



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

Thursday, May 28, 2009

9:00 AM

City Hall

Meeting was called to order by Joe Heck at 9:00 a.m.

PRESENT: 4 - David Brown, Marcia Fernholz, Robert Weber and Brian O'Connell

EXCUSED: 1 - Rick Heller

Others present:

Bill Bielefeldt, Housing Technician

Dora Garcia, Consumer Lending Specialist

Joy Hansche, Accountant

Joe Heck, Assistant Director, Dept. of City Development

Linda Bybee and Scott McClelland from Racine Mutual Housing Association

Deborah McLemore and Pat Schumaker of Kenosha/Racine Lead Free

Community Partnership Program

Approval of Minutes for the April 16, 2009 Meeting

A motion was made by David Brown, seconded by Marcia Fernholz to approve the minutes of April 16, 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. Property Disposition Report

A motion was made by Robert Weber, seconded by David Brown to approve the reports as distributed. The motion passed by a voice vote.

Old Business

Neighborhood Stabilization Plan Update

NSP- 1 (Bush Administration)

The funds are coming (\$1.933 million), the contract is being drafted, City will have 60 days to review, sign and return it.

The Loan Board of Review will choose and approve the properties to be part of this

project.

Criteria for choosing properties will be developed by staff.

Funds will be used to acquire-rehabilitate-sell to owner occupants or to acquire-demolish.

City will work with Habitat for Humanity, Neighborhood Housing Services and Racine Housing and Neighborhood Partnership in their respective areas.

Council members will be able to access a database to check on progress of all properties.

Other Recovery Programs Update

1. Weatherization (Energy Conservation)

The target area is being determined. There are no income limits for this loan program. We will target families with higher income limits that do not qualify for a home improvement loan. Families wanting only weatherization that meet the income guidelines will be put in a traditional loan.

2. NSP- II (Obama Administration)

Requires really big grants of not less than \$5 million per grant. City is exploring a collaborative effort with Kenosha, Milwaukee, Milwaukee City, Sheboygan and others to apply for \$5 million. Application is due July 2009.

HOME Funds

Requesting that the Council approve use of HOME dollars in amount of \$340,000 to be used as loan match dollars. Loans up to \$10,000 would be matched dollar per dollar for owner occupied properties only. The grant would be a forgivable loan - secured with a mortgage, forgiven at 20% per year as long as in compliance with terms of loan. HOME funds require that the house be totally up to code upon completion of work. Bill Bielefeldt to order plumbing/electric/HVAC inspection on every property requesting HOME match funds. Property is not required to have equity for "grant match dollars" only for loan amount. Loan Board of Review and Owner to be notified when "grant match dollars" exceed equity in property. Community Development Committee to vote on this proposal tonight; Council to vote on June 2, 2009.

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 May 28, 2009:

To approve Racine Mutual Housing Association's request to change terms and conditions of the rental rehab loans as agreed upon in the RMHA Forbearance Agreement with the following changes to the agreement:

First, under Duties of the City, paragraph 2, it should be understood that all matters listed in the Forbearance Agreement should be considered city issues for which the City Representative would be present.

Second, under Duties of RMHA, item 1-k. should read "Properties sold during the quarter."

Last, under 2. Policy Update, RMHA to put their policies in writing, upon acceptance by their board, all should be reflected in their board minutes.

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

A motion was made by Robert Weber, seconded by Dave Brown that this request be approved. Motion passed by a voice vote.

New Business

09-3632

Subject: Kenosha/Racine Lead Free Community Partnership Update & Collaboration Efforts

Update: Progress in Racine has been steady. A total of 142 units have been remediated for \$1.2 million to date. The average cost per unit is \$6,868. Currently 8 units have signed contracts with work underway soon and 5 units are on the waiting list. A new proposal will be submitted to continue lead remediation in both Kenosha County and City of Racine. K/R LFCP is asking for home improvement loan "match dollars" to support their new application proposal.

Recommendation of the Loan Board of Review on May 28, 2009:

The Loan Board of Review agrees to provide a match of \$100,000 per year over three years for \$300,000 (in the form of rehabilitation loans to owners and investors seeking improvements and lead remediation) to the Kenosha/Racine Lead Free Community Partnership to support their next lead remediation application.

Fiscal Note:

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

Homeowner Fixed Interest Loans

09-3633

Subject: Request from Virginia and Jesus Zuniga of 1916 Mead Street for a home improvement loan.

Recommendation of the Loan Board of Review on May 28, 2009:

To approve a \$15,000 Homeowner Fixed Interest Loan at 3% interest for a term up to 20 years.

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

09-3635

Subject: Request from Vic and Susan Rodriguez of 2315 Taylor Avenue for a home improvement loan.

Recommendation of the Loan Board of Review on May 28, 2009:

To approve a \$15,000 Home Improvement loan at 5% interest for a term up to 20 years.

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

[09-3636](#)

Subject: Request from Don and Judith Rogalsky of 1933 Thurston Avenue for a home improvement loan.

Recommendation of the Loan Board of Review on May 28, 2009:

To approve a \$20,000 home improvement loan at 5% interest for a term up to 20 years.

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

[09-3637](#)

Subject: Request from Craig and Angela Cook of 508 16th Street for a home improvement loan.

Recommendation of the Loan Board of Review on May 28 2009:

To approve a \$6,000 home improvement loan at 5% interest for a term up to 20 years.

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

Rental Assistance Loans

[09-3638](#)

Subject: Request from John and Sherrie Dorn of 1412 Geneva Street for a Rental Assistance loan.

Recommendation of the Loan Board of Review on May 28, 2009:

To approve a \$25,000 Rental Assistance loan at 5% interest for a term up to 20 years.

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

Meeting adjourned at 10:30 a.m.

**Respectfully submitted,
Dora Garcia**