



# City of Madison

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

## Meeting Minutes - Approved COMMUNITY DEVELOPMENT AUTHORITY

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Thursday, October 10, 2013

4:30 PM

Madison Municipal Bldg., Room 260  
215 Martin Luther King, Jr. Blvd.

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### CALL TO ORDER / ROLL CALL

Chair Thompson-Frater called the meeting to order at 4:35 p.m.

CDA Staff Present: Tom Conrad, Lisa Daniels, Natalie Erdman, Augie Olvera, Kelley Simonds, and Matt Wachter

**Present:** 6 -

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

**Absent:** 1 -

Paul E. Skidmore

### 1 APPROVAL OF MINUTES

**A motion was made by Daine, seconded by Brasser, to Approve the Minutes of September 12, 2013. The motion passed by voice vote/other.**

### 2 PUBLIC COMMENT

None

### 3 DISCLOSURES AND RECUSALS

None

### 4 [29387](#) COMMUNICATIONS

- Erdman stated that there is a pending resolution with the Common Council directing the CDA to draft and issue a RFQ for development services related to the development and financing of housing for homeless adults.

### 4A [31813](#) Konkel Comments to Analysis of Impediments to Fair Housing

- Erdman stated that Brenda Konkel provided comments on the analysis.

### PRESENTATION OF CONSENT AGENDA

Consent Agenda to include items: 5, 5A, 5B, 6, 8, 8A, and 11 (Excluding items 5C, 5D, 5E, 7, 9, and 10)

**A motion was made by Guerra, Jr., seconded by Brasser, to Adopt the Consent Agenda. The motion passed by voice vote/other.**

5      [29695](#)      HOUSING OPERATIONS SUBCOMMITTEE REPORT

**A motion was made by Guerra, Jr., seconded by Brasser, to Accept. The motion passed by voice vote/other.**

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

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

5B      [31787](#)      CDA Resolution No. 4040 - Authorizing the execution of a lease with Triangle Community Ministry, Inc. for Unit B101 at Brittingham Apartments for the purpose of providing support services to public housing and neighborhood residents.

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

5C      [31788](#)      CDA Resolution No. 4039 - Authorizing the submission of documents regarding the 2014 PHA Annual Plan, and the approval of CDA's Housing Operations 2014 budget, as submitted for approval to the Mayor and Common Council, subject to approval and revision by the Common Council and funding appropriations of the U. S. Congress and HUD

- Olvera stated that the 2014 budget was prepared as flat funding and that HUD funding over the last several years has been under a continuing resolution. For 2013, the CDA is being funded at sequestration levels with a break-even for Public Housing and Section 8 reserves needed due to spending more than allocated. Section 8 reserves are available through 2014 and we hope to know, soon, our funding for 2014. For the year 2015, we may see some problems and may have to reduce our assistance. Therefore, the CDA will need to determine what the landscape will be at the federal level. We are currently receiving 82% of what we should be getting. Multifamily Housing is HUD funded through WHEDA and is being fully funded.
- Conrad stated that the CDA currently has a \$600,000 Section 8 shortfall under sequestration, that funding for the year 2014 should be the same as 2013, and that there are not enough Section 8 reserves to make it through 2015 at the current funding levels.
- Erdman stated that the CDA will need to figure out a plan early for 2015, and may have to let people off the program through attrition or reduce the payment standards (or both). Otherwise, people will have to be terminated from the program if there is not enough funding. However, funding is historically based on current utilization, so if the CDA allows attrition to reduce the Section 8 program in 2014, funding for 2015 will be reduced.
- Brasser inquired about the timing of HUD announcement; and Conrad stated that funding notice is usually in July, unless there is sequestration.

- Guerra inquired if there is an internal target for reserves; and Olvera stated that HUD suggests a 6 month reserve for Public Housing. Erdman added that HUD has been taking money back from Section 8 reserves.
- Brasser inquired about staff level reduction in the budget; and Olvera stated that one position is double-filled due to an upcoming retirement, that FTE positions are down in the budget, and that staff levels are the same.

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

5D [31789](#)

#### Capital Improvement - Kelley Simonds

- Simonds distributed a breakdown of capital expenditures for grant years 2006 through 2010, with spending in 2008 through current. The CDA has two years to obligate and four years to expense. 20% of the grant is used to directly fund site operations. Security costs have come down.
- Olvera stated that HUD previously did not allow the use of capital funds for operations, but now HUD does allow. Also, the CDA used to receive \$2.3 million in capital funds and \$250,000 in drug elimination grants for security and drug/gang issues. Now the CDA receives \$800,000 in capital funding and the drug grant no longer exists.
- Guerra stated that a lot is spent on elevators and inquired if Simonds anticipates any major items; and Simonds responded that the elevators were very old. Modernization of the elevator cars at Romnes resulted in unanticipated additional costs. After next year, Simonds foresees the numbers to drop. The CDA's properties are in good shape due to all the work completed under the American Recovery and Reinvestment Act stimulus funding the CDA received.
- Guerra inquired about the use of minority workers; and Simonds stated that a few have been used and he sends bids to the 4 main minority sites.
- Brasser inquired if the capital fund grants include government reinvestment funds; and Simonds stated that 75% of the previous years' grants include those funds.

#### 5E Discussion of Funding Under Federal Contracts

- Olvera reported on the effects of the federal government's continuing delays. Funding has been made available to the CDA and will be available to pay landlords. The CDA is authorized to receive funding for November and December due to the continuing resolution for 2013. The HUD Staff who disburse funds are considered "essential."

6 [29086](#)

#### Economic Development Status Report

**A motion was made by Guerra, Jr., seconded by Brasser, to Accept. The motion passed by voice vote/other.**

7 [29088](#)

#### Allied Development Subcommittee Report

- Wachter provided a Mosaic Ridge homebuyer notice and marketing materials, as well as an update on Allied Development Phase 2:
  - there will be an outreach meeting in the neighborhood with the architect and a homebuyer education person there to sign people up
  - a neighborhood dinner will follow the neighborhood outreach meeting
  - word is getting out and people are starting to inquire about the property
  - rezoning is essentially submitted
  - A development plan will be introduced to the Common Council on October 15th with referral to the Housing Strategy Committee, CDBG Committee, Allied Area Task Force, and Plan Commission
  - an RFQ for a development partner will be published next week
- Guerra inquired on the rough cost per bedroom; and Erdman stated the preliminary house prices range from \$190,000 to \$210,000 before subsidy layering. Erdman added that notes are forgiven on the lots, that CDBG has down payment assistance, and that the CDA is working on adding additional subsidies.
- Guerra inquired on how the equity works; and Wachter stated that each program is different and depends on the subsidy layering. For a sale, some money would go back to the city. Erdman added that lots are \$35,000 with a deferred forgivable note. If a person is at 60 % to 80% of AMI, they would get half of that. An appraised value hasn't been figured out yet. What happens to the neighborhood will also determine equity. The goal is to allow a family at 50% or less to buy a home at \$900/month including extra expenses.
- Thompson-Frater inquired on how this will be presented at the open house; and Wachter stated that until the CDA has a builder on board, we cannot say, but we can give a rough estimate in a range. We also do not know the mortgage rates. The one-on-one sessions will be about "what can you afford?" Erdman added that the size of household will also have an effect.
- Wachter stated that the resolution currently allows for the sale of any lot to trigger a repayment to the City, so they are in the process of configuring a plan that allows for only certain lots to trigger the repayment. Thompson-Frater added that the CDA is not trying to get out of the obligation, just changing when the obligation is to be met.
- Ellingson inquired about additional designs, as she prefers a greater mix of more than 3 designs; and Wachter stated that there are the original 3 designs, plus other approved plans. Erdman added that the original builder, Kegonsa, has backed out, but John Sveum is now interested. Thompson-Frater also added that the intent is to have the builder use a number of their own plans and within our guidelines.
- Guerra inquired about any order of lot sales and about a homeowners association; and Erdman stated that anyone can purchase at market rate, that Habitat may also build different homes there, and that there is some hope for Section 8 homeownership. The CDA has created good marketing

materials, plans to market professionally, and has picked a good time when the market is healing. There will be an association with control of what a homeowner can do with their home.

- Ellingson inquired about the areas in grey on the location map; and Erdman stated the grey areas represent City built roads and townhomes.
- Daine inquired if there are any townhome plans; and Thompson-Frater stated that the CDA does not really know what is going to happen to that space because of the market.

8      [29090](#)      Community Development Subcommittee Report

**A motion was made by Guerra, Jr., seconded by Brasser, to Accept. The motion passed by voice vote/other.**

8A      [31774](#)      CDA Resolution No. 4041, authorizing execution of a contract with Tilsen Roofing Company, Inc. for partial roof replacement at The Village on Park.

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

9      [31812](#)      CDA Resolution No. 4042, authorizing the Chair and Secretary to execute all documents necessary to facilitate the redemption of the 1996 CDA Redevelopment Lease Revenue Bonds for the Block 89 project and the conveyance of the first phase of the Block 89 parking ramp from the City and CDA to Block 89 Parking Limited Partnership.

- Anne Zellhoefer, City Attorney's Office, stated that CDA bond proceeds went into the Block 89 project in 1996. The CDA owns 579 parking stalls underneath Phase 1 of the project with parking revenues going to the developer. The developer has provided the CDA with its notice exercising the option to purchase the parking stalls and the CDA has an opportunity to pay off in January of 2014. The City will use \$2.4 million in TID 25 and CDA reserves of \$2 million. The developer also has money. This resolution unwinds the financial and real estate structure by allowing the bonds to be paid off and the developer to own the parking stalls.

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

10      [31814](#)      CDA Work Plan 2014

- Erdman distributed the CDA's draft 2014 Work Plan and stated that she would like to receive CDA Board comments by the 21st. The plan will be submitted to the Mayor's office for review before going to the Common Council. Priorities are listed and the City can provide more requests for work.
- Ellingson recommends adding any dollar amount information as related to any property tax exemptions.

11      [29696](#)            Business by Commissioners

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

12      **ADJOURNMENT**

A motion was made by Guerra, Jr., seconded by Daine, to Adjourn. The motion passed by voice vote/other.