



City of Racine

City Hall
730 Washington Ave.
Racine, WI 53403
www.cityofracine.org

Meeting Minutes - Final

Loan Board of Review

Alderman Mary Land
David Brown
Marcia Fernholz
Ken Plaski
Nicole Larsen
Amy Connolly

Thursday, October 11, 2018

8:30 AM

City Hall, Room 307

Amy Connolly called the meeting to order at 8:32 a.m.

PRESENT: 5 - Mary Land, Marcia Fernholz, Ken Plaski, Nicole Larsen and Amy Connolly

EXCUSED: 1 - David Brown

Others Present:

Dora Garcia, Consumer Lending Specialist

Joy Hansche, Accountant

Ben Lehner, Community Development Specialist

Stevie Nelson, Administrative Professional

Matt Rejc, Manager of Housing and Community Development

Melissa Goins, J Jeffers & Co.

Michael Roane, Brinshore Development

Lawrence Kirby, St. Paul Church

Jessica Guzman, Cardinal Capital Management

Approval of Minutes for the September 27, 2018 Meeting

A motion was made by Mary Land, seconded by Ken Plaski to approve the minutes. The motion passed by a voice vote.

[1044-18](#)

Subject: Reports:

A. Delinquency Report

B. LBR Financial Report

C. Monthly Activity Report

D. Property Disposition Report

Attachments:

[Homeowner Report 9.30.18](#)

[Rental Rehab Report 9.30.18](#)

[LBR Financial Report 9.30.18](#)

[9.30.2018 Monthly Activity Report](#)

[9.30.2018 Property Disposition Report](#)

A motion was made by Marcia Fernholz, seconded by Ken Plaski to receive and file the reports as presented. The motion passed by a voice vote.

New Business

[1060-18](#)

Subject: (Direct Referral) Request for an amendment to the Multifamily Revolving Loan Fund Program (Res No. 0104-17)

Recommendation of the Loan Board of review on 10-11-2018: That the recommendation of amendment of the CDBG Multifamily Revolving Loan Program regulations as presented by City Development staff, and to permit commitment and expenditure of any funds allocated to the Multifamily Revolving Loan Fund in 2018 or subsequent years be approved.

Fiscal Note: N/A

A motion was made by Marcia Fernholz, seconded by Mary Land to recommend the file for approval with the amendment of increasing the amount to \$20,000 per unit for all applicants. The motion passed by a voice vote.

[1061-18](#)

Subject: (Direct Referral) Request by Lutheran Social Services for a CDBG Multifamily Loan for 1701 Packard Avenue ("Gold Medal Lofts") (Res. 0325-18)

Recommendation of the Loan Board of Review on 10-11-2018: That the resolution to Loan Lutheran Social Services \$1,320,000 for acquisition costs of 1701 Packard Avenue at 1% interest over 20 years contingent on cash flow be approved. Mortgage, note, and CDBG agreement to be signed at closing contingent on full project financing, environmental clearance, and compliance with all Federal, State, and local laws.

Fiscal Note: There are sufficient CDBG Housing Loan funds available to meet this request following reallocation as recommended by City Development staff. The CDBG funds shown above are inclusive of the amount previously allocated to the project through Resolution 0395-17.

Attachments: [MEMO- Gold Medal Lofts](#)

A motion was made by Mary Land, seconded by Ken Plaski that this file be recommended for approval. The motion passed by a voice vote.

[1062-18](#)

Subject: (Direct Referral) Request by Brinshore Development for a CDBG Multifamily Loan for the St. Paul Commons project. (Res. 0326-18)

Recommendation of the Loan Board of Review on 10.11.2018: That

the resolution to Brinshore Development for up to \$350,000 for eligible costs related to the St. Paul Commons project at 1% interest over 20 years contingent on cash flow be approved. Mortgage, note, and CDBG agreement to be signed at closing contingent on full project financing, environmental clearance, and compliance with all Federal, State, and local laws.

Fiscal Note: There are sufficient CDBG Housing Loan funds available to meet this request following reallocation as recommended by City Development staff.

Attachments: [MEMO- St. Paul Commons](#)

A motion was made by Marcia Fernholz, seconded by Ken Plaski that this file be recommended for approval with the amendment that the amount be up to 350,000. The motion passed by a voice vote.

[1063-18](#)

Subject: (Direct Referral) Request by Cardinal Capital Management for a CDBG Multifamily Loan for the Ajax Redevelopment at 1520 Clark Street.(Res. 0327-18)

Recommendation of the Loan Board of Review on 10-11-2018:

That the resolution to Cardinal Capital Management for \$600,000 for eligible costs related to the Ajax Redevelopment at 1% interest over 20 years contingent on cash flow be approved. Mortgage, note, and CDBG agreement to be signed at closing contingent on full project financing, environmental clearance, and compliance with all Federal, State, and local laws.

Fiscal Note: There are sufficient CDBG Housing Loan funds available to meet this request following reallocation as recommended by City Development staff.

Attachments: [MEMO- Ajax](#)

A motion was made by Ken Plaski, seconded by Mary Land that this item be recommended for approval. The motion passed by a voice vote.

[1064-18](#)

Subject: (Direct Referral) Request by J. Jeffers and Co. for a Multifamily Loan for the Horlick Lofts project at 2100 Northwestern Avenue.(Res. 0328-18)

Recommendation of the Loan Board of Review on 10-11-2018:

That the resolution to J. Jeffers and Co. for up to \$250,000 for eligible costs related to the Horlick Lofts project at 1% interest over 20 years contingent on cash flow be approved. Mortgage, note, and CDBG agreement to be signed at closing contingent on full project financing, environmental clearance, and compliance with all Federal, State, and local laws.

Fiscal Note: There are sufficient CDBG Housing Loan funds available to meet this request following reallocation as recommended by City Development staff.

Attachments: [MEMO- Horlick Lofts](#)

A motion was made by Mary Land, seconded by Ken Plaski that this item be recommended for approval with the amendment that the amount be up to 250,000. The motion passed by a voice vote.

[1065-18](#)

Subject: Request by the Manager of Housing and Community Development to transfer funds into the Multifamily Revolving Loan Fund

Staff Recommendation: That the request to transfer funds between loan pools as presented by City Development staff be approved.

Fiscal Note: There are sufficient CDBG Housing Loan funds available to meet this request.

Attachments: [Funding Pool Adjustments 10.11](#)

A motion was made by Marcia Fernholz, seconded by Ken Plaski that this file be approved. The motion passed by a voice vote.

CLOSED SESSION

IT IS INTENDED THAT THE LOAN BOARD OF REVIEW WILL CONVENE IN CLOSED SESSION PURSUANT TO WISCONSIN STATUTES §19.85(1)(f), TO DELIBERATE OR NEGOTIATE REGARDING THE PERSONAL NON-PUBLIC FINANCIAL AND CREDIT INFORMATION OF HOMEOWNERS REQUESTING HOME IMPROVEMENT LOANS BECAUSE PRIVACY REASONS REQUIRE A CLOSED SESSION.

A motion was made by Marcia Fernholz, seconded by Mary land to convene into closed session. The motion passed by the following roll call vote:

AYES: 4 - Mary Land, Marcia Fernholz, Ken Plaski and Amy Connolly

EXCUSED: 1 - David Brown

The following items were discussed in closed session:

OPEN SESSION

A motion was made by Marcia Fernholz, seconded by Ken Plaski to convene into open session. The motion passed by the following roll call vote:

AYES: 4 - Mary Land, Marcia Fernholz, Ken Plaski and Amy Connolly

EXCUSED: 1 - David Brown

[1051-18](#)

Subject: Request from Sandra Segura Gutierrez to settle balance of loan.

A motion was made by Marcia Fernholz, seconded by Ken Plaski that this file be approved with the amendment that we at least get the principal balance back. The motion passed by a voice vote.

[1059-18](#)

Subject: Request from Randy Lockhart of 2114 St. Clair Street for a loan increase.

A motion was made by Mary Land, seconded by Ken Plaski that this file be approved. The motion passed by a voice vote.

Amy Connolly moved to adjourn the meeting at 9:50 a.m.