

MINUTES

COMMUNITY DEVELOPMENT AUTHORITY

PLAN COMMISSION OFFICES

Regular Meeting
Wednesday
March 13, 2013

I. CALL TO ORDER

The meeting was called to order by Chairman John Stangel at 4:05 P.M.

II. ROLL CALL

<u>Members Present</u>	<u>Members Excused</u>	<u>Others Present</u>	<u>Staff Present</u>
John Stangel	Jill Hennessey	Andrew Krajnek	David Less
Gene Maloney			Pauline Haelfrisch
Emil Roth			
Chris Able			
Dennis Tienor			

*Mayor Nickels has not yet appointed a replacement for Alex Olson.

III. APPROVAL OF MINUTES OF THE REGULAR FEBRUARY 13, 2013 MEETING

Chairman Stangel asked if there were any corrections or additions to the minutes of the regular February 13, 2013 meeting. Hearing none, the following action was taken.

Motion by: Mr. Able

Seconded by: Mr. Roth

Moved that: the CDA approve the minutes of the February 13, 2013 regular meeting

Upon vote: the motion was carried unanimously

IV. MANITOWOC HOUSING AUTHORITY BUSINESS

A. Financial Report and Approval of Monthly Expenditures

Pauline Haelfrisch reviewed the financial statements for March, 2013 with the Board members. She also distributed a list of expenses for March and reviewed these with the Board.

After some discussion, the following action was taken.

Motion by: Mr. Maloney

Seconded by: Mr. Able

Moved that: the CDA approve and authorize payment of the March, 2013 expenses

Upon vote: the motion was carried unanimously

B. Update on Budget FYE 2013

Pauline reported to the Board that she is going to begin work on the budget and she would like to do a budget revision to the current budget first. A budget revision is done to bring accounts in line in the present budget. Due to the fact we had our first real winter with the new boilers, we found

the amount we budgeted for Heating was significantly over what we used. In the same vein, the Unit Turnaround account was significantly under what we used. The Operating Subsidy we receive from HUD was over what was originally predicted. By bringing the amounts in line, the HA, Board, and Auditor are able to see a cleaner budget. There was much discussion held in regards to doing a budget revision. Pauline will present the Board with both current and revised budgets before the May meeting.

Pauline then went on to discuss the budget for FYE 2014. Due to sequestration, Pauline is still unsure as to what amount of funding the HA will receive for improvements to the building. She was notified that the operating subsidy will be at an 81% proration and has no idea about Capital Funding.

Pauline proposed to the Board that garage and DirecTv charges could be raised for additional revenue. The Board members advised Pauline to present a budget with similar funding she has received in the past. If the funding isn't there, she can adjust the budget accordingly.

Pauline discussed with the Board the issue of the young and old tenant mix. It seems as if the demographics in the building have changed to tenants under age 50 becoming more likely to apply for public housing. The Board suggested to Pauline to consider thinking ahead to the future and adjusting some activities or procedures with the younger tenants in mind.

V. HOUSING ACTIVITIES

A. CDBG Project #256-09; Consideration of Assumption of CDBG Loan

Atty. Andrew Krajnek was present at the meeting in regards to this item on the agenda. David Less explained that Atty. Krajnek communicated that one of our 1998 housing projects fell behind on his mortgage note and his property where James Mott and his son, Curtis Mott lived was the subject of foreclosure. The sheriff's sale was yesterday. James Mott passed away and Curtis, the administrator of the estate, is living in the house at 1201 Hamilton Street. Curtis wants to purchase the house. Atty. Krajnek asked David if the Board would allow Curtis to assume the mortgage for \$11,445 and at the same time allow the assumption to the replacement lender which would be Shipbuilder's Credit Union. Virtually, everything would stay the same in terms of the money. David does not have a problem with this, but then again it is a subordination and an assumption of a loan.

Some discussion was held in regards to Curtis qualifying under the requirements of the program. David explained that our guidelines allow for the transference of property to an heir even though this is a little different due to the foreclosure proceedings. He feels it is an opportunity for one of the occupants to continue in the residence in that capacity.

David's recommendation is to approve the subordination and the assumption of the loan as he has outlined. Any recording fees will be paid by the borrower and David is requiring some post recording title information.

The floor was opened for the Board to ask questions of Atty. Krajnek. An appraisal was done in 2007. The monthly repayments at Shipbuilder's will include escrows.

Some discussion was held and the following action was taken.

Motion by: Mr. Able
Moved that: the CDA approve the CDBG Project
#256-09 Subordination and Assumption of Loan
subject to conditions outlined in recommendation

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

VI. DOWNTOWN REDEVELOPMENT ACTIVITIES

A. Financial Report – Revolving Loan Program, 3/7/2013

Mr. Less reviewed the financial report with the Board members for the revolving loan program. As of March 7th, 2013 a total of \$721,166.81 in loan funds was available.

Mr. Less stated that TWH Collectibles, John Hemken, is paid in full. David stated the 2012 interest is not included in the report.

The following action was taken.

Motion by: Mr. Maloney
Moved that: the CDA accept the 3/7/13 financial
report and place on file

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

B. Update – Regionalizing Revolving Loan Funds

David stated the City has a large amount of capital asset in this program and there is pressure coming from HUD to the State and the State to the City to regionalize. In order for Manitowoc or Two Rivers to participate in this regionalization, the County has to agree to do it first. If the County doesn't agree to go in, the City will not be allowed to participate either.

Dave stated it is getting to the point where he will have to go to Council and have a Committee of the Whole meeting to discuss this. David hopes to have the final form of the business plan after their meeting on April 23rd.

Much discussion was held in regards to concern over handing over the control. David said that there needs to be a level of trust established.

C. Update – Consideration of Downtown Design Review and Signage Changes to Municipal Code

No information at this time.

VII. ADJOURNMENT

The meeting was adjourned at 4:53 P.M.

Respectfully submitted:

David Less,
Executive Director