

City of Racine

*City Hall
730 Washington Ave.
Racine, WI 53403*



Meeting Minutes

Thursday, July 26, 2007

9:00 AM

Room 209, City Hall

Loan Board of Review

*Marcia Fernholz
Terry Maier
Robert Weber
Brian O'Connell
Rick Heller*

Mr. O'Connell called the meeting to order at 9:05 a.m.

PRESENT: 5 - Marcia Fernholz, Terry Maier, Robert Weber, Brian O'Connell and Rick Heller

*Others Present:**Bill Bielefeldt, Housing Technician**Dora Garcia, Consumer Loan Specialist**Joy Hansche, Accountant**Joe Heck, Assistant Director of City Development**Tom Chostner, Investor***Approval of Minutes for June 28, 2007 Loan Board Meeting**

A motion was made by Terry Maier, seconded by Robert Weber to approve the Loan Board of Review Minutes of June 28, 2007. 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**

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

New Business**Homeowner Deferred Loans****[07-0963](#)**

Subject: Request from Diane Breheim of 1616 Blaine Avenue, Racine, WI 53405 for a home improvement loan.

Recommendation of the Loan Board of Review on 7-26-2007: That a homeowner deferred interest loan in an amount up to \$5,000 be approved.

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**[07-0962](#)**

Subject: Request from David and Candace Bielefeldt of 2300 Mitchell Street, Racine, WI 53403 for a home improvement loan.

Recommendation of the Loan Board of Review on 7-26-2007: That a homeowner fixed interest loan in an amount up to \$14,000 be approved.

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

[07-0964](#)

Subject: Request from April L. Gandy of 942 Superior Street, Racine, WI 53404 for a home improvement loan.

Recommendation of the Loan Board of Approval on 7-26-2007: That a homeowner fixed interest loan in an amount up to \$20,000 be approved.

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

[07-0966](#)

Subject: Request from Rebecca J. Jones of 3 Riverside Drive, Racine, WI 53404 for a home improvement loan.

Recommendation of the Loan Board of Review on 7-26-2007: That a homeowner fixed interest loan in an amount up to \$12,000 be approved.

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

Policy modifications for consideration

[07-0967](#)

Subject: Bankruptcy Policy Review

Bankruptcy - Homeowner Fixed and Deferred Interest Loan Programs
"No applicant for the homeowner fixed or deferred interest loan program who has declared bankruptcy within the past five years shall be considered." *adopted March 21, 2002*

Recommendation of the Loan Board of Review on 7-26-2007: to change the policy from five years to three years. Revised policy to read
"No applicant for the homeowner fixed or deferred interest loan program who has declared bankruptcy within the past three years shall be considered."

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

[07-0968](#)

Subject: Request to consider requiring hardwired smoke detectors as part of work specs when property is in need of an electrical upgrade.

Recommendation of the Loan Board of Review on 7-26-2007: That hardwired smoke detectors be required by policy, when an electrical upgrade is part of rehab work specs.

A motion was made by Rick Heller, seconded by Marcia Fernholz that this file be approved (and added to the Loan Board of Review Policies). The motion passed by a voice vote.

Old Business

Subject: Tom Chostner of 1400 College Avenue request to revise exit strategy. Mr. Chostner is under a financial strain and requests to deferr all loan payments and interest until the condo units are sold. As they are sold, loan repayments with interest will be made.

Recommendation of the Loan Board of Review on 7-26-2007: to defer all loan payments with interest to December 31, 2007 if the properties are not sold. Terry Maier made a motion, seconded by Marcia Fernholz (Ms. Maier reiterated that the city expects repayment of loans with interest.) Motion passed by a voice vote.

07-0579

Subject: Request from Teresita Selbera of 1214 Center Street, Racine, WI 53403 for a home improvement loan

Recommendation of the Loan Board of Review on 5-17-2007: That a fixed interest loan in an amount up to \$10,000 be approved.

New Request from Teresita Selbera for a loan increase of \$4,000 for a total of \$14,000 home improvement loan.

Recommendation of the Loan Board of Review on 7-28-2007: That a loan increase of \$4,000 for a total of \$14,000 be approved.

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

07-0578

Subject: Request from Michelle Mayfield of 2113 Harriet Street, Racine, WI 53404 for a home improvement loan

Recommendation of the Loan Board of Review on 5-17-2007: That a fixed interest loan in an amount up to \$16,000 be approved

New request from Michelle Mayfield to increase loan amount by \$1,000 for a total of \$17,000 for a home improvement loan.

Recommendation of the Loan Board of Review on 7-28-2007: That a loan increase of \$1,000 for a total of \$17,000 be approved.

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

Status Reports

A. Southside Revitalization receivership:

The City of Racine, now owns 14 properties: 3 are occupied, 4 are vacant lots and 7 are vacant units in need of rehab.

Staff is to 1) confirm that the properties are adequately insured and 2) determine loan balances on each property.

B. Lincoln School Historic Apartments: The City of Racine has recieved a \$29,000+ payment from 2006 profit and is waiting for copy of fully executed documents from the sale of the property.

C. Pointe Blue redevelopment project: a lengthy closing is in process.

D. Racine Community Outpost: Check has been delivered, loan paperwork needs to

be completed.

E. 912 Birch Street: The City of Racine now owns this property. A contract for a substantial rehabilitation of the property has been signed and work has begun. Bill Bielefeldt will oversee the project. Staff is to confirm that the property is adequately insured.

F. 1526 Washington Avenue: RCEDC is taking the lead on this project. Sellers have 30 days to vacate the property.

Adjournment