



## Community Development Authority

---

Mark A. Olinger, Executive Director  
Madison Municipal Building, Suite LL100  
215 Martin Luther King, Jr. Boulevard  
Madison, Wisconsin 53703

ph (608) 266.4635    fx (608) 267.8739    TTY/TEXTNET (866) 704-2318  
email molinger@cityofmadison.com  
mail P.O. Box 2985, Madison, WI 53701-2985

**DATE:** January 14, 2008

**TO:** Members, Board of Estimates, Plan Commission, and CDBG Commission

**FROM:** Stuart Levitan, Chair,  
Community Development Authority

**SUBJECT:** Statement and Framework for Phase Two, Allied Redevelopment

{This memo was prepared for the CDA's Allied Drive Subcommittee. It was adopted by the full CDA on January 10, 2008.}

At its December meeting, the Allied Area Task Force adopted a motion that the CDA present "a statement and framework on affordability" for Phase Two prior to the January 7 neighborhood meeting. Moreover, the Common Council clearly has a very legitimate interest in knowing our plans for the land we are asking it to transfer to us. This memo is to recap some of the decisions that have already been made, and to suggest further policies and actions. I hope after discussion we can adopt a motion for me to convey to the community meeting next week.

The Council has already given us considerable guidance. In adopting Res. 07-00847, the "Affordable Housing Plan for the Allied Drive area," the Council identified target populations and ownership strategies. The Council provided further direction in Res. 07-00926, calling for 50-70 units, "a majority of them owner-occupied units (available via direct purchase, rent-to own, or other strategies that will encourage availability to low-income residents)." That resolution also provided that "redevelopment of these sites will be initiated as a joint effort between the CDA and public, non-profit, or private developers" through Requests for Proposal. The Council explicitly reaffirmed these policies and processes in Res. 07-01604.

Starting with these resolutions, and adding analysis and recommendations from various other sources (including the Project Plan for TIF District #29, the Redevelopment Plan for the Allied Drive Redevelopment District, the Comprehensive Allied Drive Neighborhood Real Estate Redevelopment Plan Proposal, the Allied Area Task Force Comments and Recommendations, the Three to Five Year Allied Area Revitalization Plan, and the Report of the Starter Home Task Force), I suggest these further goals and principles as a statement of our intent for Phase Two:

1. Affordability to be about evenly split between 30-50%, 50-80% and 80%+ of median income.

2. The majority of units should require mortgages at or below \$100,000.
3. The CDA will allocate 20% of the retained developer fee after completion of Phase One for homebuyer loans and grants.
4. The CDA may either retain or sell land allocated to Phase Two.
5. Some of the units may carry deed restrictions sharing or capping the equity from resale and/or requiring sales to an income-qualified buyer.
6. By July 15, 2008, and thereafter as appropriate, the CDA will issue RFPs to construct the following (responses may address multiple categories):
  - a. Land trust units;
  - b. Co-housing/Co-operative units;
  - c. Live/Work units;
  - d. Caregiver units;
  - e. Sweat equity units;
  - f. Cross-generational units;
  - g. Very-Low Income units;
  - h. Other defined units;
  - i. General market units.
7. In addition to standard scoring criteria, the CDA will favor proposals, which provide three or more bedrooms.
8. In addition to standard scoring criteria, the CDA will favor proposals, which offer employment and training opportunities to area residents.
9. The CDA, by itself or in partnership, will advance programs to facilitate Section 8 homeownership and homebuyer education and training.
10. The CDA will actively assist in the formation of a Homeowners Association.
11. Other than rent-to-own, Phase Two will not include rental units.
12. The CDA may transfer one or more lots back to the city for development as affordable owner-occupied housing in conjunction with the CDBG office and Commission.