

MINUTES

COMMUNITY DEVELOPMENT AUTHORITY

PLAN COMMISSION OFFICES

Regular Meeting
Wednesday
February 17, 2016

I. CALL TO ORDER

The meeting was called to order by Chairman John Stangel at 4:03 P.M.

II. ROLL CALL

Members Present

John Stangel
Emil Roth
Chris Able
Dennis Tienor
Jill Hennessey

Members Excused

Gene Maloney
Anton Doneff

Staff Present

Nic Sparacio
Pauline Haelfrisch

III. APPROVAL OF MINUTES OF THE REGULAR JANUARY 13, 2016 MEETING

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular meeting held on January 13, 2016. Hearing none, the following action was taken.

Motion by: Mr. Able

Moved that: the CDA approve the minutes
of the regular meeting held on January 13, 2016

Seconded by: Mr. Roth

Upon vote: the motion was carried
unanimously

IV. MANITOWOC HOUSING AUTHORITY BUSINESS

A. Financial Report and Approval of Monthly Expenditures

Pauline reviewed the financial statements for February, 2016 with the Board members. She also distributed a list of expenses for February and reviewed these with the Board.

Discussion was held in regards to some of the checks written to various vendors.

The following action was taken.

Motion by: Mr. Able

Moved that: the CDA approve and authorize payment
of the February, 2016 expenses

Seconded by: Ms. Hennessey

Upon vote: the motion was carried
unanimously

B. Board Approval of Window Replacement Project Bid

Pauline informed the Board members that she has given them a handout in regards to this project. There had been an issue at the last meeting with the asbestos removal as far as the bids were concerned and in the handout was the architect's response to the Boards' concerns. The architect had already contacted Gene Maloney about this matter and Gene was satisfied it was being handled correctly. Pauline stated that also attached was the list of contractors who came

to the pre-bid meeting; however, only one bid was sent in for the project. The contractor has done other housing authority window replacements and has certified asbestos abatement workers on their payroll. Pauline went over the facts of the bid process with the Board members and informed them of the amount of the bid with the asbestos removal already in the bid for the complete contract. Phase 1 will take place in 2016; while Phase 2 will be in 2017.

Pauline went over the housing authority monies, including the 2016 Capital fund and partial 2017 Capital fund that she will be using for this project along with excess reserves. HUD requires HAs' to have four to six months of operating expenses in reserves. Pauline spoke with her auditor about the reserves and he assured her he did not see a problem with her proposal. She does believe she will receive Capital Funds for 2017; however, at this point she doesn't know how much.

Some discussion was held in regards to the start date of the project and where the tenants would go while their windows are worked on. Pauline explained that there will be tenant meetings and notices given to the tenants when their apartment is next on the schedule.

Nic informed the Board members that there was a possibility of a brownfield grant to assist with the asbestos abatement costs as a hazardous waste. He would check into the requirements for this grant. Pauline also informed Nic that he would need to sign her HUD form in regards to the environmental assessment.

The following action was taken.

Motion by: Mr. Able
Moved that: the Board approve the bid for the
Window Replacement Project

Seconded by: Ms. Hennessey
Upon vote: the motion was carried
unanimously

C. Miscellaneous

Pauline began by explaining to the members that the tenants for the handicap accessible unit will be moving in and her maintenance man thought she should have the lifts in the unit inspected. A technician from HME came and gave Pauline his proposal for them which Pauline, in turn, gave the Board members. Pauline is looking for the Board members to approve the purchase of a portable motor that could be utilized in both rooms.

Discussion was held and the following action was taken.

Motion by: Mr. Tienor
Moved that: the Board gave approval to purchase the
portable motor for the lifts in the handicapped unit

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

Pauline informed the Board members that Nic forwarded her a letter that was sent to the Mayor addressing some tenant concerns. The letter was sent unanimously and Pauline began to go through the concerns with the members one by one. A Board member told Pauline she did not have to go any further with the letter as it was sent anonymously so there is no one to respond to. The Mayor did not request any action on this letter, so there is no need for the board members to get involved. The Board members went on to state they felt Pauline is doing a good job managing the building and they are satisfied with her explanation.

V. DOWNTOWN REDEVELOPMENT ACTIVITIES

Financial Report Presentation

A. Monthly Report Presentation

Nic reported that he had transferred the \$1,225.50 back to the industrial loan fund which then brings the balance in the commercial loan fund back to \$746,912.60.

Nic reported that the City is closer to executing the loan on the parking lot for Forefront Dermatology.

Some discussion was held and the following action was taken.

Motion by: Mr. Able

Moved that: the CDA accept the commercial and housing monthly reports and place on file

Seconded by: Ms. Hennessey

Upon vote: the motion was carried unanimously

Design Reviews

B. Update on 935 South Eighth St. – IQ Resource Group

Nic stated that he asked the IQ Resource Group to frame the proposed sign with the two colors that are a part of the sign on the left hand side of the entrance. Nic has not heard back from them.

No action was taken.

Loan Activities

None

VI. HOUSING REHABILITATION BUSINESS

Financial Report Presentation

A. Monthly Report Presentation

Nic reported there were some changes on the RLF as there were two more satisfactions that brings the balance to \$85,995.59. The other two – HCRI and Home funds have no changes. The housing loan fund program monthly reports were approved by the Board members with the motion under Downtown Redevelopment Activities financial report.

B. Loan Activities

Update on Reestablishment of the Owner-Occupied Housing Loan Program

Nic reported on the relationship between the City and Brown County Regional Program. The Board had asked for the reasons behind the higher than normal project costs for the loans handled by the regional program. Nic found that under the new guidance from the DOA, there is no longer a cap on the maximum amount of loans. The DOA is now directing that properties be brought into compliance with current codes. The status of current projects is that there are two closed loans, two out for bids and some recent applications. The closed loan for 612 North 5th St. originally was estimated at \$27,000 closed at \$47,097. The City's balance to the Brown County Regional RLF is at \$34,393 more than the current RLF balance. The City will pay back the loans that are closed under a memo of understanding. Once the

loans are paid back, Brown Co. will assign the mortgages to the City. Nic will get the project details on the two loans before reimbursing Brown County.

Nic requested that Brown County process no further loan applications for Manitowoc, because the City will have its program up and running in the Spring. Nic stated that the City will be looking at the new guidelines from the DOA to determine how to proceed with the revived program. However, for now, Nic is directing people to other programs. Before any more loans are approved, Nic will bring them back to this group for review.

Some discussion was held, no action was taken.

C. Discussion and Possible Action on Short Sale Request for Loan #37-94 and Loan #09-96

Nic reported this is the same property discussed at last month's meeting and attached is an enclosure with an updated short sale. The highlights are: the commission to the realtor went down \$2,600; the delinquent taxes are a new item; Associated Bank is taking \$1,000 less; the City is more than doubling what would have been paid out to them; and Lakeshore CAP would be paid off. Nic is recommending approval and requesting authorization to proceed with all the documentation necessary for the short sale.

The following action was taken.

Motion by: Ms. Hennessey
Moved that: the CDA approve the short sale and authorize staff to proceed with all the necessary documentation to implement it as outlined

Seconded by: Mr. Tienor
Upon vote: John Stangel – aye
Emil Roth - aye
Chris Able – nay

Subordination Requests

D. Discussion and Possible Action on Subordination Request for Loan #41-96 HCRI

Nic stated this subordination request will give the owner a lower interest rate and monthly payment. The City is in 2nd position for the mortgage.

Some discussion was held and Nic was asked to obtain a statement from the new lender and send details to Dennis for review.

The following action was taken.

Motion by: Ms. Hennessey
Moved that: the CDA approve the subordination request Loan #41-96 HCRI on condition of a reasonable explanation given for closing costs

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

E. Discussion and Possible Action on a Subordination Request for Loan #310-98 CDBG

Nic stated that this item is not ready for action.

Other Business

F. Discussion and Possible Action on Assignment of Deferred Payment Mortgage Note And Borrower Certification for Loan #38-96 HCRI and Loan #248-98 CDBG

Nic stated this is a property where the owners are deceased and the son is requesting assignment of the mortgages. The son meets the income requirements for the loan.

Nic is recommending approval of this assignment and requesting authorization for assignment of the two mortgages to Robert Johnson.

The following action was taken.

Motion by: Mr. Tienor

Moved that: the CDA approve assignment of note and Certification of Loan #38-96 HCRI and Loan #248-98 CDBG

Seconded by: Mr. Able

Upon vote: the motion was carried unanimously

VII. ADJOURNMENT

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

Respectfully submitted:

Nicolas Sparacio,
Executive Director

NS/pmh