



City of Racine, Wisconsin
AGENDA BRIEFING MEMORADUM

AGENDA DATE:	January 10, 2019
SUBJECT:	Proposed updates to the Housing Rehabilitation and General Administration Policy and Procedures Manual
PREPARED BY:	Matthew Rejc, Manager of Neighborhood Services
EXECUTIVE SUMMARY:	Department of City Development - Division of Neighborhood Services requests that the Loan Board of Review evaluate and approve proposed modifications to the Housing Rehabilitation and General Administration Policy and Procedures Manual.
BACKGROUND & ANALYSIS:	<p>In December, 2018 City staff provided the City of Racine Loan Board of Review with updated copies of the Housing Rehabilitation and General Administration Policy and Procedures Manual for review. Staff informed the Loan Board that proposed updates would be discussed at the January regular meeting.</p> <p>The changes proposed by staff include the following, as organized by chapter and section:</p> <ul style="list-style-type: none">• Chapter 3: Eligibility Requirements, Section B(i)<ul style="list-style-type: none">○ Add paragraph (h): "Complete homeowner post-purchase counseling, to be paid by the City, and submit completion documentation to staff no later than 90 days following loan closing."• Chapter 3: Eligibility Requirements, Section B(ii)<ul style="list-style-type: none">○ Add paragraph (i): "Complete homeowner post-purchase counseling, to be paid by the City, and submit completion documentation to staff no later than 90 days following loan closing."• Chapter 4: Loan, Debt, and Other Underwriting Standards, Section C, Paragraph 1<ul style="list-style-type: none">○ Add to the end of existing paragraph 1: ", unless temporarily modified by action of the Loan Board."• Chapter 5: Eligible and Ineligible Rehabilitation Costs, Section B<ul style="list-style-type: none">○ Add to the end of existing paragraph C: "; and the costs of regular household maintenance items used for such activities as housecleaning, lawn care and snow removal."○ Add paragraph D: "Repair or replacement of interior fixtures, equipment, or other improvements that are in functional order."• Chapter 6: Loan Administration, Section A<ul style="list-style-type: none">○ Modify first paragraph: remove "Assistant Director of City Development" and replace with "Manager of the Neighborhood Services Division."• Chapter 6: Loan Administration, Section B

- Modify third paragraph: remove “Income Worksheet or Deck Sheet” and replace with “Loan Summary Sheet”
- Chapter 6: Loan Administration, Section C
 - Replace title with the following: “Environmental Review, Architectural, Lead-Based Paint Assessments, Affirmative Marketing, and Energy Audits”
 - Rephrase third paragraph as follows: “City Development staff may also order a lead-risk assessment for the subject property, once approved by the Loan Board of Review, if the loan exceeds \$5,000. The lead based paint risk assessment will be ordered and completed by a qualified contractor. Upon the determination of the Housing Technician, City Development staff may presume the presence of lead rather than performing a formal lead-risk assessment. If lead hazards are found or presumed, remediation or abatement must be completed, based on the nature of the hazard, to ensure lead clearance is able to be given upon completion of the rehabilitation.”
 - Add final paragraph: “In accordance with Federal regulations, CDBG-funded loans for structures containing more than 4 units must require completion and approval of an affirmative marketing plan prior to loan closing. The City Fair Housing Officer will determine the sufficiency of the affirmative marketing plan.”
- Chapter 14: Special Programs
 - Add Section F: CDBG Temporary Match Grant Program with the following text: “Up to \$10,000 may be provided to eligible applicants of CDBG-funded loan products as a match grant. This opportunity shall be offered to eligible applicants who have been approved for loan funds on or before July 1, 2019. Match grant offers will no longer be made if insufficient funding is available prior to July 1, 2019.”

BUDGETARY IMPACT:

The ability to presume for lead-based paint risk hazards would reduce the cost of applicable loans by reducing the number of lead-based paint risk assessments that will need to be conducted. Each assessment is conducted by the Kenosha/Racine Lead Free Communities Partnership and costs \$500.

The extension of the match grant funds will allow for the distribution of approximately \$320,000 currently allocated to account 20414 for homeowner match funds.

RECOMMENDED ACTION:

Staff recommends that the Loan Board of Review approve all recommended changes to the Housing Rehabilitation and General Administration Policy and Procedures Manual.