

**VILLAGE OF WALDEN
SPECIAL BOARD OF TRUSTEES MEETING
JANUARY 5TH, 2006**

Mayor Becky Pearson called the special meeting of the Village of Walden Board of Trustees to order at 7:00 pm.

On roll call the following were:

Present:	Mayor	Becky Pearson
	Deputy Mayor	Mary Ellen Matisse
	Trustees	Roy Wynkoop
		Richard Hurd
		Jose DeJesus

Absent:	Trustees	Mary Jean Norman
		Lauren Keator

Also Present: James Politi, Village Manager

Kerron Barnes Presentation

Mr. Barnes stated that during the period of obtaining the small cities grants, which is the largest fund the Village has, his emphasis was to get the money and spend it as fast as possible and meet the HUD deadlines. Now we have to shift to a mode where we do more work to protect and administer the funds that are continuing. We spent close to two million dollars plus another \$500,000 or \$600,000 in program income. He thinks they need to try and generate more income by getting these funds back faster. One way of doing that is when someone wants to refinance we subordinate our mortgage to their new mortgage. We may want to say we're not going to subordinate unless their income is below a certain level.

Trustee DeJesus stated that the zero percent interest rate doesn't encourage anyone to pay back. We have to establish a minimum, maybe 1%. We have to make a point when you are consolidating your mortgage and you have a \$3500 loan outstanding to the Village it should be repaid.

Mayor Pearson stated that she spoke to the Treasurer about repayment, what our structure is; we don't go after anybody, but once a year. That needs to be looked at to get monies back.

Mr. Barnes stated that we still had grants coming and we didn't want program income. If someone didn't want to pay us it didn't matter. It would create a problem.

Now maybe everyone should pay one or two percent. We do charge up to 3% for owners of rental property depending on their income.

Manager Politi stated that it is a lot of work to get into the collection part of things. Many times we do a lien.

Trustee Hurd suggested that if someone is refinancing and their balance is \$10,000 or less they are required to pay the Village.

Mr. Barnes indicated unless that person is elderly and has nothing but social security.

Mayor Pearson stated that she would like it in the contract when they get their monies if it's not paid monthly that they will be charged interest.

Mr. Barnes stated that they can set up a collection system. Some programs like this turn it over to a bank to do the monthly billing for a charge.

Trustee Hurd asked if Mr. Barnes should set up some preliminary guidelines for the Board to look at.

Trustee DeJesus stated that Mr. Barnes should do it based on the discussion tonight. They could also use the program in a way for senior citizens who don't have the means. They were always used to having their property up to standards and now they are by themselves and they are on a fixed income. He sees the Village doing something that would, not only as it relates to the income limits, but also someone who is elderly could use the funds and work it in a way that it would be a grant until they sell the house.

Trustee Hurd stated that some communities use the money to upgrade the heating systems, insulation and windows.

Mr. Barnes indicated that is part of the regular eligibility. He will write some recommendations for changes in the guidelines that generate monthly payments.

Manager Politi stated that Mr. Barnes had given him a memo indicating how many are liens and how many are paybacks and the liens are over whelming. When we do look at that collection system know that it is a small percentage of the number of loans that you do have out. It's probably more effective to create the policy of the refinance.

Mr. Barnes explained that the HODAG funds can only be used for rental housing which includes senior housing. UDAG funds are universal. It's your most flexible fund. You should use UDAG money for loans that are paid back. He further stated that several of the Board's concerns deal with specific areas of the Village, gateways and the proposed mx zone and the downtown. Now that we're not under pressure to spend this money as rapidly as possible we can be more careful in targeting where it's spent, problem buildings in the downtown, gateways and problem rental buildings anywhere,

that are eyesores. You can also relate code enforcement. There is one minor administrative change, on the monthly cash report you see a list of the different funds which the HODAG and UDAG funds are combined. It would be more helpful if they were separate.

Mr. Barnes further stated that he did have a meeting with an experienced code enforcement official in Beacon. He would like him to come to the Village to talk to the Board and staff. There are some new state laws coming down which require the Village to adopt and an ordinance for the administration of the State Property and Maintenance Code. That is a requirement the Village has to do by January of 2007.

Trustee DeJesus asked if the Village can hire a part time code enforcement officer with this money.

Mr. Barnes suggested the Village not spend the funds because sometimes a case comes along, a building that has had a fire and you need to do something quickly and if you have zero funds you can't react. He suggested you leave \$50,000.

Trustee DeJesus stated that we also can't be sitting on funds. We shouldn't have a waiting list. If there are people applying for the program they should not be waiting.

Mayor Pearson asked what the process was for people who are interested in getting them the funds.

Mr. Barnes stated that he goes door to door with brochures and applications. Word of mouth is a good way. Then he reviews the application and asks the applicant for documents proving their income and that they own the house, proving they have paid their taxes and have insurance. Then he prepares a letter for the manager to sign and then the Building Inspector inspects the house. That then goes to the owner for approval and then it goes out for contractor's quotes.

Mayor Pearson asked about the waiting list.

Mr. Barnes stated that there are people that have inquired and he keeps record of that. In some cases you say that you don't care what their income is, you need to save that house. This is aid to buildings not necessarily aid to people. You want to preserve Walden's assets, tax basis and appearance. That is why you deal with rather savory landlords because you don't care about them you want their tenant to have decent housing.

Trustee DeJesus stated that is a thorny issue, because if you're a landlord you have responsibilities and there are code enforcement issues you have to address and that money should not be going to fix their building when they have the money to do that. We have to look at seniors who have a fixed income and could use the help and also look at first time homeownership. We need to move on the wait list. We do have some guidelines.

Deputy Mayor Matisse asked if we are talking about targeting older homes, seniors on limited income, someone that doesn't have a mortgage anymore, so this whole thing of refinancing and then the Village being paid back doesn't come into play. What other mechanism would Mr. Barnes recommend to generate income for that fund.

Mr. Barnes suggested they charge interest, 3%. We do have access to county funds in the amount of \$50,000 each year. His recommendation is as we get cases he can assemble the package for the county and send it.

Trustee DeJesus stated that the Village also has to revisit the loans that we've made and get repayment.

Mr. Barnes indicated that he will have the guidelines by January 24th, 2006.

Trustee Hurd asked if any of these funds were available for the master plan changes.

Mr. Barnes stated yes. The UDAG fund is about \$200,000, which is the most flexible fund. He asked the Board to be careful about spending because it is so flexible.

Manager Politi reminded the Board that the Village is still in the consortium which is \$125,000 per year.

Mr. Barnes stated that the Village receives \$53,000 per year for the next 20 years from HODAG, Walden View Apartments.

Trustee DeJesus stated that if the Walden View money comes back we can use that for rental housing.

Manager Politi stated that you can use it for rental housing new construction and rehab.

Mayor Pearson stated that if you target the buildings and they upgrade the apartment buildings they may get better tenants. It can work to the advantage of the Village.

Trustee DeJesus stated that it's not always the tenants. The landlords don't repair.

Manager Politi asked if there was a shortage of senior housing.

Mr. Barnes stated they had a study done in the late 90's where Saccardi and Schiff thought there was a need for 50 units.

Manager Politi indicated that the funding from HODAG could be used for that purpose. In the Small Cities grants there is nearly a quarter of a million dollars in there that is usable.

Trustee DeJesus indicated that the Village needs to get an updated survey on senior housing needs.

Deputy Mayor Matisse stated that she's heard that some seniors would like homeownership like condominium or town houses. They don't want to live in the central business district.

Trustee Hurd stated that the county is having the affordable housing clinic on Saturday, January 21st. All the trustees are invited.

Mr. Barnes stated that Tom Lane, CD Director in Goshen is looking for the Village to give him some sites where he could consider doing affordable housing. He is really looking for vacant land. There is also a program where he would try and get houses that are one and two family rentals and make them single family.

Mayor Pearson stated that she liked the idea in Beacon about making all multi family back into single family residents. She would be in favor of that.

Mayor Pearson stated that on page 2 Mr. Barnes speaks about code enforcement. We have to get tough.

Trustee DeJesus stated that the Village has a code enforcement officer that is here 20 hours. There is money to hire someone on a more permanent basis. We need someone dedicated just to that.

Mr. Barnes stated that they would use the UDAG funds for code enforcement, but you have to remember you are spending down.

Trustee Hurd suggested the Village inspect apartments to make sure they meet the code and charge an inspection fee of \$75.00. It comes out that fee pays for the cost of hiring that individual.

Manager Politi suggested they hire two part timers, you could get those hours covered for \$20,000 or \$25,000.

Mr. Barnes suggested that for code enforcement you approach the community development program. You could say you want to start a program for multiple dwellings and you could get a grant.

Trustee Hurd suggested a data base to be used by other boards.

Mr. Barnes indicated that you would need the laws to provide the basis for an inspector to go out on site violations.

Manager Politi asked how you would know when an apartment is vacant.

Mr. Barnes stated that the certificate of occupancy goes with that tenant and if he moves out he wouldn't have a co and would be in violation.

Mayor Pearson indicated that you would also know by inspection and the tenants registering.

Deputy Mayor Matisse stated that they even have for absentee landlords the owner has to provide a local agent for that property.

Trustee DeJesus stated that this is a multi step process and one of the things we have to do is have these loans made available to people as soon as possible. First step, we need to come up with the guidelines so we can move ahead. Then we can entertain the issue of down zoning.

Mrs. Moore asked if they could put something in the computer regarding what the Village has, a page for each house.

Manager Politi stated yes.

Mrs. Moore asked if the Village ever thought of using the Town of Montgomery to gather information.

Deputy Mayor Matisse suggested they reeducate people.

Mr. Barnes suggested he work with the code enforcer and manager and say we have these six or eight buildings let's make a concentrated effort to bring them into compliance and if the owner says he can't afford it then they talk about a loan.

Manager Politi stated that the design guidelines will also help.

Mr. Barnes stated that occasionally he meets with property owners who buy buildings to fix up and in that case he could say, you buy that eyesore and we will help with funding.

Trustee DeJesus stated that we don't want to turn an eyesore into a four apartment building when there's only suppose to be two. That creates parking issues downtown and over crowding and that is what we don't want to have.

Adjournment

Mayor Pearson moved to adjourn. Seconded by Trustee DeJesus. All ayes.
Meeting adjourned.

Respectfully submitted,

Nancy Mitchell
Village Clerk