\_\_  
34 (2) By giving the document or written notice personally to the Party or the Party's recipient for delivery if an individual is designated at lines 30 or 32.  
35 (3) By fax transmission of the document or written notice to the following telephone number: \_\_\_\_\_  
36 Buyer: ( \_\_\_\_\_ ) \_\_\_\_\_ Seller: ( \_\_\_\_\_ ) \_\_\_\_\_  
37 **[OCCUPANCY]** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer (lines  
38 179 - 187 or in an addendum per line 188). Occupancy shall be given subject to tenant's rights, if any. **Caution: Consider an agreement**  
39 **which addresses responsibility for clearing the Property of personal property and debris, if applicable.**  
40 **[LEASED PROPERTY]** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights under said  
41 lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written) (oral) **[STRIKE ONE]**  
42 lease(s), if any, are N/A  
43 **[PLACE OF CLOSING]** This transaction is to be closed at the place designated by Buyer's mortgagee or Brabazon Title Co  
44 \_\_\_\_\_ no later than April 30 \_\_\_\_\_, 2013 \_\_\_\_\_ unless another date or place is agreed to in writing.  
45 **[CLOSING PRORATIONS]** The following items shall be prorated at closing: real estate taxes, rents, private and municipal charges,  
46 property owner's association assessments, fuel and N/A  
47 \_\_\_\_\_. Any income, taxes or expenses shall accrue to Seller, and be prorated, through the day prior to closing.  
48 Net general real estate taxes shall be prorated based on (the net general real estate taxes for the current year, if known, otherwise on  
49 the net general real estate taxes for the preceding year) ( \_\_\_\_\_ ) **[STRIKE AND COMPLETE AS APPLICABLE]**  
50 \_\_\_\_\_).  
51 **CAUTION: If proration on the basis of net general real estate taxes is not acceptable (for example, completed/pending**  
52 **reassessment, changing mill rate, lottery credits), insert estimated annual tax or other formula for proration.**  
53 **[PROPERTY CONDITION PROVISIONS]**  
54 ~~■ **PROPERTY CONDITION REPRESENTATIONS:** Seller represents to Buyer that as of the date of acceptance Seller has no notice~~  
55 ~~or knowledge of conditions affecting the Property or transaction (see below) other than those identified in Seller's Real Estate Condition~~  
56 ~~Report dated \_\_\_\_\_, which was received by Buyer prior to Buyer signing this Offer and which is made a part of this Offer~~  
57 ~~by reference **[COMPLETE DATE OR STRIKE AS APPLICABLE]** and \_\_\_\_\_~~  
58 ~~\_\_\_\_\_ **[INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT]** \_\_\_\_\_~~

59 A "condition affecting the Property or transaction" is defined as follows:

60 (a) ~~planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property~~  
61 ~~or the present use of the Property;~~

62 (b) ~~completed or pending reassessment of the Property for property tax purposes;~~

63 (c) ~~government agency or court order requiring repair, alteration or correction of any existing condition;~~

64 (d) ~~any land division involving the subject Property for which required state or local approvals had not been obtained;~~

65 (e) ~~any portion of the Property being in a 100-year floodplain, a wetland or shoreland zoning area under local, state or federal laws;~~

66 (f) ~~conditions constituting a significant health or safety hazard for occupants of Property;~~

67 (g) ~~underground or aboveground storage tanks on the Property for storage of flammable or combustible liquids including but not limited to~~  
68 ~~gasoline and heating oil which are currently or which were previously located on the Property; NOTE: Wis. Adm. Code, Chapter~~  
69 ~~Comm 10 contains registration and operation rules for such underground and aboveground storage tanks;~~

70 (h) ~~material violations of environmental laws or other laws or agreements regulating the use of the Property;~~

71 (i) ~~high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property;~~

72 (j) ~~any portion of the Property being subject to, or in violation of, a Farmland Preservation Agreement under a County Farmland Preservation~~  
73 ~~Plan or enrolled in, or in violation of, a Forest Crop, Woodland Tax, Managed Forest, Conservation Reserve or comparable program;~~

74 (k) ~~boundary disputes or material violation of fence laws (Wis. Stats. Chapter 90) which require the erection and maintenance of legal~~  
75 ~~fences between adjoining properties where one or both of the properties is used and occupied for farming or grazing purposes;~~

76 (l) ~~wells on the Property required to be abandoned under state regulations (Wis. Adm. Code NR-112.26) but which are not abandoned;~~

77 (m) ~~cisterns or septic tanks on the Property which are currently not servicing the Property;~~

78 (n) ~~subsoil conditions which would significantly increase the cost of the development proposed at lines 271-272, if any, including, but not limited~~  
79 ~~to, subsurface foundations, organic or non-organic fill, dumpsites or containers on Property which contained or currently contain toxic or~~  
80 ~~hazardous materials, high groundwater, soil conditions (e.g. low load bearing capacity) or excessive rocks or rock formations on the Property;~~

81 (o) ~~a lack of legal vehicular access to the Property from public roads;~~

82 (p) ~~prior reimbursement for corrective action costs under the Agricultural Chemical Cleanup Program; (Wis. Stats. §94.73.)~~

83 (q) ~~other conditions or occurrences which would significantly increase the cost of the development proposed at lines 271 to 272 or~~  
84 ~~reduce the value of the Property to a reasonable person with knowledge of the nature and scope of the condition or occurrence;~~

85 ■ **PROPERTY DIMENSIONS AND SURVEYS:** Buyer acknowledges that any land dimensions, total square footage/acreage figures,  
86 or allocation of acreage information, provided to Buyer by Seller or by a broker, may be approximate because of rounding or other  
87 reasons, unless verified by survey or other means. **CAUTION: Buyer should verify land dimensions, total square footage/acreage**  
88 **figures or allocation of acreage information if material to Buyer's decision to purchase.**

89 ■ **ISSUES RELATED TO PROPERTY DEVELOPMENT; WARNING:** If Buyer contemplates developing Property for a use other than the  
90 current use, there are a variety of issues which should be addressed to ensure the development or new use is feasible. Municipal and zoning  
91 ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or uses and therefore should  
92 be reviewed. Building permits, zoning variances, Architectural Control Committee approvals, estimates for utility hook-up expenses, special  
93 assessments, charges for installation of roads or utilities, environmental audits, subsoil tests, or other development related fees may need  
94 to be obtained or verified in order to determine the feasibility of development of, or a particular use for, a property. Optional contingencies  
95 which allow Buyer to investigate certain of these issues can be found at lines 271 - 314 and Buyer may add contingencies as needed in  
96 addenda (see line 188). Buyer should review any plans for development or use changes to determine what issues should be addressed  
97 in these contingencies.

98 ■ **INSPECTIONS:** Seller agrees to allow Buyer's inspectors reasonable access to the Property upon reasonable notice if the inspections  
99 are reasonably necessary to satisfy the contingencies in this Offer. Buyer agrees to promptly provide copies of all such inspection  
100 reports to Seller, and to listing broker if Property is listed. Furthermore, Buyer agrees to promptly restore the Property to its original  
101 condition after Buyer's inspections are completed, unless otherwise agreed in this Offer. An "inspection" is defined as an observation  
102 of the Property which does not include testing of the Property, other than testing for leaking LP gas or natural gas used as a fuel source,  
103 which are hereby authorized.

104 ■ **TESTING:** Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property.  
105 A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the laboratory  
106 or other analysis of these materials. If Buyer requires testing, testing contingencies must be specifically provided for at lines 179 - 187  
107 in an addendum per line 188. Note: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose  
108 of the test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of  
109 the contingency (e.g., Buyer's obligation to return the Property to its original condition). Seller acknowledges that certain inspections or tests  
110 may detect environmental pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

111 ■ **PRE-CLOSING INSPECTION:** At a reasonable time, pre-approved by Seller or Seller's agent, within 3 days before closing, Buyer shall  
112 have the right to inspect the Property to determine that there has been no significant change in the condition of the Property, except for  
113 changes approved by Buyer.

114 ■ **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING:** Seller shall maintain the Property until the earlier of closing or  
115 occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear. If, prior  
116 to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling price, Seller shall be obligated to repair  
117 the Property and restore it to the same condition that it was on the day of this Offer. If the damage shall exceed such sum, Seller shall  
118 promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer. Should Buyer elect to carry out this  
119 Offer despite such damage, Buyer shall be entitled to the insurance proceeds relating to the damage to the Property, plus a credit towards  
120 the purchase price equal to the amount of Seller's deductible on such policy. However, if this sale is financed by a land contract or a  
121 mortgage to Seller, the insurance proceeds shall be held in trust for the sole purpose of restoring the Property.

122 ■ **FENCES:** Wisconsin Statutes section 90.03 requires the owners of adjoining properties to keep and maintain legal fences in equal  
123 shares where one or both of the properties is used and occupied for farming or grazing purposes. **CAUTION: Consider an agreement**  
124 **addressing responsibility for fences if Property or adjoining land is used and occupied for farming or grazing purposes.**

125 ■ **DELIVERY/RECEIPT:** Unless otherwise stated in this Offer, any signed document transmitted by facsimile machine (fax) shall be treated  
126 in all manner and respects as an original document and the signature of any Party upon a document transmitted by fax shall be considered  
127 an original signature. Personal delivery to, or actual receipt by, any named Buyer or Seller constitutes personal delivery to, or actual receipt  
128 by Buyer or Seller. Once received, a notice cannot be withdrawn by the Party delivering the notice without the consent of the Party receiving  
129 the notice. A Party may not unilaterally reinstate a contingency after a notice of a contingency waiver has been received by the other Party.  
130 **The delivery provisions in this Offer may be modified when appropriate (e.g., when mail delivery is not desirable (see lines 25 - 36)).**  
131 Buyer and Seller authorize the agents of Buyer and Seller to distribute copies of the Offer to Buyer's lender, appraisers, title insurance companies  
132 and any other settlement service providers for the transaction as defined by the Real Estate Settlement Procedures Act (RESPA).

133 **PROPERTY ADDRESS: 517 Liberty, Tax Parcel 12650580** [page 3 of 5, WB-13]

134 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy; (4)  
135 date of closing; (5) contingency deadlines **STRIKE AS APPLICABLE** and all other dates and deadlines in this Offer except:

136 \_\_\_\_\_ . If "Time is of the Essence"  
137 applies to a date or deadline, failure to perform by the exact date or deadline is a breach of contract. If "Time is of the Essence" does  
138 not apply to a date or deadline, then performance within a reasonable time of the date or deadline is allowed before a breach occurs.

139 **DATES AND DEADLINES** Deadlines expressed as a number of "days" from an event, such as acceptance, are calculated by excluding  
140 the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines  
141 expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal  
142 law, and other day designated by the President such that the postal service does not receive registered mail or make regular deliveries  
143 on that day. Deadlines expressed as a specific number of "hours" from the occurrence of an event, such as receipt of a notice, are  
144 calculated from the exact time of the event, and by counting 24 hours per calendar day. Deadlines expressed as a specific day of the  
145 calendar year or as the day of a specific event, such as closing, expire at midnight of that day.

146 **THE FINANCING CONTINGENCY PROVISIONS AT LINES 148 - 162 ARE A PART OF THIS OFFER IF LINE 148 IS MARKED,**  
147 **SUCH AS WITH AN "X". THEY ARE NOT PART OF THIS OFFER IF LINE 148 IS MARKED N/A OR IS NOT MARKED.**

148 **N/A** **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a \_\_\_\_\_  
149 **INSERT LOAN PROGRAM OR SOURCE** first mortgage loan commitment as described below, within \_\_\_\_\_ days of acceptance of this  
150 Offer. The financing selected shall be in an amount of not less than \$ \_\_\_\_\_ for a term of not less than \_\_\_\_\_ years,  
151 amortized over not less than \_\_\_\_\_ years. Initial monthly payments of principal and interest shall not exceed \$ \_\_\_\_\_.  
152 Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private  
153 mortgage insurance premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay a loan fee not to exceed  
154 \_\_\_\_\_ % of the loan. (Loan fee refers to discount points and/or loan origination fee, but DOES NOT include Buyer's other closing  
155 costs.) If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted  
156 to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain  
157 the term and amortization stated above. **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 158 OR 159.**

158  **FIXED RATE FINANCING:** The annual rate of interest shall not exceed \_\_\_\_\_ %.

159  **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed \_\_\_\_\_ %. The initial interest rate shall  
160 be fixed for \_\_\_\_\_ months, at which time the interest rate may be increased not more than \_\_\_\_\_ % per year. The maximum  
161 interest rate during the mortgage term shall not exceed \_\_\_\_\_ %. Monthly payments of principal and interest may be adjusted  
162 to reflect interest changes.

163 **LOAN COMMITMENT:** Buyer agrees to pay all customary financing costs (including closing fees), to apply for financing promptly, and  
164 to provide evidence of application promptly upon request by Seller. If Buyer qualifies for the financing described in this Offer or other  
165 financing acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no later than the deadline for loan  
166 commitment at line 149. **Buyer's delivery of a copy of any written loan commitment to Seller (even if subject to conditions) shall**  
167 **satisfy the Buyer's financing contingency unless accompanied by a notice of unacceptability. CAUTION: BUYER, BUYER'S LENDER**  
168 **AND AGENTS OF BUYER OR SELLER SHOULD NOT DELIVER A LOAN COMMITMENT TO SELLER WITHOUT BUYER'S PRIOR**  
169 **APPROVAL OR UNLESS ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

170 **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment, Seller may terminate this Offer if Seller  
171 delivers a written notice of termination to Buyer prior to Seller's actual receipt of a copy of Buyer's written loan commitment.

172 **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already delivered an  
173 acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies  
174 of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is named in this Offer, Seller shall then  
175 have 10 days to give Buyer written notice of Seller's decision to finance this transaction on the same terms set forth in this Offer and this  
176 Offer shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, this Offer shall  
177 be null and void. Buyer authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness  
178 for Seller financing.

179 **ADDITIONAL PROVISIONS/CONTINGENCIES** Offer must be approved by the CDA before this offer is considered binding.  
180 Lot to be sold as is

181 Buy is to combine this lot to their existing parcel, (1101 Elm, Tax # 12650575). This can be done at the City Assessor's office at no additional charge.

182 Buyer must qualify to buy the lot in accordance to HUD & NSP3 rules in order for this offer to be valid

183 The City of Beloit shall hold onto the earnest check.

184 Buyer shall pay for all closing costs

185 The Buyer acknowledges that the City of Beloit has placed grass seed on the property, and shall hold harmless the City of Beloit & their demolition contractor for the growth of the grass.

186 \_\_\_\_\_  
187 \_\_\_\_\_  
188  **ADDENDA:** The attached \_\_\_\_\_ is/are made part of this Offer.

189 **TITLE EVIDENCE**

190  **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed (or other  
191 conveyance as provided herein) free and clear of all liens and encumbrances, except: municipal and zoning ordinances and  
192 agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use  
193 restrictions and covenants, general taxes levied in the year of closing and \_\_\_\_\_  
194 \_\_\_\_\_

195 \_\_\_\_\_ (provided none of the foregoing prohibit present use of the Property), which constitutes merchantable title  
196 for purposes of this transaction. Seller further agrees to complete and execute the documents necessary to record the conveyance.

197 ■ **FORM OF TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the  
198 purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. **CAUTION: IF TITLE**  
199 **EVIDENCE WILL BE GIVEN BY ABSTRACT, STRIKE TITLE INSURANCE PROVISIONS AND INSERT ABSTRACT PROVISIONS.**  
200 ■ **PROVISION OF MERCHANTABLE TITLE:** Seller shall pay all costs of providing title evidence. For purposes of closing, title evidence  
201 shall be acceptable if the commitment for the required title insurance is delivered to Buyer's attorney or Buyer not less than 3 business  
202 days before closing, showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be  
203 merchantable, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and  
204 exceptions, as appropriate. **CAUTION: BUYER SHOULD CONSIDER UPDATING THE EFFECTIVE DATE OF THE TITLE**  
205 **COMMITMENT PRIOR TO CLOSING OR A "GAP ENDORSEMENT" WHICH WOULD INSURE OVER LIENS FILED BETWEEN THE**  
206 **EFFECTIVE DATE OF THE COMMITMENT AND THE DATE THE DEED IS RECORDED.**  
207 ■ **TITLE ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title by  
208 the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to remove the objections, and  
209 the time for closing shall be extended as necessary for this purpose. In the event that Seller is unable to remove said objections, Buyer  
210 shall have 5 days from receipt of notice thereof, to deliver written notice waiving the objections, and the time for closing shall be extended  
211 accordingly. If Buyer does not waive the objections, this Offer shall be null and void. Providing title evidence acceptable for closing does  
212 not extinguish Seller's obligations to give merchantable title to Buyer.  
213 ■ **SPECIAL ASSESSMENTS:** Special assessments, if any, for work actually commenced or levied prior to date of this Offer shall be  
214 paid by Seller no later than closing. All other special assessments shall be paid by Buyer. **CAUTION: Consider a special agreement**  
215 **if area assessments, property owner's association assessments or other expenses are contemplated.** "Other expenses" are one-  
216 time charges or ongoing use fees for public improvements (other than those resulting in special assessments) relating to curb, gutter,  
217 street, sidewalk, sanitary and stormwater and storm sewer (including all sewer mains and hook-up and interceptor charges), parks, street  
218 lighting and street trees, and impact fees for other public facilities, as defined in Wis. Stat. § 66.55(1)(c) & (f).  
219 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller regarding the  
220 transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds and inures to the benefit of  
221 the Parties to this Offer and their successors in interest.  
222 **DEFAULT**  
223 Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of this Offer. A  
224 material failure to perform any obligation under this Offer is a default which may subject the defaulting party to liability for damages or  
225 other legal remedies.  
226 If Buyer defaults, Seller may:  
227 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or  
228 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) direct Broker to return  
229 the earnest money and have the option to sue for actual damages.  
230 If Seller defaults, Buyer may:  
231 (1) sue for specific performance; or  
232 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.  
233 In addition, the Parties may seek any other remedies available in law or equity.  
234 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the  
235 discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead of  
236 the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes  
237 covered by the arbitration agreement.  
238 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ**  
239 **THIS DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT**  
240 **ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR**  
241 **HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**  
242 **EARNEST MONEY**  
243 ■ ~~HELD BY:~~ Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker (buyer's agent  
244 if Property is not listed or seller if no broker is involved), until applied to purchase price or otherwise disbursed as provided in the Offer.  
245 ~~CAUTION: Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the Parties~~  
246 ~~or an attorney. If someone other than Buyer makes payment of earnest money, consider a special disbursement agreement.~~  
247 ■ ~~DISBURSEMENT:~~ If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after clearance  
248 from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest  
249 money shall be disbursed according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according  
250 to a written disbursement agreement signed by all Parties to this Offer. (Note: Wis. Adm. Code § RL-18.09(1)(b) provides that an offer  
251 to purchase is not a written disbursement agreement pursuant to which the broker may disburse). If said disbursement agreement has  
252 not been delivered to broker within 60 days after the date set for closing, broker may disburse the earnest money: (1) as directed by  
253 an attorney who has reviewed the transaction and does not represent Buyer or Seller; (2) into a court hearing a lawsuit involving the  
254 earnest money and all Parties to this Offer; (3) as directed by court order; or (4) any other disbursement required or allowed by law.  
255 Broker may retain legal services to direct disbursement per (1) or to file an interpleader action per (2) and broker may deduct from the  
256 earnest money any costs and reasonable attorneys fees, not to exceed \$250, prior to disbursement.  
257 ■ ~~LEGAL RIGHTS/ACTION:~~ Broker's disbursement of earnest money does not determine the legal rights of the Parties in relation to this  
258 Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to disbursement per (1)  
259 or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or Seller disagree with broker's  
260 proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement. Small Claims Court has jurisdiction over  
261 all earnest money disputes arising out of the sale of residential property with 1-4 dwelling units and certain other earnest money disputes.  
262 Buyer and Seller should consider consulting attorneys regarding their legal rights under this Offer in case of a dispute. Both Parties  
263 agree to hold the broker harmless from any liability for good faith disbursement of earnest money in accordance with this Offer or  
264 applicable Department of Regulation and Licensing regulations concerning earnest money. See Wis. Adm. Code Ch. RL-18. **NOTE:**  
265 **WISCONSIN LICENSE LAW PROHIBITS A BROKER FROM GIVING ADVICE OR OPINIONS CONCERNING THE LEGAL RIGHTS**  
266 **OR OBLIGATIONS OF PARTIES TO A TRANSACTION OR THE LEGAL EFFECT OF A SPECIFIC CONTRACT OR CONVEYANCE.**  
267 **AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS REQUIRED.**

268 PROPERTY ADDRESS: 517 Liberty, Tax Parcel 12650580

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269 OPTIONAL PROVISIONS: THE PARAGRAPHS AT LINES 271 - 314 WHICH ARE PRECEDED BY A BOX ARE A PART OF THIS OFFER IF  
270 MARKED, SUCH AS WITH AN "X". THEY ARE NOT PART OF THIS OFFER IF MARKED N/A OR ARE LEFT BLANK.

271  N/A PROPOSED USE CONTINGENCY: Buyer is purchasing the property for the purpose of:

272 This Offer is contingent upon Buyer obtaining the following:

273  Written evidence at (Buyer's) (Seller's) [STRIKE ONE] expense from a qualified soils expert that the Property is free of any subsoil  
274 condition which would make the proposed development impossible or significantly increase the costs of such development.

275  Written evidence at (Buyer's) (Seller's) [STRIKE ONE] expense from a certified soils tester or other qualified expert that indicates that  
276 the Property's soils at locations selected by Buyer and all other conditions which must be approved to obtain a permit for an acceptable private  
277 septic system for: [insert proposed use of Property; e.g., three

278 bedroom single family home] meet applicable codes in effect as of the date of this offer. An acceptable system includes all systems approved  
279 for use by the State for the type of property identified at line 277. An acceptable system does not include a holding tank, privy, composting  
280 toilet or chemical toilet or other systems (e.g. mound system) excluded in additional provisions or an addendum per lines 179 - 188.

281  Copies at (Buyer's) (Seller's) [STRIKE ONE] expense of all public and private easements, covenants and restrictions affecting the  
282 Property and a written determination by a qualified independent third party that none of these prohibit or significantly delay or increase  
283 the costs of the proposed use or development identified at lines 271 to 272.

284  Permits, approvals and licenses, as appropriate, or the final discretionary action by the granting authority prior to the issuance  
285 of such permits, approvals and licenses at (Buyer's) (Seller's) [STRIKE ONE] expense for the following items related to the proposed  
286 development

287  Written evidence at (Buyer's) (Seller's) [STRIKE ONE] expense that the following utility connections are located as follows (e.g.,  
288 on the Property, at the lot line across the street, etc.): electricity \_\_\_\_\_; gas \_\_\_\_\_; sewer  
289 \_\_\_\_\_; water \_\_\_\_\_; telephone \_\_\_\_\_; other \_\_\_\_\_.

290 This proposed use contingency shall be deemed satisfied unless Buyer within \_\_\_\_\_ days of acceptance delivers  
291 written notice to Seller specifying those items of this contingency which cannot be satisfied and written evidence substantiating why each  
292 specific item included in Buyer's notice cannot be satisfied.

293  N/A MAP OF THE PROPERTY: This Offer is contingent upon (Buyer obtaining) (Seller providing) [STRIKE ONE] a map of the Property prepared  
294 by a registered land surveyor, within \_\_\_\_\_ days of acceptance, at (Buyer's) (Seller's) [STRIKE ONE] expense. The map shall identify the legal  
295 description of the Property, the Property's boundaries and dimensions, visible encroachments upon the Property, the location of improvements,  
296 if any, and: \_\_\_\_\_.

297 [STRIKE AND COMPLETE AS APPLICABLE] Additional map features  
298 which may be added include, but are not limited to: specifying how current the map must be; staking of all corners of the Property; identifying  
299 dedicated and apparent street, lot dimensions, total acreage or square footage, easements or rights-of-way. CAUTION: Consider the cost  
300 and the need for map features before selecting them. The map shall show no significant encroachment(s) or any information materially  
301 inconsistent with any prior representations to Buyer. This contingency shall be deemed satisfied unless Buyer, within five days of the earlier  
302 of: 1) Buyer's receipt of the map, or 2) the deadline for delivery of said map, delivers to Seller, and to listing broker if Property is listed, a copy  
303 of the map and a written notice which identifies the significant encroachment or the information materially inconsistent with prior representations.

304  N/A INSPECTION CONTINGENCY: This Offer is contingent upon a qualified independent inspector(s) conducting an inspection(s), at  
305 Buyer's expense, of the Property and \_\_\_\_\_  
306 which discloses no defects as defined below. This contingency shall be deemed satisfied

307 unless Buyer within \_\_\_\_\_ days of acceptance delivers to Seller, and to listing broker if Property is listed, a copy of the inspector's  
308 written inspection report and a written notice listing the defects identified in the report to which Buyer objects. This Offer shall be null and  
309 void upon timely delivery of the above notice and report. CAUTION: A proposed amendment will not satisfy this notice requirement.

310 Buyer shall order the inspection and be responsible for all costs of inspection, including any inspections required by lender or follow-up to  
311 inspection. Note: This contingency only authorizes inspections, not testing, see lines 98 to 110. For the purposes of this contingency a defect  
312 is defined as any condition of the Property which constitutes a significant threat to the health or safety of persons who occupy or use the  
313 Property or gives evidence of any material use, storage or disposal of hazardous or toxic substances on the Property. Defects do not include  
314 conditions the nature and extent of which Buyer had actual knowledge or written notice before signing this Offer.

315 This Offer was drafted on 1/24/2013 [date] by [Licensee and Firm] Scott Schneider, City of Beloit Project Engineer

316 (X) Javier Saucedo Javier Saucedo [Redacted] 2-20-13  
317 Buyer's Signature ▲ Print Name Here: ▲ Social Security No. or FEIN ▲ Date ▲

318 (X) Angela Saucedo Angela Saucedo [Redacted] 2/20/13  
319 Buyer's Signature ▲ Print Name Here: ▲ Social Security No. or FEIN ▲ Date ▲

320 EARNEST MONEY RECEIPT Broker acknowledges receipt of earnest money as per line 8 of the above Offer. (See lines 242 - 267)  
321 Broker (By)

322 SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE CLOSING AND  
323 THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE TERMS AND CONDITIONS AS SET FORTH  
324 HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.

325 (X) \_\_\_\_\_  
326 Seller's Signature ▲ Print Name Here: ▲ Social Security No. or FEIN ▲ Date ▲

327 (X) \_\_\_\_\_  
328 Seller's Signature ▲ Print Name Here: ▲ Social Security No. or FEIN ▲ Date ▲

329 This Offer was presented to Seller by \_\_\_\_\_ on \_\_\_\_\_, at \_\_\_\_\_ a.m./p.m.

330 THIS OFFER IS REJECTED \_\_\_\_\_ THIS OFFER IS COUNTERED [See attached counter] \_\_\_\_\_  
331 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲