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January 18, 2016

*VIA EMAIL*

City of Madison Common Council  
City-County Building, Room 417  
210 Martin Luther King, Jr. Blvd.  
Madison, WI 53703

**Re: Rezoning of 820 South Park Street, File No. 40663**

Dear Council Members:

Before you is a proposal to rezone property located at 820 South Park Street, 905-911 Delaplaine Court, 910-930 Haywood Drive, and 825-831 South Brooks Street to allow a redevelopment project providing much needed affordable housing in the Park Street Corridor. The proposal comes to you with a recommendation to approve by the Plan Commission from its December 7, 2015 meeting. We are aware a zoning protest petition has been filed by a small number of area residents. A valid protest petition does not change the standards or procedure for the approval of the rezoning application other than to require a three-fourths vote to approve rezoning. For the reasons discussed below, we believe the entire Common Council will find the standards for rezoning have been met and vote to grant the requested rezoning.

**1. Project Background.**

The project, 8Twenty Park, is being developed by Jacob Klein—a Madison native who recently relocated his business from Minneapolis to Madison. Jacob formed JT Klein, Inc. in November 2014 with the mission of developing integrated housing for low-income individuals and families, including veterans and those with permanent disabilities. Jacob has developed over 1,100 units of multi-family housing over the past 11 years, including affordable housing units, assisted living and memory care units, and mixed-income, senior and general occupancy apartments.

WHD/12203811.2

Last year, Jacob's Meadow Ridge development in Middleton was one of only two projects in the state to be awarded WHEDA High Impact Project Reserve Tax Credits, which are awarded to projects that have strong economic development or redevelopment attributes, significant community support, and a tangible impact on job creation, job retention or job training. In addition to 8Twenty Park, Jacob is currently partnering with the Dane County Housing Authority on the Meadow Ridge affordable housing project.

## **2. The Need for Affordable Housing in the Park Street Corridor.**

The Park Street Corridor is a prime area for urban infill development, and has been identified as such by a number of City plans. In 2001, the South Metropolitan Planning Council's Park Street Revitalization Plan first identified the area for infill redevelopment and subsequent plans, including the Greenbush Neighborhood Plan, the Greenbush-Vilas Revitalization Strategy and the City of Madison Comprehensive Plan, have embraced that vision. In 2014, the City of Madison Affordable Housing Strategy designated the area specifically as a target for much-needed affordable housing. This block of Park Street also falls within a WHEDA qualified census tract, making affordable housing projects eligible for WHEDA financing including Low-Income Housing Tax Credits.

The 8Twenty Park project accomplishes two longstanding and important City goals—the revitalization of Park Street and the addition of much-needed affordable housing. In light of the Race to Equity Report, the project will support the goal of increasing diversity, providing the opportunity for people of lower incomes and diverse backgrounds to enjoy all the Greenbush Neighborhood has to offer – including excellent schools, the Arboretum and the Henry Vilas Zoo. The project is one block from a bus stop, with routes providing access throughout the City and greater accessibility to jobs. The project is also within walking distance of two major hospitals, providing much needed workforce housing.

## **3. Affordable Housing Components of the Project.**

Developing an affordable housing project is a complex task, often requiring financial support from public and private sources. The City of Madison is providing \$1,250,000 in low-interest loans for Phase 1 of the project. We believe both Phase 1 and Phase 2 of this project will be extremely competitive in WHEDA's upcoming round of 2016 tax credit awards. Jacob's Meadow Ridge project was selected by WHEDA as one of two High Impact Projects for 2015 because of its proximity to a major job center, City of Middleton Financial Support and location in an area with few affordable housing options. The 8Twenty Park project has many of the same defining attributes.

Phase 1 of the project will be financed with Section 42 Tax Credit Equity<sup>1</sup> and various sources of financing. Phase 2 is anticipated to be financed by either Section 42 Tax Credit Equity and various sources of financing, or by WHEDA 7/10 Flex Debt, requiring a minimum of 20% affordable housing units. Both phases are anticipated to be constructed simultaneously.

#### **4. Current and Requested Zoning.**

When the Park Street corridor was mapped under the new zoning code, the parcel lines were used as the boundary for the TSS zoning district. In the case of the block on which the project is located, this created smaller developable lots as compared to the rest of the west side of Park Street. To accommodate the size of development necessary to meet WHEDA standards and maximize tax credit investment, the boundary for TSS needs to be shifted back to be generally in line with the other parcels along the west side of Park Street. In addition to expanding the TSS zoning district, the project will rezone the single family lots on Brooks Street from TR-V1 to TR-C3. This zoning district allows only two unrelated individuals to live in a housing unit and is intended to attract more families to live on Brooks Street.

In response to staff and neighborhood comments, the development team has worked diligently to develop a project that transitions gently into the neighborhood. The height along Delaplaine is set back at the fourth story along the back of the building and the fourth story on Haywood now has a significant step back. The parking lot and the depth of the single-family lots allow for a clear separation of the densities. Required fencing along the back of the parking lot and landscaping in the backyards of the single family lots will further soften the transition.

#### **5. Neighborhood Process.**

The project had a robust neighborhood engagement process. This included convening a steering committee of thirteen members representing both the Greenbush and Bay Creek Neighborhoods, which met four times over the course of four months. Two well-attended neighborhood meetings were also held. Neighbors have also attended and testified at meetings of the Urban Design Commission and the Plan Commission as those bodies have considered the conditional use permit and rezoning applications for the project. Throughout the engagement process and in response to comments from neighbors, the project has undergone many changes, including a number of improvements from the original proposal, meeting the recommendations of the Comprehensive Plan and the Greenbush Neighborhood Plan.

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<sup>1</sup> Based on comments received at various neighborhood and public input meetings, we understand some confusion may exist regarding the financing structure and affordable housing components of this project. *Section 42* housing tax credits differ from *Section 8* housing vouchers, although both programs are intended to assist in providing affordable housing options to low-income individuals. Section 42 provides low-income housing tax credits to encourage private development of affordable housing; Section 8 provides vouchers equal to the difference between market rent for a unit and 30% of a resident's income.

## 6. Zoning Protest Petition.

Despite the many benefits which will be achieved through the 8Twenty Park project and the extensive outreach and coordination with the neighborhood, a small number of area residents have attempted a number of actions to challenge various facets of the project, all of which have been unsuccessful to date:

- On December 17, 2015, an appeal of the conditional use permit was filed. The City Attorney concluded the appeal was invalid because it was not signed by 20% of the property owners within 200 feet of the project boundary. Of the 39 parcels within 200 feet of the project boundary, the appeal was signed by the owners of only two of those parcels (fewer than 5% of the neighboring property owners)
- On December 23, 2015, an appeal was filed with the Zoning Board of Appeals purportedly challenging certain determinations by the Zoning Administrator. The City Attorney provided a memo to the ZBA concluding it did not appear the opponents had demonstrated how they had been “aggrieved” by any “decision” of the Zoning Administrator, as required under the zoning ordinance. The ZBA considered the appeal at its January 14, 2016 meeting and concluded unanimously the appellants lacked standing to bring the appeal.
- On December 29, 2015, a zoning protest petition was filed.<sup>2</sup> As noted above, the appellants challenging the CUP did not have a sufficient number of property owners to meet the 20% requirement under state statute and city ordinance. The standard for the current zoning protest petition requires signatures of 20% of registered electors within 100 feet of the subject property, a lesser standard to satisfy because each resident in a multi-tenant building can be included, not just property owners; and notably, nearly three-fourths of the signatories (11 of 15) are renters and the four owner signatories occupy a total of two properties.<sup>3</sup>

The petition simply lacks merit. As the Plan Commission overwhelmingly found, the project meets the standards for rezoning a portion of the property to TSS zoning with the Brooks Street side of the project being rezoned to TR-C3. This rezoning strikes the appropriate balance by allowing development of much-needed affordable housing in the Park Street Corridor, at a density meriting an award of WHEDA low-income housing tax credits, while the project's

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<sup>2</sup> There appear to be procedural irregularities in the petition. Most of the signatures are dated and notarized as of November 14 and 15, 2015 (long before the petition was filed), and the notary for most of them is Jennifer Ginsburg, who is also one of the signatories. Ms. Ginsburg listed two different dates for the expiration of her notary license (November 28, 2015 and November 23, 2018) and two different signatures were used, both purporting to be Ms. Ginsburg.

<sup>3</sup> In addition, given the distance of the project from the petitioners' property, we do not believe the petition would be valid if the project did not seek to rezone the Brooks Street properties, which is being requested in part based on incorporating neighborhood feedback including limiting the number of unrelated occupants to two.

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interface on Brooks Street preserves and enhances the residential character of the Greenbush Neighborhood.

**7. Conclusion.**

The 8Twenty Park project, which includes both the development of affordable multi-family units on Park Street and the relocation and renovation of single family homes on Brooks Street, is exactly the kind of project envisioned and appropriate for the Park Street Corridor. The project meets the recommendations of both the Comprehensive Plan and the Greenbush Neighborhood Plan. It also meets many key community goals including those identified in the Race to Equity Report – revitalizing Park Street, developing affordable housing, creating opportunities for more diversity, and improving the availability of workforce housing. As this Council has done recently with several other affordable housing projects, Jacob Klein and the entire project team urge every member of the Common Council to vote to support these important goals and grant the requested rezoning.

Very truly yours,

A handwritten signature in blue ink that reads "Angela Black". The signature is fluid and cursive, with a long horizontal line extending to the right.

Angela Black

AB/JLV/jjn

cc: Heather Stouder, Planner  
John Strange, Assistant City Attorney  
Jacob Klein  
Melissa Huggins  
Randy Bruce