



City of Madison Proceedings - Final

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

Thursday, May 4, 2006

5:00 PM

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

ROLL CALL

Present: Ald. Cindy Thomas, Kristina L. Dux, Arthur V. Robinson, Sophia Angelina Estante, Steven C. Bartlett, Justin O. Markofski and Charlie R. Sanders

Absent: Ald. Santiago Rosas

Excused: Ald. Austin W. King and Carl G. Silverman

Others present: Barb Constans, Audrey Short

Estante called the meeting to order at 5:00 PM.

WELCOME - CHAIR'S REPORT

News and announcements

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

STAFF REPORT - FOCUS ITEM

Review of proposed 2007 Congressional budget (2006/5-A)

Constans stated there was not much to report in addition to the packet information. The President wants to eliminate CDBG, but Congress doesn't. Similar to last year, we will have to wait until October before we know for sure what the funding amounts will be.

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

A. Housing Initiatives (2006/05-B)

Short said that this item will be deferred until the June meeting.

B. Movin' Out: Hilton Drive and Eldorado Lane (2006/05-C), Lisa Mills, Wisconsin Initiatives for Sustainable Housing and Howard Mandeville, Movin' Out

Mills stated that Movin' Out is the parent company for Wisconsin Initiatives for Sustainable Housing (WISH) and that WISH works with Movin' Out Inc. to acquire rental projects. WISH is requesting funds for two single-family homes currently used by persons with developmental disabilities. These homes have many adaptations for people with disabilities, including another apartment in the basement for live-in aid to assist persons needing 24-hour care. Both properties are owned by the same private landlord who rents specifically to people with developmental disabilities. The landlord wants to find a way to sell so that the current tenants can stay.

Discussion highlights:

- The total household income for the Eldorado property is less than 80% CMI.
- Clients pay 30% of the total rent, while the rest is paid by human services. Live-in aid pays none of the rent.
- IZ will not apply to this project because it does not involve 10 or more new units.

03675

Approving the provision of \$100,000 in Federal HOME funds to assist Movin' Out acquire housing and authorizing the Mayor and City Clerk to sign an agreement to implement the project.

A motion was made by Bartlett, seconded by Markofski, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by the following vote:

Absent: Rosas

Excused: King and Silverman

Aye: Thomas, Dux, Robinson, Estante, Bartlett, Markofski and Sanders

D. Madison Development Corp (2006/05-F), Frank Staniszewski, Executive Director

Constans described the project, which began years ago. There are four units currently on the site - two 2-flats (four units total) that Madison Development Corporation (MDC) wants to redevelop. Staniszewski said the site will have a total of eight units when MDC finishes the project. MDC plans to demolish one duplex and replace it with a new duplex. The other existing duplex will remain the same except for some painting and decorating. MDC will construct a new four-unit building in the rear of the site in next year. The Plan Commission and Common Council have approved MDC's plan, but they are still waiting on approval from the Urban Design Commission.

MDC is investing another \$700,000 in bank funding, so they are asking the City to subordinate its mortgage to the new financier. The buildings are assessed at \$1 million. Two of the units will be sold at market rate, while the other four units will go to LMI. Bartlett asked for clarification of size and type of the buildings. Staniszewski explained that one new duplex and one old duplex will sit in the front of the property, and four new units will be constructed in the back. Constans added that it is a good deal, in addition to increasing the number affordable units.

03681

Authorizing the satisfaction of existing mortgages on Madison Development Corporation Mifflin Street properties, and the taking of a new mortgage on the same properties at a recalculated amount in order to facilitate the redevelopment of the property and the construction of additional affordable housing in ways that address City Community and Neighborhood Development Objectives.

A motion was made by Ald. Thomas, seconded by Dux, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES Bartlett asked if it will be necessary to change the current note. Constans answered that it would be easier to satisfy and reissue the mortgage. The motion passed by the following vote:

Absent: Rosas

Excused: King and Silverman

Aye: Thomas, Dux, Robinson, Estante, Bartlett, Markofski and Sanders

C. Arboretum Co-Housing and Habitat for Humanity (2006/5-D), Brian Miller, Executive Director of Habitat for Humanity

Present: Ald. Cindy Thomas, Ald. Santiago Rosas, Kristina L. Dux, Arthur V. Robinson, Sophia Angelina Estante, Steven C. Bartlett, Justin O. Markofski and Charlie R. Sanders

Excused: Ald. Austin W. King and Carl G. Silverman

Constans stated that Arboretum Co-Housing (ARCO) is redeveloping a site next to St. Mary's Hospital involving a number of homes that St. Mary's owns and is agreeing to sell to ARCO, along with providing donations and forgivable loans. ARCO is proposing a large redevelopment of the area involving construction of three new buildings with 34 units, five guest rooms and a common house with dining, along with retention of seven existing single homes. IZ will be required due to the number of new units. ARCO will be required to have six affordable units under IZ rules. They would, however, like to have 10 affordable units, so they are asking for money from CD in addition to partnering with Habitat. Otherwise, they would seek a waiver of IZ requirements from six to four units.

Constans said that CD will be asking both ARCO and Habitat to market the units to St. Mary's employees to be able to use EDI money for this project. Miller is excited about the workplace marketing focus and said they will be searching for 60% LMI persons to buy.

Constans said she has looked at the project from two perspectives: HOME and IZ. The HOME perspective is to redevelop to provide double density of affordability in the downtown area. The developer is interested in more affordable units than required and has offered a 99-year LURA because they want the units to stay long-term affordable. (LURA's typically last only 15 years.) They're also making some units accessible. Two buildings will have elevators and be fully visitable.

From the IZ perspective, the Plan Commission will have to wrestle with the fact that existing single family homes will be sold at market rate and fixer-uppers at about \$260,000. If the developer fixed up the houses themselves, the homes would cost too much to be affordable.

Constans stated that ARCO has a ways to go on redesigning the site, but the project meets all CD goals.

Rosas asked who is the target tenancy. Constans stated that the units will be targeted to 60-70% CMI individuals who work at St. Mary's or with other area employers within a one mile of housing site for us to be able to use EDI funds. St. Mary's is putting about \$900,000 into the project.

Thomas asked if there were money in the IZ reserve fund. Constans explained that there is money in the IZ reserve fund because two payments, one from Monroe Commons and the other from an Alexander development on East Washington, will be coming in over a three-year period. She said that the Plan Commission, however, makes recommendations for IZ fund use.

Thomas asked who Arboretum Co-Housing is. Constans stated they are a non-profit that was organized by individuals interested in affordable housing in the downtown area. Co-housing has a commons area that all own a part of and that all can use (i.e., a shared kitchen, spare bedrooms, etc.). CD money will not go into a unit until ARCO has an income-eligible family or individual to buy. CD money does not go toward administration.

assist eligible buyers of Arboretum Co-housing and Habitat for Humanity of Dane County units in ways that address City Community and Neighborhood Development Objectives.

A motion was made by Bartlett, seconded by Sanders, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES Rosas said that he has been concerned that affordable housing sits mostly on the east and south sides of the City and commends staff for trying to get more affordable housing throughout the City, as this project demonstrates. Markofski said he likes the project idea but feels a 99-year LURA might not work to keep housing affordable if incomes don't increase with housing costs. The motion passed by the following vote:

Excused: King and Silverman

Aye: Thomas, Rosas, Dux, Robinson, Estante, Bartlett, Markofski and Sanders

APPROVAL OF MINUTES

Rosas moved to approve the minutes from the April 6, 2006, meeting. Thomas seconded. The motion passed unanimously.

OTHER BUSINESS FOR ACTION

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

Thomas stated that Council approved up to \$5.8 million in Allied. Constans added that they are still in negotiations about the price.

Rosas stated that Council discussed Whole Foods project but did not approve it due to bad land use and traffic issues.

B. 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

May Staff Report (2006/05-A)

Constans stated she did not have much to discuss in addition to the information provided in the packet and asked if there were any questions on what is in the packet. Rosas requested that the CDBG Commission continue to monitor progress in Allied Drive. Constans said the charette process that will be happening would hopefully come up with a "master plan" for Allied. Dux stated Commission should be notified of charette dates and agendas.

Rosas would like to see a progress report on the Tech Center funded through Madison Development Corporation. Constans said she would e-mail a report to commissioners that describes loans from Madison Development Corporation to businesses in the Tech Center.

Thomas asked for clarification on pending proposals for Rehab funds to be used on a culture center and a building for a non-profit agency. Estante asked if it could be added to the next agenda.

Bartlett said he would not be able to attend some of summer meetings and will also need transportation.

Dux said she would like stats on the money CD has put into the Allied area.

ADJOURNMENT

Thomas moved to adjourn the meeting. Markofski seconded. The motion passed unanimously, and the meeting adjourned at 6:30 PM.

*Respectfully submitted,
Anne Kenny*