



City of Madison

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

Meeting Minutes - Approved COMMUNITY DEVELOPMENT AUTHORITY

Thursday, December 11, 2014

4:30 PM

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

[35867](#)

SCHEDULED MEETINGS:

Finance Subcommittee: Tues., Jan. 6, Noon, LL-130 MMB
CDA Regular Meeting: Thurs., Jan. 8, 4:30pm, 313 MMB
CDA Special Meeting: Thurs., Jan. 22, 4:30pm, 313 MMB
Community Development Subcommittee: Thurs., Feb. 5, Noon, 313 MMB

CALL TO ORDER / ROLL CALL

Staff Present : Natalie Erdman, Matt Wachter, Augie Olvera and Tom Conrad

Guerra called the meeting to order at 4:35 p.m.

Present: 5 - Larry Palm; Daniel G. Guerra, Jr.; Sariah J. Daine; Dean Brassler and Kelly A. Thompson-Frater
Absent: 2 - Lucas Dailey and Lauren K. Lofton

1 APPROVAL OF MINUTES

A motion was made by Thompson-Frater, seconded by Daine, to Approve the Minutes. The motion passed by voice vote.

- 1A October 2, 2014: <http://madison.legistar.com/Calendar.aspx>
- 1B October 23, 2014: <http://madison.legistar.com/Calendar.aspx>
- 1C November 20, 2014: <http://madison.legistar.com/Calendar.aspx>

2 PUBLIC COMMENT

None

3 DISCLOSURES AND RECUSALS

None

4 [32700](#) COMMUNICATIONS

4A [36420](#) Annual Statement of Interest Form Due

The Annual Statement of Interest is due on January 6, 2015. If you have any questions, please contact Natalie Erdman or Nancy Prusaitis.

PRESENTATION OF CONSENT AGENDA:

At this time, a consent agenda will be moved with the recommendation to approve each item EXCEPT: Items 5B, 7, 9 and 10.

- 1) Items which have registrants wishing to speak.
- 2) Items which require an extraordinary or roll call vote and are not included on the consent agenda by unanimous consent.
- 3) Items which commissioner(s) have separated out for discussion/debate purposes.

A motion was made by Brassler, seconded by Thompson-Frater, to Adopt the Consent Agenda. The motion passed by voice vote.

Lucas Dailey arrived at 4:41 p.m. and Lauren Lofton arrived at 4:44 p.m.

Present: 7 - Lucas Dailey; Larry Palm; Daniel G. Guerra, Jr.; Lauren K. Lofton; Sariah J. Daine; Dean Brassler and Kelly A. Thompson-Frater

5 [17719](#) HOUSING OPERATIONS MONTHLY REPORT

5A [29695](#) Housing Operations Subcommittee Report

5B [36479](#) CDA Resolution No. 4111, authorizing the submission of documents and certifications related to the Low Rent Public Housing Program Subsidy request, and the approval of CDA's Housing Operations 2015 budget.

- Olvera said the Common Council approved the budget. HUD requires that PHA has to approve the budget. Same as last year. Added one position, upgraded another position. Instructed to increase budget for a 3% increase in salaries. Common Council approved 1.5%. (Lucas Dailey arrived at 4:41pm).
- Erdman said revenues are driven heavily by what we did the last year.
- Lauren Lofton arrived at 4:44pm.
- Olvera said the City continued to fund the same as last year. Big driver was Section 8 vouchers; we received more money and spent less on Section 8 because we didn't have as much money going out. Sequestration in 2013 drove down what we were hoping to get. Trying to build it back up. Now we have money we can spend. We now have our new wait list.
- Erdman said we also had some restricted reserves we can use.
- Ολπερα said some capital fund expenditures do show up as revenue because we know we'll be tapping into them (security expense). Erdman said those come in a separate five-year plan (capital expenses).
- Front line fees (reclassification of salaries).

- Conrad said the Section 8 inspectors have to inspect Section 8 apartments every other year. Olvera said if someone moves, we have to inspect.
- Brassler asked if Housing staff had concerns.
- Olvera said HUD just approved our budget through September. Concerned about what we're going to get in our administrative fees. Conrad said we thought we would finish this year with 79%. News from today is 72 or 73% proration. We won't hire an additional clerical person, but use Section 8 inspector to assist. Olvera said we have some reserves to tap into.

A motion was made by Guerra, Jr., seconded by Thompson-Frater, to Approve. The motion passed by voice vote.

6 [32701](#) ECONOMIC DEVELOPMENT UPDATE

7 [32703](#) CDA EXECUTIVE DIRECTOR'S REPORT

- Monona Shores transfer from LLC to CDA. Will close before end of year. \$40,000 instead of \$100,000 in taxes - negotiating with City.
- Permanent Supportive Housing Phase 1 (Rethke): Heartland - health outreach. Finalizing their plans. Under construction in April and open a year later.
 - Access Community Health & State to build staff team of five to service the tenants. Can bill Medicaid at their cost. Have met with State to bill back service.
- Permanent Supportive Housing Phase 2 - Gone through process and developer was selected (Heartland with service provider of YWCA). Have identified site on west side. Alder Skidmore is supportive. Forty apartments for families - 2, 3 and 4-bedroom apartments. Working on application for tax credits. Good bus service and access to grocery, schools. Wide range of incomes. Mixed area. Nice buffer from residential properties. Moving along in an efficient manner.
- Community Development Division ran the RFP for affordable housing properties. Three developers were awarded funds. 1) Tennyson - Tom Sather, 2) Union Corners - Gorman, and 3) McKee Road - Oakbrook.
- Housing Operations had their retreat this week. Augie did a great job at getting employees together.
- Truax closed and the equity funded last month. Under construction - 24 unit building.
- Daine asked who selects the homeless people for housing. Erdman said they are working on setting up some requirements on how they do outreach (Dane County Human Services or shelters). Take off list in order they go on.

8 [33361](#) TRUAX PARK REDEVELOPMENT UPDATE

9 [25012](#)

MOSAIC RIDGE UPDATE

- Have house on Mosaic Ridge - house moved successfully. Complete on inside, don't have driveway or garage yet. Need to move lot line because of existing storm sewers. It's possible we might lose a lot because we'll run out of space. Won't construct garage before spring. Had first open house on Sunday. Eight couples came through the hour he was there. There is one fairly promising lead who is working with a realtor. Continue to have open houses on weekends. This weekend is final class for our home buyer education classes. Out of 18 families, nine are graduating. Three are at a point where they're ready for home ownership. Working with them to put them in Mosaic Ridge, or Habitat for Humanity. Other six are in various stages. Have all made a lot of progress.
- Two lots are unprogrammed that we have not committed and are saving for Habitat for Humanity. Two people from class are candidates for those two lots.
- Met with Madison College - best house initiative is on hold.
- Survey done five years ago showed sewer line 10 feet off from where it is. It's 10 feet into the lot where we were going to put the garage. Mapping error. 35-year old storm sewer. If storm sewer were moved, it would be very expensive and we would lose trees.
- Guerra asked what the financial implication of losing a lot is - Wachter said between \$35,000-\$39,000. Might have to offer discount on first six to eight lots.
- Next open house Sunday, 1-4pm (time could change).

10 [36525](#)

CDA Resolution No. 4112, authorizing the purchase of 2230 West Broadway for an amount not to exceed \$450,000.

- Last month Council approved the transfer of \$500,000 from Tax Incremental Finance District 27.
- If we get the \$500,000 of TIF money that's available into this affordable housing development, then we don't have to use the Community Development Division (CDD) initiative money. CDD has already committed \$712,000. Staff would prefer to use TIF money and save CDD money to use elsewhere. Use all our resources.
- Buying property and agreeing to lease back to them for 99 years.
- Palm asked if this only allows the CDA to lease to Movin' out. Erdman said yes.
- Palm suggested a minor amendment to say an extended or long-term lease. Want to be clear this is a land lease.
- Lofton said this puts a limitation on what we can do.
- Erdman: Not less than 75 years or something of that nature.
- Lofton suggested terms and then extensions. Uncomfortable with how it works with RFP.
- Erdman said it's best for us to commit to do the lease.
- Palm: Is authorized to enter into a lease agreement with the successful recipient of an RFP process.

- Guerra: Remove Movin' Out from last paragraph.
- Lofton: Or add another paragraph.
- Thompson-Frater: Ask WHEDA ahead of time.
- Lofton: There is no guarantee. Accept the assignment of the option or else it terminates.
- Palm: Lease to whoever receives the RFP and gets the Section 42 tax credits.
- Dailey: Strike the last paragraph.
- Erdman: We need to get the TIF money committed this year otherwise it will close.
- Dailey left at 5:37 p.m.
- Erdman: Strike the final WHEREAS clause and strike the BE IT FURTHER RESOLVED clause. Trust that in January we will approve a lease option with them. Have authority to go forward and acquire the property.
- Thompson-Frater: If Movin' Out doesn't want this property, do we want it? Erdman said this is a decent property for affordable housing or some other use. We're a tax exempt entity so we don't have to pay taxes, just water and sewer.
- Lofton: Can vote in January on the lease option. Bigger risk is RFP.
- Erdman said we are strong believers in collaboration these days.
- Guerra said it's a Good deal - we should do it.
- Palm said he is concerned about if we do something else with it. Erdman said the actual redevelopment plan says we can buy property in the district. Approved activities of the TIF. Gives us right to acquire property.
- Erdman: Strike final WHEREAS (7th paragraph) and the BE IT FURTHER RESOLVED clause

A motion was made by Guerra, Jr., seconded by Dailey, to Approve with Amendment(s). The motion passed by voice vote.

11 [36526](#) BUSINESS BY THE COMMISSIONERS

Happy Holidays!

12 **ADJOURNMENT**

A motion was made by Guerra, Jr., seconded by Brasser, to Adjourn. The motion passed by voice vote. The meeting adjourned at 5:44 p.m.