



City of Madison
Meeting Minutes - Final
INCLUSIONARY ZONING ADVISORY
OVERSIGHT COMMITTEE

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

Friday, December 1, 2006

8:00 AM

215 Martin Luther King, Jr. Blvd.
Room LL-110 (Madison Municipal Building)

ROLL CALL

Present: Brenda K. Konkol, Lauren Cnare, Nan Fey, Curtis V. Brink, Thomas E. Hirsch, Natalie L. Bock, Brian A. Munson, Matthew T. Miller, Marsha A. Rummel and Alex Saloutos

Absent: David Simon

Excused: Marianne S. Morton

Others present: Phil Salkin

Staff: Hickory Hurie, Barb Constans, Brad Murphy

CALL TO ORDER

Rummel called the meeting to order and reviewed the agenda.

APPROVAL OF MINUTES

The committee postponed consideration of the minutes until the next meeting.

UPDATE FROM THE SUBCOMMITTEE ON REVENUE FOREGONE/OFFSET MODELS

Munson reported that the subcommittee was still in discussion about a model to measure in simple terms the balance of revenue foregone with offsets. The subcommittee has tentatively adopted an appraisal approach to measure the 'gap' between all-market and an inclusionary project. The subcommittee will be continuing discussion of the measurement of the offsets at its next meeting.

ROLL CALL

Present: Brenda K. Konkol, Lauren Cnare, Nan Fey, Curtis V. Brink, Thomas E. Hirsch, Natalie L. Bock, Brian A. Munson, Matthew T. Miller, Marianne S. Morton, Marsha A. Rummel and Alex Saloutos

Absent: David Simon

DISCUSSION OF POLICIES DOCUMENT

Hurie and Constans identified four major changes to the 'policies' document, which is a truncated version of the 22-page policies and protocols document adopted by the Council in 2004. The current 'policies' draft focuses on the 'policies'; a second portion distributed earlier to the subcommittee is envisioned as a description of process to be refined periodically by staff.

The 'policies' document suggested four major changes from the 2004 document:

- 1. Deletion of the 'asset test.'*
- 2. Change the 'downpayment assumption' of 5 to 0% in the assumptions used to*

establish the price of an IZ unit.

3. Delineation of 'quality standards' for an acceptable off-site unit that would be a replacement for an on-site unit.

4. Suggestion of a decision-process that would provide for faster turnarounds in language in the policy document, by delegation of such changes to the Oversight Committee, as long as they comply with the ordinance.

The committee affirmed its previous action to delete the asset test as a requirement of IZ homebuyer eligibility.

The committee decided to defer any action on the 'downpayment' assumption used to calculate the IZ set price, until after view of the market study. The committee noted that changes in the downpayment assumption would decrease the IZ set price, and thus increase the likely 'gap' and hence the need for offsets. It was also noted that the current formula for pricing includes related assumptions about the purchase transaction, such as the assumption that the buyer pays only 30% of their income for housing costs.

A motion was made by Konkel, seconded by Hirsch, to leave the downpayment assumption used to calculate the IZ set price at 5%. The Committee voted unanimously in favor of the motion to retain the current 5% assumption.

The committee discussed the range of issues inherent in the calculation of property tax assumptions used to establish the IZ set price. The City assessor has indicated that his office would use the 'fair market value' of an IZ unit as the basis for property tax calculation, unless there are additional recorded agreements that would dampen the level of the resale price, such as an agreement to sell at less than market price (such as used by Common Wealth or Madison Area Community Land Trust).

ROLL CALL

Present: Brenda K. Konkel, Lauren Cnare, Nan Fey, Curtis V. Brink, Thomas E. Hirsch, Natalie L. Bock, Brian A. Munson, Matthew T. Miller, Marianne S. Morton and Marsha A. Rummel

Absent: David Simon

Excused: Alex Saloutos

A motion was made by Konkel, seconded by Fey, to change the language in the 'policies' document to refer to 'fair market value' in determining the property tax calculation used to establish the IZ unit set price. The Committee voted unanimously to adopt the recommendation.

The Committee then discussed the ideal process to make amendments to the policy document that would be both expeditious in light of new information or experience, and accountable to the Plan Commission and Common Council, and in alignment with the adopted ordinance. The committee favored the idea that the Oversight Committee, with its broad representation of the variety of interests and expertise related to inclusionary zoning and housing issues, be designated as the lead and accountable for 'policy level' changes in the document.

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Accepting recommended changes to the Inclusionary Zoning Policy Document.

A motion was made by Konkel, seconded by Brink, to Return to Lead with the Following Recommendation(s) to the PLAN COMMISSION 1) deletion of the asset test; 2) change in the language to calculate the property tax assumption based on fair market value; and 3) delegation of changes in the policy document to the Oversight Committee within the scope of the ordinance, with a period report to the Plan Commission of those changes. The motion passed by the following vote:

Absent: Simon

Excused: Saloutos

Aye: Konkel, Cnare, Fey, Brink, Hirsch, Bock, Munson, Miller and Rummel

Non Voting: Morton

ROLL CALL

Present: Brenda K. Konkel, Lauren Cnare, Nan Fey, Curtis V. Brink, Thomas E. Hirsch, Natalie L. Bock, Brian A. Munson and Matthew T. Miller

Absent: David Simon

Excused: Marianne S. Morton, Marsha A. Rummel and Alex Saloutos

Fey assumed the chair.

PARKING LOT FOR FUTURE TOPICS

1. City role in providing guarantees that would eliminate the need for private mortgage insurance payments.
2. Sources of funds for additional City downpayment assistance to buyers.
3. Update in the Attorney and Clerk's Office website versions of the adopted ordinance, and the editing to bring the materials into accord with the Court decision regarding rental housing.
4. Impact of taxation assumptions in keeping IZ units or other units 'affordable.'
5. Discussion on amenities included in the provision of an IZ unit.
6. Treatment of rental units in the offset model, and treatment of rental units involved in conversions to owner-occupancy.

SCHEDULE FOR THE NEXT MEETING

The next meeting of the committee is December 15 at 8:00 AM.

ADJOURNMENT

The committee adjourned at 9:45.

*Respectfully submitted,
Hickory Hurie*