



City of Madison

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

Meeting Minutes - Approved COMMUNITY DEVELOPMENT AUTHORITY

Thursday, December 12, 2013

4:30 PM

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

SCHEDULED MEETINGS:

Community Development Subcommittee: Thurs., Jan. 2, 2014, Noon, 313 MMB
Housing Operations Subcommittee: Mon., Jan. 6, 4:30 p.m., 120 MMB
Allied Development Subcommittee: Tues., Jan. 7, Noon, LL-130 MMB
CDA Regular Meeting: Thurs., Jan. 9, 4:30 p.m., 260 MMB
CDA Special Meeting: Thurs., Jan. 23, 4:30 p.m., 313 MMB

CALL TO ORDER / ROLL CALL

STAFF: Natalie Erdman, Don Marx, Jim O'Keefe, Agustin Olvera, Nancy Prusaitis, Amy Scanlon, Matt Wachter, and Craig Wilson

Chairperson Thompson-Frater called the meeting to order at 4:37 p.m.

Present: 6 -

Sue Ellingson; Daniel G. Guerra, Jr.; Lauren K. Lofton; Sariah J. Daine;
Dean Brassler and Kelly A. Thompson-Frater

Absent: 1 -

Paul E. Skidmore

1. APPROVAL OF MINUTES: November 21, 2013

A motion was made by Guerra, Jr., seconded by Daine, to Approve the Minutes of the meeting of November 21, 2013. The motion passed by voice vote.

2. PUBLIC COMMENT

Charles Lane, Lanes Bakery, thanked everyone for the opportunity he's been given to open a new business down at The Village on Park. He will be coming before the Board for additional funding. He has been working with Natalie. Extra cost incurred by taking the whole space, new dishwasher, new hoods and a lot of new equipment that they didn't think they would have to purchase. He is asking for a low-interest loan. Construction costs have exceeded what they thought it would be. Hired 18 people in the area. Plan on hiring a few more. Win-win for both us and the City of Madison. Open next Wednesday.

3. DISCLOSURES AND RECUSALS

None

Item 6.A. was moved ahead on the agenda.

- 6.A. [32176](#) CDA Resolution No. 4044, authorizing a waiver of the Façade Improvement Grant Program Target Area for property located at 511 North Carroll Street, and directing staff to process the application under the normal operating standards and procedures of the program.

Thompson-Frater said that Stuart Levitan was here and is very much in favor of this, but did not stay to speak.

Jason Sielaff, representing the Alanon Society, Inc., 511 North Carroll Street, appeared to answer questions. Also present were City Staff Craig Wilson and Amy Scanlon. Mr. Sielaff stated this is the oldest Alanon Clubhouse in State, open since 1948. Tried for Landmarks status for the express purpose of getting this grant. Did get Landmarks status. Neighbors are in favor of the improvements. Would help the neighborhood. The front of the building really needs it.

Brasser said the Board's concern last time was that this could be converted back to a residence. Mr. Sielaff stated it's owned by the Alanon Society, their only piece of property here. Only two clubhouses in the country that are older.

Ald. Zellers appeared and said she sent a letter in support(attached). This is a real asset, not only to the neighborhood, but to the community and the city.

Guerra said this is a good cause and going in the right direction. Use of façade grants is to help businesses. Don't think this is the intended purpose for the grants.

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

Absent: 1 -

Paul E. Skidmore

Ayes: 5 -

Sue Ellingson; Lauren K. Lofton; Sariah J. Daine; Dean Brasser and Kelly A. Thompson-Frater

Noes: 1 -

Daniel G. Guerra, Jr.

4. [29387](#) COMMUNICATIONS

- 4.A. [32341](#) Reminder that all members of City of Madison committees, commissions, or boards must file a Statement of Interests form with the City Clerk's Office by January 7, 2014.

5. [29695](#) HOUSING OPERATIONS SUBCOMMITTEE REPORT

A motion was made by Ellingson, seconded by Guerra, Jr., to Accept. The motion passed by voice vote.

5.A. [17719](#) Housing Operations Monthly Report

5.B. [32600](#) Discussion of Rental Assistance Demonstration (RAD)

- (See attached from Olvera).
- Different funding mechanism.
- Other properties would have less funding available. Not enough additional money.
- HUD will pay for a consultant if we really want to do this.
- Came out in February 2013.
- Already running a gap because of sequestration.
- For a specific project, not all of CDA's properties.

Item 9A was moved ahead on the agenda

9.A. [32563](#) CDA Resolution No. 4054, authorizing the execution of an Option to Purchase Agreement with Giridhar, LLC for the purchase of a parcel of land located at 709 Rethke Avenue for the development of permanent supportive housing.

Don Marx, Jim O'Keefe & Matt Wachter appeared. Erdman said we have been working on SRO [now permanent supportive housing (PSH)]. Heartland Housing has been selected as our developer/partner. Don Marx has looked at a number of sites and has recently got an agreement for a parcel at 709 Rethke Avenue. Owner willing to allow us an option to purchase the property if we get the tax credits in June. Closing before end of July. This resolution authorizes us to execute the option.

Thompson-Frater said the market value is \$43,000. How do you explain the price of \$250,000? Marx said that housing is a higher and better use than what it's assessed at. Appraisal for the Salvation Army on Darbo - \$11/sq ft. with highest and best use being housing. This is a good, fair price.

Ellingson asked if this is a vacant lot. Marx said yes. The people that own Aloha Inn also own this. Marx passed out an aerial photo of the area. Enough room to get 58 units. They wanted \$1.8M for Aloha Motel. Erdman said the developer is okay with the site. Marx said the 9,000 sq. ft. lot next door is also a possibility that we're working to get an option on. Brickl Holding Company owns that lot.

Guerra asked if we have talked to the neighbors. Erdman said no. Have talked to the Alder in the area. After we take the option, we will need a conditional use permit and then the neighbors will be notified. In accordance with neighborhood plan.

Lofton asked whether we will be able to get the conditional use quickly. Erdman said the conditional use is needed for more than 25 units. Property is zoned correctly. Lofton asked what kind of due diligence do we do on the site. Marx said we have right to due diligence for environmental, etc. Site looks clean. Erdman said the County will actually buy the site so the option is assignable. They would lease it to the development. Marx said there isn't a lot at risk.

Erdman said there will be 24/7 case management at the front desk. High quality design with individual apartments for people, community space on first floor.

Ellingson asked how many stories. Wachter said four; five is allowed. Zoning to transition from commercial to residential use. All neighbors but one are four and eight-unit buildings. Ellingson asked about the timeline. Marx said we have an option until May 31st to exercise it. Erdman said WHEDA will announce tax credits mid April. This is a very small neighborhood, half is industrial use, two blocks over, very small homes. Ald. Ahrens said neighborhood is not very active, has some concerns about the neighborhood and this development.

Ellingson asked what the plan is for reaching out to the neighbors. Erdman said at the end of this week, next week, get together with Ald. Ahrens and meet with Captain of Precinct. Heartland Housing will join them with neighbors.

Guerra said this is a transitional neighborhood. Important one to keep our eyes on even outside of this housing project. Erdman said there is potential for this neighborhood to be improved. Very isolated quadrant.

Ellingson said if the County is going to own the land. what kind of agreement will there be between the City and the County? Erdman said we will assign the contract and the County will use their money to buy the land, then they would lease the land on a long-term basis to the person who is running the building (LLC). Also contemplating Section 8 vouchers.

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

6. [29086](#) Economic Development Status Report

A motion was made by Guerra, seconded by Lofton, to Accept. The motion passed by voice vote.

7. [29088](#) Allied Development Subcommittee Report

Brasser said there wasn't a clear choice after hearing from both potential partners so Erdman and Wachter are going to do some more research on qualifications and background. Both very capable with different styles and experience. Thompson-Frater said we will take it up at the Allied Subcommittee in January.

Daine said we liked the philosophy of the small company with less experience.

Matt said 36 individuals went through one-on-one screening with GreenPath. Panel of lenders reviewed them. twenty will go to class; the other 16 will be referred for further assistance. One or two are close to being ready - still recommending they go to class. Classes will start second Saturday in January. Area has been rezoned. Ready to go for land use. Grading plan needs to be approved. Will be contacting preferred lenders to solidify group of people.

Monthly class with quarterly check ins with mentors. Natalie said it's a cross section of people from Allied and some folks from Badger Road/Cypress area. Matt said there are also a couple from Sun Prairie.

- 7.A. [32526](#) CDA Resolution No. 4053, selection of *[company name]* for provision of services relating to the construction and sale of homes at Mosaic Ridge
A motion was made by Guerra, seconded by Brasser, to refer CDA Resolution No. 4053 to the next meeting. The motion passed by voice vote.

8. [29090](#) Community Development Subcommittee Report
No report this month.

- 8.A. [32524](#) CDA Resolution No. 4052, authorizing the first amendment to the Lease Option Agreement with Truax Park Development, Phase 2, LLC
Erdman said this is an amendment to the lease option for Truax Park Phase 2. Control both sides. Lease option matures end of year. Won't get started until the middle of next year. Looking to extend lease.

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

9. **Update on Permanent Supported Housing, aka SRO**
See Item 9.A.

10. [29696](#) BUSINESS BY COMMISSIONERS

10.A. [32525](#) CDA 2014 Work Plan

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

10.B. [32207](#) 2014 CDA MEETING CALENDAR

11. ADJOURNMENT

A motion was made by Guerra, Jr., seconded by Brasser, to Adjourn. The motion passed by voice vote. The meeting adjourned at 5:49 p.m.