



# City of Racine

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

## Meeting Minutes - Final Loan Board of Review

*David Brown*  
*Marcia Fernholz*  
*Robert Weber*  
*Brian O'Connell*  
*Rick Heller*

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Thursday, April 16, 2009

9:00 AM

City Hall

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### **Meeting was called to order by Chairman, Brian O'Connell at 9:00 a.m.**

**PRESENT:** 3 - Marcia Fernholz, Brian O'Connell and Rick Heller

**EXCUSED:** 2 - David Brown and Robert Weber

#### Others present:

Bill Bielefeldt, Housing Technician  
Dora Garcia, Consumer Lending Specialist  
Joy Hansche, Accountant  
Joe Heck, Assistant Director of City Development  
Alexa Haigh, Counselor, Neighborhood Housing Services  
Delegation from Racine Mutual Housing Association (RMHA)  
Linda Bybee, Executive Director of RMHA  
Ron Thomas, President of RMHA  
Michael Heidkamp, Technical Advisor, Wisconsin Partnership  
for Housing Development

### **Approval of Minutes for March 25, 2009 Meeting**

**A motion was made by Rick Heller, seconded by Marcia Fernholz to approve the minutes of March 25, 2009, as distributed. The motion passed by a voice vote.**

### **Reports**

- A. Delinquency Report
- B. Attorney's Report
- C. Financial Report
  - 1. Available Loan Funds
  - 2. Program Loan Funds
- D. Monthly Activity Report
- E. Taxes & Insurance Report
- F. Property Disposition Report

*Property disposition discussion included the acquisition of 1125 Grand Avenue from Racine County. The Loan Board of Review recommended seeking approval from the City Council to acquire this property.*

**A motion was made by Marcia Fernholz, seconded by Rick Heller to approve the reports as presented. The motion passed by a voice vote.**

## Old Business

### Neighborhood Stabilization Plan

*Mr. Heck explained that he is waiting for the release of the \$1.9 million dollars that was allocated to Racine. The funds will be used to purchase-rehab-sell foreclosed homes in the city. The Community Housing Development Organizations will focus on foreclosed properties in their respective target areas. City Development & Housing staff will choose properties on a case by case basis. Funds will also be available for private buyers of foreclosed properties to rehabilitate them.*

*Also, energy conservation dollars will be available to Racine. The Center on Wisconsin Strategy (COWS), will partner with Racine to ensure that the intended energy conservation is realized. The funds will be given in the form of a loan to improve energy conservation at residential properties. Upon completion of the work, the monthly utility bill should show the savings in energy usage. Property owners will continue to be billed and pay the same amount for their utilities, the difference between the usage and the billed amount will be applied towards repayment of the loan. As a result, the occupant won't have to pay any extra out of pocket for energy conservation.*

*Finally, the Homeless Prevention and Rapid Re-housing Program (HPRP) funds (approximately \$800,000) will be used in a variety of ways to address the prevention of homelessness such as paying escrow or deposits, or back rent to avoid eviction, paying utilities to avoid disconnection and other strategies as determined. The funds are expected in September or October of this year.*

*Updates to follow.*

## New Business

[09-3407](#)

**Subject:** Request from Racine Mutual Housing Association for changes in terms and conditions of rental rehabilitation loans.

**Recommendation of the Loan Board of Review on April 16, 2009:**  
To defer this item.

**Attachments:** [RMHA Request](#)  
[Revised RMHA Forbearance agreement.pdf](#)

*It was agreed that Racine Mutual Housing Association will draft an agreement for modification of their loans, including the moratorium on loan payments, its plan to reorganize (increase revenues & cash flow), and quarterly reports. The agreement will be presented to the Loan Board of Review for consideration at the May 21, 2009 meeting.*

**A motion was made by Marcia Fernholz, seconded by Rick Heller, that this request be deferred. The motion passed by a voice vote.**

## Homeowner Deferred Loans

[09-3441](#)

**Subject:** Request from Barbara Paap of 2335 Meachem Street to modify her loan status.

**Recommendation of the Loan Board of Review on April 16, 2009:**

To approve the loan modification; the loan will be changed to deferred status, effective April 1, 2009.

*Ms. Garcia reported that Barbara and Richard Paap were approved in October of 2008 for a loan at 3% interest-payable monthly. Richard passed away December, 2008. Considering the loss of income after the passing of her husband, her income now qualifies her for a 3% interest deferred payment loan.*

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

[09-3434](#)

**Subject:** Request from Audrey Crozier of 2933 Winthrop Avenue for a home improvement loan.

**Recommendation of the Loan Board of Review on April 16, 2009:**

To approve a home improvement 3% deferred loan up to \$25,000 for a term up to 20 years.

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

### Homeowner Fixed Interest Loans

[09-3435](#)

**Subject:** Request of Melissa F. Nelson of 200 Virginia St. for a home improvement loan.

**Recommendation of the Loan Board of Review on April 16, 2009:**

To approve a home improvement loan at 5% interest, in an amount up to \$5,000 for a term up to 10 years.

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

### Rental Assistance Loans

[09-3433](#)

**Subject:** Request from John and Sherrie Dorn of 1642 Villa St., for a Rental Assistance loan.

**Recommendations of the Loan Board of Review on April 16, 2009:**

To approve a Rental Assistance loan at 5%, in an amount up to \$30,000 for a term up to 20 years.

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

### Adjournment