HOUSING AUTHORITY
Minutes – December 7, 2022
In person at Planning Office
and via Zoom

Call to Order: Chair Schulz called the meeting of the Housing Authority of Rock County to order at 9:12 AM on Wednesday, December 7, 2022.

Members present in person: Chair Supervisor Kathy Schulz
Members present via ZOOM: Supervisor Bill Wilson and Billy Bob Grahn
Members Excused: Jason Heindenreich and Michelle Ponkauskas

Rock County Staff present: Ilana Eisenberg (Office Coordinator), Andrew Baker (Planning Director)

Additional participants: Michael Gosman (Acts Housing) and Todd Mandel (WPHD)

Adopt Agenda: Supervisor Wilson made a motion to approve. Mr. Grahn seconded the motion. ADOPTED

Approval of Minutes from Meeting Held October 5, 2022: Mr. Grahn made a motion to approve. Supervisor Wilson seconded the motion. ADOPTED

Citizen Participation, Communications and Announcements: None

State Update Regarding Goals in Analysis of Impediments to Fair Housing Document:

Michael Gosman was present on behalf of Acts Housing to discuss the work that this organization does within the community. Gosman visits the Beloit office 1-2 times per month but is primarily in the Milwaukee location. The Beloit office consists of 4 employees and the total of amount of people Acts Housing employs is 35. Beloit requested the presence of Acts Housing in the city/town and now they are looking to provide their services throughout the county or where their resources are needed. From September 2019 to September 2022 Acts has helped 179 families that are currently undergoing homebuying coaching. There have been 54 owner-occupied home sales, 6 of which were in Rock County but outside the City of Beloit. Beloit homebuyers in Beloit have an annual average income of $41,870 and pay an average of $776 housing payment (includes mortgage, insurance, and tax). Acts Housing works with potential home buyers by providing coaching and services for home rehab. Presently, 20 properties in Beloit and 6 in Janesville were attained through foreclosures for Acts Housing to be able to manage and find suitable homeowners. Mr. Grahn asked a question about the funding of ACTS. In Milwaukee, the majority is passed through grant funding (primarily the down payment assistance). Beloit receives support through grants and philanthropical funding (Hendricks group and Beloit 200). Supervisor Schulz then inquired on the interest rate and how the rising rate was effecting the individuals involved with the ACTS program. Mr.Gosman explained that as of that day's date, 310 families have been assisted (the majority located in Milwaukee but 22-23 families in the Beloit area). Aspects of the program included the offering of down payment assistance (between10-15 Thousand). Most of the costs involved with the program are not incurred by the participant. There are minimal fees involved when it comes to getting the coaching (approximately $400) for the rehab program. The entire process can take up to 2 years to complete. There is usually a "Power Pack" of coaching that is either done in person or via Zoom done in a monthly cohort. The pilot program for this began about 7 months ago. There is also a website : www.actshousing.org. Mr. Grahn asked for information on how an interested applicant was to contact ACTS. As part of the coaching, the 1 on 1 meetings, there are 4 videos that have been created to further outline the process and what is expected of the applicant. The applicant must further purchase a tri-merge credit report to see where they lie credit wise. 85% of the applicants prefer the coaching sessions to be via Zoom. Supervisor Wilson questioned how ACTS obtained their referrals. Mr. Gosman explained that there are number of outlets used to market the program. Primarily using paid social ads, such as on Facebook and Hulu. They also are involved with Community Action and a variety of other financial organizations throughout the community that are able to prompt referrals, such as banks and credit unions. ACTS is able to provide the organization with a specific QR code to facilitate in the referral process.

Discussion with Todd Mandel from WPHD in regard to the Down Payment Assistance Program. He has been working with applicants and aiding in this and the rehab process as a consultant for 6-7 years. Mr. Mandel first brought up the fact that there may need to be modifications to the RCHA Home Home Purchase Program in order to make it a program easier to implement. Reference was made to a handout with details and suggestions. The home purchase limit cannot surpass $193,000 even post rehab. The program was found to be difficult to use, given the stipulation that the seller must fix problem areas uncovered by an inspection of the property prior to the closing. The buyers are able to receive assistance in one of three forms: grant, forgivable grant, and a deferred loan. The best option is to have a partial grant along with a deferred loan is postponed until the sale of the property, which is typically used to avoid house flipping. The suggestion is to modify the program to have an agreement with the RCHA to bring the home to meet the House Quality Standards (HSQ) and allow other improvements within the 12 months of the closing, rather than only HSQ work as it is set up now. For example, energy efficiency items may also be a top priority. The buyer must bring at least $1,000.00 of their own money to or prior to close. This could include monies spent on the home inspection, insurance, or any other HQS items only. They would like to prioritize the matching 25% of assistance whether it be other non-federal down payment assistance, donated land or fees, or saved interest payments from using WHEDA mortgage funds. Buyer's cash does not count in this instance. One of the main considerations that could be implemented is putting requirements around mortgage types, interest rates, etc. This would further ensure that those application were serious about following through. Supervisor Wilson questioned what the requirements or guidelines were for other counties.

One suggestions was too remove the requirement that HQS be required at closing.

Renewed discussion on developing a county-wide Housing Strategy similar to what Fox Cities-Outagamie County has used as an example. Supervisor Wilson began conversation of this topic. Discussion of how the housing related in correlation to the economic development of the county. Remediation of a package that could be presented to the County Board. By being further educated on the types of programs that are available and how they fit together, will enhance the chances of developing a complete plan to present.

Information regarding Tax Foreclosed Properties:

Supervisor Schulz requested follow up with Andrew Baker on this topic. Director Baker discussed the traditional housing program for the City of Beloit. Two representatives, Terri and Julie for City of Beloit, were involved in the acquisition of the foreclosed properties that were purchased on behalf of the City. They were able to attain all available properties that were up for auction and have various plans depending on whether there is a residence on the property or not. As noted previously Acts Housing was the recipient of 20 properties in Beloit.

Suggestions for Future Meeting Topics:

The next meeting is to be on January 4, 2023 at 9 am. Todd Mandel was requested to be at the meeting, should his schedule allow. This would be to get further recommendation about changes that could be made or amended with the Rock County Housing Strategy. Director Baker suggested comparing to what is already in place with the City of Beloit and the City if Janesville for comparison. Writing up a proposal was recommended to be completed by spring (March/April) to present to the County Board. Mr. Grahn suggested the possibility of meeting outside of normal work hours to prepare the documentation. Director Baker suggested reaching out to the entities the County works with the most input with the package, and approved the possibility of a meeting time outside of normal hours. Mr. Grahn was additionally in favor of Director Baker's proposed workshop day to receive further guidance and involve James Otterstein with Economic Development to provide insight. Supervisor Wilson suggested that it be a public meeting.

Chair Schulz also asked the Legal Action be invited to provide an update regarding their work in the County.

Adjournment:

Mr. Grahn made the motion to adjourn at 10:40 am. Supervisor Wilson seconded the motion. ADOPTED

Next meeting: 01/04/2023 at 9:00AM

Respectfully submitted,
Ilana Eisenberg, Office Coordinator

Acts Housing

Buy a home, build a community.

www.actshousing.org

Beloit Partners Update

Project date: September 2019-September 2022

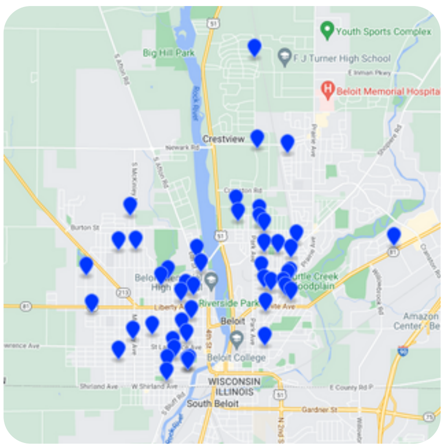
179
families currently receiving homebuyer coaching

7
families currently pre-approved (1 with an active offers)

$6.1 MM
home purchase & rehab investments

14
tax-foreclosures reclaimed

54*
owner-occupied home sales



Overall average purchase price

$103k

Average purchase price to purchase a tax-foreclosure

$31k

11 Families purchased homes in the Hackett Neighborhood

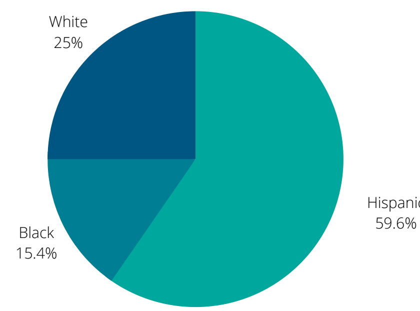
12 Families purchased homes in the Merrill Neighborhood

About Beloit Homebuyers

2
Average family size

$41,870
Average annual household income (52% of Rock Co. AMI)

$776
Average monthly payment including mortgage, insurance and tax



Access to Capital

Average home rehab investment for families purchasing distressed properties

$36k

Loan delinquency rate for Acts borrowers in Beloit:

0%

Lending Partners Include:

Associated Bank
Blackhawk Bank
Envoy Mortgage
The Federal Savings Bank
First Community Credit Union
First National Bank & Trust
Guaranteed Rate Affinity
Johnson Financial Group
Landmark Credit Union
Mortgage Center LLC
Premier Bank
Tri City National Bank
US Bank
Wintrust

*Six additional owner occupied home sales occurred in Rock County outside of the City of Beloit

Acts Housing

Mission

Empowerment Through Homeownership

Vision

Vibrant Neighborhoods Through Homeownership

Leadership

Michael Gosman, President & CEO

Deatra Kemp, VP of Programs

Dorothy York, VP of Real Estate

Kelly Andrew, VP of Strategic Partnerships

Board of Directors

John Beagle, Grace Matthews

Pam Evason, Windermere Wealth Advisors

Anthony Franda, Burke Properties

Kristen Gagliano, North Shore Bank

Anthony McHenry, Milwaukee Academy of Science

Victoria Navarro, Advocate Aurora Health

Marc Perry, Community Action, Inc.

Heather Ramirez, Marquette University Law School

Vice-Chair

Joe Schlidt, Godfrey & Kahn, S.C.

Chair

Christopher Schreiber, Michael Best + Fricheich LLP

Allison Steinhafel, Hammes Holdings

John Syburg, Blackthorne Partners, Ltd.

Oscar Tovar, Office of the Mayor, City of Milwaukee

Joshua Yamat, Spring Bank

Michael Zimmerman, MGIC

Interested in supporting Acts Housing?

Contact **Kelly Andrew**
VP of Strategic Partnerships
kelly@actshousing.org
414.727.0016

Who we are

Founded in 1995 on the corner of 24th Street and Vliet Street in Milwaukee, Acts Housing has been helping families with low-to-moderate income (LMI) prepare for homeownership. The only organization of it's kind in the nation, Acts Housing provides a sustainable, affordable option for families who've traditionally been locked out of homeownership.

In 2013, Acts Lending was formed to provide mortgage financing for the purchase and rehab of distressed homes. In 2019, Acts expanded to Beloit, Wisconsin as our first effort to reach new markets. In 2022, the Acts Homeownership Acquisition Fund began acquiring homes to compete with out of state landlords who were purchasing large sections of our cities.

What we do

The cost of renting in Milwaukee has outpaced the income of many residents. Families can frequently save $100 or more per month on a mortgage while building wealth where before there was no opportunity.

Financial Coaching: our HUD-certified Financial Coaches help families assess their current situation, put an action plan together for debt reduction, credit score improvement, and saving; Acts works with families until they're ready for pre-approval for a mortgage

Lending: families learn about their options for traditional lending, and if they're on the path to reclaiming a distressed property, about Acts Lending; we serve as a liaison between loan officers and families, and we lend up to $125k from the Acts loan fund for the purchase and rehab of distressed homes

Real Estate: Acts realtors are licensed professionals with expertise in closing deals in Milwaukee and Rock County on affordable homes.

Home Rehab: families who decide to reclaim distressed properties are supported by a Home Rehab Coach who identifies the scope of work required, assists the family in reviewing contractor bids, and works to keep the timeline for completion within 270-days of purchase

Historic Impact

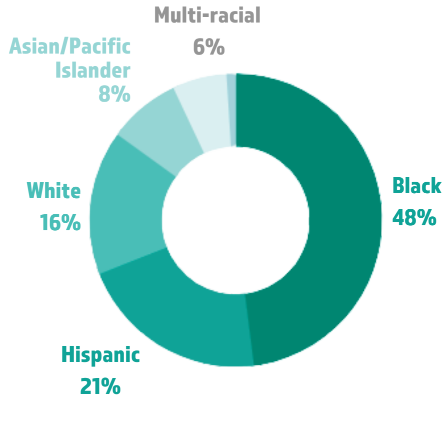
> $236 Million
Invested into the City of Milwaukee

1000
Distressed Properties Reclaimed

210
Acts Loans Originated for Purchase/Rehab of Distressed Properties

3,300+
Families in Homes Since 1995

Acts Homebuyer Demographics



RCHA Home Purchase Program

- Home purchase limit $193,000
    - A calculation would need to be done prior to purchase to ensure that post-purchase rehab would not cause the value to exceed $193,000
- Buyers receive downpayment assistance in one of three types:
    - Grant: Instantly forgiven
    - Forgivable grant: Grant forgiven over time or due to certain events
    - Deferred loan: Funds are provided as a loan at some interest rate. The loan is due upon sale or transfer of the property.
        - Rates can be set by RCHA. Typically 3% or less.
        - Interest accumulation can be capped at some point.
        - Repayment of loan is subject to “net proceeds”.
- Buyer enters into agreement with RCHA to bring the home to meet Housing Quality Standards within 12 months of closing.
    - Project is handled as a standard rehab project post-close.
- HOME requirements:
    - Buyer must bring at least $1,000 of their own money to close.
    - Minimum assistance is $1,000 of HOME funds.
    - Match equaling 25% of the assistance should be included. Match can include:
        - Other non-federal downpayment assistance.
        - Donated land or fees.
        - Saved interest payments from using a WHEDA mortgage.
- Other considerations:
    - Would be for properties out of the City of Janesville and the City of Beloit.
    - Other targeting constraints could be put on as long as those constraints do not violate the Fair Housing Act.
    - Could put requirements around mortgage types, interest rates, etc.
    - Would want to establish buyer qualification standards such as front-end/back-end ratios, maximum assistance, and minimum buyer participation.