

**NEIGHBORHOOD HOUSING RENOVATION, RESTORATION
AND RE-BUILD PROGRAM
(HOUSING RENEW)**

**CHAPTER 1
GENERAL ADMINISTRATION**

A. LEGAL AUTHORITY FOR NEIGHBORHOOD HOUSING RENOVATION, RESTORATION AND RE-BUILD PROGRAM (HOUSING RENEW) ACTIVITIES

Activities which foster housing revitalization/replacement in low- and moderate-income areas are authorized Section 66.431, Wisconsin Statutes and City of La Crosse Common Council “Amended Resolution Reprogramming \$375,000 of State Trust Fund loan funds into Neighborhood Housing Renovation, Restoration and Rebuilding program,” approved on March 8, 2001, attached.

B. RESPONSIBLE AGENCY

The Common Council of the City of La Crosse shall review and take action upon the initial HOUSING RENEW Guidelines. Thereupon, the responsibility to supervise HOUSING RENEW, to review and take action upon proposed HOUSING RENEW activities, and to review and take action on proposed amendments to the HOUSING RENEW Guidelines is delegated by the Common Council to the City of La Crosse Housing Rehabilitation Review Board.

C. PROGRAM OBJECTIVES

1. To promote housing ownership opportunities in low- and moderate- income neighborhoods.
2. To positively impact residential areas by either rehabilitating blighted dwellings or replacing such dwellings with standard housing that takes into consideration the architectural fabric of the neighborhood.
3. To eliminate slum and blighted conditions.
4. To encourage mixed-income neighborhoods.

D. PROJECT CONTINUATION

Projects authorized under the provisions of the HOUSING RENEW Guidelines shall be completed under the provisions of the guidelines in effect at time of project approval. Amendments to the HOUSING RENEW Guidelines will affect only those projects that have been approved after such amendments have been approved by the Housing Rehabilitation Review Board.

E. USE OF HOUSING RENEW INCOME

All income generated by HOUSING RENEW including, but not limited to, proceeds from the sale of land, loan principal, and interest funds returned to the City of La Crosse in full or partial satisfaction of a Repayment Agreement, are considered income and shall be utilized to fund HOUSING RENEW.

F. ADMINISTRATION

The Director of Planning and the Planning Department staff, hereinafter referred to as Staff, are authorized to negotiate for the acquisition of project sites, to provide Satisfactions of Repayment Agreements when the financial obligations are satisfied, and to execute other HOUSING RENEW-related documents.

G. FUNDING

The source of funding for HOUSING RENEW is reprogrammed funds from the State Trust Fund loan obtained for the City Brewery. The amount initially provided is \$383,333. Income generated by HOUSING RENEW activities will be used only for HOUSING RENEW activities.

H. ELIGIBLE EXPENSES

All costs relative to acquisition, clearance, and sale of property through HOUSING RENEW shall be eligible HOUSING RENEW expenses. Staff salary expenses are not eligible expenses for State Trust Fund funds.

I. RECORD KEEPING

The Staff will keep records pertaining to all general administrative expenses and activities relative to HOUSING RENEW, as well as individual project files which contain relative HOUSING RENEW expenses and project descriptions.

J. ACCOUNTING

The City Finance Department will maintain computerized records that identify general administrative expenses, as well as specific project expenses.

K. PRIVATE PARTICIPATION

1. Lender Participation - Lending institutions shall be encouraged to participate in HOUSING RENEW.
2. Developer Participation - For-profit and nonprofit housing developers shall be encouraged to participate in HOUSING RENEW.
3. Private Party Participation - Private parties shall be encouraged to participate in HOUSING RENEW.

L. PROGRAM REQUIREMENTS

HOUSING RENEW shall, to the maximum possible extent, ensure compliance with regulations regarding:

1. Title VIII of the Civil Rights Act of 1968, (Public Law 90-284) (42 USC 3601 et seq.) as amended, which prohibits discrimination in housing on the grounds of race, color, religion, national origin, sex, handicap, or familial status.

2. The Conflict of Interest provisions that no person who is an employee, agent, consultant, officer, elected official, or appointed official of the City, who exercises or has exercised any functions or responsibility with respect to such funds being provided by the City or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, shall obtain a personal or financial interest or benefit from the project, or have any interest in a contract, subcontract, or agreement with respect thereto, or the proceeds thereof, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter, except for approved eligible administration or personnel costs.

M. DEFINITIONS

1. Clearance Activity shall mean removal and disposal of buildings, foundations, vegetation, and miscellaneous debris.
2. Dwelling Unit shall mean any room or group of rooms located within a dwelling and forming a single habitable unit with facilities that are to be used for living, sleeping, cooking, and eating.
3. Equalized Value/Fair Market Value shall be the current assessed value divided by the most recent equalized ratio as set forth by the State of Wisconsin Department of Revenue for the City of La Crosse. The resulting figure represents full market value of the property.
4. Low/Moderate Income Area shall mean an area where at least 51% of the residents have incomes of less than 80% of Median Family Income.
5. Owner-occupied Property shall mean property that is occupied by the owner(s) that is used entirely for residential purposes and that contains one-dwelling unit.
6. Repayment Agreement shall mean the agreement between the City of La Crosse and the owner/occupant of a project site which describes the obligations and responsibilities of the owner/occupant and the conditions under which the owner/ occupant will repay the NEIGHBORHOOD HOUSING RENOVATION, RESTORATION AND RE-BUILD PROGRAM Loan.
7. Staff shall mean City of La Crosse Planning Department personnel.

CHAPTER 2
ACQUISITION OF REAL PROPERTY

A. GENERAL DESCRIPTION

The public will be afforded an opportunity to voluntarily sell to the City eligible blighted property as it is defined in Section 66.431(4), Wisconsin Statutes. Staff will identify additional blighted residential property that it believes should be acquired through HOUSING RENEW. Staff shall analyze blighted property that has been offered for sale or has otherwise been identified to determine which properties should be considered for acquisition under HOUSING RENEW. Staff shall commence negotiations with the owners of properties as such properties are offered for sale. The maximum amount that can be paid to acquire any property shall not exceed its equalized value as determined by the City Assessor. In no event will such property be acquired through condemnation. The Housing Rehabilitation Review Board shall approve all property acquisitions made under the HOUSING RENEW Program.

B. ELIGIBILITY

To be eligible for participation in HOUSING RENEW, properties must:

1. Be located within the City Limits of La Crosse;
2. Be located within areas that are zoned:
 - a. Single Family Residence District,
 - b. Residence District,
 - c. Multiple Dwelling District, or
 - d. Local Business (located in a primarily residential area).
3. Be a blighted property as defined in Section 66.431(4), Wisconsin Statutes.
4. Be located in a low-moderate income area.

C. PROMOTION

The Staff may promote HOUSING RENEW by:

1. Using public service announcements, purchasing advertising space, issuing press releases, and using the local media, in general.
2. Using brochures or other written materials.
3. Using various outreach techniques to approach people or businesses involved in general real estate-related fields or to approach individual owners of specific sites.

D. SITE IDENTIFICATION

The Staff may:

1. Accept proposals from owners of properties who respond to promotional activities; or
2. Use data available from the City Assessor's Office, the City Inspection Department, the City Planning Department, or other sources to identify other potential properties. Owners of identified properties may be approached by the Staff or designated representative.

E. SITE EVALUATION AND SELECTION

Eligible project sites may be evaluated by the Staff according to the following:

1. Adequate size, shape and condition of property as it relates to its potential residential reuse.
2. Environmental concerns including, but not limited to, the quality of the environment of the surrounding area for residential use and the presence of natural or man-made hazards in the area.
3. Potential historical significance of the dwelling or archaeological significance of the area.
4. Cost of demolition or rehabilitation as determined by either City of La Crosse estimate or other means deemed appropriate by the Staff.
5. Cost of additional site work in preparation for construction or rehabilitation as determined by the City Engineering Department or the Staff.
6. Projected value of land per City Assessor after clearance and site work has been completed.
7. Other means determined appropriate by the Housing Rehabilitation Review Board.
8. The Board may combine or divide lots to further the purposes of the HOUSING RENEW Program.

Staff shall present a written summary of its evaluation of each eligible site to the Housing Rehabilitation Review Board. The Housing Rehabilitation Review Board shall determine which sites will be acquired.

F. NEGOTIATION/ACQUISITION

Upon the conclusion of negotiations, Staff shall prepare agreements for presentation to the Housing Rehabilitation Review Board for review and action. Upon approval by the Housing Rehabilitation Review Board, Staff shall schedule closing dates for property acquisition and conclude transactions in a timely manner.

G. ELIGIBLE ACQUISITION EXPENSES

Eligible HOUSING RENEW acquisition expenses shall consist of, but not be limited to, the purchase

price, costs for appraisals, title searches, credit checks, archaeological/ architectural surveys, soil testing fees, closing costs, title insurance, applicable administration expenses, including promotional expenses, and other expenses necessary to facilitate acquisition/control of the site. Staff salary expenses may not be taken from HOUSING RENEW funds.

H. RECORDS

The Staff shall maintain separate files that contain all relative information on each project site acquired.

CHAPTER 3
CLEARANCE AND SITE IMPROVEMENT

A. OVERVIEW

The Staff may initiate clearance activities and implement site preparation plans or create rehabilitation plans and estimates to facilitate the proposed sale of subject properties to eligible applicants.

B. DEMOLITION CONTRACTOR SELECTION

Based on plans and/or specifications for clearance and site preparation, which shall be prepared by the Staff with assistance from the City Engineering Department, contractors will be solicited and selected in a manner which is in compliance with the regulations applicable to Local and State Public Bidding and Procurement Laws. Contracts for clearance activities must be approved by the Housing Rehabilitation Review Board and the City of La Crosse Board of Public Works.

C. ELIGIBLE ACTIVITIES AND EXPENSES

1. Clearance activities shall include, but not be limited to, demolition of buildings, disposal of waste and removal of foundations, other unwanted material, debris, and soil.
2. Site preparation shall include, but not be limited to, fill, grading, installation of utilities, installation of curb and gutter, and other items shown on the plans and/or specifications which prepare the site for sale.
3. Administration expenses that shall include, but not be limited to, soft costs related to clearance and site preparation.

D. RECORD KEEPING

The Staff shall maintain separate project files for clearance and site improvement activities that shall include records of activities and expenses for each specific project site.

E. TIMING

The Staff shall attempt to implement clearance activities as soon as properties are acquired to prevent vandalism, minimize liability, and to improve the environment of the area.

F. PAYMENT TO CONTRACTOR

After completion of proposed activities, inspection of work by the Staff, City Inspection Department, and/or City Engineering Department, and after compliance with applicable regulations, contractors will be paid in accordance with the terms of applicable contracts. The Staff must authorize all payments.

CHAPTER 4 **DISPOSITION**

A. OVERVIEW

The Staff will promote the program and seek out interested for-profit developers, nonprofit developers, or families, hereinafter referred to as applicants, who are eligible to purchase the project sites for the purpose of renovating the existing structures or constructing new residential dwellings.

B. ELIGIBLE PARTICIPANTS

The Staff will determine the eligibility of HOUSING RENEW applicants who wish to purchase sites from the HOUSING RENEW. The Housing Rehabilitation Review Board will consider sale of project sites to HOUSING RENEW applicants who meet the following criteria:

1. Households:
 - a. Who are able to obtain first mortgage money for the construction/rehabilitation of the dwelling and related improvements; and
 - b. Who will occupy the dwelling unit proposed for construction for a minimum of five years; and,
 - c. Who can demonstrate their capacity to develop the site.
2. Developers who can demonstrate their financial capacity to develop the site for owner-occupied, single family housing to HOUSING RENEW requirements.
3. Any of the above who can demonstrate capacity to renovate the subject property for owner-occupied, single family housing.

C. CONDITIONS OF SALE

1. The price of HOUSING RENEW properties to be sold to eligible applicants will be established by the Housing Rehabilitation Review Board and will be at or below fair market value subject to certain terms and conditions necessary to fulfill the purposes of the NHRRP. Overall HOUSING RENEW costs will be identified, incorporated into the loan document and used to establish penalties if program regulations are not met.
2. The HOUSING RENEW applicant must secure enough first mortgage money to complete the rehabilitation or construction phase of the project.
3. HOUSING RENEW may take a mortgage on the property which is in a junior position to the lender's first mortgage and HOUSING RENEW will subordinate its mortgage only to new construction or renovation financing or other subsequent financing used to replace construction financing.
4. The terms of the sale of HOUSING RENEW property to the eligible applicant may include:
 - a. Second mortgage that has monthly payments based on a term not to exceed 15 years

and a principal amount up to 100% of land cost will be given to HOUSING RENEW. The loan interest rate will be negotiated by the applicant and the Housing Rehabilitation Review Board. Penalty provisions will be incorporated into the loan document.

- b. Payments on the HOUSING RENEW mortgage may be deferred up to five (5) years from date of closing, if such deferral is necessary to make the project financially feasible.
 - c. The loan will be due and payable when the applicant sells or vacates the property or transfers the title of the property.
 - d. The loan may be forgiven in full or in part at the discretion of the Housing Rehabilitation Review Board.
5. Properties may be sold to developers or retained by HOUSING RENEW for the construction of owner-occupied, single family housing, provided the design of the same is approved, in advance, by the Housing Rehabilitation Review Board.
 6. Renovated housing must be owner occupied, single family dwellings upon completion, with the design of the same approved, in advance, by the Housing Rehabilitation Review Board.
 7. Deed restrictions shall be included in any transfer requiring that all transfers of property shall be only for owner-occupied, single family housing for a period of thirty (30) years after acquisition and sale by HOUSING RENEW, along with other restrictions deemed necessary to fulfill the purposes of this program.
 8. The Housing Rehabilitation Review Board will review each project on a case-by-case basis and may waive program requirements with a 3/4 vote of the Board. The Board can not waive the owner occupancy conditions.
 9. All properties sold through HOUSING RENEW are subject to design controls by the Housing Rehabilitation Review Board.

D. DISPOSITION PROCESS

- Level 1: The Staff will identify interested parties and establish such parties' eligibility and capacity to complete a project.
- Level 2: The Staff will provide to qualified applicants a list of eligible sites, general plans, and estimated costs of construction or rehabilitation of owner-occupied, single family dwellings. The applicant may provide his/her own plans and cost estimates, but such plans and estimates must be approved by the Housing Rehabilitation Review Board.
- Level 3: The Staff may assist the qualified applicants in developing proposals pertinent to desired sites. Proposals will be submitted to the Housing Rehabilitation Review Board for consideration based on the following criteria:
- a. Applicant eligibility.
 - b. Purchaser conditions of sale.
 - c. Percent of equity contribution to the overall activity.
 - d. Overall project plan.

- e. Economic feasibility of the activity.

The Housing Rehabilitation Review Board will select a viable applicant for each project site and make a commitment conditional upon the applicant receiving first mortgage money approval per proposed plan.

Level 4: Upon financing approval, the Housing Rehabilitation Review Board will sell the site to the selected applicant and, if necessary, take a mortgage against the project site. If HOUSING RENEW provides financing, HOUSING RENEW will enter into a repayment agreement with the buyer to assure that program objectives are satisfied. The Staff will monitor the construction phase and verify owner occupancy. The developer will verify occupancy of developed units by providing written income verification of the occupants.

E. TIMING

The Staff shall attempt to implement clearance activities as soon as properties are acquired to prevent vandalism and to improve the environment of the area.

- F. The Mayor and City Clerk are authorized to sign deeds and other documents relative to the sale of properties sold through the NEIGHBORHOOD HOUSING RENOVATION, RESTORATION AND RE-BUILD PROGRAM.

First Draft 3/14/01

Second Draft 3/23/01 (strikethrough & underline after Housing Rehab Meeting)

Third Draft 4/18/01 Presented to the Common Council

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AUTHORIZING RESOLUTION

WHEREAS, the City of La Crosse has embraced the concept of revitalization and restoration of the neighborhoods;

WHEREAS, the City of La Crosse has an award winning, nationally recognized, program for the replacement and restoration of blighted housing conditions in its neighborhoods;

WHEREAS, the City of La Crosse believes that restoration of its neighborhoods is good public policy and provides an economic benefit to the City of La Crosse;

THEREFORE, BE IT RESOLVED THAT:

1. The City of La Crosse authorizes the reprogramming of \$383,333.00 from the State Trust Fund loan obtained for the Brewery into the Neighborhood Housing Renovation, Restoration and Re-Building Program.
2. These funds shall be used for the acquisition of blighted properties in low to moderate-income residential neighborhoods.
3. Upon acquisition, these properties may be sold for renovation and restoration as single family owner occupied dwellings or the buildings thereon may be removed and the lots sold, at prices to be determined by the Housing Rehabilitation Committee for new owner occupied single family housing.
4. Any restoration of homes or sale of lots for new owner occupied construction shall be subject to the architectural controls established by the Housing Rehabilitation program.
5. The Neighborhood Housing Renovation, Restoration and Re-Building Program may establish such other guidelines as are necessary to administer this program, but they shall include the following:
 - A. Properties acquired must be in a blighted condition;
 - B. Properties acquired must be located in low to moderate income neighborhoods;
 - C. Properties acquired may be sold at or below fair market value subject to certain terms and conditions necessary to fulfill the purposes of this program;
 - D. Replacement or renovated housing must be an owner occupied, single family dwelling upon completion, with the design of the same approved, in advance, by the Housing Rehabilitation Committee;
 - E. Properties may be sold to developers or retained by the City of La

Crosse, for the construction of a single family using, provided the same is for the construction of an owner occupied single family dwelling, with the design of the same approved, in advance, by the Housing Rehabilitation Committee; and

- F. Deed restrictions shall be included in any transfer requiring that all transfers of the property shall be only for owner occupied housing for a period of Thirty years after acquisition and sale by the City, along with such other restrictions deemed necessary to fulfill the purposes of this program.

Introduced and Sponsored by:

Council Member Addis – 2nd District

Co-sponsored by:

Council Member Becker
Council Member Clemence
Council Member Farmer –
Council Member Harnden
Council Member Johnsrud
Council Member Maney
Council Member Morrison
Council Member Perrault

Resolution adopted March 8, 2001 by the Common Council.

