

Community Development Authority of the City of Manitowoc

Meeting Minutes

October 19, 2016

I. CALL TO ORDER

Chairman Stangel called to order the regular meeting of the Community Development Authority at 4:00 PM on October 19, 2016 at the Community Development Department offices.

II. ROLL CALL

P. Haelfrisch conducted the roll call.

III. APPROVAL OF MINUTES

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular meetings held on August 24th and September 21st, 2016. Hearing none, the following action was taken.

Motion by: C. Able

Seconded by: D. Tienor

Moved that: the CDA approve the minutes of the August 24th and Sept. 21st, 2016 meetings

Upon vote: the motion was carried unanimously

IV. MANITOWOC HOUSING AUTHORITY BUSINESS

A. Financial Report and Approval of Monthly Expenditures

P. Haelfrisch discussed the monthly reports of finances and expenditures she had provided to the members. She transferred funds from the money market to the checking account at Bank First National for the final payment request on the window installation project. Phase Two of the window project will take place in Spring, 2017. The following action was taken:

Motion by: Ald. Able

Seconded by: G. Maloney

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

Upon vote: the motion was carried unanimously

B. Manitowoc Housing Authority Contract

P. Haelfrisch gave the Board members some background in regards to the Manitowoc Housing Authority. The Manitowoc Housing Authority was dissolved in 1983 by an ordinance from City Council. It was then combined with the City Planning Dept. and renamed the Community Development Authority. P. Haelfrisch met with N. Sparacio to discuss the ramifications of this ordinance. It was agreed upon that the Manitowoc Housing Authority would remain separate from the City Planning Dept. These two entities would work for the common goal to serve the low income population of Manitowoc with housing and housing assistance. They would remain separate with

each having their own Federal Employer ID numbers. There would be no hierarchy between the two entities. With this said, the Director of the Field Office for HUD WI located in Milwaukee stated that a contract should be created for the Manitowoc Housing Authority Executive Director. Since the City of Manitowoc that employs the Planning Dept. Director is separate from the Manitowoc Housing Authority, this contract would establish the rights and duties of the Director of the Manitowoc Housing Authority. This contract needs to be approved by the Board members. Since P. Haelfrisch had not given the members the contract in their packet, she will put it on the agenda for the November meeting for approval. Discussion was held in regards to who the contract is between and will be discussed at the November meeting.

C. Business Property and Liability Insurance

P. Haelfrisch explained that she met with a rep from Farmer's Insurance to get a quote on the Business Property and Liability Insurance. At this time, she has not heard anything back.

V. DOWNTOWN REDEVELOPMENT ACTIVITIES

A. Monthly Report Presentation

N. Sparacio provided a report on the current fund balance. There were no changes in the commercial loan program. No action was taken.

Design Reviews

B. 202 North 8th Street Sign Modification

N. Sparacio noted there were no additional details on the signage at this time. No action was taken.

Loan Activities

C. Discussion and Possible Action on Service Agreement with Progress Lakeshore for Administration of Certain RLF Functions

N. Sparacio explained the proposed approach to administration of the Downtown RLF program by Progress Lakeshore. The agreement for the Industrial and Downtown programs has been approved by Common Council, but the CDA and staff can continue to work out the operational details for the Downtown program. In summary, the CDA would retain the loan review and approval authority, and Progress Lakeshore would provide screening of the applications and development of the loan documents. N. Sparacio would continue working with Progress Lakeshore on the underwriting and evaluation process in bringing proposed loans to the CDA for consideration. The Community Development Department would ensure accountability and performance by continuing to provide the monthly and semi-annual reports.

Based on actual hours worked, Progress Lakeshore can earn up to 50% of the available administrative fees, which are set as a maximum of 20% of loan

repayments received. The service agreement will have a three year term going to 12/2019 and it has opt out provisions.

The following action was taken:

Motion by: Ald. Able

Seconded by: D. Tienor

Moved that: the Board members move to show support of service agreement with Progress Lakeshore

Upon vote: the motion was carried unanimously

D. Monthly Report on 1512 Washington St. Demolition

No report was requested. An update will be provided next month.

VI. HOUSING REHABILITATION BUSINESS

A. Financial Report Presentation

N. Sparacio reported there were no changes in the housing loan programs this month. No action was taken.

Loan Activities

B. Discussion and Possible Action on Deficiency Release for Loan at 1905 Michigan Ave.

N. Sparacio summarized the loan and property details. There is a proposed sale on the property. The selling price is lower than what is owed to the lenders. The proposal is that the City would accept 65% of the payoff amount which would leave the City about \$2,800 short of what was owed. The alternative is foreclosure. Alison Petri from Steimle, Birschbach was present as a representative for the estate to answer any questions the Board may have. Discussion was held in regards to the sale details and likelihood of foreclosure. The following action was taken.

Motion by: G. Maloney

Seconded by: C. Able

Moved that: the CDA deny the request to allow a deficiency release for loan at 1905 Michigan Ave.

Upon vote: the motion was carried with J. Stangel, G. Maloney, Ald. Kummer, E. Roth and Ald. Able voting aye; D. Tienor abstaining

Subordination Requests

C. None

Other Business

D. Discussion regarding the reporting procedure for active housing loans as it relates to Foreclosure of Mortgage proceedings, Sheriff's Sales and No Funds in Excess of Lender's Mortgage notifications

N. Sparacio introduced the agenda item and explained that a number of these cases appeared on the Council agenda without knowledge of the CDA. Ald. Able had asked for more information on this process and these cases. L. Mueller explained the process and provided a summary report of actions, loan amounts, and funding used. It was discussed whether any of these properties had gone through a subordination by the CDA. Having this information could help the Board evaluate future subordination requests. It was determined that this was a general cleanup of recent cases by the City Attorney's office. The Board members would like to be made aware of any initial foreclosures when the City receives the Summons.

VII. ADJOURNMENT

Chairman Stangel adjourned the meeting at 5:05 p.m.

Minutes submitted by: Pauline Haelfrisch

Minutes approved by: Nicolas Sparacio

ATTENDANCE

Members Present

Chairman John W. Stangel
Gene Maloney
Ald. Lee Kummer
Ald. Chris Able
Emil Roth
Dennis Tienor

Members Excused

Anton Doneff

Staff Present

Nicolas Sparacio
Pauline Haelfrisch
Lisa Mueller

Others Present

Peter Wills
Alison Petri