



# City of Madison

City of Madison  
Madison, WI 53703  
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## Meeting Minutes - Approved COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE

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Thursday, July 24, 2014

5:00 PM

Room 260 MMB  
215 Martin Luther King Jr. Blvd.

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### CALL TO ORDER / ROLL CALL

STAFF: Mary Charnitz, Nancy Dungan, Anne Kenny, Mike Miller, Susan Morrison, Laura Noel, Jim O'Keefe, Linette Rhodes, Julie Spears

### CALL TO ORDER / ROLL CALL

Markofski called the meeting to order at 5:03 p.m.

### PUBLIC COMMENT

There was no public comment.

### DISCLOSURES AND RECUSALS

Markofski disclosed that he purchased a home at Troy Gardens from Madison Area CLT (MACLT) about eight years ago and that MACLT owns the land his house is situated on. He said he would neither rate the proposal they submitted nor vote on its funding to avoid a potential conflict of interest.

O'Callaghan recused himself from participation in the presentation and discussion on Madison Black Chamber of Commerce because he provides pro bono service to them.

[34869](#)

CDBG Chair report

Markofski went over some housekeeping items for the Summer Process, especially regarding attendance for quorum.

Ald. Cheeks arrived at 5:05 p.m.

**Present:** 7 - Maurice S. Cheeks; Lauren Cnare; Matthew J. Phair; Colin A. Bowden; Justin O. Markofski; Daniel A. O'Callaghan and Russ Whitesel

**Excused:** 2 - Ben M. Van Pelt and Monya A. Choudhury

[34869](#)

CDBG Chair report

There's a time conflict with alders for the meeting scheduled for July 29, 2014 in that they will have to leave the meeting by 6:45 p.m. to attend another meeting. Ald. Cnare suggested moving the meeting on July 29 up from 5:00 p.m. to 4:00 p.m. to accommodate alders' having to leave early. O'Callaghan

suggested meeting at 4:30 instead. Committee members agreed to 4:30. There is still a meeting scheduled for June 30 if necessary.

## PRESENTATIONS

### [34683](#)

2015 - 2016 CDD Funding Process - 1.2 Housing Assistance. The Committee will hear brief presentations from applicants for 2015 - 2016 funds. Agencies will be limited to a 5 minute presentation. An additional 10 minutes is allotted for Committee members to ask questions.

#### **Fair Housing Center of Greater Madison/Milwaukee Fair Housing Services**

**William Tisdale, President and CEO of the Metropolitan Milwaukee Fair Housing Council, introduced Erica Sanders, Director of Programs, and gave some background on the organization, which was founded in October 1977. The focus of the organization is the enforcement of federal, state, and local fair housing laws with their major focus being housing discrimination and its elimination. Their program components include enforcement and outreach and education. They opened a satellite office in Madison in 1998, which conducts investigations in the city. They also provide trainings to rental owners and managers in the city.**

#### **Discussion highlights:**

- In 2013, they had two settlements in the city of Madison, one based on family status and another one based on race and familial status. In the second case, the complainant received \$47,000 in monetary damages.

#### **CDA Mosaic Ridge Homeownership**

**Matt Wachter said that as part of its agreement with the City, CDA is developing rental and homeownership opportunities in the Allied Drive area. The homeownership goal was to provide one-third of the homes at market rate, one-third at 50-80% AMI, and one-third below 50% AMI. With this proposal, they're seeking funds to assist with the households below 50% AMI. The households above 80% will pay full price. For households between 50-80% AMI, CDA will discount part of the land. For those below 50% AMI, CDA will construct the homes and sell them directly to the owners. Eighteen families are undergoing homeownership training and credit counseling.**

#### **Discussion highlights:**

- Buyers go through a year-long preparation involving credit counseling and repair.
- Many of the homebuyers are already Allied residents.
- CDA will not put LURAs in place for long-term affordability. They feel that if the homes turn at market rate, then that would be a success.
- Homes are very high quality and shouldn't present maintenance issues for homebuyers in the foreseeable future.

#### **Common Wealth Development (CWD) Rental Housing**

**Marianne Morton explained that they are requesting funding to acquire and rehab eight units of rental housing in southwest Madison in 2015 and an additional eight units in 2016. CWD has a 35-year track record of developing affordable housing in Madison. In 2013, they made a strategic decision to bring**

their successful model of revitalization to southwest Madison. They were invited in by the southwest partnership, which included Joining Forces for Families, Public Health, and Orchard Ridge United Church of Christ. They've rehabbed two four-unit buildings adjacent to one another on Leland.

Paul Jasenski passed around photos of their rehabbed projects on Leland and explained the rehab process. They've been doing about \$20,000 worth of work inside the units and have worked with Operation Fresh Start's Grad Crew.

**Discussion highlights:**

- CWD hopes to have more of a presence in the southwest area as it gets more involved in the region. Their goal in the southwest area is to maintain units as long-term affordable.
- They try not to displace tenants as they rehab the buildings.
- They can rehab about two four-units or one eight-unit building per year.

**34688**

2015 - 2016 CDD Funding Process - 1.1 Housing Supply. The Committee will hear brief presentations from applicants for 2015 - 2016 funds. Agencies will be limited to a 5 minute presentation. An additional 10 minutes is allotted for Committee members to ask questions.

**34837**

2015 - 2016 CDD Funding Process - 2.2 Small Business Development. The Committee will hear brief presentations from applicants for 2015 - 2016 funds. Agencies will be limited to a 5 minute presentation. An additional 10 minutes is allotted for Committee members to ask questions.

**O'Callaghan recused himself from the whole category because of a conflict with Madison Black Chamber of Commerce and stepped out of the meeting at 7:25 p.m.**

**Madison Black Chamber of Commerce (MBCC) Entrepreneur Technical Assistance**

Joseph Roy, President, Lori Mann Carey, Treasurer, and Camille Carter, Executive Board Member, gave background on MBCC. Roy said that MBCC is here to help Madison black businesses to grow and succeed. Mann Carey said they've been in existence for about 10 years and consider themselves a resource for African American or black businesses either in startup stages or to continue operating. They hold information sessions, business boot camps, and various activities throughout the year to help businesses to grow. Carter said they are doing a great deal of marketing and promotion of the Chamber. They will be having a black business expo in September, which will be a first in Madison.

**Discussion highlights:**

- MBCC has asked for an increase in funds for staffing. Doing work as a volunteer organization is virtually impossible. Roy said they've hired an executive assistant and an executive director to help do the work.
- MBCC has been doing more fundraising, which is reflected in the budget.
- MBCC has over 300 members who are mostly business owners and independent proprietors who are at or below 80% AMI.
- MBCC is still a young organization and still growing, and it's their intent to fundraise more money in the future toward self-sufficiency.

**Wisconsin Women's Business Initiative Corporation (WWBIC) Business Owner**

Julann Jatczak Vice President, handed out WWBIC's class schedule, introduced An Nguyen, Loan Officer, and Arlene Bollig, who provides business counseling primarily in Spanish. WWBIC works with entrepreneurs interested in starting or growing their businesses. WWBIC is asking for continued funding to provide micro-loans to micro-entrepreneurs, as well as ongoing technical assistance to support those loans. Bollig said that 22% of their clients are Spanish-speaking individuals, so they need to provide services for them. Nguyen said WWBIC provides not only funding for businesses but also technical assistance. He gave statistics of the number of businesses and clients they've assisted. Jatczak said that more than half of their requested funds would go to loan funds and the remainder to training.

Discussion highlights:

- Most loans are for four years. They write nine new loans every year with CDBG funds, and they leverage CDBG funds with other funds.
- WWBIC started 27 years ago with a focus on women-owned businesses, which are still considered disadvantaged.
- More than 90% of loans are repaid. They've lent to more than 60 entrepreneurs in Madison and only eight loans have been written off in 10 years.
- WWBIC is always looking to me more self-reliant, but it's hard to their programs would be hard to sustain without outside funding.

Latino Chamber of Commerce (LCC) Business Development and Assistance and Business Micro-Incubator

Juan Jose Lopez, Board Vice President, said LCC is now in its tenth year and has served over 370 people with networking, consultation, and seminars. LCC partners with WWBIC, the Latino Workforce Academy, and MBCC. They're asking \$35,000 for technical assistance and support. They focus on helping Latino entrepreneurs and businesses so they can grow and prosper. They will hold 12 networking events, help Latino businesses create jobs, and provide technical assistance and support.

Julia Arata-Fratta, Board President, explained LCC's second program request for \$25,000 to create a Latino business micro-incubator to assist small businesses with focused technical assistance. They would need to rent additional space for the incubator. Mayra Medrano said that the incubator will allow LCC to focus on each individual business's needs.

Tania Ibarra, Board Treasurer, addressed LCC's self-sufficiency. LCC triples CDBG's 29% funding in their budget. Lopez said that LCC has had a very successful relationship with the City and wants to continue the relationship to assist Latino businesses to grow and prosper.

Discussion highlights:

- Arata-Fratta said CDBG funds are 29% of their budget. They successfully fundraise through their annual Gala and receive 22% of their budget from members' dues and fees.
- The business incubator would allow LCC to focus and tailor their technical assistance to each business. Centro Hispano has space for LCC to rent for the incubator.
- Immigration reform would lift many barriers to Latino businesses. A

lowered graduation rate of 63% among Latinos is a barrier to success, as is the lack of culturally specific and culturally competent services.

## BUSINESS ITEMS

**Dan O'Callaghan recused himself from this proposal and the following one from Design Coalition and stepped out of the meeting.**

**Present:** 6 - Maurice S. Cheeks; Lauren Cnare; Matthew J. Phair; Colin A. Bowden; Justin O. Markofski and Russ Whitesel

**Excused:** 2 - Ben M. Van Pelt and Monya A. Choudhury

**Non Voting:** 1 - Daniel A. O'Callaghan

### 34536

Authorizing the execution of a Purchase and Sale Agreement between the City of Madison and Wingham-Kai Anthony Cheung for the City's acquisition of a commercial property located at 1233 McKenna Boulevard for a neighborhood center and an amendment to the 2014 Capital Budget to fund the acquisition.

Vote take: Aye - Alder Cheeks and Alder Phair, No - Alder Cnare, Bowden, O'Callaghan, Whitesel, Non-Voting Markofski, Excused - Choudhury and Van Pelt.

**A motion was made by Phair, seconded by Cheeks. Vote take: Aye - Alder Cheeks and Alder Phair, No - Alder Cnare, Bowden, O'Callaghan, Whitesel, Non-Voting Markofski, Excused - Choudhury and Van Pelt and was Return to Lead with the Recommendation to Place on File to the BOARD OF ESTIMATES,. The motion failed by the following vote:**

**Ayes:** 2 - Maurice S. Cheeks and Matthew J. Phair

**Noes:** 4 - Lauren Cnare; Colin A. Bowden; Daniel A. O'Callaghan and Russ Whitesel

**Excused:** 2 - Ben M. Van Pelt and Monya A. Choudhury

**Non Voting:** 1 - Justin O. Markofski

### 34927

Design Coalition Institute, Inc., requests Futures Fund Reserves to conduct a feasibility study to address CoHousing in the City of Madison.

**Rhodes said that Design Coalition Institute (DCI) applied for \$20,000 in Futures Funds for a feasibility study for CoHousing, particularly in the Union Corners area. They would work with members of the Schenk-Atwood-Starkweather-Yahara (SASY) Neighborhood Association. They would be hiring a consultant, Design Coalition Architects, to assist them with the CoHousing. Ald. Rummell fully supports this proposal, as do residents of the community. They received additional funding sources to assist with the study. Susan Therung of DCI said she spoke with folks at Forward Community Investments, and they are interested in matching funds for the next phase of the project should DCI get funding for this first phase.**

**Discussion highlights:**

- The Future Fund Reserves account currently holds \$30,000.

**Ald. Cheeks moved to place this item on the table while the Committee heard information on the next proposal from DCI. Bowden seconded. The motion**

passed unanimously.

[34881](#)

Design Coalition Institute, Inc., requests Futures Fund Reserves to produce construction documents for a prototype for Accessory Dwelling Units.

Rhodes said that the zoning code just recently allowed for ADUs to be developed, so DCI is asking for funds to prepare pre-approved construction documents for the units to benefit low- and moderate-income households by giving them a reduced cost. There are some issues with how HUD funds correlate with these prototypes and whether HUD low- to moderate-income standards can be met.

Therung said the ADUs would be ADA accessible and energy efficient. The Futures Funds would hire professional architects to develop the construction documents with all the details at sliding scale fees.

Rhodes said the staff recommendations are to fully fund the CoHousing proposal and not to fund the ADU proposal.

Discussion highlights:

- ADUs are also called “granny flats,” and would be governed by conditional use permits.
- There are other applicants in the pipeline for Futures Funds in the coming months.

Ald. Cheeks moved to return the resolution to lead with the recommendation to place it on file. Ald. Cnare seconded. The motion passed unanimously.

[34927](#)

Design Coalition Institute, Inc., requests Futures Fund Reserves to conduct a feasibility study to address CoHousing in the City of Madison.

**This Discussion Item was Take Off The Table**

Ald. Cheeks moved to take the previous item (#34927) off the table. Whitesel seconded. The motion passed unanimously.

Whitesel moved to return the resolution (#34927) to lead with the recommendation for approval. Ald. Cheeks seconded.

Ald. Cnare said she would not support this tonight because the City has spent millions of dollars on Union Corners. The neighborhood will gladly accept CoHousing without the study. The marketplace will take care of this.

Therung said that the outcome is not just the feasibility study. The outcome includes recruiting and educating the people who are going to live there and having 50-80% of the units pre-sold with 30-50% of buyers eligible for financing with City HOME funds. The marketplace will take care of people buying at market rate but not for those buying affordable units.

A motion was made by Cheeks, seconded by O'Callaghan, to Take Off The Table. The motion passed by the following vote:

**Ayes:** 4 - Matthew J. Phair; Colin A. Bowden; Russ Whitesel and Maurice S. Cheeks

**Noes:** 1 - Lauren Cnare

**Recused:** 1 - Daniel A. O'Callaghan

**Excused:** 2 - Ben M. Van Pelt and Monya A. Choudhury

**Non Voting:** 1 - Justin O. Markofski

**34819**

Authorizing a Request for Proposal that solicits applications for affordable rental housing projects that utilize Low Income Housing Tax Credits.

**O'Keefe said this is a resolution that would authorize CDD to undertake an RFP process to solicit tax credit eligible rental housing projects in a way that will synchronize with the WHEDA Section 42 Tax Credit process. The intent is to better position Madison-based projects to attract those credits and to expand the supply of affordable housing in Madison.**

**A motion was made by Whitesel, seconded by Cnare, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by voice vote/other.**

**O'Callaghan returned to the meeting at 10:55 p.m.**

**34788**

Amend Resolution No. 33852 that approved the 2014-15 ETH Application for funding to the Wisconsin Department of Administration, Division of Housing and executing agreements with specific non-profit agencies using the state funds, by including Dane County as the fiscal agent for Tellurian, Inc.'s Employment Coordination Program.

**Charnitz said it's a condition of the match funds that they be administered by the County.**

**A motion was made by Whitesel, seconded by Cnare, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by voice vote/other.**

**ADJOURNMENT**

**Whitesel moved to adjourn at 11:07 p.m. Ald. Cnare seconded. The motion passed unanimously.**

**Anne Kenny, recorder**