



**City of Madison**  
**Meeting Minutes - Final**  
**COMMUNITY DEVELOPMENT BLOCK**  
**GRANT COMMISSION**

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

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Thursday, January 4, 2007

5:00 PM

215 Martin Luther King, Jr. Blvd.  
Room 260 (Madison Municipal Building)

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**ROLL CALL**

**Present:** Cindy Thomas, Monya A. Choudhury, Arthur V. Robinson, Steven C. Bartlett, Carl G. Silverman, Justin O. Markofski and Charlie R. Sanders

**Excused:** Tim Bruer, Santiago Rosas, Kristina L. Dux and Sophia Angelina Estante

*Others present: Hickory Hurie, Barb Constans*

**CALL TO ORDER**

*Silverman called the meeting to order at 5:05 PM.*

**WELCOME - CHAIR'S REPORT**

*Commissioners had no news or announcements to share.*

*Meeting Schedule*

*The CDBG Commission will continue to meet at 5:00 PM on the first Thursday of each month in 2007.*

*Election of a New Chair*

*Silverman asked for nominations for a new chairperson.*

*A motion was made by Thomas, seconded by Bartlett, to nominate Charlie Sanders. The Commissioners present voted unanimously to select Sanders as their new chairperson.*

*Silverman then turned the meeting over to Sanders.*

**STAFF REPORT - FOCUS ITEM**

*Discussion on resolution on department reorganization. Discussion highlights:*

- \* The commission will only be acting on the language change in this ordinance at this meeting.*
- \* Approving the ordinance change does not set any other actions in motion regarding the reorganization of Planning and Development.*
- \* Any substantive changes will go to the Common Council.*
- \* As yet, no personnel moves are involved.*
- \* Proposals for further action on the reorganization plan will probably move forward sometime later in the summer after the Common Council has received input from all committees and commissions that received the resolution on referral.*

[04859](#)

Amending Section 16.04 and relocating, amending, and renumbering Section

3.18 as Section 16.05 of the Madison General Ordinances to reflect the reorganization of the Department of Planning and Development as the Department of Economic and Community Development and to update existing references in various Chapters to reflect the changes in Department and Unit names.

**A motion was made by Silverman, seconded by Choudhury, to Return to Lead with the Following Recommendation(s) to the BOARD OF ESTIMATES Recommend approval of the basic features of the proposed reorganization, with these additional concerns and issues to be addressed during the discussion of further approvals of the reorganization plan:**

- 1) NAME:** The name of the Department and the "Economic Development" unit should be changed to reflect the broader mission of the department and the role of community-based efforts in building a healthy city and its neighborhoods. The missions to be developed for new "unit" and sub-agencies within the new "unit" should reflect the importance of community-based efforts, non-profits, and partnerships between private and public entities in the comprehensive development of the city. The organization of the new unit should also reflect a cohesive approach to community development, not a scattered one.
- 2) STAFF FIRST, THEN POLICY GROUPS:** The burden and responsibility of shaping the department structure should be assigned to, and lead by, staff and the new department's management, and not placed on the various commissions within the department. Staff should be organized and integrated as a first phase, with relationships (merger, reporting, domain clarification) among commissions to follow.
- 3) RETAIN HUD GRANT MANAGEMENT AS ONE COHERENT FUNCTION:** The CDBG Office has built a strong working relationship related to the management of HUD and other grants. This structure, function and relationship should not be fragmented.
- 4) MANAGEMENT REPORTING:** The proposed reporting relationship among top managers and the Mayor appears to be a set-up for conflicts and should be corrected. There is no focused chain of command from the Mayor. The motion passed by the following vote:

**Excused:** Bruer, Rosas, Dux and Estante

**Aye:** Thomas, Choudhury, Robinson, Bartlett, Markofski and Sanders

**Non Voting:** Silverman

## REQUEST FOR MAJOR CHANGES IN CURRENTLY FUNDED PROJECTS OR FUNDING FOR NEW PROJECTS

A. *Prairie Crossing (2006/12-D)*

*Hurie said that staff recommends re-referring this item to the next meeting.*

*Discussion highlights:*

- The Mayor has met with WHEDA's chair, and they have charted a course of action. However, they want to meet again with other stakeholders before proceeding. They have not yet scheduled that meeting.*
- Other stakeholders include WHEDA, the CDA, Community Development, Johnson Bank, and Edison, a California investment group.*
- Project Home has asked WHEDA and the City to provide financing to reduce the debt service.*
- Although postponing a decision on re-financing is bad for Project Home in the short*

run, they will be better off in the long run with better financing terms, which this proposal could provide.

· Project Home does not hold assets in other properties. Prairie Crossing is the only real property in which they have a stake.

Silverman moved to re-refer this item to a future meeting. Thomas seconded. The commission voted unanimously to approve the motion, except for absent members Bruer, Dux, Estante, and Rosas.

B. South Madison

Hurie said that staff recommends referring this item to the next meeting.

Thomas moved to refer the item. Bartlett seconded. The commission voted unanimously to approve the motion, except for absent members Bruer, Dux, Estante, and Rosas.

C. Madison Development Corporation (MDC) - Avenue Infill Development (2007/01-C), Frank Staniszewski, Executive Director, and Joe Houseman

Staniszewski said that MDC is seeking an additional \$100,000 in HOME funds for The Avenue rental project. He also said that MDC presented The Avenue project to the neighborhood, which received it favorably.

Staniszewski handed out comments to questions commissioners had about the additional \$100,000 MDC is seeking for the project. He said that The Avenue had 52 police calls for 2006. Of those 52 calls, two were duplicates and 24 were for "non-belligerent" items such as parking enforcement or checking on people (i.e., medic alert), etc., leaving a total of 26 calls for the entire 40-unit property. Also, The Avenue remains a mixed-income property, and MDC does not feel that the new project will significantly increase the concentration of LMI people because the 12 new units are only one- and two-bedroom units. MDC included proformas showing that with the additional \$100,000, the cash flow projection has a debt service coverage of 1.13 in the stabilized third year, and without the additional \$100,000 the coverage is only 1.01.

Discussion highlights:

- Fifteen more years of compliance remain on the Section 42 units.
- Use of CD HOME funds would require a 20-year LURA on assisted units.
- MDC has not gotten very far in the City's land use plan approval process because they are still trying to secure financing. They have budgeted \$22,000 for soft costs.
- Concern was raised over the use of \$100,000 of 2007 HOME funds so early in the year. However, the CD Office would not be allocating new 2007 HOME funds for this project. Funds would come either from money left over from 2006 or from revolving funds.
- For 2007, the Housing Development fund contains about \$500,000. The CD Office estimates that we will have \$500,000 to \$600,000 in new HOME funds for 2007.
- Density of LMI units at The Avenue would be about 20 units per acre, less than other comparable projects (e.g., Yahara River House).
- No land costs are tied up in the original project.
- MDC has checked out funding from Forward Community Investments, but their rates are higher than bonds.
- City Planning will decide how the proposal fits with the Emerson-Eken-East Neighborhood Plan.

Thomas moved to approve staff recommendations to fund up to the requested level of \$100,000 providing that all of the Consolidated Housing program income, capital, and administrative funds, available as of 12/31/2006, are available to the total \$326,000 project request. Silverman seconded. The motion passed with Bartlett, Markofski, Thomas, Sanders, and Silverman voting aye to approve the motion and Choudhury and Robinson voting nay. Absent were Bruer, Dux, Estante, and Rosas.

D. Common Wealth Development (CWD) (2007/01-D), Marianne Morton, Executive Director, and Paul Jasenski of CWD; Rich Arneson, Stone House Development; and Alder Judy Olson, District 6

Morton explained that Common Wealth is requesting funds to assist them in financing the development costs for the Central Park Lofts Section 42 tax credit rental housing project with Stone House Development. Morton asked Arneson to give an overview of the Central Park Lofts project.

Arneson said that Stone House purchased the former Badger Cab site in March, 2006, and received zoning approval for 76 units to be built in three- or four-story buildings with underground parking. All units will be at or below 60% CMI. Stone House has applied for WHEDA bonds, but a funding gap remains. He said Stone House brainstormed with CWD to close the financing gap using HOME CHDO and Match funds from the CD Office.

Morton said that the benefits to the neighborhood would include 14 rental units available to 50% CMI with the addition of HOME funds to the Section 42 tax credits. She said that an option to purchase would be available on 24 of the units in 20 years with the purchase price agreed upon to be close to IZ prices now, which would be very affordable in 20 years. The project will include a mix of studio, one-bedroom, and three-bedroom units. All units are currently affordable to 76% CMI. All units are also accessible, with two units being built barrier-free. Morton said that without HOME funds, all 76 units would have to be rented at market rates. With HOME funds, 24 of the 76 would remain affordable long-term. Additionally, CWD keeps the right of first refusal at resale with a 50/50 share of appreciation.

Olson said that a couple of neighborhood plans are applicable to the site because they overlap. The site plan calls for a four-story limit if affordable units are available. She said the neighborhood is enthused about the high quality of the design and the amount of open and green space on the site. The neighborhood is also enthusiastic about the three-bedroom units being on the ground floor. She also said that the site is across from the future Central Park and could easily become high-income housing, and the neighborhood is excited for a developer interested in doing low- to middle-income housing.

Discussion highlights:

- A total of 10 three-bedroom units will have first floor access with private entrances.
- The loan to CWD would be long-term deferred with no interest but with equity sharing. In 20 years, the HOME units would become part of CWD's lease-purchase program.
- CD's incentive is not so much in the appreciation of the properties as it is in maintaining affordability.
- CWD's contracts prevent sub-leasing after purchase; units must be owner-occupied.
- Funds for this project would come from available 2007 funds.
- Urgency of Section 42 deadlines make referral to another meeting inadvisable.

· Concern was raised over using so much of the available 2007 funds so early in the year. However, it was pointed out that the commission can't be sure a better project will come along later this year.

Silverman moved to approve staff recommendations to loan an additional \$214,400 of HOME and HOME match funds for development costs per the terms of the 2007 Program Framework with a friendly amendment to make funds contingent upon this project going forward, upon WHEDA approval, and upon reallocation of previously approved funds. The staff recommendations also require that CWD begin expenditure of the contract funds prior to December 31, 2007, and establish a December 31, 2008, contract completion deadline. Thomas seconded. The commission voted unanimously to approve the motion, except for absent members Bruer, Dux, Estante, and Rosas.

## APPROVAL OF MINUTES

A motion was made by Bartlett, seconded by Choudhury, to Approve the Minutes. The motion passed by the following vote:

**Excused:** Bruer, Rosas, Dux and Estante

**Aye:** Thomas, Choudhury, Robinson, Bartlett, Silverman and Sanders

**Non Voting:** Markofski

## OTHER BUSINESS FOR ACTION

A. *Issues and/or referrals to or from the Common Council*  
*There was no new action to report since the last meeting.*

B. *Reports from Committees with CDBG Commission Representation*

1. *Gardens Committee (Sanders)*

*Sanders reported that he hasn't yet attended a meeting of the Gardens Committee.*

2. *Martin Luther King Humanitarian Award Committee (Choudhury)*

*Choudhury reported that the committee selected two recipients for the award to be given on Martin Luther King, Jr. Day. She also asked commissioners to communicate concerns to her before January 21 for her to share at the next committee meeting.*

4. *Other Commission Representation*

*There was nothing to report.*

## STAFF REPORT

*January Staff Report (2007/01-A)*

*Hurie said he would have a written report for commissioners at the end of the month regarding the CD Office's financial status. The report will also include aggregates by program source.*

*Hurie said he passed out Silverman's letter regarding the three concept plans for the Allied area to Mark Olinger, the Mayor, and the Mayor's assistants.*

## ADJOURNMENT

*A motion was made by Silverman, seconded by Robinson, to adjourn the meeting. The commissioners present voted unanimously to approve the motion. The meeting*

*adjourned at 6:45 PM.*

*Respectfully submitted,  
Anne Kenny*