



City of Madison Proceedings - Final

City of Madison
Madison, WI 53703
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COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION

Thursday, April 6, 2006

5:00 PM

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

ROLL CALL

Present: Ald. Austin W. King, Ald. Cindy Thomas, Kristina L. Dux, Sophia Angelina Estante, Carl G. Silverman, Justin O. Markofski and Charlie R. Sanders

Absent: Ald. Santiago Rosas

Excused: Arthur V. Robinson and Steven C. Bartlett

Others Present: Hickory Hurie, Barb Constans

WELCOME- CHAIR'S REPORT

Estante called the meeting to order at 5:05 PM.

Commissioners had no news or announcements to share with the group.

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

A. *Habitat for Humanity (2006/04-A)*

Miller passed around information on Habitat's Twin Oaks development and gave an overview of the project, which Habitat started developing in 2002 on 40 acres of vacant land. Habitat designed Twin Oaks to provide 140 housing units to mixed-income individuals/families with 70 affordable units and 70 market rate units. Miller said that the Community Development Office has been involved since the beginning of the project, loaning \$700,000 in EDI/NI funds to Habitat in 2002 for Twin Oaks. Habitat now loans those EDI/NI funds in increments to assist individuals/families in purchasing the homes they have built. Miller said that the 2002 EDI funds were used to create the infrastructure (e.g., sewers) at the Twin Oaks development and also for constructing 11 single-family homes. Habitat is now seeking \$363,000 in CD funds to complete its second batch of homes at Twin Oaks at \$33,000 per home.

Discussion highlights:

- Two other non-profits have purchased land from Habitat to build homes for resale to lower income individuals/families.*
- Habitat sold lots to 15 different private builders who have put up a variety of different homes ranging in price from \$170,000 to \$240,000.*
- District 16 Alder Judy Compton is concerned that an area of low-income concentration is being created, but Miller said the project has proven that not to be the case with its mix of condo and detached units and incomes.*
- Alder Compton is also concerned that this request for money from Habitat will take funds away from the Wisconsin Partnership for Housing Development's (WPHD) project at Twin Oaks, but Hurie said enough funds are available for both projects.*
- Land use restriction agreements (LURA's) keep the land as affordable for 10 years,*

and Habitat has the right of first refusal.

- All homes are sold at their assessed values; the affordable ones have two silent deferred mortgages, one from the City for its contribution of funds to make the home affordable and one from Habitat.
- Habitat families typically have long tenure in their homes.
- Habitat homeowners get all the value of the house at sale, minus the City's loan (with its accrued value) and Habitat's loan (at face value).
- Habitat's success in fundraising and land development is the reason they have been able to create 36 affordable housing opportunities at \$33,000 per unit, as opposed to the CD Framework maximum of \$44,000 per unit.
- King said the 50:50 mix of affordable and market rate homes is excellent.

King moved to approve staff recommendations to loan Habitat \$363,000 for new construction of 11 homes, at \$33,000 per home and require that Habitat pass the funds through to the buyers following the underwriting and security rules of the CD Office Program Framework. Staff recommendations also require one of the houses to be constructed as a barrier free house. Silverman seconded. The motion passed unanimously.

B. Arboretum Cohousing and Habitat for Humanity (2006/04-B)

This item will be postponed until the May meeting.

APPROVAL OF MINUTES

Silverman moved to approve the minutes from the March 2, 2006, meeting. King seconded. The motion passed unanimously.

CONFLICT OF INTEREST ISSUES

Present: Ald. Austin W. King, Ald. Cindy Thomas, Kristina L. Dux, Sophia Angelina Estante, Carl G. Silverman and Charlie R. Sanders

Absent: Ald. Santiago Rosas

Excused: Arthur V. Robinson and Steven C. Bartlett

Recused: Justin O. Markofski

Markofski left the meeting at 5:45 PM before the Commission began discussion of the next item.

A. Conflict of interest waiver request for Justin Markofski for the Madison Area CLT Troy Gardens project

Hurie explained to commissioners that CDBG adopted rules for handling conflict of interest issues based on HUD requirements. The rules basically state that staff would present a COI issue to the Commission, and if the Commission took no action, staff would ask HUD for waiver to the conflict of interest. Hurie said that the Commission itself could not make the decision about whether to waive a conflict of interest because only HUD has the authority to make an exception. Hurie said HUD uses five criteria in determining whether a conflict of interest can be waived. They include (1) abstention from voting on the part of the interested party, (2) public announcement of the potential conflict, (3) whether or not the issue involves something that is open to the public (4) whether or not the interested party meets criteria without special treatment, and (5) whether or not a relationship existed before action.

Hurie explained Justin Markofski's interest in purchasing a home through Madison Area CLT's Troy Gardens project. Hurie said that the CLT and Markofski have taken initial steps to make a public declaration of the potential conflict of interest at both the CLT board and CDBG Commission meetings. Markofski has recused himself from participation in CDBG Commission discussions of the project and its funding. The CLT has publicly advertised the availability of the Troy Gardens units and has given no special treatment to Markofski that is not already available to the general public.

The Commission took no action on this conflict of interest issue, so staff will proceed to ask HUD for a waiver for Markofski to purchase a Troy Gardens home.

B. Conflict of interest waiver request for Connie Kilmark for the Madison Area CLT Troy Gardens project

Hurie explained the CLT's request for approval of a recommendation to HUD for a waiver of conflict of interest provisions with respect to Connie Kilmark, long-time member of CLT's board of directors, and her adult daughter, Kristin Kilmark, who seeks to purchase a HUD-assisted dwelling unit under construction at Troy Gardens. Hurie noted that CLT has taken the initial steps to make a public declaration of the potential conflict of interest at a CLT board meeting. Connie Kilmark has recused herself from participation in CLT buyer selection discussions. The CLT has also publicly advertised the availability of the Troy Gardens units and has given no special treatment to Ms. Kilmark that is not already available to the general public.

The Commission took no action on the conflict of interest issue, so staff will proceed to ask HUD for a waiver for Kristin Kilmark to purchase a Troy Gardens home.

Hearing no substantive issues raised by the Commission, Constans said she would take the minutes of this meeting to the City Attorney to make sure there are no State of Wisconsin conflict of interest issues, and then staff would move forward with requests to HUD for waivers of conflict of interest provisions for both Markofski and Kilmark.

Markofski returned to the meeting at 5:55 PM.

Present: Ald. Austin W. King, Ald. Cindy Thomas, Kristina L. Dux, Sophia Angelina Estante, Carl G. Silverman, Justin O. Markofski and Charlie R. Sanders

Absent: Ald. Santiago Rosas

Excused: Arthur V. Robinson and Steven C. Bartlett

OTHER BUSINESS FOR ACTION

A. Issues and/or referrals to or from the Common Council

Hurie said the Council has approved both the 2007-2008 Framework and Prairie Crossing's request to refinance a portion of its first mortgage contingent upon WHEDA participation in the refinancing and CDA provision of place-based housing vouchers to help improve the stability of the project.

1. Report of the Joint Community Development/Office of Community Services (OCS) study group proposed in the 2006 Executive Budget

Discussion highlights:

· Estante asked Commission and staff to better advertise Community Development's programs to the City and the Common Council so that the CD Office receives the same

- funding consideration that OCS seems to receive when the City decides its budget.*
- *King said that the Common Council Organizational Committee (CCOC) could address the issue of the number of committees that OCS staffs for its various programs.*
 - *Constans said that Community Development hasn't been competitive in seeking City funds, but OCS gets funds by the way they present themselves and their budget within the City Executive Budget.*
 - *Silverman said he thinks OCS is acting unprofessionally in the way they present their budget to the City. He said he doesn't agree with the P.R. methods OCS uses to gain funding support for their programs.*
 - *Estante asked King when would be the best time to ask the CCOC to review the status of OCS's committees. King said it would be best to wait until the new CCOC is situated and the new Council president is elected.*
 - *King also asked Hurie if a review of all the committees is something that Mark Olinger could order as director of the Department of Planning and Development. Hurie said he was not sure.*
 - *Estante said the CDBG Commission should work out the details of CCOC involvement in this issue at a future meeting.*

B. Review of Summer Review Process Schedule (2006/03-D)

Cindy Thomas will give a brief overview of the application review process.

Thomas explained the steps to the summer process. She said the commissioners will each receive a large three-ring binder holding all the applications after agencies turn them in to the CD Office. Commissioners will also receive evaluation forms that they should use when reviewing applications. Each agency will present its application at one of three meetings in at the end of June and beginning of July based on the type of programming they are proposing. At the first meeting, agencies with economic development proposals and funding requests for neighborhood centers will present their applications. The second meeting will be for access and homeless services proposals, and the third meeting will be for housing proposals. Thomas advised commissioners to read thoroughly each application before the meeting during which that particular application will be discussed.

Thomas said commissioners will be asked to evaluate and rank each application on a special form provided by the CD Office. She suggested that commissioners use pencil to write on the evaluation forms instead of ink in case they change their minds about a proposal later on. Thomas said that commissioners should pay special attention to the program description in each application because it is the meat of the material. She suggested commissioners also look at the revenue sheet in each application (Application Summary-B) to get an idea of how much money other funders are providing to the agency for each program. Thomas said commissioners should make sure that their ranking of the proposals will allow staff to see which ones stand out. She said that sometimes the agency's presentation answers questions she has formed during her reading of the application and changes how she ends up evaluating the proposal.

Hurie said that each presentation would take approximately 15 minutes, consisting of a five-minute overview of the project by the agency and 10 minutes of follow-up questions from the commissioners. He said the presentation meetings usually take about three-and-a-half hours.

Estante encouraged commissioners to apply their own biases to each of their evaluations so that everyone will get an idea of the different perspectives that might exist for each project.

C. Reports from Committees with CDBG Commission Representation

1. Housing Committee (King)

There was nothing to report.

2. Gardens Committee (Estante)

There was nothing to report.

3. Martin Luther King Humanitarian Award Committee (Estante)

There was nothing to report.

4. Other Commission Representation

There was nothing to report.

STAFF REPORT

April Staff Report (2006/04-E)

D. Status of current projects.

Hurie said that CD staff has been working with the Planning Unit staff to decide where the next neighborhood planning process should be. The process, which could last from 12 to 24 months, involves focusing on an area about the size of a census tract and developing a plan for the neighborhood. Hurie said that 21 of these neighborhood plans have been done over the years. In trying to select an area for the upcoming process, Hurie said the Planning Unit and CD Office looked at areas that have not had recent plans and where residents show interest in potential opportunities available through the planning process. Hurie said three areas popped up as potential areas to begin a new neighborhood planning process: (1) the area around Hilldale where there are physical layout issues in relationship to the neighborhood and many elderly LMI; (2) Vilas neighborhood (C.T. 12) where residents have expressed interest in updating their neighborhood plan, which was done 15 years ago; and (3) the area south of the Beltline on Raymond Road and Hammersley Avenue where there are pockets of LMI and assisted housing sites. The challenge in the Raymond/Hammersley area is to get people to feel connected in the community.

Hurie said that CD and Planning Unit staff has selected the southwest Raymond/Hammersley neighborhood for the next planning process because it meets more of the goals that both offices have. He said Vilas is part of a larger census tract and the City would not want to concentrate on just the Vilas area apart from the entire census tract. Additionally, some other planning resources might be available from the Planning Department for the Vilas area. The Hilldale area is basically an area that is ripe for planning driven by developments in the area. The focus in that area would, therefore, be more on physical development than on neighborhood planning.

Hurie said the southwest neighborhood would include Gammon Road and McKenna Boulevard, as well as Elver Park.

Hurie said that if commissioners were comfortable with the direction of the Planning Unit and CD Office in selecting the southwest neighborhood, then the two offices would talk to the alders representing the area and then proceed with a resolution to the Council that would be referred back to the CDBG Commission. Hurie said the Planning Unit and

CD Office would also involve the four neighborhood associations in the area to participate in the process. Those neighborhood associations include Orchard Ridge, Greentree, Prairie Hill, and Meadowood.

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Recommending the selection of portions of census tract 4.04 and 5.01 (Southwest) as the focus for a concentration neighborhood planning process and the appointment of a steering committee of residents and business representatives to help develop a neighborhood plan for the area.

A motion was made by Ald. King, seconded by Ald. Thomas, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by the following vote:

Absent: Rosas

Excused: Robinson and Bartlett

Aye: King, Thomas, Dux, Estante, Silverman, Markofski and Sanders

ADJOURNMENT

Markofski said he would like to have the Housing Trust Fund on the next agenda for discussion.

King moved to adjourn the meeting. Markofski seconded. The motion passed unanimously, and the meeting adjourned at 7:25 PM.

*Respectfully submitted,
Anne Kenny*