

**RESOLUTION
ROCK COUNTY BOARD OF SUPERVISORS**

Planning & Development Committee
INITIATED BY

Colin Byrnes; Acting Planning &
Development Director
DRAFTED BY

Planning & Development Committee
SUBMITTED BY



November 5, 2014
DATE DRAFTED

**AMENDING THE 2014 COMMUNITY DEVELOPMENT HOME PROGRAM BUDGET AND
AUTHORIZING REIMBURSEMENT OF COMMUNITY DEVELOPMENT
HOME PROGRAM FUNDS**

1 **WHEREAS**, Rock County Community Development, along with the cities of Beloit and Janesville, is a
2 member of the Rock County HOME Consortium for the receipt of HOME Investment Partnerships Program
3 Funds (HOME Funds). These Federal block grants are awarded to state and local governments and are
4 designed exclusively to create affordable housing for low-income households; and,
5

6 **WHEREAS**, in November of 2013, the lead Consortium member (City of Janesville) conducted a monitoring
7 of Rock County's HOME Program. The monitoring resulted in Findings that cited program deficiencies in the
8 area of determining program eligibility. Fourteen (14) projects were identified as having HOME funds
9 expended on costs or activities that did not meet the eligibility requirements for funding under the HOME
10 Program, and in order to continue to conduct the program are required to be repaid; and,
11

12 **WHEREAS**, these funds, plus the administrative funds that were used in support of these projects, must now
13 be allocated to the appropriate entity and repaid to both the HOME Investment Trust Fund Treasury account
14 and to the locally held Program Income account from which they were drawn from. As indicated by the lead
15 Consortium member, the repayment of these funds must come from non-federal funds; and,
16

17 **WHEREAS**, a total of \$44,797.50 in funding is required to be reimbursed to the HOME Investment Trust
18 Fund Treasury and a total of \$151,801.18 is required to be reimbursed to the local Rock County HOME
19 Program Income account funds. The funding that is to be reimbursed to the local Program Income account will
20 be used for future Rock County HOME Program projects and the funding that is to be reimbursed to the
21 HOME Investment Trust Fund Treasury will be applied to and be used for joint HOME consortium funded
22 projects conducted within Rock County (including the Cities of Beloit and Janesville); and,
23

24 **WHEREAS**, administrative and staffing fees associated with these 14 projects were collected and totaled
25 \$17,872.61. These administrative funds total ten percent (10%) of the project costs and are not recoverable for
26 being paid back to the County General Fund account, and,
27

28 **WHEREAS**, when the \$178,726.07 of HOME Program funds provided as loans are repaid through monthly
29 installment repayments, upon sale or transfer, or when it is no longer the homeowner's primary place of
30 residence, these funds will be repaid to the Rock County General Fund account; and,
31

32 **WHEREAS**, reimbursement of funding for ineligible projects will serve towards the closing out of the
33 remaining monitoring Findings and additionally provide Program Income funds that will create future
34 affordable housing opportunities for low-income Rock County residents.
35

36 **NOW, THEREFORE, BE IT RESOLVED**, that the Rock County Board of Supervisors duly assembled this
37 20 day of November, 2014, hereby authorizes disbursements of Rock County General Funds for
38 reimbursement in the amount of \$44,797.50 to the HOME Investment Trust Fund Treasury and \$151,801.18 to
39 be reimbursed to the locally held Rock County HOME Program Income account.
40

41 **BE IT FURTHER RESOLVED**, that the Rock County Planning & Development Department 2014 Budget be
42 amended as follows:
43

14-11D-147

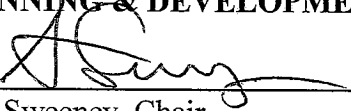
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	<u>A/C DESCRIPTION</u>	<u>BUDGET AT 11/01/2014</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET</u>
44				
45				
46				
47				
48	Source of Funds:			
49	19-1921-0000-47010	\$0	\$196,599	\$196,599
50	Supplemental Appropriation			
51	From the General Fund			
52				
53	Use of Funds:			
54	64-6600-0000-64604	\$0	\$196,599	\$196,599
55	Program Expense			

Respectfully Submitted,

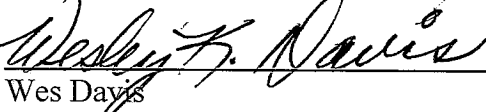
PLANNING & DEVELOPMENT COMMITTEE


 Alan Sweeney, Chair


 Mary Mawhinney, Vice Chair


Absent
 Wayne Gustina


 Jason Heidenreich


 Wes Davis

ADMINISTRATIVE NOTE:

Recommended.


 Josh Smith
 County Administrator

FISCAL NOTE:

This resolution authorizes the use of \$196,599 from the General Fund for the repayment of HOME program loans and administrative costs that did not meet eligibility requirements. Of this amount, \$178,726 will be repaid over time by homeowners and deposited back into the General Fund.


 Sherry Oja
 Finance Director

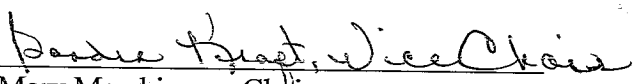
LEGAL NOTE:

The County Board is authorized to take this action pursuant to § 59.01 and 59.51, Wis. Stats. As an amendment to the adopted 2014 County Budget, this Resolution requires the 2/3 vote of the entire membership of the County Board pursuant to sec. 65.90(5)(a), Wis. Stats.


 Jeffrey S. Kuglitsch
 Corporation Counsel

FINANCE COMMITTEE ENDORSEMENT

Reviewed and approved on a vote of
4-0


 Mary Mawhinney, Chair

**AMENDING THE COMMUNITY DEVELOPMENT HOME PROGRAM BUDGET AND
AUTHORIZING REIMBURSEMENT OF COMMUNITY DEVELOPMENT
HOME PROGRAM FUNDS**

EXECUTIVE SUMMARY

Rock County Community Development, along with the Cities of Beloit and Janesville, is a member of the Rock County HOME Consortium for the receipt of HOME Investment Partnerships Program Funds (HOME Funds). The HOME Program funds a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership to low-income people. It is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. The Rock County Community Development Housing Program currently provides these funds to eligible property owners in the form of a 0% deferred payment loan that is repaid through either: monthly installment payments, upon sale or transfer of the property, or when the property is no longer the homeowner's primary place of residence.

In November of 2013, the lead Consortium member (City of Janesville) conducted a monitoring of Rock County's HOME Program. The monitoring resulted in Findings that cited program deficiencies in the area of determining program eligibility. Fourteen (14) projects were identified as having HOME funds expended on costs or activities that did not meet the eligibility requirements for funding under the HOME Program. In order to continue to conduct the program, the ineligible costs are required to be repaid.

Funding for HOME projects comes from one of two sources: either Program Income or Entitlement monies. Program Income are the loan funds that have been repaid to the County's HOME Program upon sale or transfer of an assisted property or when the property ceases to be the homeowner's primary place of residence. Entitlement/Grant monies are federally awarded funds that have yet to be drawn down for HOME Program use. In addition to the funds used to pay for material and labor for housing projects the Department is authorized to draw on funds up to ten percent (10%) of the project cost as administration fees. These fees were used to offset Department operational costs and are included in the figures for reimbursement.

A funding analysis of the fourteen (14) identified projects indicates that:

- Program Income was exclusively used on eleven (11) projects for a total reimbursement of \$151,801.18. This Program Income reimbursement will be repaid to the locally held Community Development Program Income Fund and will be expended on future Rock County HOME Program projects.
- Entitlement/Grant monies were utilized on three (3) projects for a total reimbursement of \$44,797.50. This Entitlement/Grant monies reimbursement will be repaid to the HOME Investment Trust Fund Treasury and will be applied to and used for joint HOME Consortium funded projects conducted within Rock County (including the Cities of Beloit and Janesville).

Administrative fees in the amount of \$17,872.61 were collected for these fourteen (14) projects. These operational/staffing costs are not recoverable for being paid back to County General Fund accounts. In contrast, when the \$178,726.07 of HOME Program funds provided as loans are repaid through monthly installment repayments, upon sale or transfer, or when it is no longer the homeowner's primary place of residence, these funds will be repaid to the Rock County General Fund account.

As indicated by the lead Consortium member, any money disbursed for project costs or administrative expenses for these ineligible projects must be reimbursed from non-federal funds. This Resolution proposes to reimburse these funds from the Rock County General Fund account in an effort to address and close out the monitoring Findings and additionally provide Program Income funds that will create future affordable housing opportunities for low-income Rock County residents. Therefore, funds in the amount of \$196,598.68 will be an outright supplemental appropriation from the General Fund.

SUMMARY OF HOME CONSORTIUM PROGRAM REPAYMENT

	Funding Source: Program Income	Funding Source: Entitlement \$\$	Total Funds
HOME Project Funds	\$138,001.07	\$40,725.00	\$178,726.07
Admin. (10%)	<u>\$ 13,800.11</u>	<u>\$ 4,072.50</u>	<u>\$ 17,872.61</u>
	<u>\$151,801.18</u>	<u>\$44,797.50</u>	<u>\$196,598.68</u>