



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes - Approved COMMUNITY DEVELOPMENT AUTHORITY

Thursday, December 13, 2012

4:30 PM

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

SCHEDULED MEETINGS

Allied Development Subcommittee: Tues., Jan. 8, Noon, 313 MMB
Housing Operations Subcommittee: Wed., Jan. 9, 4:30 p.m., 120 MMB
CDA Regular Meeting, Thurs., Jan. 10, 4:30 p.m., 260 MMB
Community Development Subcommittee: Tues., Jan. 14, Noon, 313 MMB
CDA Special Meeting: Thurs., Jan. 24, 4:30 p.m., 313 MMB

CALL TO ORDER / ROLL CALL

OTHERS PRESENT: Don Marx, Agustin Olvera, Lisa Daniels and Anne Monks

Present: 7 -

Sue Ellingson; Tim Bruer; Daniel G. Guerra, Jr.; Lauren K. Lofton; Sariah J. Daine; Stuart Levitan and Kelly A. Thompson-Frater

1 APPROVAL OF MINUTES: November 8, 2012

A motion was made by Guerra, Jr., seconded by Bruer, to Approve the Minutes of the November 8, 2012 meeting. The motion passed by voice vote.

2 PUBLIC COMMENT

None

3 DISCLOSURES AND RECUSALS

None

4 [25282](#) COMMUNICATIONS

Draft 2013 CDA Meetings Schedule - The May meeting will be held at The Village on Park.

PRESENTATION OF CONSENT AGENDA

The Consent Agenda includes all items except for numbers 5c, 9a and 11

A motion was made by Guerra, Jr., seconded by Bruer, to Adopt the Consent Agenda. The motion passed by voice vote.

Items 9 and 9a were taken out of order.

9 [20808](#)

THE VILLAGE ON PARK UDPATE

Status Report on Access:

Don Marx provided a status report on Access. Amended the Purchase of Sales Agreement. There is a defect in the title; a power line crosses the property. Working on that right now. Will close when that is done (probably January). Will begin work during the winter construction season of 2012/2013. MGE's design was wrong so it has to be redone. Needs to go to before UDC on December 19. Then it comes back to CDA for approval. He showed the CDA Board elevation drawings.

Erdman said the cost of moving the power lines is \$200,000+. Marx said it could be as high as a quarter million. Bid from Charter was \$41,000 for their part.

Guerra asked where the money come from. Erdman said it's a Capital Budget item in the 2013 budget.

Marx said the Mayor asked his staff and Erdman to meet with MG&E to get some relief on cost of relocating the lines. Erdman is coordinating a potential meeting. Bruer said we may want to work with MGE's CEO.

Marx said Access acquired the site as is. There is some oil contamination on site in the soil. The larger issue is a lot of uncontrolled fill there. Not good weight bearing capacity. Not enough capacity in the soil that would support a building without some serious settling. Have to revise their estimates on construction. Take out additional 6700 cubic feet of soil. Costs are significant - \$230,000. Applied for grant with DNR. Initial meeting positive. Would like to get some assistance from CDA. Give them cash or discount purchase price. Paid \$14.50/sq. ft. Started at \$18. Got a reasonable price on parcel. Asking \$71,500 from CDA. Difference from estimate and DNR grant.

Bruer said this will spur other development for the TIF around it.

Bruer thanked Marx and his staff for their tremendous work on the building bulldozed on Park Street.

9a [28535](#)

CDA Resolution No. 4014, authorizing the execution of a lease with Lane's Bakery for rental space at The Village on Park and authorizing expenditure of funds for landlord work.

Erdman stated that Lanes Bakery could not afford the rent on the space. Need to pay \$12.90/SF. Entered into new negotiation for 3,775 sq. ft. Taking smaller space, reducing our tenant finish contribution, negotiated rate of \$15.80. Economics for us are not far off from where we were before.

Guerra recused himself from this item.

Provide them with \$135,000 instead of \$175,000 for tenant improvements.

We get to review their plans. Advance 1/3rd, then review work, then advance them second third.

Vacant space - 1,250 sq. ft., will be enough for another retail space. They're taking more back space. Have interest from a tenant in new space. Rounded space right next to Atrium. Not part of contaminated part. This is 1st floor.

Bruer said this is a tremendous use for the space.

Daine asked if they will have to leave when contamination is being remediated. Erdman said no; the work is being done on the second floor and the space can be air locked.

A motion was made by Bruer, seconded by Levitan, to Approve. The motion passed by the following vote:

Ayes: 6 -

Sue Ellingson; Tim Bruer; Lauren K. Lofton; Sariah J. Daine; Stuart Levitan and Kelly A. Thompson-Frater

Recused: 1 -

Daniel G. Guerra, Jr.

5 HOUSING OPERATIONS SUBCOMMITTEE REPORT

5a [17719](#) HOUSING OPERATIONS MONTHLY REPORT

5b [28569](#) CDA Resolution No. 4013 - Approving a contract for snow plowing services for Low Rent Public Housing, Parkside and Karabis developments

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

5c [28635](#) Presentation on Housing Operations by Agustin Olvera

Handouts (3) attached from Olvera.

Olvera referred to the chart with addresses of properties owned by the CDA, age, type of housing, BR size. Some aren't public housing, but subsidized rent from WHEDA.

Fair market rent from WHEDA projects. Have to report what we get for rent. That will vary depending on the ability of the tenant to pay rent. Roughly about 100 scattered sites - SF homes, duplexes, four plexes. Costs more to operate scattered sites.

Thompson-Frater asked if there was a report on the condition of the properties.

Olvera said that HUD is going to be asking us to do a Physical Needs

Assessment, but asked us to wait because they're coming up with a new format. HUD knows there is a big need to renovate public housing. Have Five-Year Plan that outlines what we'd like to do over the next five years with cost estimates.

Lauren Lofton left at 5:25 p.m.

Erdman said there are three amps that operate groups of housing with a manager and staff for each of those. Numbers are kept for each of those amps. There are a couple of large sites and then scattered sites (Truax: 156 units of housing, Webb-Rethke: 41), Romnes on the West side.

Olvera said that Tenney is generally Elderly, Romnes-Elderly, and Parkside-generally disabled (over 50 years of age and with a disability).

RESIDENT CHARACTERISTICS REPORTS

Most residents are extremely low income (30%). Majority of people making less than \$20,000. Majority of people paying less than \$350 in rent. Average total tenant payment \$331. Both Section 8 and Public Housing. Very little difference in characteristics between Section 8 and public housing tenants. Majority we serve are African American, with a small Latino population.

Thompson-Frater requested that this be separated out for the January meeting.

Guerra asked why the Latino population is so low. Olvera responded that there are issues of documentation - Social Security # is required. Daniels stated that one member of the household has to be a US citizen. Erdman stated there is also criteria about how many people per BR. Daniels said rent is also pro-rated. If any members are non-citizens, we're required to charge them the full rent. Mixed family - HUD requires pro-ration on their rent calculation. Anne Monks: Population of Latino community is substantial in schools.

Guerra asked about the demographic of pending applications. Olvera said it's consistent with our current applications.

Guerra is interested in thoughts about scattered sites and efficiencies of our current portfolio and what we can do to help people further.

Guerra left at 5:40 p.m.

Erdman stated that 60% served by public housing are elderly and disabled. 2700 families receiving subsidies. 64% are getting SS/SSI or pension.

FINANCIAL INFORMATION FROM PAST FIVE YEARS:

Rents from 2007 to 2011 are basically the same.

Income Expenses - Do have some reserves. Cash Public Housing is a concern. HUD would like to see us at this level minimally. Would be nice to

add to it. Want to try to build up reserve. Would like to do more at Parkside.

Levitan asked why salaries go down by \$70,000, benefits go down by \$4,000. Olvera said benefits are going down because employees are required to pay more for their benefit packages. A painter retired and another employee left. Some of our staffing went down.

Erdman stated Karabis is restricted, Parkside is unrestricted. Cash reserves if we get less money from HUD.

Olvera was told that for Section 8, we'll get same money as last year. 75% of administrative fees for first few months until we know what's going to happen with the budget.

Erdman stated there is \$800,000 in capital funds, \$150,000 for security, \$100,000 for operations. \$550,000 to maintain 750 units of public housing. 50-year old housing that gets more expensive to operate.

Olvera said HUD is not giving out any new funding for public housing. Most of the time they give vouchers when buildings are demolished (New York & Chicago). HUD is doing more monitoring electronically. Don't want staffing. Public housing is inefficient. Costs are the same as other demographics on a national level. Capital Fund Program is money that comes to us every year for major improvements to help keep up our public housing. Requiring new Physical Needs Assessment to keep track of the repairs that need to be made. Congress likes housing choice voucher program. Cap on that because need is so great. Had to reduce number of vouchers we had in use. Have been able to increase our voucher numbers. Try to make sure we spend as much money as they give us otherwise the next year they will give us less. Dane County's voucher numbers were reduced.

Talk of assisted housing at Burr Oaks.

Don't know educational level of residents. Should we be doing more surveys? What are their particular needs? Have some social workers, but are more like apartment managers. Can't force assistance on anybody. Will try to create little boutique programs. Stable right now, but concerns for the future.

Lisa Daniels - About 70+% denial rate.

- 6 [25284](#) **ECONOMIC DEVELOPMENT STATUS REPORT**
- 7 [25285](#) **ALLIED DEVELOPMENT SUBCOMMITTEE REPORT**
- 8 [25286](#) **COMMUNITY DEVELOPMENT SUBCOMMITTEE REPORT**

- 10 **BUSINESS BY COMMISSIONERS**

11 **ADJOURNMENT**

A motion was made by Daine, seconded by Ellingson, to Adjourn. The motion passed by voice vote. The meeting adjourned at 6:13 p.m.