

MINUTES

COMMUNITY DEVELOPMENT AUTHORITY

PLAN COMMISSION OFFICES

Regular Meeting
Wednesday
August 15, 2012

I. CALL TO ORDER

The meeting was called to order by Chairman John Stangel at 4:00 P.M.

II. ROLL CALL

<u>Members Present</u>	<u>Others Present</u>	<u>Staff Present</u>	<u>Staff Excused</u>
John Stangel	Anton Doneff	David Less	Pauline Haelfrisch
Emil Roth	Max Scheuer		
Chris Able			
Dennis Tienor			
Alex Olson			
Jill Hennessey			
Gene Maloney			

III. APPROVAL OF MINUTES OF THE REGULAR JULY 11, 2012 MEETING

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular July 11, 2012 meeting. Hearing none, the following action was taken.

Motion by: Mr. Olson	Seconded by: Mr. Able
Moved that: the CDA approve the minutes of the July 11, 2012 regular meeting	Upon vote: the motion was carried unanimously

IV. MANITOWOC HOUSING AUTHORITY BUSINESS

A. Financial Report and Approval of Monthly Expenditures

John Stangel reviewed the financial statements for August, 2012 with the Board members. He also distributed a list of expenses for August and reviewed these with the Board.

The following action was taken.

Motion by: Mr. Olson	Seconded by: Mr. Able
Moved that: the CDA approve and authorize payment of the August, 2012 expenses	Upon vote: the motion was carried unanimously

B. Board Approval of Updated "Personnel Policy"

John reviewed with the Board their concerns in regards to the Manitowoc Housing Authority's Personnel Policy.

David Less stated he was most concerned with how this policy will integrate with the City of Manitowoc's Employee policy. Discussion was held that some

members of the Board thought it was determined at the last meeting that there was no correlation between the two. More discussion was held in regards to the contents of the policy. Some of the Board members feel there should be changes made. John Stangel asked Chris Able if he would be willing to discuss the issue with Pauline and Chris agreed he would.

V. DOWNTOWN REDEVELOPMENT ACTIVITIES

A. Financial Report – Revolving Loan Program, 8/08/2012

Mr. Less reviewed the financial reports with the Board members for the revolving loan program. As of August 8, 2012 a total of \$693,849.03 in loan funds was available.

The following action was taken.

Motion by: Mr. Olson

Moved that: the CDA accept the 8/08/12 financial report and place on file

Seconded by: Mr. Able

Upon vote: the motion was carried unanimously

B. Update – Regionalizing Revolving Loan Funds

David reported to the Board that WEDC is dealing with fewer entities at the present. Many communities, townships, and cities have varied types of revolving loan funds that would have been capitalized with CDBG monies. HUD is encouraging these various units to form regional entities. The Bay Lakes Regional Planning Commission is a large region with Florence on the north down to Sheboygan on the south. The State would like them to figure out how to live with a consolidated revolving loan fund program, whereby the monies that we have left would go to a regional entity that would then become the agency to make decisions about revolving loans with some kind of local lending authority up to a certain level. It could be at some point in time, not the housing, but the commercial, industrial, and downtown revolving loan accounts would go somewhere else.

One of the issues that needs to be resolved with the State is why would we be aligned with Florence Co. when Door Co. would make more sense. Dave explained as to what would happen with our RLF once it was pooled. The incentive would be the defederalization and staffing.

Discussion was held as to the issues involved in regionalizing the RLF's. How much involvement would the local level have once their funds are in the regional entity pot. Dave explained that the Council and CDA would still have to make the final decision.

C. Update – Lake Michigan Carferry Service

David reported that he would allocate a portion of CDA Downtown RLF benefits into a million dollar pool with the balance coming out of the Industrial RLF. However, Bob got back to David and told him to take it off the agenda because they are going to be litigating this.

Dave wanted the CDA to be aware that he may be coming back to this at some point.

D. Design Review:

1. 707 York – Balls & Strikes

Dave informed the Board that this design is pre-approved. Dave asks for a motion to approve the design review and grant a certificate of appropriateness.

Motion by: Mr. Olson

Moved that: the CDA approve the design review and award a certificate of appropriateness

Seconded by: Mr. Able

Upon vote: the motion was carried unanimously

VI. HOUSING REHABILITATION BUSINESS

A. **Resolution Authorizing Execution of Certain Amendment Documents Relating to the Authority's Variable Rate Demand Housing Revenue Bonds, Series 1998 (Southbrook Manor Project) – (see enclosure #5)**

David reported that he sent out a copy of the resolution because the CDA acts as the issuer.

The Southbrook Manor project goes back to 1998 when the CDA issued variable rate demand housing revenue bonds in the amount of \$2.6 million. Dave explained what he does with the bond issues is outreach by our special issuer counsel who happens to be Quarles and Brady Rebecca Sprecher. The original document for \$2.6 million was amended in January of 2008. At present, there is a current principal balance outstanding on that bond issue of \$2,295,000. The purpose of this process is that the original indenture and promissory note that was provided did not have a provision for a confirming letter of credit. The bond documents and confirming letter of credit is a guarantee so you have two confirming letters of credit supporting the underlying transaction. In order to bring on a new confirming letter of credit from the Federal Home Loan Bank in Chicago, the indenture and the project contract need to be amended accordingly to allow for that. In the case of the promissory note, that note will go all the way out until May 1st, 2033.

The real reason for this is due to the change in the remarketing agent for this project that went from Associated Bank to Stark Bros. & Company. The anticipated closing of this transaction is September 4th, 2012.

The CDA as the issuer needs to adopt this resolution that was previously sent to you. By adopting this resolution, the authority is resolving that the indenture and the project contract and substantially the forms that are presented to the authority are hereby approved. Chairperson and the Secretary of the Authority or any of their Deputies, if necessary are authorized and directed on behalf of the Authority to execute, seal and deliver of the project contract and any revisions, additions or deletions may be approved by the Officers signing the documents which approval shall be conclusively evidenced by of their execution and delivery. The Chairperson and the Secretary are hereby authorized and directed to execute either manually or by facsimile and deliver replacement bonds in the outstanding aggregate principal amount of the bonds set forth above in exchange for the original bonds. Such Officers are also authorized and directed to prepare or cause to be prepared such other documents, opinions, certificates, closing or post closing instruments as may be required by this transaction. This resolution or as may be determined necessary by such Officers, by counsel for the Authority or by bond counsel.

Some discussion was held as to exactly what the resolution was for that the Board was being asked to approve.

The following action was taken.

Motion by: Mr. Tienor
Moved that: the CDA approve the resolution authorizing execution of certain amendment documents relating to the authority's variable rate demand housing revenue bonds, Series 1998 (Southbrook Manor Project)

Seconded by: Ms. Hennessey
Upon roll call vote:
Able – aye
Roth – aye
Stangel – aye
Olson – aye
Maloney

B. Discussion Regarding Potential Sale of HCRI and HOME Housing Loans to Lakeshore CAP

David Less reported that he was contacted by Mike Huck who is the interim director of Lakeshore CAP. Mike explained that he had an audit performed by WI Dept. of Administration in regards to housing monies. It was suggested to Mike to discuss with the CDA regarding buying their portfolio of Home and HCRI housing loans.

David feels there is merit to discuss this transaction. David's recommendation to the CDA is to authorize him to negotiate a package with Mike and bring it back to the CDA for review and approval. Dave reiterated that Lakeshore Cap was encouraged to pursue this buyout by the State.

Some discussion was held in regards to what Lakeshore Cap would actually do. The question was asked if the loans would just be transferred to Lakeshore Cap or would they have to generate "new money" on those loans? Ultimately, they would collect on those recorded mortgages; but at some price point, we would sign those mortgages over.

Discussion was also held as to what would happen with the money that would be received. Dave asked Mike if he had talked to the State and if the money would have to be sent back to Madison. Mike's answer was "no". Dave stated it would probably be kept in the existing revolving loan fund. Since we would still have the existing CDBG; it would just become another pool that would be available for some time in the future when we would reenergize that program.

Another question was asked in regards to if the CDA would have anything left. Dave explained that the CDA would still have all the CDBG's (approximately 900); but Lakeshore Cap would take over all the HOME and HCRI loans and everything that goes with them.

More discussion was held in regards to the benefits to the CDA and Lakeshore CAP. Dave explained that due to staffing changes at City Hall it would be a service that the CDA would no longer have to attend to. As for Lakeshore CAP, since they are already in the home loan business; it would be logical for them to take over this portion of our loan program.

The following action was taken.

Motion by: Mr. Olson
Moved that: the CDA approve David Less to negotiate with Lakeshore Cap the potential sale

Seconded by: Mr. Able
Upon vote: the motion was carried unanimously

of the CDA's HOME and HCRI Loan Program
and bring back a proposal for Board Approval

VII. ADJOURNMENT

The meeting was adjourned at 5:00 P.M.

Respectfully submitted:

David Less,
Executive Director

DL/pmh