

# Community Development Authority of the City of Manitowoc Meeting Minutes June 21, 2017

## I. CALL TO ORDER

Chairman J. Stangel called to order the regular meeting of the Community Development Authority at 4:00 PM on June 21, 2017 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 meeting held on May 17, 2017. Hearing none, the following action was taken.

Motion by: G. Maloney

Seconded by: Ald. Novak

Moved that: the CDA approve the minutes of the May 17, 2017 meeting.

Upon vote: the motion 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. The following action was taken:

Motion by: G. Maloney

Seconded by: E. Roth

Moved that: the CDA approve and authorize payment of the June, 2017 expenses

Upon vote: the motion carried unanimously

P. Haelfrisch discussed with the Board members Manitou Manor's parking lot. She explained it is in very poor shape. She received two bids for the necessary work to be done. One of the quotes had an added item on the bid. It was for infrared asphalt repair (patching). The owner told her that she could do either the asphalt repair or the crack sealing. After discussion, P. Haelfrisch was advised to get a quote from the two companies for crack sealing and striping. The following action was taken.

Motion by: G. Maloney

Seconded by: E. Roth

Moved that: P. Haelfrisch ask for revised bids and accept the low bidder

Upon vote: the motion carried unanimously

B. Water Tanks for Boilers

P. Haelfrisch clarified the warranty on the water tanks to the Board members. P. Haelfrisch received two bids for the water tanks as follows: Manitowoc Heating - \$12,726.25 and Schaus Roofing and Mechanical Contractors - \$20,859. P. Haelfrisch determined both bids covered all items necessary to the project. The following action was taken.

Motion by: G. Maloney

Seconded by: Ald. Kummer

Moved that: P. Haelfrisch should accept the lowest bid between Manitowoc Heating and Schaus Roofing and Mechanical Contractors for the water tank project

Upon vote: the motion was carried unanimously

C. Manitowoc Housing Authority Budget – Board Approval

P. Haelfrisch discussed with the Board members the health insurance quotes she received from Mike Peterson and Bill Schuh. Discussion was held and the following action was taken.

Motion by: G. Maloney

Seconded by: E. Roth

Moved that: the CDA approve the FYE 2018 Budget with the agreement that the Housing Authority keep the State of WI health insurance as is

Upon vote: the motion carried – J. Stangel, G. Maloney, E. Roth, A. Doneff, and J. Novak voting aye; Ald. Kummer voting nay

D. Annual Five Year Plan

P. Haelfrisch reviewed the work items in the plan with the Board members. Discussion was held in regards to having the units sprinkled. The Board members felt that work item should be included in the plan.

E. Affirmatively Furthering Fair Housing Plan

P. Haelfrisch informed the Board members that HUD has not given any guidance to the Housing Authorities as to the procedures they would follow to fulfill this requirement. It was recommended by HUD not to take action at this time.

F. Smoking Shelter

P. Haelfrisch handed out two styles of gazebos to be utilized as a smoking shelter when Manitou Manor goes smoke free. Discussion was held in regards to the necessity of having a shelter. The decision was made to abandon the idea of a smoking shelter.

V. DOWNTOWN REDEVELOPMENT ACTIVITIES

A. Revolving Loan Fund Financial Report

N. Sparacio provided a report on the current fund balances. There was no change to the Downtown fund balance.

Motion by: Ald. Novak

Seconded by: A. Doneff

Moved that: the CDA accept the financial report for the Commercial revolving loan fund

Upon vote: the motion carried unanimously

B. Design Review: 214 N 8<sup>th</sup> Street – Exterior Modification

N. Sparacio reviewed the window replacement that was requested to accommodate a new restaurant. The window opening is new, and the window to be installed will be comparable to others on this building. There are no changes proposed on the 8<sup>th</sup> Street facade at this time.

Motion by: A. Doneff

Seconded by: Ald. Novak

Abstained: G. Maloney

Moved that: the certificate of appropriateness is granted with the condition of compliance with applicable provisions of the Manitowoc Municipal Code including obtaining a building permit

Upon vote: the motion carried unanimously

C. Monthly Report on 1512 Washington Street Demolition

N. Sparacio provided an update. The demolition contractor is mobilizing equipment on site and has filled many of the underground voids including tunnels. It is anticipated the remainder of the project should take about 2 months.

VI. HOUSING REHABILITATION BUSINESS

A. Revolving Loan Fund Financial Report

N. Sparacio provided a report on the current fund balances and explained the current CDBG loan accounting journal. As loans are repaid, funds are earmarked for administration and for new projects. The administration funds are primarily used to pay MSA for their services. As currently designated, and deducting for pending loans, the CDBG program has about \$159,000 to work with for new loans. MSA is continuing to process new applications on this basis.

Motion by: Ald. Novak

Seconded by: A. Doneff

Moved that: the CDA accept the financial reports for the Housing program funds

Upon vote: the motion carried unanimously

B. Subordination Request: Discussion and possible action on Loan #283-98 CDBG

N. Sparacio explained the details of the subordination request and showed how the current evaluation process compares with how it was done in the past. For this request, adequate equity will be preserved after refinance, but the collateral cushion is smaller than preferred. Similar to the process for new loans, in the future, all approvable subordinations will be processed by MSA without bringing each request to the CDA for review. N. Sparacio recommends approval of this request with the following conditions:

1. At least one of the original borrowers shall continue to reside at this property as their primary residence.
2. Lender / Borrower to pay all City recording and title letter fees, and to provide Title report or equivalent after all lending/ mortgage documents recorded.
3. Mortgage subordination limited to a new first mortgage of \$78,000.00.
4. Wells Fargo or assignee of mortgage to require establishment of escrows for taxes and insurance at inception of new loan.
5. This is final subordination. City to be repaid in full at time of next refinance.

Motion by: G. Maloney

Seconded by: A. Doneff

Moved that: the CDA accept the subordination request with conditions recommended in the staff report and authorize MSA to complete the process

Upon vote: the motion carried unanimously

C. Notice of Foreclosure received 6/8/2017 – Loan #355-98 CDBG

This item was discussed. No action taken.

D. Potential CDA involvement in City of Manitowoc Blight Elimination Activities

N. Sparacio explained that the 2017 City budget created, and the Building Inspection team has implemented, a neighborhood blight removal program. The committee will discuss in the future if there is role for the CDA in this program such as receiving the acquired blighted properties and transferring them for private redevelopment. Research into the legal process and any potential issues is continuing. No action taken.

## VII. ADJOURNMENT

Chairman Stangel adjourned the meeting at 5:05 PM

### ATTENDANCE

#### Members Present

Chairman John W. Stangel  
Ald. Lee Kummer  
Ald. Jeremiah Novak  
Emil Roth  
Gene Maloney  
Anton Doneff

#### Others Present

None

#### Staff Present

Nicolas Sparacio  
Pauline Haelfrisch

#### Members Absent

Dennis Tienor

Minutes submitted by: Pauline Haelfrisch and Nicolas Sparacio