

WI-CARH & RURAL DEVELOPMENT
LIAISON COMMITTEE MEETING

March 8, 2016
10:00 a.m. - 12:00 p.m.

Rural Development
5417 Clem's Way
Stevens Point, WI 54482

Those in attendance from Rural Development (RD) were Debbie Biga, Bob Hernandez, and Donna Huebner. Russ Endres and Russ Kaney representing WI-CARH were in attendance.

2016 Budget Effects on Programs: Brief discussion of Wisconsin RD staffing. Had a 82.5 full time equivalents (FTE) drop to 70, now at 74 FTE's. Looking to fill several positions when expected freeze is lifted on hiring. The training budget per FTE and admin costa were also cut in 2016.

2017 program budget has increased funding for housing, rental assistance increased by \$15 million. RRH 515 program had slight increase. 538 budget has increased from \$150 million budget authority to \$230 million. Voucher budget has increased, the MPR program took a small decrease. Wisconsin now has 5 guaranteed rural rental loans (538 funding)

Electronic files are coming soon to Multi-family Housing. 6 states are in a PILOT program currently, WI not one of them.

Since beginning of FY, a decrease of 208 units in WI due to prepayments and foreclosures. \$3.8 million of rental assistance has been released in last 4 months. One transfer has been processed, Whitewater Woods in Whitewater, WI rehabbed with tax credits and PRLF. 2 MPR transactions closed. 2 Housing Preservation Grants (HPG) closed for \$22,880 to Coolee Cap and Dairyland.

Looking to close a PRLF loan with WHEDA in amount of \$2,125,000 plus match.

Rental assistance went to 5,120 units in the amount of \$18,616,000 since year began. 208 units of RA were retired. There are 369 vouchers outstanding in WI in the amount of \$1,216,000. More voucher usage in 2016, nationally, the program is out of funding, MPR funding can be redirected to voucher funding. When an income increases past 80% AMI, a voucher is no longer applicable or voucher recaptured if there is a death.

In Wisconsin, there are 398 projects. Following breakout on properties:

- A 91 properties or 22.9%
- B 33 properties or 8.3% (findings, workouts)
- C 264 properties or 66.3% (findings, physical issues, financial issues)
- D 10 properties 2.5% (in servicing)

162 open physical findings, 229 property management findings, 82 financial findings
RD is looking at a performance based fee structure for property management in 2017 based on the ratings of properties. Will provide training on management fees, findings explanation, classifications (how, what, etc.) and how to access info via MINC.

MPR (Multi-family Preservation & Revitalization) had 7 applications, 6 proceeded, and 1 was incomplete. Of the 6, 5 were simple stay in owner and 1 transfer-complex.

MPR comes with a 20 year affordability clause, may work well for NP buyer, not so well for a for profit. The 2016 MPR NOFA expected in spring, 2016. No large changes expected, debt deferral is option on maturing mortgages. Wisconsin has 8 maturing mortgages in next 3 years, all looking to reamortize.

Wisconsin had 6 files in IPIA review, 2 files required follow up. Webinar to be held 3/30/16 on tenant grievance procedure. A webinar on guaranteed 538 program will be held for staff and then for developers in August/Sept. 2016 period.

MFH delinquency in WI is 2.3% as of February. 3.0 % nationally.

RRH 515 properties 389 projects with 8930 units, 9 labor housing properties with 68 units

Vacancies: WI. 8.76% or 15th in country (on the high end)
Nationally: 6.18% average, highest is 12.24%

Unused RA in WI. 2.26%
Nationally: 1.41%

Farm labor project in Darlington, 2 buildings. SW CAP is sponsor.

Next liaison meeting scheduled for August, 2016 in Stevens Point.

Meeting Adjourned

Respectfully Submitted,
Russ Kaney, President