

Report of the Community Development Authority

Wednesday, February 22, 2012 – 5:00 PM
City Conference Room – 1515 Strongs Avenue

PRESENT: Chairperson Andrew J. Halverson, Mr. Paul Adamski, Mr. George Hanson, Mr. Dave Cooper, Mr. Hans Walther, Ms. Marge Molski, and Ms. Corita Onstad.

NOT PRESENT:

ALSO PRESENT: Executive Director Michael Ostrowski, Public Housing Manager Donna Bella, and Maintenance Supervisor John Neidbalski.

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1. Report of the December 20, 2011 meeting.
2. Selection of public housing resident member for the board of directors.
3. Accepting a donation of land located on Bliss Avenue (Parcel ID 2308-05-1008-03), and payment of associated donation costs.
4. Authorization for Executive Director to prepare and release a RFP to determine housing needs within the community.
5. Payment of bills.
6. Update on Centerpoint Marketplace redevelopment project.
7. Authorization for the Chairperson and Executive Director of the CDA to approve contracts and payments relating to the activities to carry out the Centerpoint Marketplace redevelopment project.
8. Adjourn.

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1. Report of the December 20, 2011 meeting.

Motion by Commissioner Molski to approve the report as presented; seconded by Commissioner Cooper. Motion carried 6-0.

2. Selection of public housing resident member for the board of directors.

Director Ostrowski indicated that at the last board meeting the commissioners wanted to interview potential candidates to fill the vacant public housing resident member. He indicated that there were two candidates: Carita Onstad and Neng Yang. Ms. Onstad was in attendance.

Ms. Onstad gave a brief overview of her background. She indicated that she has been a resident of Hi-Rise for fifteen years, she has raised seven sons, and has done a lot of volunteer work. She indicated that she would be honored to serve on the board.

Chairperson Halverson said there is a large Hmong population as well as a large elderly population. He said that selecting a resident to make sure these groups are represented is appropriate.

Commissioner Adamski said the board would have the ability to select a resident that represents a segment of the population with this term and then select another person to represent a different population the next term.

Motion by Commissioner Adamski to approve Ms. Onstad as the public housing resident member, but to look at different candidates that represent a different demographic for the next term; seconded by Commissioner Hanson. Motion carried 6-0.

3. Accepting a donation of land located on Bliss Avenue (Parcel ID 2308-05-1008-03), and payment of associated donation costs.

Director Ostrowski said he was contacted by Ann Chandler and she is looking to donate this piece of property to the City. He said that the property will not benefit the City that greatly, as it is a small vacant residential parcel, however, it could benefit the CDA, as it is in between two CDA-owned properties. He said that the CDA was looking to acquire this land in the past. He said that he would recommend accepting the property as well as paying for any donation related costs.

Motion by Chairperson Halverson to accept the donation of land located on Bliss Avenue, and payment of associated donation costs; seconded by Commissioner Walther.

Commissioner Adamski asked why the CDA wanted to acquire this land in the past. Director Ostrowski said it was in between two CDA-owned properties that have small lots and this parcel could be split to increase the yard size.

Motion carried 7-0.

4. Authorization for Executive Director to prepare and release a RFP to determine housing needs within the community.

Chairperson Halverson said this is a study specifically that deals with the needs of public housing and other housing the CDA administers.

Commissioner Walther asked if this has been done in the past. Director Ostrowski indicated that he was not aware of any previous study. He said if one was done it would be quite out of date.

Chairperson Halverson said this stemmed from previous meetings and is HUD encouraged. He said Edgewater will be a big component of this study.

Director Ostrowski said that in order to better prepare for the future, he feels that it is appropriate to do a formal housing study to determine the current and future needs of the CDA as it relates to public housing. He said the CDA owns a number of properties throughout the City and this study will help determine how the CDA moves forward with these properties. Director Ostrowski said he is planning to draft and release the RFP, and then bring the selected firm's proposal back to the board for approval.

Commissioner Adamski asked what the reason for us to do this at this time. Director Ostrowski indicated that we are seeing a thirty percent vacancy rate at Edgewater.

Public Housing Manager Bella said that Edgewater needs to pay a portion of this study because Edgewater is not public housing.

Commissioner Adamski asked what range the RFPs will come in at. Director Ostrowski said the selected firm will be brought back to the board for review and approval.

Commissioner Walther asked if Portage County has done a study. Director Ostrowski indicated that they would check with Portage County to see if they did a study.

Motion by Commissioner Adamski to approve the drafting and release of the RFP for housing needs; seconded by Commissioner Hanson. Motion carried 7-0.

5. Payment of bills.

Director Ostrowski said that the payment of bills for January 2012 were included in the commissioner's packets.

Commissioner Adamski asked what Charter Communications provides the CDA. Public Housing Manager Bella said that they provide all cable services for the residents and internet connections. She indicated that the CDA pays the charges and receives a percentage back from the residents.

Commissioner Hanson asked what the Hewlett Packard charges were in the report. Public Housing Manager Bella said they were for recent computer purchases and lease agreement.

Commissioner Adamski indicated that he would like to see a description of each expense in the future.

Public Housing Manager Bella indicated that the residents' names on the top of the form are for negative rent.

Commissioner Hanson asked about the Wolters Kluwer Law and Business charge. Public Housing Manager Bella said she thought it was for a manual that former Director Hamilton purchased.

Chairperson Halverson said the sheriff's department was for evictions. Director Ostrowski indicated that this was correct.

Chairperson Halverson asked what the charge was for Donna Bella. Public Housing Manager Bella said it was mileage expenses for the second half of 2011.

Motion by Commissioner Walther to approve the payment of bills; seconded by Commissioner Hanson. Motion carried 7-0.

6. Update on Centerpoint Marketplace redevelopment project.

Chairperson Halverson gave an update on the Centerpoint Marketplace redevelopment project. He said that the judge dismissed the case regarding the bank. He said the next step is to move forward with Mid-State Technical College and the adherence with the CDBG timeline. He said the value will still need to be decided.

Chairperson Halverson said the salon will be moving out the first part of March 2012.

7. Authorization for the Chairperson and Executive Director of the CDA to approve contracts and payments relating to the activities to carry out the Centerpoint Marketplace redevelopment project.

Chairperson Halverson indicated that there are going to be several approvals that are going to need to be made regarding letting the contracts, retaining engineers and architects, demolishing portions

of the building, rebuilding third street, and other necessary improvements related to the project. This approval would give the executive director and the chairperson the authority to carry out these activities for the CDA. Services include architectural work, engineering work, and other related work for the project including the bidding and awarding of the bids. The funds would come from the borrowing that was approved from the referendum.

Commissioner Molski asked if the approvals will go through the CDA Board and not the Council. Chairperson Halverson said it would be through the CDA Board.

Commissioner Hanson asked if the money would be coming out of the bond issue. Chairperson Halverson said that was correct.

Commissioner Adamski asked if we give you this authority that you give the board a summary of the expenses. Chairperson Halverson indicated that this would not be an issue.

Commissioner Hanson asked how long the bank has to appeal. Chairperson Halverson said that they can appeal for quite some time. Chairperson Halverson said he is not concerned with the appeal.

Chairperson Halverson said this would be broad authority.

Motion by Commissioner Adamski to grant such authority to the Chairperson and Executive Director with the condition that the Board receives monthly updates on what is approved and spent; seconded by Commissioner Molski. Motion carried 7-0.

8. Adjourn.

Commissioner Hanson asked if HABCO could come back and give an update on the audit. Public Housing Manager Bella said she would see when they are available.

Director Ostrowski said that the audit will be taking place next week and that one of the concerns going into the audit will be that Edgewater owes the public housing program approximately \$170,000, which needs to be paid back. Edgewater is not sufficient in paying its bills and debt service payments. The only money that Edgewater has is the interest from the housing trust funds. Director Ostrowski indicated that we have two more debt service payments for Edgewater, one in March 2012, and one in September 2012. After that we will start receiving some income from the rents.

Commissioner Adamski asked if we could delay the payments until we receive the housing study back. Chairperson Halverson said we cannot, we owe the public housing this money and if we do not pay it, it will be shown as a deficiency on the audit.

Director Ostrowski said that we have a balance of approximately \$292,000 in interest. With the \$167,000 payment, it would bring us to about \$124,000 left in interest.

Director Ostrowski said that he wanted to bring this to the board's attention because we have never tapped into the interest for this reason before, so he wanted to let the board know what was going to occur. Typically, the interest has only gone for housing rehab type projects. Chairperson Halverson said he was comfortable doing this until we get the debt service paid off. Director Ostrowski said one of the biggest issues is the thirty percent vacancy at Edgewater.

Director Ostrowski said that while the power is in the bylaws for him to pay the bills, he wanted to bring this to the board's attention.

Commissioner Adamski said we are very fortunate that we are paying off the debt when occupancy has become an issue.

Chairperson Halverson said that there should be money left in these accounts to pay for a portion of the housing study.

Public Housing Manager Bella said we have not seen many loans coming out of the housing trust funds or the HOORA accounts.

Director Ostrowski stated the he just applied a \$550,000 Community Development Block Grant.

Director Ostrowski said this was just an update so there is no action.

Public Housing Manager Bella said that the audit requirements have changed and this issue needs to be addressed. She said you cannot pay for another program with public housing dollars.

Commissioner Adamski said he wanted to put the investment strategy on the next agenda.

Meeting adjourned at 5:47 PM.

Chairperson

Date

Secretary

Date