

HOUSING TASK FORCE COMMITTEE MEETING

10/26/10 AMENDED AGENDA – ITEMS 6 & 7

(Subcommittee of Community Development Authority)

Organizational Meeting

Wednesday, October 27, 2010 – 5:15p.m.

City of Whitewater City Manager Conference Room

2nd floor – 312 W. Whitewater Street, Whitewater, Wisconsin 53190

(CDA Appointed Chairperson: Jeff Knight)

1. Introduction of Members
2. Review Scope of Task Force
3. Presentation of Janesville's Policies and Procedures
4. Adoption of Task Force Rules/Policies for Whitewater
5. Review Funding Opportunities
6. Presentation by Neighborhood Services Director and City Attorney Wally McDonell related to potentially blighted and abandoned properties
7. Possible Recommendation to Common Council regarding Procedures and Funding for Program
8. Discussion of size and makeup of Task Force
9. Arrange next meeting date.
10. Adjournment

It is possible that a quorum of Common Council and Community Development Authority Board members may attend this meeting. Even if a quorum is present, no Common Council and/or Community Development Authority Board business will be conducted at this meeting. Anyone requiring special arrangements is asked to call the office of the City Manager/ City Clerk at least 24 hours prior to the meeting.

BUY, REHABILITATE, RESELL PROGRAM

PROGRAM MANUAL

**ADOPTED BY THE JANESVILLE COMMUNITY DEVELOPMENT AUTHORITY:
May 16, 2007**

BACKGROUND

The City of Janesville has a large stock of older homes located in the central city. Many of these homes are located on smaller lots in what might be characterized as a dense urban environment. As the City of Janesville has developed, many home owners have sold their homes in the central city and constructed new homes in the developing areas along the edges. This pattern of out-migration has resulted in a central city housing stock with the following characteristics:

- Many large older homes have been converted in 2-unit and sometimes 3-unit properties further increasing the density of the population.
- The percentage of rental properties in the central city exceeds the percentage city-wide
- Much of the “affordable” housing (both rental and owner-occupied) can be found in the central city.
- A high city-wide rental vacancy rate over the last 5 years (in excess of 12%) has reduced the cash-flow to rental property owners resulting in deferred property maintenance.

Many of the characteristics identified above present both challenges and opportunities for the City of Janesville. For the last several years there has been a renewed focus on the central city and the neighborhoods. The City of Janesville has facilitated the formation of neighborhood groups in the Look West and Historic Fourth Ward neighborhoods and has increased the enforcement of its property maintenance codes. These groups have identified housing as one of their major areas of concern – specifically the physical condition of some properties and the problems associated with some rental properties.

Most of the City of Janesville’s housing programs are targeted at these older residential areas of the community. The goals of these programs are four-fold:

- Stabilize the neighborhoods by increasing the number of owner-occupied properties
- Reduce the incidences of slum and blight by providing low/no interest loans to property owners to encourage appropriate rehabilitation.
- Maintain the quality of the affordable housing stock of the community
- Reduce the density of housing units within these neighborhoods

The housing programs offered by the City of Janesville are dependent upon the private sector to purchase and rehabilitate properties. There are some properties and situations, however, where it does not make economic sense for the private sector to get involved with a property. For example, it would be unlikely for a private entity to purchase a two (2) or three (3) unit property and convert it back to a single-family residence. In most situations, the cost to purchase and rehabilitate the property will exceed the fair market value of the property as a single-family residence, and thus investors will not pursue these projects. From the City’s perspective, however, these are exactly the types of projects that should be encouraged since they stabilize the neighborhood, reduce slum and blight, and reduce the density of the housing units. Therefore, the City of Janesville is embarking on a new initiative to purchase and rehabilitate properties in the central city.

PROGRAM ROLES

- The Neighborhood Services Director will identify properties for purchase and will be responsible for the day-to-day administration of the program.
- The Community Development Planner will complete all required activities consistent with state and federal law to relocate tenants from an acquired property, if necessary. In addition, the Community Development Planner may complete required reports consistent with the requirements of the funding source(s).
- The Housing Rehabilitation Specialist will complete an inspection of properties under consideration for purchase; prepare plans, specifications, and estimates for rehabilitation work; secure bids for the rehabilitation activities; oversee the construction process; and process requests for payment for approval by the Neighborhood Services Director.
- The Community Development Authority (CDA) is composed of seven (7) members appointed by the City Manager. The CDA sets the policies for and oversees all housing programs administered by the City of Janesville. The CDA will review and approve all policies related to the Buy, Rehab., Resell program, including this Program Manual. The CDA will also review all proposed property acquisitions, including the proposed scope of rehabilitation activities, and make a recommendation to the City Council
- The Plan Commission is composed of seven (7) members: two Council members and five appointed by the City Manager and approved by the City Council. The Plan Commission will review all proposed property acquisitions to determine their consistency with city plans.
- The Janesville City Council is composed of seven (7) members elected at large by the electors in the City of Janesville. The City Council will approve all property acquisitions.

PROPERTY SELECTION

1. All properties under consideration for inclusion in the Buy, Rehab., Resell program must be located within the “Target Area” as defined by the CDA (see attached map).
2. When the Neighborhood Services Director identifies a property or properties for consideration as a Buy, Rehab., Resell project, he/she shall bring those properties to the CDA for preliminary review in closed session. The purpose of this review is to determine which properties staff should prepare preliminary rehabilitation plans and costs estimates.
3. Project description, including scope of work and preliminary budget will meet the parameters set by the Community Development Authority.
4. If more than one property is being considered, criteria for selection shall include the following:
 - Appraisal and listing price analysis
 - Cost: purchase price, holding, and rehabilitation costs
 - Visibility
 - Impact on neighborhood
 - Suitability for energy efficiency improvements

- Assessor's estimate of after-improvement value
 - Long-term affordability of property
5. An offer will be made contingent on the following:
Community Development Authority review and recommendation, Plan Commission review and recommendation, and City Council review and approval in open session.

PROJECT WORK PROCEDURES

In general, the procedures outlined in the Home Improvement Program Manual will be followed. Building permits will be obtained as required and inspections made.

1. CDA reviews and approves project description including scope of work and preliminary budget.
2. Rehab Specialist prepares specifications and obtains three bids for each element of work.
3. Rehab specialist advises Neighborhood Services Director who makes final decision on contractor selection.
4. Neighborhood Services Director will act as owner and make all final decisions on work of the project such as materials to be used and paint colors.
5. Rehabilitation Specialist will supervise the contracts and inspect all work.

PROJECT COMPLETION AND SALE

Once all work is completed, a Certificate of Occupancy will be requested. Open Houses will be held as needed to showcase the project.

The completed project will be sold to an income eligible household (less than 80% of Rock County Median Income) to be owner occupied. Deed restrictions will be placed on the property requiring that it remain a single family, owner occupied property unless the restriction is waived by the City Council upon recommendation of the Community Development Authority.

Sale may be made by sealed bid or by listing with a local realtor.

Target Area Map

