

## MINUTES

### REDEVELOPMENT AUTHORITY OF THE CITY OF FOND DU LAC REGULAR MEETING THURSDAY, JANUARY 8, 2015

City/County Government Center, Meeting Room F & G  
5:30 P.M.

1. Teletzke called the meeting to order at 5:30 p.m. The meeting was held in Room F & G of the City/County Government Center, 160 S. Macy Street, Fond du Lac, Wisconsin.

2. Wegner called the roll

Present

Absent

Richard Ewald

Terry Hansen-Beno (excused)

Mary Gilles

Anne Pierce (excused)

Karyn Merkel

Doug Teletzke

Sarah Van Buren

Wegner declared a quorum present

Staff in attendance:

Dyann Benson, Community Development Director

Debbie Wegner, Community Development Specialist

Others Present Who did not Wish to Speak: 1

3. Approval of Minutes

- A. Open Session Minutes from the Regular Meeting of December 4, 2014

Ewald made a motion to approve the minutes of the regular meeting of December 4, 2014; seconded by Van Buren. Motion Carried.

4. Approval of Financial Statements

1. Redevelopment Authority Monthly Financial Statement – December 2014
2. Redevelopment Authority Quarterly Financial Statements – December 2014

Wegner reviewed the monthly and quarterly financial statements.

Gilles made a motion to approve the Redevelopment Authority's monthly and quarterly financial statements as presented; seconded by Merkel. Motion carried

5. Presentation by ADVOCAP, Inc.

Benson stated that due to a conflict, ADVOCAP, Inc. will reschedule its presentation.

6. New Business

A. Community Development Block Grant (CDBG) Public Hearing

1. Review and Approve the Annual Action Plan and the List of Estimated Allocations to Proposed Projects for PY 2015

Benson indicated that the City's Program Year (PY) 2015 allocation is estimated to be \$430,500. She indicated that the estimated Entitlement funds will be budgeted with program income (approximately \$120,000) for a total projected budget of \$550,500.

<b>Project Description</b>	<b>Proposed Allocation</b>
a. Owner Occupied Housing Rehab	\$ 200,000
b. Rehabilitation Administration/Project Delivery	\$ 50,000
c. Renter Occupied Housing Rehab	\$ -
d. Homestead Opportunity Program	\$ 35,000
e. Blight Elimination	\$ 30,000
f. Public Facilities	\$ 30,000
g. Boys & Girls Club	\$ 5,000
h. Mentoring Program	\$ 10,000
i. Dental Care Assistance	\$ 10,000
j. Solutions Center - Utility Assistance	\$ 10,800
k. Solutions Center- Extended Hours	\$ 5,000
l. Undesignated	\$ 49,700
m. Administration (20%)	\$ 95,000
n Fair Housing	\$ 20,000
	<b>\$ 550,500</b>

Benson reviewed the proposed PY 2015 projects. She stated that following the 30 day comment period, the Annual Action Plan will be forwarded to US Department of Housing and Urban Development (HUD) in early February.

Benson reviewed that the FY2015 appropriation for the U.S. Department of Housing and Urban Development has not been determined. If the actual allocation amount is less than the City's estimated, the proposed activities budgets for the PY2015 Annual Action Plan for the City of Fond du Lac will be proportionally decreased from the estimated funding levels to match actual allocation amounts. If the actual allocation amount exceeds the City's estimate, the City will increase the Homestead Opportunity, Public Facilities and Blight Elimination activity budgets based upon the amount of additional funding.

After three calls for public comment, Teletzke closed the Public Hearing at 5:39 p.m.

B. Resolution No. 15-01 – A Resolution Approving the 2015 Annual Action Plan for Investing Community Development Block Grant (CDBG) Funds

Merkel made a motion to approve Resolution No. 15-01. Van Buren seconded the motion and the roll call vote was as follows: Ewald, aye; Gilles, aye; Merkel, aye; Teletzke, aye; Van Buren, aye. Motion Carried.

C. Resolution No. 15-02 – A Resolution Approving an Amendment to the City of Fond du Lac Economic Development Revolving Loan Fund Manual of Policies and Procedures to Comply with Community Development Block Grant (CDBG) Regulations

Benson reviewed that the Redevelopment Authority (RDA) develops the policies and procedures in regards to the administration of the Economic Development Revolving Loan Fund (EDRLF). These policies and procedures are described in the EDRLF Manual which is used by the Fond du Lac County Economic Development Corporation (FCEDC). The FCEDC has requested amendments to the manual to further clarify the intent and process of the EDRLF. The proposed language will serve as a guide to Revolving Loan Fund Committee members as well as to the applicants that will request program funding.

Benson reviewed the changes regarding these sections:

- Purpose
- Loan Application Review and Rating
- Review Process

Ewald made a motion to approve Resolution No. 15-02; seconded by Gilles. Motion Carried.

D. Action on Lakeside Gardens Loan Terms

Benson reviewed that at the November RDA meeting, the RDA approved a loan to General Capital Group, owners of the Lakeside Gardens development, to support an application to Wisconsin Housing and Economic Development Authority (WHEDA) for Low Income Housing Tax Credits (LIHTC).

Benson indicated that in order to qualify for favorable terms from their first mortgage holder, the RDA's loan would be established as a cash flow note which means that the RDA would only receive payment if the project had a positive cash flow. If not, then interest would continue to accrue on any delinquent payments. Benson reviewed that this term is different than the loan terms the RDA typically uses for rental projects.

Benson stated that based on the cash flow projections provided to the RDA, they are projecting a positive cash flow from the beginning of the project.

The proposed terms of the loan are a cash flow note; 12 year term; 2% interest in exchange for considering a cash flow note, they are offering \$1,250 origination fee to the RDA for closing the loan.

Merkel made a motion to approve the revised loan terms for Lakeside Gardens; seconded by Gilles. Motion carried.

E. Action on the Termination of PY2013 Help at Home Project

Benson reviewed that the Help at Home Program is administered through Clarity Care. The project was to assist low-and-moderate income elderly and disabled City residents to receive supportive home care services to enable them to live independently within their own home.

Benson reviewed that in May 2014 the RDA approved reallocation of the \$7,500 in PY2014 Help at Home funds to Boys & Girls Club - Project Learn and Undesignated. The PY2013 funding in the amount of \$7,500 for Help at Home also remains unexpended.

Benson reviewed that to date, no progress has been made towards goals and there has been no communication from the subrecipient regarding any updates to the activity. She indicated that staff is requesting approval to terminate the activity for failure to progress towards goals. She stated a Resolution will be presented at the February meeting authorizing the reallocation of funds to another activity.

Merkel made a motion to approve the termination of the PY2013 Help at Home Project; seconded by Ewald. Motion carried.

F. Resolution No. 15-03 – A Resolution Authorizing the Sale of the Property Located at 237 East 9<sup>th</sup> Street as Part of the Neighborhood Stabilization Program

Benson indicated that the application process moved rather quickly, and as such, the sale took place on January 2, 2015. The sales price was \$93,000 with \$24,000 in Neighborhood Stabilization Program (NSP) assistance. If the new homeowner meets the NSP requirements, the \$24,000 second mortgage will be forgiven after the 10 year affordability period on January 31, 2025. Benson reviewed that the purchaser met the CMI income requirements of 50% or below for this NSP project.

Gilles made a motion to approve Resolution No. 15-03; seconded by Van Buren. Motion Carried.

G. Adjourn into Closed Session

Merkel made a motion to adjourn into closed session. Ewald seconded the motion and the roll call vote was as follows: Ewald, aye; Gilles, aye; Merkel, aye; Teletzke, aye; Van Buren, aye. Motion Carried.

H. Reconvene into Open Session Immediately Upon Conclusion of the Closed Session

Gilles made a motion to reconvene into open session. Merkel seconded the motion and the roll call vote was as follows: Ewald, aye; Gilles, aye; Merkel, aye; Teletzke, aye; Van Buren, aye. Motion Carried.

- I. Resolution No. 15-04 – A Resolution Approving Residential Rehabilitation Loans Under the Community Development Block Grant Program and/or HOME Programs  
  
Gilles made a motion to approve Resolution No. 15-04; seconded by Van Buren. Motion Carried.
- J. Action on Review of Acceptance of a Short Sale on Loan No. 04.14  
  
Merkel made a motion to approve the acceptance of a short sale on Loan No. 04.14; seconded by Ewald. Motion Carried.
5. Correspondence - None
6. Other Matters as are Authorized by Law
7. Motion to Adjourn  
  
The Authority adjourned by unanimous consent at 6:07 p.m.

Respectfully submitted,

Debbie Wegner  
Community Development Specialist

**MINUTES  
REGULAR MEETING  
REDEVELOPMENT AUTHORITY OF THE  
CITY OF FOND DU LAC**

**THURSDAY, JANUARY 8, 2015  
CLOSED SESSION**

Present

Richard Ewald  
Mary Gilles  
Karyn Merkel  
Doug Teletzke  
Sarah Van Buren

Absent

Terry Hansen-Beno (excused)  
Anne Pierce (excused)

Wegner declared a quorum present.

Staff in attendance:

Dyann Benson, Community Development Director  
Debbie Wegner, Community Development Specialist

Others in attendance:

None

One loan being considered for approval under the CDBG and/or HOME Program was reviewed. Also reviewed was the acceptance of a short sale on Loan No. 04.14.

Respectfully submitted,

Debbie Wegner  
Community Development