

COMMUNITY DEVELOPMENT AUTHORITY
MINUTES

08/13/24

MEMBERS PRESENT: Sarah Napgezek, John Wagman, Patrick Gosz, Rachael Hass, David Welles, Chad Henke, Sarah Watson

MEMBERS ABSENT:

OTHERS PRESENT: Juli Birkenmeier, Randy Fifrick, Barb Betz, Ted Matkom – Gorman & Company via telephone, Shreedhar Ranabhat – WHEDA via telephone

(1.) Call the Meeting to Order

The meeting was called to order at 12:02 PM at 550 E. Thomas Street, Wausau, Wisconsin.

(2.) Approval of Minutes from 07/23/24

Watson made a motion to approve the 07/23/24 minutes. Wagman seconded. Motion was approved unanimously.

(3.) Discussion and Possible Action on Loan Commitment to Gorman & Company for Westside Commons (formerly West Side Battery) Property, 415 S First Avenue, Wausau – LIHTC Project –

Birkenmeier gave a brief overview of the loan commitment to Gorman & Company for gap financing for the Westside Commons LIHTC project. She noted the property was expected to close in July 2024; however, this has been postponed to August 2024. She also noted loan documents were reviewed by Anne Jacobson, City Attorney, Randy Fifrick, Liz Brodek, previous CDA director, and herself. Birkenmeier explained from this review it was discovered that the loan term was shown as a 20-year term versus the board approved 18-year term.

Birkenmeier introduced Ted Matkom, Wisconsin Market President for Gorman & Company, and Shreedhar Ranabhat, Director of Commercial Lending for Wisconsin Housing and Economic Development Authority (WHEDA), who joined the meeting via telephone to explain the alteration in the loan term. Matkom explained WHEDA recently amended its sub-debt requirements, which now require loan terms to be at least 20 years, incorporating the construction period. Matkom noted that the closing date was pushed back due to the underwriting changes with WHEDA.

Ranabhat stated that WHEDA prefers the sub-debt term to match the first mortgage of 35 years; however, WHEDA will accept a 20-year loan term. Matkom reiterated Gorman & Company anticipates repaying the CDA loan within 15-18 years as originally stated. Napgezek requested the Sources and Uses report indicating the capital stack for the project and the position of the CDA loan in the repayment stack. Birkenmeier mentioned that the only report provided for review was from August 2023 when Matkom initially requested the loan, and an updated report will be provided for board review. Matkom stated he will be able to provide one by next week. Wagman asked about collateral priority and the CDA's position relative to WHEDA. Matkom stated the CDA loan is behind WHEDA. Wells asked for clarification that the only change to the loan is extending the term to 20 years. Matkom confirmed that this is correct and that all other terms would remain as originally proposed.

Wells made a motion to amend the original loan term from an 18-year to a 20-year, maintaining the same interest rate and amortization schedule. Watson seconded. Motion was approved unanimously.

(4.) Finance Committee Report

Gosz reviewed the Chair report from the August 8, 2024, Finance Committee meeting and the WCDA's investment balances as of June 30, 2024.

Gosz reviewed the 2024 second-quarter financials for the WCDA's budgeted programs summarizing the *Year-To-Date* versus *Budget* line items and explained any budget variances. Gosz then reviewed the 2024 second-quarter financials for Riverview Towers LLC, summarizing *Year-To-Date* versus *Budget* line items and further explained any budget variances.

Lastly, Gosz reported that the Finance Committee also reviewed the salary allocation spreadsheet created by staff to ensure that the salary and benefit allocations are evaluated regularly and updated if there are changes in how an employee's time is spent. He also noted this tool is reviewed at year-end to address any potential inter-program transfers required to reconcile actual expenditures with the budget.

(5.) Operational Issues & Current Activities

Occupancy Overview – Birkenmeier reported 99% occupancy at Riverview Towers, 95% at Riverview Terrace and 98% at the Scattered Sites and said staff is currently administering 308 monthly Housing Choice Vouchers.

Scattered Sites Kitchen Countertop Replacement Project Update – Birkenmeier noted that JAS Inc., has been contracted to replace kitchen countertops at 37 of the Scattered Sites and completed the measurements for the countertops August 2, 2024. She mentioned JAS is expected to start installations for the 2024 designated units in four to six weeks. Birkenmeier furthered that the CDA is also considering replacing kitchen sinks and valves with this project, as the bid cost came in lower than expected.

NEF Annual Review Update – Riverview Towers LLC – Birkenmeier stated that the NEF (National Equity Fund) annual review was completed on August 8, 2024. She noted the NEF Asset Manager commented that she was impressed with the building and was happy to report that there were no findings.

WHEDA On-Site Review Update – Riverview Towers LLC – Birkenmeier provided the board with the August 6, 2024, letter indicating the results from the WHEDA on-site review for Riverview Towers. She stated there were no findings, and no further review is necessary. Birkenmeier mentioned the letter had suggested some policy and procedure updates which Birkenmeier forwarded to Comprehensive Compliance Solutions, the tenant file compliance company for Riverview Towers, and Tammy King for implementation.

Fulton Street – Lease Renewal to Succeed to Independence – Birkenmeier stated that a draft lease renewal for continued use of unit #3 at Fulton Street as office space by Succeed to Independence was provided to Toni Whitehouse, owner, for review. Birkenmeier noted that staff reviewed the current lease and made changes to the term, monthly rent, and insurance requirements. She stated the lease will be effective January 1, 2025, and is like the lease which was previously used for the North Central Health Care (NCHC) office space at the CDA office. She noted Whitehouse agreed to the changes and proposed rent increase, as well as the three-year term.

Riverview Terrace Housing Assistance Payment (HAP) Contract Update – Birkenmeier provided an overview of the HAP contract for Riverview Terrace concerning a resident whose total tenant payment exceeded the contract rent at their March 2024 recertification. She noted that this tenant can remain in the unit for 180 days without a HAP payment, and if the tenant's income does not change to bring them into compliance, the unit must be removed from the HAP contract. Birkenmeier stated that staff reached out to the Department of Housing and Urban Development for guidance on removing this unit from the HAP contract and provided the board with the letter

requesting this removal. She explained this unit has been converted to a market rate, and the tenant will now pay \$840 per month in rent. Birkenmeier furthered that once the tenant vacates the unit will be added back into the HAP contract.

Adjournment

Respectively submitted,

A handwritten signature in black ink, appearing to read 'SN', with a large, stylized flourish extending to the left.

Sarah Napgezek
Chair