



# 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, March 5, 2009

5:00 PM

5734 Raymond Rd.  
Madison WI 53711,

Conference Room (Meadowood Neighborhood Center)

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### CALL TO ORDER / ROLL CALL

**Present:** 7 -  
Daniel A. O'Callaghan; Tim Bruer; Thuy Pham-Remmele; Marsha A. Rummel; Arthur V. Robinson; Steven C. Bartlett and Charlie R. Sanders

**Absent:** 1 -  
Monya A. Choudhury

**Excused:** 1 -  
Justin O. Markofski

STAFF: Clingan, Constans, Rood, Short, Kenny

CALL TO ORDER: Sanders called the meeting to order at 5:00 p.m.

### APPROVAL OF MINUTES

O'Callaghan moved to approve the minutes of the January 27, 2009 meeting.  
Bruer seconded. Unanimous approval.

CHOUDHURY arrived at the meeting at 5:10 p.m.

**Present:** 8 -  
Monya A. Choudhury; Daniel A. O'Callaghan; Tim Bruer; Thuy Pham-Remmele; Marsha A. Rummel; Arthur V. Robinson; Steven C. Bartlett and Charlie R. Sanders

**Excused:** 1 -  
Justin O. Markofski

### PUBLIC COMMENT

Public comment was deferred to the public hearing portion of tonight's meeting.

### CHAIR REPORT

Bruer spoke about a recent *Wisconsin State Journal* article on the Burr Oaks Neighborhood and reminded everyone that CDBG was the first agency that targeted the South Park Street corridor for federal community development money. He said that the groundbreaking for the Villager ULGM project will be

on March 27, 2009 at 11:00 am.

Bruer then introduced Tim Cooley, the new Economic Development Division Director.

Pham-Remmele thanked the Commission and others attending tonight's meeting for coming out to the new Meadowood Community Center for the meeting. She especially thanked those who appeared at tonight's meeting to speak at the public hearing.

### **SPECIAL PRESENTION BY THE MEADOWOOD NEIGHBORHOOD CENTER**

#### **1. Public Hearing on 2008 Performance (2009/03-A)**

Allen Sweet, Chairperson of the Community Services Commission and a resident of District 3, handed out copies of his comments.

Board, Senior Citizens Advisory Committee, CDBG Commission, and staff of both the OCS and CDBG offices. Sweet said that given the anticipated impact the Economic Stimulus funds will have on both OCS and CDBG, the Community Services Commission, CDBG Commission, and staff of both the OCS and CDBG offices should work together to better coordinate their efforts. He said that this closer degree of coordination could begin by including some or all of the following actions:

- Sharing meeting agendas and minutes between the two offices;
- Holding occasional combined meetings as appropriate;
- Consideration of both commissions when establishing priorities and goals;
- Ensuring that enacted policies are compatible with both commissions;
- Exploring of a higher degree of coordination between procedures and timelines for making funding decisions;
- Minimizing duplication of reporting requirements; and
- Cross-training program staff and coordinating site visits where possible to include gathering information for other program areas.

#### Discussion highlights:

Sweet said he will meet regularly with Division Director, Bill Clingan and CDBG Commission Chair, Charlie Sanders to explore ways in which the two commissions may begin to integrate program priorities, goals, funding, and service delivery.

Members of the Commission discussed Sweet's comments. Rummel said she was glad to hear of the proposed new collaboration efforts, especially given discussions during last year's Summer Process of the need to work more congruously with OCS. She reminded Sweet that the CDBG Commission has requested taking over responsibility of allocating all funding to core centers to better coordinate the funding process for core centers.

Sanders and Sweet said they would look forward to further discussing the centers.

Bruer spoke about several topics that need to be coordinated between the two offices, with emphasis on budgeting and services.

Ruth Rohlich, Project Director for Wisconsin Women's Business Initiative Corporation (WWBIC), handed out copies of her comments.

Rohlich wanted to encourage continued support for micro-enterprises and thanked the Commission for their ongoing support.

Rohlich said that in 2008, WWBIC felt that the CDBG Office and Commission were very effective in working with community groups to achieve the goals of their five-year plan. She encouraged the Commission to continue to make economic development through micro-enterprise, small business assistance, and lending a priority throughout the city.

She said that as residents of the Villager Mall, WWBIC is excited to see community and development programs in that area. She said that supporting economic development throughout Madison ensures that services are provided for all citizens.

Rohlich said that with the support from CDBG to economic development agencies, agencies are able to remain strong and may adjust and even add programming to meet immediate needs of the community.

Discussion highlights:

Members of the Commission discussed Rohlich 's comments. Pham-Remmele said she would like to see WWBIC reach out to more minority women, especially Asian women whom she knows are already working at their own businesses within the city of Madison. Rohlich stated that WWBIC's loan portfolio doesn't accurately reflect the total number of people served. She also said that support for existing businesses has not been something WWBIC has done in the past. Pham-Remmele encouraged WWBIC to think outside the box, especially with respect to established businesses. She said that business owners aren't often able to attend trainings due to their inability to leave their businesses unattended.

Helen Hodel, who is one of the first residents of Orchard Ridge, said that she and her family began working on their house in 1948. Hodel, who is 96 years old and still active in her community, said it was a big thrill for her to finally see a place in her neighborhood that can be used for meetings and community space. She noted the need for further encouragement in her neighborhood and spoke about the need for a positive outlook in this tough economic time.

Greg Rosenberg, Executive Director of the Community Land Trust, handed out copies of his comments.

Rosenberg thanked CDBG for all their previous assistance with CLT projects and said that he would focus his comments on current policy issues at tonight's meeting.

Rosenberg said that for the past 20 years, four of the key components of the CDBG Office funding policies have been as follows:

- No funding for operations or capacity building for housing development organizations;
- Loans and not grants have been given for housing development projects;
- Investments in owner-occupied housing are capped at the initial funding amount over the lifespan of the dwelling; and
- Per unit subsidy amounts under the CDBG Framework do not reflect an analysis of the actual "affordability gap," the additional up-front costs of doing green projects, and any distinction between projects that are affordable for a shorter period of time versus projects that are permanently affordable.

Rosenberg spoke about how these policies have led CLT to have a negative net worth, which makes it difficult for them to proceed with new projects.

Rosenberg put together a list of proposed changes, as follows:

- Funding for projects needs to be in the form of grants;
- A portion of developer fee payments sufficient to cover staff time and overhead should be available throughout the development process;
- Funding should be made available to cover "working capital," which is so critical to the early pre-development process, before the overall project funding has been put together;
- Funding should be provided for organizational capacity building;
- The lifetime cap on per unit funding amounts should be eliminated;
- To encourage collaboration between area nonprofits, we should be able to layer our HOME funds on top of each other, which in turn will address the per unit funding problem addressed above;
- Where funding from other sources is not sufficient to cover the affordability gap, the City should provide sufficient funding per unit to cover the housing affordability gap;
- Per unit funding amounts should be increased to reflect the additional costs of green building;
- Additional incentives should be provided to developers who make their housing permanently affordable;
- The City should convert some or all of existing deferred payment mortgages to grants, which would in turn significantly improve our balance sheets; and
- The City of Madison should work the Wisconsin Division of Housing, WHEDA, and private foundations (such as the Madison Community Foundation) to secure a combined pool of funds for Madison nonprofit housing developers adequate to cover the affordability gap.

Rosenberg handed out copies of his comments and noted that grants would enable them then to do things much more effectively.

Ellie Maier, from the Wisconsin Youth Company, spoke about new programs at the center, for example the Teen Drop-In and the After School Programs.

Maier said that without the CDBG Office funds, WYC would not be able to maintain the center's resources, which include computers and the gym, etc. Maier pointed out that many kids come to play basketball and parents have called to thank the center for the programs available to help their children and to keep them out of trouble.

Maier thanked the CDBG Commission for continued funding and requested ongoing support.

Angela Bennett, City staff person to the Commission on People With Disabilities (CPD), noted that the CPD wants to work with the CDBG Commission on issues related to accessibility standards for single-family homes and duplexes, for example on visitability. Bennett said collaboration between the two commissions would help to integrate visitability, as well as accessibility into the new housing stock that CDBG funds.

Discussion highlights:

Choudhury asked if the CPD is working with the City's Zoning Unit on the City's Zoning Code. Bennett said their work really is about setting policies at this time because State Statutes set building codes. She said there is a hole or gap in accessibility features in new housing.

Larry Luther, who has been a resident of Meadowood since 1978, asked that the CDBG Commission continue to fund the Meadowood Center. He said the neighborhood has needed it for years. Luther urged the Commission to keep funding the center and also requested continued funding for three Community Gardens in the area, which are Hammersley Garden, Prairie Hills Garden, and Meadowood Garden. Luther said he appreciated the fact that the Commission held their meeting at Meadowood Center.

Kimberly Neuschel, a Public Nurse with Public Health for Madison and Dane County, handed out a list of comments regarding the Southwest Farmer's Market Project.

Neuschel serves this area of Madison and said the goal of Public Health is to establish a Southwest Farmer's Market bringing accessible and affordable locally grown produce to the greater Meadowood Neighborhood, while simultaneously creating a venue to build social capital. Neuschel's comments are outlined below:

- There are no walk able food sources in the Meadowood Neighborhood or surrounding area, with the exception of the Good Shepherd Food pantry, two restaurants, and a Walgreen's.

- The closest grocery store, Cub Foods, will close in March of 2009.
- At least 550 families, of which over 1,200 children are living in or near poverty, reside on the Southwest side with over 200 of these families living in the Meadowood Neighborhood.
- A farmer's market will not solve the southwest side's nutrition issues, but it would go a long way to bringing healthy food options and would provide access to local, affordable, and fresh produce to area residents.
- The Meadowood area is in need of revitalization, especially in terms of community participation and development. A local farmer's market has the potential to help address concerns of both homeowners and renters through offering a weekly venue to build neighbor-to-neighbor connections.
- Robert Pierce, a local organic farmer, has agreed to provide technical assistance, coordination, and liaison services to prospective vendors; he has experience and knowledge to get the market up and running.
- The tentative site for the farmer's market is on Toki School's back green space.

Neuschel said that large community health assessments have been ongoing. She also said that she would like to apply for a small amount of funding for organization efforts as noted in their budget, which is \$7,500.

Discussion highlights:

Bruer asked Neuschel whether Public Health has considered applying for Evjue funds or Kellogg grants. Neuschel said they have not explored those, but they have looked into Emerging Neighborhood Funds and are willing to chase money for their cause. Bruer recommended the Kellogg Foundation grants. He said that the Evjue grants process starts in March or April. Bruer also recommended that Neuschel explore funds from Oscar Mayer.

Neuschel wanted to know how funds get distributed through the CDBG funding process. Constans noted that typically CDBG Office funding is based on proposals that are considered on a two-year cycle. She said that if her group is looking for 2009 funding, they would need submit an application for reserve funds to the Commission. Constans said she was not sure if funds were available at this time.

Judy Olson, a former Alderperson and current employee of Operation Fresh Start (OFS) handed out forms with examples and an OFS spreadsheet.

Olson noted that LURAs seem to be the obstacle in selling OFS homes. Olson said that she has been a primary real estate agent for OFS since July or August.

Olson also noted that people are now very cautious about everything given the economic environment and seem to feel that LURAs will be obstacles to selling their homes.

Olson said she would like to see the LURA requirement dropped from the Framework. She gave an example of a buyer choosing to buy an OFS home in Sun Prairie to avoid the LURA, because LURAs aren't part of restrictions from the Dane County Framework.

Discussion highlights:

Choudhury asked Olson whether or not she anticipates any possibility that removing LURA requirements would inhibit our ability to maintain affordable housing into the future. Olson said there's no easy answer to that question, but she believes that OFS houses will sell lower over time because of their modest design.

Janice Minardi registered in support of the Southwest Farmer's Market, but did not wish to speak before the Commission.

Tom Solyst, registered in support of the Framework and noted that he will be submitting written comments addressing the 2010-2014 Five Year Plan.

Keith Swartz, registered in support of the Southwest Farmer's Market but did not wish to speak before the Commission.

Doua Vang registered in support of programs that assist Asian and refugee populations in the City.

Shwaw Vang registered in support of Items 13811 and 13816, but did not wish to address the Commission

13825

Discussion and Public Comments on the Community Development Program Performance for 2008 as part of its preparation for developing the 2008 CAPER and the 2010-2014 Five Year Plan.

**REQUEST FOR FUNDS OR MAJOR CHANGES IN CURRENTLY FUNDED PROJECTS**

**2. CDBG Office funds to Habitat for Humanity for Southwest side \$80,000 in CDBG and \$206,000 in HOME MATCH. (2009/03-C)**

Constans said there will be a small change to staff recommendations for Habitat's proposal because of a budget hitch. Revised staff recommendations allocate \$79,300 instead of \$80,000 of Southwest Neighborhood Funds. Constans said that \$206,700 in Home Match Funds will correct this error.

Perry Ecton, CEO for Habitat for Humanity, said that City staff has encouraged Habitat to make affordable housing homeownership opportunities. The goal for this proposal is two-fold: 1) to create ownership opportunities and 2) to create a sense of pride for other for-profits and

non-profits to move forward with more homeownership opportunities.

Ecton said that Habitat sees a need in the community for affordable housing and would like to be a team player in order to stabilize neighborhoods from the inside out; and rather than build new housing, Habitat would rehab existing homes.

Ecton spoke about Allied Neighborhood residents who will be displaced from Allied when homeownership projects gain momentum in that area.

Discussion highlights:

Choudhury asked about accessibility issues and targeting homes to disabled persons whose income would be within the target income group. Ecton agreed that Habitat could rehab homes to make accessibility accommodations.

Pham-Remmele asked Ecton to help with abandoned homes in the community and stated that she would rather see existing abandoned homes rehabilitated instead of new housing constructed.

13830

Authorizing the provision of CDBG and HOME MATCH funds to assist Habitat for Humanity of Dane County to develop affordable owner-occupied housing in the Southwest Neighborhood.

**Bruer moved adoption of the amended staff recommendations amounts along with waiver of the \$56,000 per unit Framework requirement. Pham-Remmele seconded. Unanimous approval.**

Pham-Remmele left the meeting at 7:25 p.m.

**Present:** 7 -

Tim Bruer; Marsha A. Rummel; Monya A. Choudhury; Arthur V. Robinson; Steven C. Bartlett; Daniel A. O'Callaghan and Charlie R. Sanders

**Excused:** 2 -

Thuy Pham-Remmele and Justin O. Markofski

**3. Housing Initiatives, Inc. request \$432,000 in Federal HOME, HOME MATCH, and Housing Trust funds to acquire and rehab or construct eight units of housing to serve as permanent affordable rental housing for individuals who are disabled through chronic mental illness and are homeless. (2009/03-D)**

Audrey Short was present to answer questions about Housing Initiatives' application for funds.

Loumos said that his philosophy is that CDBG's Framework is great for Housing Initiatives' programs and spoke in favor doing grants instead of loans to improve their loan portfolio, supporting Greg Rosenberg's previous comments.

Loumos described Housing Initiatives' application for funds to



acquire/rehabilitate or construct new units of housing for homeless persons who are disabled through chronic mental illness. Loumos said that Housing Initiatives is also applying for a WHEDA Foundation Grant, State of Wisconsin - Department of Commerce Neighborhood Stabilization funds, as well as a loan from the Federal Land Bank - Chicago for funds.

Loumos noted that his group is targeting certain census tracts per Constans's Neighborhood Stabilization Plan proposal.

Discussion highlights:

Bruer asked to what extent Housing Initiatives is working with the Fair Share Program. Loumos said that he was unaware of it. Bruer urged Housing Initiatives to be aware of where they are doing their projects and to avoid concentrating their projects in one area or in the same areas consistently.

Loumos said that the Housing Initiatives' mission statement indicates that scattered sites are preferred.

Steve Bartlett left the meeting at 7:30 p.m.

**Present:** 6 -

Tim Bruer; Marsha A. Rummel; Monya A. Choudhury; Arthur V. Robinson; Daniel A. O'Callaghan and Charlie R. Sanders

**Excused:** 3 -

Thuy Pham-Remmele; Steven C. Bartlett and Justin O. Markofski

13811

Authorizing the provision of HOME, HOME MATCH, or Affordable Housing Trust funds to assist Housing Initiatives with a rental housing project in ways that address City, Community and Neighborhood Development Objectives.

**Bruer moved to approve staff recommendations. Rummel seconded.  
Unanimous approval,**

**4. Operation Fresh Start requested that the City agree to subordinate its existing HOME and CDBG mortgages to a new \$85,600 first mortgage being taken by Anchor Bank as security for construction costs of a new home at 1109 Pflaum Rd (now 5301 Maher Ave.) (2009/03-E)**

Ferris said that OFS has traditionally used a combination of CDBG, HOME, and private funds for their projects and that CDBG's mortgages are subordinated to private lenders.

Constans said the subordination under consideration tonight is really critical and because of the timeline involved, the CDBG Office would have done this administratively, except that we need the approval from the Board of Estimates (BOE). She suggested that in the future the CDBG Office would like to have a resolution in place to allow CDBG to move forward on subordinations that change the position and without CDBG Commission and

BOE approval.

Discussion highlights:

Bruer stated that he would look into Constans's suggestions to allow CDBG to complete the subordination process in an administrative manner without having to go before the BOE.

Bruer also suggested making other policy changes that would help CDBG to work proactively to allow organizations like OFS to move forward with their projects without hindering them in this challenging market.

Bruer asked Sanders for a briefing at the next Commission meeting regarding helpful solutions regarding policy changes.

Ferris stated that holding costs are biting into their budget, which makes it a time crunch for OFS.

After the discussion, the motion passed unanimously, minus Pham-Remmele and Bartlett.

Ferris asked to speak on the next item, 13824 to Remove Resale and LURA Requirements for Homeowner loans.

13816

Authorizing the subordination of previously approved loans to Operation Fresh Start to a first mortgage holder and authorizing the Mayor and City Clerk to sign agreements to effect such a change.

**Bruer moved adoption. Rummel seconded.**

**Introduction of Peng Her**

Before discussion on the next item began, Bill Clingan introduced Peng Her, who is with the East Isthmus Housing Council. Her encouraged CDBG to continue its funding for neighborhoods.

**5. Resale and LURA Requirements (2009/03-F)**

Regarding Item 13824, Ferris requested that the Commission consider not only removing resale restrictions and LURA requirements from future projects, but also for past projects whose present homeowners would be greatly assisted with the removal of restrictions.

Constans discussed the resolution to remove resale restrictions and LURA requirements and stated that originally she was very much in favor of affordability restrictions. However, given the present market, she has had a change of heart about the restrictions, especially if they

hinder sale of properties.

Discussion highlights:

Bruer said that he would agree with this very much, but perhaps put in a two-year sunset on the resolution.

Rummel noted that she had wanted affordability to stay with the unit, as was the case with Inclusionary Zoning properties.

As a point of clarification, Constans said CDBG would not do an ordinance for this Framework change. They would only revise the Framework to remove restrictions.

Rummel asked where the recapture is held now and asked if it were held in the Housing Trust Fund. Constans said that recaptured funds go to the CDBG Housing Development Fund.

O'Callaghan said he supports the change but wondered if promissory notes and mortgages are necessary. Constans said she wished the office to continue the promissory notes and mortgages to secure the properties we assist.

O'Callaghan asked whether or not this was related to other problems discussed previously this evening. Constans said that MACLT would like CDBG money in the form of grants instead of staying as loans on the land.

Further discussion:

O'Callaghan asked if it were possible to go back and remove LURAs from properties sold in previous projects requiring them.

Constans said that it was possible to include all properties that haven't sold yet. However, she said it would not be wise to include the whole universe of LURAs from properties sold throughout the years.

Choudhury stated her concern for our concept and how creditable we are going to be regarding not letting go of long-term affordability. Choudhury noted she understood the rationale of giving affordability to the family rather than the unit, but she said she is not sold that it isn't detrimental to long-term affordability.

Constans stated that HUD only requires either a resale requirement or a recapture of funds, but the CDBG office has required both the resale and recapture requirements. Constans noted she has come around to the other side and said the CDBG office needs to rethink how we do

business in order to remove barriers to sales and re-sales in this market. Constans, along with other CDBG Housing Team members Audrey Short and Pam Rood, recommended eliminating resale but keeping recapture.

Bruer moved adoption of staff recommendations, to include currently unsold properties. O'Callaghan seconded.

The motion passed unanimously to approve removing resale restrictions and LURA requirements and use only the recapture requirements that are part of the 2009 Action Plan.

[13824](#)

Remove Resale and LURA Requirements for Homeowner Loans.

**Unanimous approval**

#### **REFERRALS FROM THE COMMON COUNCIL**

##### **6. Affordable Housing Trust Fund Ordinance (2009/03-G)**

Clingan said that Alder Konkel called to say she'd like to refer this item to next month's agenda.

[06811](#)

SUBSTITUTE - Amending Section 4.22 of the Madison General Ordinances to update language and terms in the Affordable Housing Trust Fund ordinance.

**Choudhury moved referral. Bruer seconded. Unanimous approval.**

#### **STAFF REPORT**

Clingan discussed the recently passed stimulus package. He said that legislation was passed with a 75-day period to put regulations and requirements on the stimulus money. He said that CDBG is trying to ferret out information on requirements from HUD, because we'll have to move the money out as soon as possible.

Clingan said that the Mayor has requested a list of ideas and wanted to know what we knew about the package. A list of ideas was given to him.

Rummel asked what shelter would encompass. Clingan said that the money would be used to prevent eviction and that we would do an RFP process.

Rummel asked whether or not any of this money could be used for Rosenberg's suggestions. Clingan said not with this pot of the money, but perhaps with CDBG money. He said we have only 120 days in which to

move the money out.

Clingan said one idea for use of the money was to hire a mortgage banker who would triage people facing foreclosures, someone who could give out good information to assist families.

Sanders thanked Tim Cooley for being such a trooper and sticking around for the entire meeting.

#### OTHER REPORTS

##### Gardens

Choudhury reported that a zoning code re-write generated a request that Gardens be integrated with Urban Agriculture, but she said that the two committees are very different. She said that she anticipates discussions about why Urban Agriculture is not part of Gardens to begin soon.

#### ADJOURNMENT

**Robinson moved adjournment at 7:20 pm. Bruer seconded. Unanimous approval.**

Respectfully submitted,  
Anne Kenny, recorder.