



City of Racine

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

Meeting Minutes - Final Community Development Committee

*Mayor John Dickert, Alderman Gregory Holding,
Alderman Q.A. Shakoor II, Alderperson Krystyna Sarrazin,
Alderman Raymond DeHahn, Alderman Jim Kaplan,
Alderman Henry Perez, Anna Clementi, Joey LeGath, Sharon
Campbell
Shana Henderson, Tony Martinez, Victor Frasher, Cecilia
Anguiano*

Wednesday, January 7, 2015

6:00 PM

City Hall, Room 205

Call To Order

Mayor Dickert called the meeting to order at approximately 6:00 p.m.

PRESENT: 10 - John Dickert, QA Shakoor, Joey LeGath, Henry Perez, Anna Clementi, Shana Henderson, Tony Martinez, Sharon Campbell, Krystyna Sarrazin and Raymond DeHahn

EXCUSED: 4 - Gregory Holding, Jim Kaplan, Victor Frasher and Cecilia Anguiano

Others present:

*Brian F. O'Connell, Director of City Development
Jeff Vitton, Community Development Program Specialist*

**NOTE: Mr. Martinez left the meeting at 6:30 p.m.*

Approval of Minutes for the December 4, 2014 Meeting.

A motion was made by Ald. Shakoor, II, seconded by Ald. DeHahn, to approve the minutes, as submitted. The motion PASSED by a Voice Vote.

[14-10797](#)

Subject: (Direct Referral) Application of HALO for an allocation of HOME Funds for the renovation of 2005 Washington Avenue. (Res No. 15-0026)

Recommendation of the Community Development Committee on 12-4-14: That the application of HALO for an allocation of HOME Funds for the renovation of 2005 Washington Avenue be received and filed.

Recommendation of the Community Development Committee on 1-7-15: That the application of HALO, Inc. for an allocation of HOME funds for the renovation of 2005 Washington Avenue be approved, per staff recommendation and subject to HALO obtaining the advice and consent of the Uptown organization.

Further recommends that the Mayor and City Clerk be authorized to execute an agreement and related documents with HALO, Inc., for the HOME funds.

Fiscal Note: This action allocates \$319,200.00 in HOME Investment Partnership funds for the rehabilitation of a vacant eight-unit apartment building. Five apartments will be used by HALO for permanent supportive housing. Three units will be available to income qualified renters from the general public. Total project cost is expected to be \$626,990.00. There are HOME funds available for this purpose.

Attachments: [HALO HOME App Memo](#)

Director O'Connell introduced the item noting that it had been referred back to the Committee by the Common Council so that additional information could be presented and questions that were raised at the prior committee meeting could be answered. Jeff Vitton, Community Development Program Specialist, used a PowerPoint presentation to address several questions. Mr. Vitton clarified that the HOME assistance, although referred to as a "grant", would be a forgivable loan that will be secured by a mortgage and deed restrictions on the property and, in order to have the loan forgiven, multiple conditions must be met by HALO and the successor LLC. The PowerPoint included pictures of the current condition of the building. Discussion followed. Concerns discussed were:

*Objective qualifications and disqualifications for potential investors participating in the LLC;
Method for determining excess subsidy and recapturing any for the city as "program income";
Monitoring of the project by the City Development Department during renovation and during occupancy for compliance;
Availability of HOME funds for the project and other potential HOME projects; and
Consistency of the project with the plan for the Uptown area.*

Kevin Cookman, HALO executive director, emphasized that in addition to the agreement, mortgage, and deed restrictions with the city, HALO would have its own agreement with the investor owners' LLC that would provide for reversion of the project to HALO if the LLC is not in compliance.

A motion was made by Mr. LeGath, seconded by Ald. Shakoor, II, to recommend approval of the allocation of HOME funds to the project as requested in HALO's application and recommended by the Department of City Development. During discussion on the motion Ald. Sarrazin and Mayor Dickert asked that approval be conditioned on HALO obtaining the advice and consent of the Uptown organization on the project. Mr. LeGath and Ald. Shakoor accepted this change as a friendly amendment. The motion PASSED on a Roll Call Vote:

AYES: 8 - QA Shakoor, Joey LeGath, Henry Perez, Anna Clementi, Shana Henderson, Sharon Campbell, Krystyna Sarrazin and Raymond DeHahn

EXCUSED: 5 - Gregory Holding, Jim Kaplan, Tony Martinez, Victor Frasher and Cecilia Anguiano

NON VOTING: 1 - John Dickert

Administrative Business

[14-10801](#)

Subject: (Direct Referral) Communication from the Director of City Development requesting adoption of a Section 3 Policy for Community Development Funding.

Recommendation of the Community Development Committee on 3-5-15: That the Section 3 Implementation Plan, dated February 2015, be approved.

Further recommends that the Director of City Development be authorized to transmit the approved the Section 3 Implementation Plan to the U.S. Department of Housing and Urban Development.

Fiscal Note: N/A. Any matters affected by the Section 3 Policy will be submitted to the Council for individual action.

Attachments: [S3 Memo to CDC 2 19 15](#)
[Racine Section 3 Plan](#)

Director O'Connell explained that US HUD requires recipients of community development funds to have an adopted Section 3 policy to assure that jobs created by use of HUD funds benefit local residents and businesses. Mr. Vitton used PowerPoint presentation to provide additional explanation of the requirement. He called the members' attention to a draft implementation plan dated May 6, 2014, and a staff memorandum dated December 4, 2014, that identified the policy choices that the committee should consider. He and Director O'Connell asked that the members review the materials so that a policy and implementation plan could be recommended to the Council at the next meeting of the committee. Discussion followed.

A motion was made by Ald. DeHahn, seconded by Ald. Shakoor, II, that the item be deferred. The motion PASSED by a Voice Vote.

Meeting Schedule

Director O'Connell asked that the committee resume regular monthly meetings because the annual cycle of applications and reports was starting. He recommended that meetings be held on the third Wednesday of each month and that the next meeting be on February 18th at 6:00 p.m. He asked that members notify the department if they have conflicts with the proposed schedule.

Adjournment

There being no further business, Ald. Shakoor moved adjournment. Ald. DeHahn seconded. Mayor Dickert adjourned the meeting at 7:25 p.m.