

MINUTES

COMMUNITY DEVELOPMENT AUTHORITY

PLAN COMMISSION OFFICES

Regular Meeting
Wednesday
December 16, 2015

I. CALL TO ORDER

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

II. ROLL CALL

Members Present

John Stangel
Gene Maloney
Emil Roth
Chris Able
Anton Doneff
Dennis Tienor
Jill Hennessey

Others Present

Peters Wills

Staff Present

Nic Sparacio
Pauline Haelfrisch

III. APPROVAL OF MINUTES OF THE REGULAR NOVEMBER 11, 2015 MEETING

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular meeting held on November 11, 2015. Hearing none, the following action was taken.

Motion by: Mr. Doneff

Moved that: the CDA approve the minutes
of the regular meeting held on November 11, 2015

Seconded by: Ms. Hennessey

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 December, 2015 with the Board members. She also distributed a list of expenses for December and reviewed these with the Board.

Pauline stated that she transferred \$10,000 from the Money Market account to the Checking account due to the Business and Property Insurance liability.

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

The following action was taken.

Motion by: Ms. Hennessey

Moved that: the CDA approve and authorize payment
of the December, 2015 expenses

Seconded by: Mr. Roth

Upon vote: the motion was carried
unanimously

B. Window Replacement Project

Pauline reported to the members that January 5th will be the pre-bid meeting with the contractors and January 20th is planned for the bid opening.

Discussion was held in regards to the type of windows that will be used for the project.

V. DOWNTOWN REDEVELOPMENT ACTIVITIES

Nic introduced Peter Wills to the board members as the Executive Director of Progress Lakeshore.

A. Financial Report – Revolving Loan Program, 12/11/2015

Nic reported that the fund balance has not changed and is still at \$746,912.60. Nic did have an opportunity to talk about the loan program with a business that is interested in potentially moving into the former Red Cross building.

The following action was taken.

Motion by: Mr. Tienor

Moved that: the CDA accept the 12/11/15 financial report and place on file

Seconded by: Mr. Maloney

Upon vote: the motion was carried unanimously

Design Reviews

None.

B. Loan Activities

Update on Pending Loan to Forefront Management, LLC to Fund Property Acquisition at 924 York Street, REV 2015-1

Nic explained to the Board members that this loan was approved a few months back; however, we continue to work through the environmental issues. The Phase 2 environmental assessment is underway. There were two underground storage tanks found on the site. One was found with the ground penetrating radar survey and the other much smaller tank was found during excavation. The smaller tank had about 250 gallons of leaded gasoline in it. No visible signs of contamination were found around the tanks. The sampling is nearly complete and Nic is expecting lab results in January.

Discussion was held in regards to the site being available for use. Nic reported that there would be asphalt millings compacted into the surface as a temporary surface over winter. There would also be cones and temporary signage for parking in that area. Nic explained that the City plans to take ownership of the property in the spring after everything is complete.

VI. HOUSING REHABILITATION BUSINESS

A. Financial Report Presentation

Nic reported the balance of HOME funds remains at \$49,166.93. The revolving loan fund has several updates and the current balance is at \$59,429.45. The HCRI fund balance increased due to a loan satisfaction and is now at \$42,150.54.

Motion by: Ms. Hennessey
Moved that: the CDA accept the financial reports
and place on file

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

B. Loan Activities

Discussion on Requests from the Wisconsin Department of Administration (DOA) Regarding the Artist Lofts Loan (REV 2014-01) and the Owner-Occupied Housing Loan Program

Nic reported he had a meeting with DOA on Monday. It was found that there were additional procedural items that were supposed to happen when the City suspended the owner-occupied housing loan program in 2012. Nic summarized the meeting with the State: the DOA wants the City to accelerate its plans to reopen the loan program, and there was apparently some misunderstanding over how much involvement DOA needed to have in the Artist Lofts loans. DOA believes that the City changed the purpose of the funds without its approval, and the City believed that it had DOA approval.

The outcome of the meeting was that there are no changes necessary for the CDA loan provided to the Artist Lofts, because it is going to be paid back very quickly. The developers had applied for a National Home Loan Bank Affordable Housing Program grant and they were recently notified of their award. They anticipate having the funds in hand by March, 2016. They agreed in our loan documents to pay off the housing loan and then pay off a large portion of the brownfield loan as well.

Nic explained that the State and the City both see this as a positive solution, because the funds are going to be recovered and revolved back out for housing program purposes. As a result, DOA is essentially granting the City a waiver for the Artist Lofts loan. Not only does this allow the Artist Lofts project to keep moving forward, but it also allows the owner-occupied housing loan program to get started with funding in the account.

Nic provided updates on the points in the memo sent out to the Board members:

- The CDA must hold a public hearing to inform the community of the history and future plans for the housing loan program and how the Artist Lofts project fits in. The members agreed to hold the hearing on January 13th, 2016 at 4:00 p.m.
- The CDA must pay Brown County from CDA loan funds for the loan applications it processed and approved for City of Manitowoc home owners in 2014 and 2015. The Brown County Planning Department administers a Regional Housing RLF program of which Manitowoc is a part. DOA clarified that the Regional funds are not to be used here unless the City's account balance is indeed zero.
- With the rapid payoff of the Artist Lofts loan, the City can continue with the process of selecting a consultant and have funds available to work with.
- There is no need to amend the Artist Lofts loan since it will be paid back so quickly.

In preparation for the public hearing, discussion ensued regarding the perceived housing needs in the community.

C. Subordination Requests

Discussion and Possible Action on Subordination Request for Project Loan #284-98 and

Project Loan #46-96REV

Nic explained that the requested subordination cannot be recommended for approval by staff, but that the owner still has a right to be heard by the CDA. The issues with the request include inadequate equity and collateral value in the property and a previously granted subordination which occurred in 2007. An unfortunate factor here is that the recently completed appraisal shows a much lower value for the home than the appraisal done in 2007, negatively impacting the equity and collateral cushion. There was discussion regarding this segment of our housing market, which is struggling right now as the value of the homes is not increasing. Nic explained that the requested subordination would allow a refinance at a lower interest rate. The applicant was informed of and invited to the meeting, but is not present. The CDA discussed that it normally allows only one subordination.

Discussion was held and the following action was taken.

Motion by: Ms. Hennessey	Seconded by: Mr. Able
Moved that: the CDA denies the subordination request for Project Loan #284-98 and Project Loan #46-96REV	Upon vote: the motion was carried unanimously

D. Other Business

Discussion and Possible Action for Scheduling 2016 Meeting Dates on the Third Wednesday of the Month

Nic asked the Board members if he could get approval for the meetings to be held on the third Wednesday of the month in order to mesh with the new Plan Commission schedule. Approval was granted.

VII. ADJOURNMENT

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

Respectfully submitted:

Nicolas Sparacio,
Executive Director

NS/pmh