

MINUTES

REDEVELOPMENT AUTHORITY OF THE CITY OF FOND DU LAC REGULAR MEETING THURSDAY, NOVEMBER 13, 2014

City/County Government Center, Meeting Room D & E
5:30 p.m.

1. Teletzke called the meeting to order at 5:30 p.m. The meeting was held in Room D & E 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
Karyn Merkel
Doug Teletzke
Anne Pierce
Sarah Van Buren

Mary Gilles (Excused)

Staff in attendance:

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

Others Present:

Thomas Klancnik, Whyte, Hirschboeck, Dudek, S.C.
John St. Peter, Edgarton, St. Peter, Petak & Rosenfeldt
Josh Haffron, General Capital Group, Lakeside Gardens

3. Approval of Minutes

A. Open and Closed Session Minutes from the Regular Meeting of
October 15, 2014

Ewald made a motion to approve the minutes of the regular meeting of October 15, 2014; seconded by Pierce. Motion carried.

4. Resolution No. 14-24 – A Resolution Preliminarily Determining Project Site to be Blighted and Providing for a Public Hearing with Respect to the Blight Determination for Property Located at 30 South Main Street (Marian University, Inc. Project)

Benson reviewed that under State Statute, Redevelopment Authorities are permitted to undertake certain activities, including the ability to issue revenue bonds to assist with certain activities.

Benson stated that Marian University, Inc. is requesting assistance from the Redevelopment Authority (RDA) and the City of Fond du Lac to issue tax-exempt redevelopment revenue bonds to assist with the purchase and rehabilitation of a blighted property at 30 S. Main Street. She indicated that the property is blighted and the majority of the building is vacant. It has been for sale for several years with no opportunity for reinvestment. She indicated that the revenue bonds will not be a debt against the RDA or the City or require the RDA to incur any costs.

Benson explained that this is the first step of the process. She stated that the City Council will review the preliminary blight determination at their November 25th meeting.

Benson stated that the next step will involve a public hearing on December 4th for the consideration of the final resolutions for both the blight determination and bond issuance.

St. Peter stated that Marian University, Inc. closed on the real estate. He indicated that the property will be used for commercial/professional office space.

Klancnik reiterated that the RDA or the City will have no liability. He stated that the RDA is simply a conduit enabling Marian University, Inc. to borrow funds at a lower interest rate.

Van Buren made a motion to approve Resolution No. 14-24; seconded by Merkel.
Motion carried.

5. Resolution No. 14-25 – An Initial Resolution Regarding Redevelopment Revenue Bond Financing for Marian University, Inc. Project

Benson clarified that Resolution No. 14-24 was for the blight determination and Resolution No. 14-25 is for bond issuance for the project at 30 S. Main Street.

Hansen-Beno made a motion to approve Resolution No. 14-25; seconded by Ewald.
Motion carried.

6. Resolution No. 14-26 – A Resolution Authorizing the Reallocation of the PY2014 Community Development Block Grant (CDBG) Funding From Housing Rehabilitation-Grant Funds to Homestead Opportunity Program

Benson stated that the Redevelopment Authority (RDA) provides vacant lots to non-profits such as Habitat for Humanity and ADVOCAP, Inc. through the Homestead Opportunity Program (HOP) for homeownership opportunities for low-moderate income homebuyers.

Benson stated that ADVOCAP, Inc. is in the process of completing their home site located at 345 Superior Street and is looking for another build site. She stated that the purchase price is \$13,900 for the property located at 359 Arlington Avenue. She stated with other associated costs the project allocation will be \$15,000.

Van Buren made a motion to approve Resolution No. 14-26; seconded by Pierce. Motion carried.

7. Resolution No. 14-27 – A Resolution Authorizing the Allocation of Wisconsin Rental Rehabilitation Program (WRRP) Funds to Lakeside Gardens

Benson reviewed that the request for funding from Lakeside Gardens was deferred from the October meeting. The RDA requested clarification on the local preference along with financial statements. Benson reviewed that the request for funding assistance to support an application to Wisconsin Housing and Economic Development Authority (WHEDA) for Low Income Housing Tax Credits (LIHTC) is a competitive application process based on a series of merits, including whether there is community support for the application.

Benson indicated that large scale rental developments were not identified as a priority need in the City's Consolidated Plan which outlines the priority needs for the Community Development Block Grant (CDBG) Program. Therefore, this project is not eligible for CDBG funding. She stated that the RDA oversees other grant funding including the Wisconsin Rental Rehabilitation Program which may be used to provide funding for rental improvements.

Benson reviewed the financials provided by Lakeside Gardens.

Haffron explained the local preference provision for renting units at the development. According to General Capital Group, the tenant selection plan approved by US Department of Housing and Urban Development requires tenants to have proof of employment in the county, a utility bill in the tenant's name with a county address, or a current lease within the county to establish residency for local purpose. He stated that if the tenant does not have these items, a letter addressed to them from the State of Wisconsin showing a local mailing address would also meet the criteria.

Haffron also indicated that Lakeside Gardens is a Project Based Section 8 development which means that the Section 8 identifier goes with the building and not with the tenant.

Benson stated that the RDA funding would only occur if General Capital Group receives the LIHTC funding.

Merkel made a motion to approve Resolution No. 14-27; seconded by Pierce.
Motion carried.

8. New Business

A. Public Hearing Related to the 2015 Annual Action Plan

(1) Review of progress on past projects – CAPER

Benson reviewed the PY2014, PY2013 and PY2012 projects and the progress to date.

(2) Identification of total potential funds

Benson reviewed the potential PY2015 projects. She stated that staff anticipates a decrease in CDBG funding. The projected allocation is \$430,500 in Entitlement funds and will be budgeted with program income of approximately \$120,000 for a total estimated budget of \$550,500.

(3) Eligible CDBG activities

- a. Economic Development
- b. Public Facilities
- c. Housing
- d. Public Services
- e. Projects having a particular urgency

(4) Presentation of housing and community development needs identified by staff

Benson reviewed the eligible activities and needs identified by community partners. She indicated that City staff will continue to collect information on community needs for the next 30 days. She stated that to meet US Department of Housing & Urban Development (HUD) submittal guidelines the second Public Hearing will be held in January for the review and approval of the PY2015 Annual Action Plan. She also reviewed that Public Service projects are limited by program guidelines to 15% of grant funding.

(5) Identification of housing and community development needs by public

There were no additional comments from the public. Benson reviewed that the public may offer comments in person or by submitting written comments over the next 30 days.

Hanson-Beno left the Public Hearing at 6:34 p.m.

Teletzke closed the Public Hearing at 6:35 p.m.

B. Approval of Financial Statement

(1) Redevelopment Authority Monthly Financial Statement – October

Wegner reviewed the monthly financial statement.

Ewald made a motion to approve the Redevelopment Authority's monthly financial statement as presented; seconded by Van Buren. Motion carried.

(2) Verbal Update on the Timely Expenditure of Community Development Block Grant Funds

Benson explained that CDBG regulations require funds to be expended in a timely manner to insure that funds are being used to benefit the community. She stated that 90 days prior to the end of the program year, December 31st, the RDA must spend at least 1.5 times the amount of allocated grant funds on eligible activities.

C. Funding for the Purchase and Installation of Cameras in the Downtown Business Improvement District

Benson indicated that the Fond du Lac Police Department and Downtown Fond du Lac Partnership (DFP) have been working together to promote a safe environment in the downtown. Currently the downtown has one (1) camera installed with a second camera scheduled for installation. She stated that the Police Department would like to have cameras installed at all major intersections within the downtown area to deter crime and to facilitate the apprehension of violators if a crime should occur.

Benson reviewed that the installation of cameras is an eligible activity as part of the Community Development Block Grant (CDBG) Program. She stated that the Police Department would determine the location of each camera. Staff is recommending the allocation of \$33,500 in CDBG funding for the purchase of five (5) cameras. If approved, staff would return to the Redevelopment Authority with funding details.

It was the consensus of the Redevelopment Authority to approve the funding allocation in the amount of \$33,500 for the purchase of five (5) cameras for the downtown district.

D. 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; Merkel, aye; Pierce, aye; Teletzke, aye; Van Buren, aye. Motion carried.

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

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

F. Resolution No. 14-28 – A Resolution Approving Residential Rehabilitation Loans Under the Community Development Block Grant Program and/or HOME Programs

Merkel made a motion to approve Resolution No. 14-28; seconded by Ewald. Motion carried.

G. Action on Review of Request for Subordination Loan No. 07.14

Pierce made a motion to approve the request for subordination on Loan No. 07.14; seconded by Van Buren. Motion carried.

9. Redevelopment Authority Meeting Schedule – December and January

Benson reviewed that the December Redevelopment Authority (RDA) meeting will be held on Thursday, December 4, 2014 at 5:00 p.m. It will be a Public Hearing for the Revenue Bond Financing for the Marian University, Inc. Project. She also stated that the January RDA meeting will also be a Public Hearing for the review and approval of the PY2015 Annual Action Plan and list of allocations to the proposed projects. The January Public Hearing will be held on Thursday, January 8, 2015 at 5:30 p.m.

10. Correspondence - None

11. Other Matters as are Authorized by Law

12. Motion to Adjourn

The Authority adjourned by unanimous consent at 6:52 p.m.

Respectfully submitted,

Debbie Wegner
Community Development Specialist

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

**THURSDAY, NOVEMBER 13, 2014
CLOSED SESSION**

Present

Absent

Richard Ewald

Mary Gilles

Terry Hansen-Beno

Karyn Merkel

Ann Pierce

Doug Teletzke

Sarah Van Buren

Excused

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 a subordination request for Loan No. 07.14.

Respectfully submitted,

Debbie Wegner

Community Development