



**City of Madison**  
**Meeting Minutes - Approved**  
**COMMUNITY DEVELOPMENT BLOCK**  
**GRANT COMMISSION**

City of Madison  
Madison, WI 53703  
[www.cityofmadison.com](http://www.cityofmadison.com)

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Thursday, August 30, 2007

5:00 PM

215 Martin Luther King, Jr. Blvd.  
Room LL110 (Madison Municipal Building)

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**SPECIAL MEETING**

**CALL TO ORDER**

Sanders called the meeting to order at 5:10 PM.

**ROLL CALL**

**Present:** 7 - Pham-Remmele, Rummel, Trivedi, Bartlett, Silverman, Markofski and Sanders

**Excused:** 4 - Bruer, Choudhury, Dux and Robinson

Staff present: Hickory Hurie

**PUBLIC COMMENT**

Public comment came later in the meeting.

**NEW BUSINESS ITEMS**

**07172**

AMENDED SECOND SUBSTITUTE - Authorizing the City to Negotiate with the CDA to act as Master Developer of the City properties located at 2317, 2345, and 2409 Allied Drive and 4705 and 4713 Jenewein Drive.

**Attachments:** [Res07172AlliedMasterDeveloper.pdf](#)  
[SubRes07172Allied 8-22-07.pdf](#)  
[07172 Ltr CDA Chair.pdf](#)  
[07172 Registration Stmt.pdf](#)  
[07172 Admendment.pdf](#)  
[07172 Kerr Admendment.pdf](#)  
[07172 Solomon Admendment.pdf](#)

Stuart Levitan, Chair of the CDA, asked the Commission for support of the second substitute resolution as amended that is before them tonight authorizing the City to negotiate with the CDA as Master Developer of the City-owned properties in the Allied Drive area.

Levitan explained the CDA's past role in neighborhood revitalization and said that the CDA is capable of administering Allied revitalization. He said the CDA is asking to be the master developer in Allied using Section 42 Tax Credits on the Hawk properties and that the CDA will collaborate with private and public companies/agencies on the project.

Levitan said it is too late for the City to put out an RFP because the Section 42 application deadline is February 1, 2008, which is why acting on the resolution authorizing City/CDA negotiations is very important.

The CDA has a preliminary site plan with individual parking and front doors. Levitan said the plan will help turn the Allied neighborhood around.

**Discussion highlights:**

- The City has known about WHEDA's deadline for a long time, so the sudden urgency seems odd.
- CDBG working alongside the CDA was very critical to improvement in the Broadway-Simpson neighborhood. What's lacking so far with Allied redevelopment has been input from CDBG, as well as CDA. The redevelopment of Bridge-Lake Point-Waunona can be used as guide to present redevelopment of Allied with CDBG's stewardship of resources.
- Concern from the Allied community is that people who live in the neighborhood now might be screened out of the redevelopment under CDA's screening process.
- The CDA would use the Section 8 screening process in Allied. The CDA currently has no tenants in Allied. The CDA has certain screening requirements, such as criminal background checks, credit checks, and reference checks. The new resolution mandates certain parameters for current residents.
- The CDA's screening process doesn't really mesh with current landlords' screening criteria. There are three sets of screening circumstances and criteria, which could be used in Allied: 1) Section 8 criteria, with its initial screening process; 2) CDA's screening criteria used on its own buildings; and 3) criteria of the Allied Housing Plan that was adopted by the Common Council for the Allied area. Part of the negotiation will be what screening criteria should be used.
- CDA would most likely have a management firm manage the Allied properties due to complications of forming an LLC. CDA would either hire or partner with an architect, a developer, and management firm and will either directly or indirectly set screening criteria and honor the terms the City and Common Council agree to.
- The project's first phase would involve about \$8.8 million, which would mean spending about \$230,000/unit on 2-bedroom units and more 3-bedroom units.
- Some complaints have been voiced about non-minorities on the CDA making decisions on minority neighborhoods.
- No backup information accompanied this request, and the Commission would like more information on costs.

Levitan said other buildings in Allied are on the verge of receivership, and not much private interest in redoing Allied has been shown. Levitan also said the

Allied Task Force recommended unanimously in favor of the resolution. As to lack of minorities, one person had quit due to job duties, but other very experienced members are on the CDA.

Ald. Brenda Konkel spoke to the CDBG Commission regarding the resolution discussed tonight. She said she believes the BOE made some good changes, but she is concerned with how suddenly this new resolution was introduced apart from the process involving the work of the Allied Task Force on an RFP. She said that the CDA's proposal may not be the best or cheapest option available to the City. She said she also doesn't see promises of long-term affordability in their plan. She said she doesn't know the bottom line but is insulted that the CDA says they're the only interested party in Allied. She said she has seen interest from both non-profits and for-profits in working in Allied.

Konkel said that 15 years after WHEDA's tax credits will have expired, the properties can be sold at market rate. Long-term affordability is not guaranteed. She said screening will matter and should entail what the Allied Task Force outlined. She noted that properties at Monona Shores are now being resold at high profit with no long-term affordability.

Discussion:

- A private developer (Hauk himself) did want to do work in Allied but was turned down by the City Urban Design Commission before the City bought his properties.
- It's unclear who initiated this resolution, the Mayor or the CDA. More information is needed as to how the City profits.
- CDA will have added costs.

Levitan said that whoever does the project will have certain costs, not just the CDA. He also said that whoever does the project will have to have screening criteria with Section 8 regardless. As to appreciation of condos on Waunona Woods Court, the 1995 scene was much different from what it is now in that area.

Enis Ragland spoke to the Commission on the topic. He said the bottom line is let us talk to the CDA to see if we can come up with something palatable to CDBG and the rest of the interested parties. Ragland said he has been a part of neighborhood revitalization for 16 years in City. He said the City will not accept slum life conditions in any neighborhood. The reason why we're focusing on Allied is because it has become a tough neighborhood of last resort. Fifty percent of Allied residents move out on a yearly basis making the neighborhood very transient. Ragland said there have been some positive changes lately, though: Crime is down and open drug dealing is not there any longer.

Ragland said that one of the reasons why the Mayor's Office has asked various committees and the Council to act so quickly on this resolution is because the Mayor is concerned about leaving vacant buildings for another year. We want redevelopment to start as soon as possible. When we think about providing low-income housing, we want to make sure all who want to live there can do so. The City doesn't have a lot to offer to inspire developer interest in Allied. Currently, one private developer with condos is having difficulty selling his properties. Non-profits have asked for CDA to be involved and to share the risk of development. The Mayor's Office looked to CDA because of the time consumption of an RFP process. The Mayor's Office has discussed various models for

management, such as resident management and rent-to-own programs. We know that the Wisconsin Partnership for Housing Development, Habitat for Humanity, and the Madison Area CLT are interested in partnering out there.

Ragland said that the City has gone to the extent that it has with the Allied Task Force thanks to Brenda Konkel's efforts.

Discussion:

- The Mayor's Office has not set a negotiations deadline yet, but staff is working on a timeline based on whether we can work with CDA.
- The Mayor's Office is confident that CDA can meet WHEDA's requirement with Section 42 Tax Credits.
- The Mayor would welcome input from CDBG representatives on negotiations.
- The resolution could have gone to Council without CDBG input.
- All issues will be discussed during negotiations. Staff has developed a plan that is a compilation of all the design processes of the Allied Task Force.
- Better accessibility and shorter blocks came from neighborhood concerns and are the reason for roads being redesigned in Allied.
- Leaving properties vacant any longer may be detrimental to crime reduction.

Silverman suggested sending a statement of rebuke of this process with whatever our decision on the resolution is.

Pham-Remmele said that this kind of process is very scary and she is not comfortable with how it has come about. She doesn't like the idea of starting without a plan and "massaging" it later. She said she wouldn't want to elope with a guy who says hopefully things will be better.

Public Comment: Cheryl Elkington registered to speak.

Elkington gave her input on the Allied issue. She said it was disheartening to hear about all the vacant buildings. She said it is absurd to tear down and rebuild when the City could remodel and rehab instead. She also said she has had some experience with CDA screening procedures and feels they are too picky. Elkington asked what the Mayor's solutions are to the Allied area. She also asked who owns the buildings in the area and whether there is a shortage of Federal funds to assist with revitalizing the area. She also asked who has possession of Breese-Stevens and suggested the City should lease it for fundraising.

Ragland said that the Mayor's Office has stated that the Allied area is the worst of the designs of the 1960's, with super apartments, few amenities, and large blocks. He said that many different landlords own buildings in the area and many are not subsidized housing. He also said that there is limited Federal funding for the area.

Silverman asked about the status of Sticky 8's. Levitan said they had been approved by WHEDA, and Ragland said that 20 Sticky 8's have been assigned to the Allied area.

Discussion:

- The Allied neighborhood is very different along three different blocks. Some

residents can't get Section 8 because their income is too high.

Trivedi said she would like to see a group of Allied residents within Option A\* 1 and 2 to help guide negotiations.

Trivedi moved to recommend approving all of Option B\*\* with Option A\* encompassed within B\*1, along with a committee composed of residents of the four City-owned properties on top of that.

Hurie said that a group of residents of the City-owned properties only is to be included for input to CDA. They were consulted during master development discussions.

Ragland said he wasn't sure that the Mayor's Office would commit to the prospect with amendments to the resolution as suggested by the Commission.

Saunders said he would presently want to see something more clear as the motion, and Rummel agreed that she was confused as to what's on the table.

Ragland said that the City recognizes the Allied Task Force as the official body of representation. Input from the Allied Task Force may not agree with separate residential groups' input as suggested by Trivedi's motion and could set up the process up for a big conflict.

Trivedi clarified her motion, which she said is to adopt all of Option B\*\* with the conditions of Option A\* 1-4 applying to B\*1 as an amendment to the resolution. There was no second.

Trivedi said she would then suggest going with Option D, which states, "Recommend the Council refer the resolution to a future Council meeting so that each of the referred policy groups can more adequately review and discuss the master developer proposal." Hurie said that if the Commission goes with Option D, the Common Council would ignore them. The process has been a poor one with no time for input and collaboration. Opportunity for better discussion would have led to a better outcome.

Rummel asked if motion goes forward, how does CDBG get represented? Bartlett suggested the Commission adopt and hope we'll be heard.

Ragland said he has a commitment from the Mayor that the CDBG Commission will be heard.

Konkel suggested that a report of CDBG Commission's discussion on this resolution should go to the Common Council because the Council should hear what CDBG had to say during its deliberations.

Rummel moved to adopt Option C, which states, "Recommend the resolution as written," and add Option A\* 1-4 as a statement of policy and concern to the Mayor and require an October deadline for the final plan, along with a formal review with input from residents of City properties not fully represented by the Allied Task Force. Trivedi seconded. The Commission voted unanimously to pass the motion, except for absent members Bruer, Choudhury, Dux, and Robinson.

**\*Option A: Recommend approval with the following conditions of negotiation for one master developer:**

- 1. The Mayor and Council appoint a member of the CDBG Commission, the Housing Committee, and the Board of Estimates to the negotiating team to represent the City in negotiations with the CDA for the master development agreement.**
- 2. The Mayor should designate a team of staff from the Mayor's Office, the Attorney's Office, the Comptroller's Office, Real Estate, the CDBG Office, and the Planning Division to help the City negotiating team analyze and prepare negotiation positions with the CDA. This staff team should communicate the status of these discussions with the various related policy groups, such as the Board of Estimates, the CDBG Commission, the Housing Committee, the Plan Commission, and the Allied Task Force.**
- 3. Any proposal that involves the use of other City funds for any part of the development process, such as TIF funds or HOME funds or Affordable Housing Trust Funds, should be reviewed by the responsible lead policy body for those funds. The responsible lead policy body should be provided ample time and level of information regarding the proposal component, sources and uses of funds so that those staff and policy groups can ascertain the viability and adequacy of the master developer proposal to the adopted City policies and objectives for that particular funding source.**
- 4. The RFP review and selection processes for the remainder of the City-owned properties mentioned in the master developer resolution should include equal representation from the City policy groups and staff already involved in neighborhood planning, housing development and financing, in order to ensure that these policy positions and development experience be incorporated into the selection management process.**

**\*\*Option B: Split the developer role**

- 1. The Council approve the CDA as developer for the proposal 45-47 rental unit portion of the City-owned properties, with the same negotiation process suggested in the resolution.**
- 2. The Mayor and the Council designate a City staff team to issue a request for proposals for the remainder of the City-owned property that would seek proposals from developers for housing that would help meet the income targets articulated in the City's adopted Allied affordable housing plan, with provisions for service-enriched housing and for owner-occupied housing.**
- 3. The City staff team should include solely staff from the Mayor's Office, the Attorney's Office, the Comptroller's Office, Real Estate, the CDBG Office, and the Planning Division, and be charged with refining the draft RFP.**

## ADJOURNMENT

Trivedi moved to adjourn at 7:20 PM. Bartlett seconded. The motion passed unanimously

Respectfully submitted,  
Anne Kenny