

CITY OF MARSHFIELD, WISCONSIN POLICIES AND PROCEDURES

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CHAPTER: Development

SUBJECT: Public Property Disposition

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DEPARTMENTS OF PRIMARY RESPONSIBILITY: Planning and Economic Development

APPROVED BY:

Special Notes: This policy/procedure manual does not in any way constitute an employment contract and the City of Marshfield reserves the right to amend this manual at any time subject only to approval by the Common Council.

Revisions are marked with an asterisk (*).

POLICY:

Purpose and Intent of the Program:

The City of Marshfield, from time to time, has excess property that may not be utilized for its highest and best use. The City intends to promote the development of such property for more active use to bring it back onto the City tax roll. The City will participate in housing projects to promote homeownership opportunities for low and moderate income families. The City's participation will be limited to taking a lien against the development for either the market value of the land at the time the property is transferred or an amount equal to 21% of the current fair market value of the property as determined by an appraisal acceptable to the City at the time of repayment, whichever is greater.

The City of Marshfield is promoting the development of partnerships among itself and nonprofit organizations to effectively utilize all available resources. This program intends to expand the capacity of the nonprofit community housing organizations to development of decent, safe, sanitary and affordable housing.

Eligibility:

Nonprofit community groups and Community Based Development Organizations (CBDOs) are eligible to apply for the program. CBDOs are a specific type of nonprofit organization defined under the Community Development Block Grant (CDBG) program. CBDOs are organized and structured according to strict standards as established by the Department of Housing and Urban Development (HUD). New construction of housing assisted with CDBG funds can only be undertaken by or in collaboration with a CBDO. Applicants must demonstrate that they have appropriate housing development experience and sufficient financial capacity to undertake the development.

Consistency with Local Needs Selection Criteria:

Each development will be evaluated to ensure it is consistent with local needs for affordable housing for low to moderate income households. The evaluation will review whether the development fills a demonstrated need in the local market as evidenced by consistency with the City of Marshfield Comprehensive Plan and/or the Housing Market Assessment. If available, secondary data from other research on housing needs in the area which identify a need for the type of housing proposed will be considered.

Development Factors and Qualifications:

Applications will be further reviewed for other factors and qualifications that include, but are not limited to, the following:

- Development team experience and qualifications including the experience and financial capacity to undertake and complete the proposed development.
- Suitability of the site for development; including proper zoning and availability of utilities.
- Satisfactory evidence the development is ready to proceed as indicated by financing and equity commitment.

Additional Standards and Requirements:

All developments must at the time of completion, at a minimum, comply with all local building codes, rehabilitation standards, ordinances, and zoning requirements. The goal is to provide "decent, safe and sanitary" housing at an affordable cost to lower income families. Beyond these minimum requirements, the City encourages developments to be built with the same quality and amenities as market rate developments within the same market area.

All units constructed must be occupied by homebuyers, who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size.

Deed restrictions or covenants running with the land shall be used to impose land use restrictions. The land use restriction shall state that the homeowner must occupy the property as his or her principal residence. Payment of the lien will be immediately due under the following conditions: Sale or transfer of the property

If at anytime, the housing does not continue to be the principal place of residence

A Title Policy is required in order to close on the property. The policy is required to written in accordance with the 1992 American Land Title Association Standards, subject only to permitted encumbrances as approved by the City of Marshfield and must contain zoning endorsements, pending disbursement clause, mechanics lien coverage and survey coverage. The City of Marshfield's lien will only subordinate to the original mortgage.

The City of Marshfield requires all aspects of the development, for which it participates in, to be in compliance with all federal, state and local regulations, laws and required practices. The owner of the housing assisted under this program shall maintain the premises in compliance with all applicable local code requirements.