



# City of La Crosse, Wisconsin

City Hall  
400 La Crosse Street  
La Crosse, WI 54601

## Meeting Minutes - Final

### Community Development Committee

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Wednesday, June 21, 2017

2:00 PM

3rd Floor Conference Room

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#### Call to Order, Roll Call

*Mayor called meeting to order at 2:00PM and roll call was taken*

**Present:** 7 - Tim Kabat, Barb Janssen, Linda Lee, Vacant 1, Mike Lemmon, Adam Hatfield, Phillip A. Ostrem

#### *Others present:*

*Janssen arrived at 2:06PM*

**Caroline Gregerson, Kevin Clements, Kevin Conroy, Tara Fitzgerald, Dawn Reinhart, Bernie Lenz, Stephen Matty, Krista Gallagher, Andrea Richmond, Audrey Kader, Jessica Olson, Rick Hamilton, Mark Weis, Jerry Wacek**

#### Election of Chair & Vice-Chair

*Elect Mayor as Chair & Lemmon as Vice-Chair*

**A motion was made by Ostrem, seconded by Hatfield, that the Mayor be elected Chair . The motion carried on voice vote. A motion was made by Hatfield, seconded by Lee, that Lemmon be elected Vice-Chair. The motion carried on voice vote.**

#### Approval of Minutes

[17-0812](#)

Approval of February 16, 2017 Community Development Block Grant Committee meeting minutes, April 11, 2017 Housing Rehabilitation Review Board meeting minutes and April 27, 2017 Housing Rehabilitation Review Board meeting minutes.

**Attachments:** [February 16, 2017 CDBG meeting minutes](#)  
[April 11, 2017 Housing Rehab meeting minutes](#)  
[April 27, 2017 Housing Rehab meeting minutes](#)

**A motion was made by Ostrem, seconded by Lee, that this Minutes be APPROVED . The motion carried by voice vote.**

#### Agenda Items:

[17-0777](#)

Public Hearing on the 2016 CAPER (Performance of the CDBG/HOME Program in Year 2 of the 5-Year Consolidated Plan)

**Attachments:**    [Executive Summary](#)  
                                  [Draft CAPER for Comment](#)

**Mary Jacobs from Catholic Charities attended the public hearing but had no comments.**

[17-0779](#)

Approval of 2016 CAPER

**A motion was made by Hatfield, seconded by Ostrem, that this General Item be APPROVED . The motion carried by voice vote.**

[17-0780](#)

Amend CDBG Roosevelt Loan Amount from \$450,000 to \$500,000

**Attachments:**    [Memo 6-8-17 Roosevelt School Amendment](#)  
                                  [6.15.2015 Memo](#)  
                                  [Previously Approved Loan](#)  
                                  [Signed Roosevelt School Closing Documents](#)

**A motion was made by Janssen, seconded by Ostrem, that this Resolution be APPROVED . The motion carried by voice vote. Council Member Janssen stated she was glad to see a process had been put in place to prevent this issue from happening in the future. -**

[17-0807](#)

Approval of Housing Rehabilitation Applicant 123617

**Attachments:**    [Board Summary Housing Rehab](#)

**A motion was made by Ostrem, seconded by Janssen, that this Resolution be APPROVED . The motion carried by voice vote.**

17-0781

Acquisition of 500 Mississippi Street..

*(Note: The Committee and/or Council may convene in closed session pursuant to Wis. Stat. 19.85(1)(e) to formulate & update negotiation strategies and parameters. Following such closed session, the Committees and/or Council may reconvene in open session.)*

*(Note: The Committee and/or Council may convene in closed session pursuant to Wis. Stat. 19.85(1)(g) to confer with legal counsel. Following such closed session, the Committees and/or Council may reconvene in open session.)*

**Attachments:**     [Acquisition of 500 Mississippi Street](#)

**Ostrem asked what would happen if the City does not purchase the property?  
Hamilton: he would repair the structure and pursue litigation against the City.  
The fire revealed charred rafters from a fire that occurred in 1986. He was not the owner of the property then, the City should have made the previous owner accountable for fixing the structural damage from the fire in 1986. Since the previous owner did not repair the structure properly Hamilton is being held accountable to fix the structural damages from that fire.**

**Hamilton: the week before the fire, he had contacted RHP Staff to advise that he was interested in selling his property and scheduled a time for Staff to inspect the property. At that time Hamilton advised that he was willing to sell for fair market value, less the amount of liens against the property. He was not looking to make any money on the deal but did not want to lose any. Hamilton listed some of the repairs he made while he owned the property. While the fair market value was \$94,800, the actual value of the property on the market would be \$125,000. The inspection with RHP Staff was scheduled for the day the fire occurred. Upon completion of the inspection Hamilton advised he was still interested in selling the property but now the sales price would be the difference from what he owes on the property and insurance claims, an amount to get him to \$0.00.**

**Conversations occurred regarding the property being listed on the Nuisance Property List. Hamilton advised that it was not for the structure of the property but for outside garbage and tenant behavior which have both been resolved. Hamilton mentioned getting citations from the Fire Department for compliance issues with 2 smoke detectors; which one was removed by tenant. It states in the Lease that the Tenant would be responsible for maintaining the smoke detectors. Hamilton: at one time the Fire Department had advised him that if this language is in the lease the tenant would receive the citation, not the property owner. Hamilton will be taking both citations to court, he inspected the second smoke detector and has video evidence of the smoke detector in working.**

**A motion was made by Ostrem, seconded by Janssen that this Resolution be moved to closed session. This motion carried by roll call vote. A motion was made by Ostrem, seconded by Hatfield that this Resolution be moved out of closed session. This motion carried by roll call vote.**

**A motion was made by Janssen, seconded by Ostrem that this Resolution be APPROVED with the terms that the difference in mortgage less than insurance payoff is not to exceed \$75,000. This motion carried by voice vote.**

[17-0782](#)

Acquisition of 1218-22 7th Street

**Attachments:**     [Acquisition of 1218-22 7th Street](#)

Ostrem: is the property is a nuisance property. Staff: No. Ostrem wanted to know if the drug activity occurring at the residence resulted in the eviction. Staff: yes, the incident violated the terms of the lease and impacted the tenants ability to pay rent.

Council Member Richmond stated that she would rather see funds go elsewhere.

Council Member Olson: the triplex or rear structure, was built in the 80's and still structurally sound. The City needs structurally sound rental units. Staff: the structure is in good condition, need cosmetic updating. One of the option presented is to demolish the front structure and partner with a nonprofit, such as the La Crosse Homeless Collation or Couleecap Supportive Housing, to maintain the rear structure.

The CDC asked Ostrem his opinion of the acquisition as the property is located in his district. Osterm advised that there are worse properties that are not well managed or maintained that he would like to see the funds go towards. Staff advised that the property owners are looking to sell within the next year.

A motion was made by Hatfield, seconded by Ostrem, to take **NO ACTION** on the acquisition of the property and advise the property owner to contact the City for reconsideration before listing with an agent. The motion carried by voice vote.

[17-0783](#)

Acquisition of 1612 10th Street

**Attachments:**     [Acquisition of 1612 10th Street](#)

*Offer up to FMV less HRP loan*

A motion was made by Ostrem, seconded by Lee, that this Resolution be **APPROVED** . The motion carried by voice vote.

[17-0784](#)

Acquisition of 2733 Onalaska Avenue

**Attachments:**     [Acquisition of 2733 Onalaska Avenue](#)

*Offer to purchase contingent on proper legal representation*

A motion was made by Hatfield, seconded by Ostrem, that this Resolution be **APPROVED** with the terms that the seller must provide legal paperwork demonstrating his right to sell the property. The motion carried by voice vote.

[17-0786](#)

Action on Sale of 1003 & 1007 25th Street..

*(Note: The Committee and/or Council may convene in closed session pursuant to Wis. Stat. 19.85(1)(e) to formulate & update negotiation strategies and parameters. Following such closed session, the Committees and/or Council may reconvene in open session.)*

**Attachments:**     [Disposition of 1003 & 1007 25th Street](#)  
                                  [Houseplans 25th Street](#)

**A motion was made by Ostrem, seconded by Hatfield, that this Resolution be APPROVED AS AMENDED. Buyer may not resize the lots and must seek the proper approvals to construct the approved house plans. The motion carried by voice vote.**

[17-0787](#)

Action on Sale of 1206 7th Street.

*(Note: The Committee and/or Council may convene in closed session pursuant to Wis. Stat. 19.85(1)(e) to formulate & update negotiation strategies and parameters. Following such closed session, the Committees and/or Council may reconvene in open session.)*

**Attachments:**     [Disposition of 1206 7th Street](#)  
                                  [Houseplans 1206 7th Street](#)

**Ostrem: does the buyer intend on building a garage. Buyer: they will have a detached two car garage with access off the alley alley. Staff: what type of siding they will be using. Buyer: premium vinyl siding on the house and the garage.**

**A motion was made by Hatfield, seconded by Ostrem, that this Resolution be APPROVED . The motion carried by voice vote.**

[17-0788](#)

Action on Sale of 1827 Avon Street.

*(Note: The Committee and/or Council may convene in closed session pursuant to Wis. Stat. 19.85(1)(e) to formulate & update negotiation strategies and parameters. Following such closed session, the Committees and/or Council may reconvene in open session.)*

**Attachments:**     [Disposition of 1827 Avon Street](#)  
[6-8-17 Disposition of 1827 Avon Street revised](#)

**Gregerson:** Typically Staff looks at financial info to determine what subsidy the City will offer the applicant. All applicants can be considered but historically have gone with the first applicant that provides all necessary documentation.

**Offer #1 -** Staff recommendation is to provide a 2nd mortgage in the amount of the difference of their preapprove 1st mortgage \$120,000 and the asking price \$149,200. Since the City underwriting guidelines show the buyer can have a maximum 1st mortgage of approximately \$107,500, the buyer must have \$12,500 of other funding to complete the sale.

**Mayor** asked based on your recommendations, what is the maximum 2nd mortgage from City? Staff stated \$29,200, \$35,200 if buyer is not granted the AHP funds. **Ostrem** inquired about the timing and award date of the grant? Staff advised that AHP funds are typically awarded within 14 days after receipt of an accepted offer to purchase.

**Mayor** opened the floor to the public. Council Member **Richmond** indicated that Staff did a super job with the building. water issues, drainage issues, now encountering neighbor to north having draining issues. What is liability on City? Alley not paved.

**Lenz** provided the CDC with a memorandum regarding the retaining wall. **Lenz** advised that he would be addressing the retaining wall and storm water from the alley separately. **Lenz's** conclusion is the wall is failing for two reasons. First there are gaps in bricks and second the backfill used was fine sand, not rock. The sand is finding gaps and running out base of wall. Sand is collapsing the surface surface. Wall needs to be rebuilt with stone backfill. Fixing the wall will not address the storm water issue.

**Lemmon** asked if there was drain tile on the back of the wall? **Lenz** advised yes. **Janssen** asked if the contractor is responsible to fix the wall. **Reinhart** advised that Staff has not had a chance to contact contractor yet. Yes, the contractor will be responsible for the cost of fixing the wall.

**Lenz** provided the CDC with a map of the City infrastructure impressions. **Lenz** explained there was a great depression on 1827 Avon before house built. Alley is flat and gravel. Always been a problem, but 1827 is not longer sharing solutions. The solution is to pave the alley, 60% of people have want it before design. Below 50% interest currently 30% approved. The alley can be paved in a v-form and storm drains might be able to be installed. Engineering will not draft plans without having the neighborhood agree, this way staff time and money is not wasted if not approved.

**Janssen:** Enough neighbors to put rain gardens in? **Lenz** responded that rain

gardens will not solve the problem. Janssen: Offer as incentive. Lenz: Tough to implement. Clements advised that 80% of the roof runoff of 1827 goes to front yard and street. Richmond asked to have a stipulation in listing/sales documents disclosure the drainage issue. Staff advised that there is a conditions notice that will be added to the property conditions report and that buyer will be advised through the counter offer.

Mayor advised that it would be best to take these as three separate issues 1. Action on purchase 2. Repairing the retaining wall 3. Drainage - staff look at suggesting

Mark Weis, neighbor: there was an attempt to get the alley paved 5 years ago and got 60% consent. The problem is that the houses on end don't use alley. Weis asked Staff the method they utilized to present the petition. Staff mailed the petition and request to all of the properties that abut the alley. Ostrem: are there restriction on paving the alley being it is in the floodplain? Lenz: No. Lee: do you have a cost estimate for the paving? Lenz: \$0.35-\$0.40 a linear foot. The City pays for 20% of the total cost of the project and all storm sewer costs if required. Staff: The property owners have the ability to pay in installments.

Mayor asked if the Resolution should be deferred for a month. Gregerson: the RHP issues the buyer a one year warranty on workmanship. It is the intent to have the retaining wall issue resolved and a plan for the storm water by closing. The closing date can be extended. Mayor asked Richmond to consider using the neighborhood funds to assist with the alley paving and drainage issue. Richmond: the Neighbors will oppose to use Neighborhood funds - they think it is City's issue, should be City funds.

Ostrem asked if other people aware of problems. Staff advised that the Buyers are aware of the issues with the wall but not the drainage. Weis: is concerned about the liability issues with the location of the wall and the fence on 1833. What if children fell off the wall onto the neighbors fence. Richmond: the South side of house has a railing along the property. Staff: the railing was added to South as the patio and sidewalk run along that side. Putting a fence on the North would be expensive and may require BOZA approval.

Janssen: what is the drawback on referring the resolution for 30 days. Gregerson: the buyers reserve the right to withdraw their offer and move on. It would be better to counter with the contingency to delay closing until resolved or plans in place to resolve issues.

A motion was made by Ostrem, seconded by Janssen, that this Resolution be APPROVED with the condition the wall to be repaired and approved by Engineering before closing. Direction given to Richmond to organize a meeting with the Neighbors to discuss the options for the storm water issue. The motion carried by voice vote.

## Next Meeting Date/Agenda Items

*2nd Tuesday of month at 4:00PM*

## Adjournment

*Adjourned without motion at 4:20PM*

*Notice is further given that members of other governmental bodies may be present at the above scheduled meeting to gather information about a subject over which they have decision-making responsibility.*

### **NOTICE TO PERSONS WITH A DISABILITY**

*Requests from persons with a disability who need assistance to participate in this meeting should call the City Clerk's office at (608) 789-7510 or send an email to [ADAcityclerk@cityoflacrosse.org](mailto:ADAcityclerk@cityoflacrosse.org), with as much advance notice as possible.*