



# City of Madison

City of Madison  
Madison, WI 53703  
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## Meeting Minutes - Approved COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION

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Thursday, December 4, 2008

5:00 PM

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

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### CALL TO ORDER / ROLL CALL

**Present:** 5 -  
Monya A. Choudhury; Daniel A. O'Callaghan; Marsha A. Rummel; Justin O. Markofski and Charlie R. Sanders

**Absent:** 2 -  
Tim Bruer and Arthur V. Robinson

**Excused:** 2 -  
Thuy Pham-Remmele and Steven C. Bartlett

STAFF: Clingan, Charnitz, Constans, Kenny

OTHERS PRESENT: Ray Harmon, Ald. Brenda Konkel

CALL TO ORDER: Sanders called the meeting to order at 5:15 pm

### APPROVAL OF MINUTES

Markofski moved to approve the minutes. Choudhury seconded. Unanimous approval.

### PUBLIC COMMENT

No one registered to speak at this time.

### WELCOME CHAIR'S REPORT

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

1. **Operation Fresh Start Homeowner request to express her view of the HOME resale.**

Ann Smith was going to present her proposal, however she was not present. Her letter was presented, which described her request for withdrawing the proposal.

Charnitz said that the CDBG Office anticipates bringing forth in January some new suggested language requirement pertaining to re-sale and recapture where the owner pays the entire amount back and then initiates a re-loan or reinvestment.

Charnitz said that lenders don't like giving 30-year loans when a LURA is on the property; they prefer to give ARMS.

Charnitz will discuss further options in January with pros & cons represented on both sides of the issues.

[12899](#)

A potential buyer of an Operation Fresh Start home wishes to express her views about the HOME resale requirements.

Tim Bruer arrived at the meeting.

**Present:** 6 -

Monya A. Choudhury; Daniel A. O'Callaghan; Tim Bruer; Marsha A. Rummel; Justin O. Markofski and Charlie R. Sanders

**Absent:** 1 -

Arthur V. Robinson

**Excused:** 2 -

Thuy Pham-Remmele and Steven C. Bartlett

## REFERRALS FROM THE COMMON COUNCIL

### 2. Affordable Housing Trust Fund Ordinance

Ray Harmon, from the Mayor's Office, and Ald. Brenda Konkel, gave a presentation.

Harmon said the Mayor would like to provide an amendment to the Affordable Housing Trust Fund.

Harmon went on to say that the Mayor wants to allow the use of the AHTF outside of the City of Madison limits.

- The City Attorney's opinion states that a portion of the funds could be used outside of the City as long as it's not generated from Madison tax dollars.
- Harmon distributed the City Attorney's opinion to the Commission.

O'Callaghan asked what the source of the \$2.5 million dollars is.

Konkel said it was money from Randy Alexander plus money from the sale of land under Dudgeon School and it was ok to use funds in that manner.

Harmon said that money from land sale and TIF equity payments was ok to use outside the City.

Konkel said she is opposed to the idea and that there are enough affordable housing needs in the City of Madison that we don't need to go outside the City limits.

Konkel went on to say that maybe once the County gets its own trust fund or plan together she may not be as opposed.

Konkel noted that other members of the IZ Committee and Housing Affordability Subcommittee are opposed to the notion of going outside the City limits.

O'Callaghan asked what procedure would be used for applying for a project outside the City limits.

Charnitz said that any project that is proposed would come before the CDBG Commission, which would recommend action to the Council.

Sanders asked whether or not the County has the necessary mechanisms to take on affordable housing in Dane County.

Konkel pointed out that the County is in the process of creating their own AHTF aimed at 30% AMI; however, the County is approximately six (6) or seven (7) years behind the City.

Konkel said that the County will also have a source of generating the funds, unlike the City, which has to wait for some event to occur to generate funds or to put funds into the AHTF.

O'Callaghan said it was a laudable goal to have a collaborative approach to affordable housing, but wondered if there might be better reception after more meetings and discussions with the County.

Konkel said that her view is that it's something to bring to the table later on.

Choudhury asked how hard is it to change the ordinance if we decide

later to allow money to use outside the City.

Konkel noted that if it is something small it wouldn't take too long or be an involved process.

Rummel was not in favor of amending it now to add County use.

Choudhury was in favor of the other changes proposed for the ordinance.

Harmon asked what the next step would be.

Konkel said the Commission can vote on the current draft tonight and other changes such as use of funds for operating expenses.

Markofski agreed with the sentiment of the other commissioners.

Konkel said she was concerned about the amendment for taxes in the AHTF to go to tax exempt agencies.

Konkel discussed the amendment in the MGO Sec. 4.22(4)(b).

Konkel noted that the Common Council had a budget amendment that stated if taxes were paid going back a couple of years, some money would go to the AHTF.

Charnitz was unsure of the intent under MGO Sec. 4.22(1) which states the AHTF will be used to create new units whereas language in Sec. 4.22(4)(b) doesn't really create new units.

Konkel noted that with Sec. 4.22 (4)(b), she had discussed adding down payment assistance with the Common Council, but is not sure that we need another down payment program.

Charnitz suggested allowing soft costs (up to 15%) related to the project, which is consistent with the CDBG framework.

Charnitz suggested adding the following language to Sec. 4.22(b) "professional, planning, legal, and other soft costs shall be limited to 15%".

O'Callaghan suggested rewording the phrase "attributable to the creation of Assisted Units", and replacing it throughout with "creation, maintenance, and preservation of Assisted Units".

Charnitz noted this language would open up the AHTF to existing units; the AHTF's intent is to create new units not to maintain existing units.

Konkel thought Housing Affordability Subcommittee's intent was to open up uses for the AHTF.

Konkel said that the CDBG is the Committee on the ordinance.

Charnitz said the role of the CDBG commission is to determine whether or not they agree with the Common Council's changes.

Charnitz noted the Commissions should understand the intent of the changes and if agree with the changes, keep them in and/or clarify them; otherwise if disapprove, take them out.

Konkel thought the best way to get affordable housing is to do rehabilitation.

Konkel asked the commission to consider whether or not \$25,000 is suitable amount per unit.

Charnitz said that CDBG Framework sets the per unit amount at \$54,000 for CDBG and HOME funds.

Markofski said that staff seems to favor increasing the AHTF amount to \$54,000.

Konkel suggested adding language to the ordinance that aligns it more with the CDBG Framework rather than stating a per unit amount which would have to be amended over time.

Charnitz also suggested removing operating expenses.

Konkel was willing to take all CDBG's suggestions, list them and draft something to bring back to the Commission.

**06811**

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

**This Ordinance was Rereferred to the COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION.**

**Bruer moved referral to the January meeting/Rummel seconded.**

**Unanimous approval.**

**3. Create Policies and Procedures for Removal of Personal Property from Public Lands.**

[12176](#)

Creating Section 8.32 of the Madison General Ordinances to create policies and procedures for removal of personal property from public lands.

The Commission members discussed the policy for removal of private items in public areas.

**This Ordinance was Rereferred to the COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION**

**Markofski moved to refer this item to the January meeting/Bruer seconded. Unanimous approval.**

**STAFF REPORT**

**2009 Budget**

**1.** In addition to the \$38,000 added to the CDBG budget discussed at last month's Commission meeting, an additional \$40,000 was authorized by the Council for Outreach as well as \$50,000 for Eviction Prevention Services. Sue Wallinger is working on a proposal for the use of these new funds.

Bruer suggested thanking the Common Council and the Mayor for these additional funds. Sanders said he would thank the Mayor, Common Council and copy Janet Piraino.

Regarding the Neighborhood Stabilization Program (NSP), the CDBG Office is hoping to submit the application in January; Bill Clingan and Barb Constans are working on this project.

**2.** The 2007 Annual Homeless Report has been completed and can be viewed on the CDBG Office website; the link is contained in the agenda.

Clingan, suggested working together with other housing providers (i.e., Operation Fresh Start, Habitat for Humanity, etc) who are interested in a collaborative process. There is interest in targeting certain areas. Clingan asked the Commission to consider what areas we target, such as those most affected by foreclosures as shown on the maps we're done.

Bruer asked for maps to be sent to Commissions with next month's packet.

**3.** Charnitz said that IZ will sunset in January, and she distributed copies of the IZ Annual Report to the Commission members. The IZ Committee will continue to meet to look at other affordable housing options and work on some close out issues.

Rummel asked why the IZ Committee will continue to meet after it sunsets.

Clingan said there are still issues to resolve and there is still City money left in the fund. He also said that we need to explore ways of keeping this Committee's expertise together and contributing their knowledge to the City.

Charnitz asked whether or not the IZ Committee needs to submit a resolution in order to continue meeting. Clingan thought that Barb Constans said they do need to submit a resolution to continue to meet, per the City Attorney.

Clingan said the Mayor asked the IZ Committee to come up with a list of closeout issues.

Charnitz noted that the Mayor has introduced a resolution to create the Housing Diversity Committee with alders, citizens, and one (1) member from the Housing Committee and one (1) member from the IZ Committee.

**4.** MSCR appeared before MMSD and the agreement to operate a neighborhood center in Meadowood Mall was approved. The resolution to contribute \$15,000 in CDBG funds for rehab passed at the Common Council meeting of December 2, 2008. MSCR hopes to be done with rehab by the end of February.

**5.** The Commission discussed the recommendation of the CCOC Subcommittee on Committee Creation and Committee Rules. The Subcommittee has recommended that the CDBG Commission should be called a "Committee" instead of "Commission" as a committee has no independent authority. However, since the CDBG Commission does have some authority independently related to HUD, this issue will be referred to the City Attorney's Office for an opinion.

**6.** The rental property tax issue, affects many non-profit agencies. Future Madison is especially affected at Eastpointe and Northpointe. If the tax issue doesn't get resolved this year, Eastpointe will no longer be able to be run by Future Madison. Northpointe may also be in jeopardy. This issue is essential to our affordable rental-housing portfolio.

Charnitz noted that the tax decision needs to be in effect before the end of next year and is hopeful that the State of Wisconsin resolve this quickly.

**7.** A 2009 meeting calendar was distributed to the members.

## OTHER REPORTS

1. Choudhury noted in her Gardens Report that one of the biggest issues is that the new garden fund is getting ready to accept applications. Madison Community Fund's desire is to fund gardens outside the City of Madison. Some people refused to pay plot fees this year. There is optimism that people will begin to pay their fees next year. The Garden Committee is

working on a new zoning under the urban code for gardens. Gardeners get very attached to their plots. The issue will be how to get people off their plots if necessary when they don't pay their fees.

Bruer noted that the Commission has talked previously about meeting at other locations within the City (e.g., neighborhood centers, other funded properties or other places in targeted areas).

Charnitz suggested Commissioners email her with suggestions for possible locations and said that staff will work on scheduling the meetings at CDBG funded sites.

Clingan suggested meeting one-half (1/2) hour earlier to get tours of the facilities beginning in January.

#### **ADJOURNMENT**

**Choudhury moved to adjourn/Markofski seconded. Unanimous approval.**

Respectfully submitted,  
Anne Kenny, recorder.