



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Meeting Minutes - Approved COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE

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Thursday, October 7, 2010

5:00 PM

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

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### CALL TO ORDER / ROLL CALL

- Present:** 7 -  
Tim Bruer; Shiva Bidar-Sielaff; Marsha A. Rummel; Charlie R. Sanders;  
Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel
- Absent:** 1 -  
Ken W. Pritchard
- Excused:** 3 -  
Monya A. Choudhury; Arthur V. Robinson and David A. Smith, Sr.

STAFF: Charnitz, Clingan, Rood, Kenny, Short, Wallinger  
OTHER: Ken Swanson (Independent Living, Inc.), Joyce Behrend  
(Independent Living, Inc.), David Haviland (Independent Living, Inc.), George  
Riggin (Operation Fresh Start), Harry Read (Citizen) Dennis Tiziani (Citizen)  
Anita Weier (Northside Planning Council) Caryl Terrell (CRANES) Fayth Kait  
(Citizen), Jon Becker (Citizen), Craig Makela (Cherokee Park, Inc), Char  
Tortorice (Citizen), Richard Walker (Friends of Cherokee Marsh), Lydia  
Maurer (Berkley Oaks Neighborhood Association), James Amundsen  
(Sergenians Floor Covering) Sonya Lindquist (EMMCA), Ruth Shelly  
(Madison Children's Museum), David Coe (The North Center Group), Arnold  
Harris (Western Dane Coalition for Smart Growth & Environment)

Sanders called the meeting to order at 5:04 p.m.

### APPROVAL OF MINUTES

**A motion was made to approve all the minutes by Markofski, seconded by  
Bruer. The motion passed by voice vote/other.**

### PUBLIC COMMENT

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

1. [19348](#) SUBSTITUTE - Approve the request from Independent Living, Inc. to provide up to \$432,000 in CDBG, HOME Match, Acq/Rehab funds and Scattered Site Funds to acquire and construct 42 units of senior rental housing on the north side of Madison.

**Swanson gave an overview of the project and said Independent Living, Inc.**

(ILI) was requesting funds for Phase I of a larger project with 42 units of enriched care senior apartments in the Cherokee community. ILI looked at many sites on the north side for this project but chose this one because of its connectivity to Cherokee Country Club and its proximity to a number of amenities, such as a church. Swanson said that the population served is not likely to use public transportation much. He said an additional 58 units of independent apartments and 48 units of both assisted living and memory care apartments will follow in Phases II and III. The project will focus heavily on LEED and green practices. The apartments in the project will be a mix of affordable and market rate two- and three-bedroom units. ILI hopes to create jobs on the project. Swanson guessed that they might expect to create 48 total construction and support jobs. Financing would include bond financing and grants to fill the gap. The project is supported by Alder Schumacher.

Swanson said that the whole project would have 148 contiguous units. He also said that the project would need permanent zoning approvals from the Plan Commission after CDBG action.

Rummel noted that the Cherokee Plan called for low density and that this plan doesn't seem to fit with that plan.

Swanson pointed out that closeness to amenities would be preferred.

Bidar-Sielaff wondered why this issue is brought up here before other land use issues were resolved.

Bruer asked Swanson to speak to the financials relative to the project and wondered why the dollars were so critical.

Swanson said that a non-profit almost by definition doesn't have any money, so they will need a loan or grant to start the project. Then they would also start fundraising. Swanson said the total cost of the project would be \$7.2 million.

Bruer asked for additional information on the project.

Swanson said there would be 48 units of assisted living and 58 units of independent living.

Bruer said that he would like ILI to provide a copy of the study to the Committee.

Swanson said they could transmit the executive summary but not data right now.

Rummel noted that we paid for the survey and because it is confidential now, we cannot have access to it.

Charnitz said the executive summary has all the information.

Bidar-Sielaff asked if we had funded the entire study.

Clingan said that we had.

Bruer requested copies of the executive summary for the Committee members

as well as alderpersons.

Kevin Firchow of Planning said that the project would need permanent zoning.

## ROLL CALL

**Bruer left at 5:30.**

**Present:** 6 -

Shiva Bidar-Sielaff; Marsha A. Rummel; Charlie R. Sanders; Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

**Absent:** 1 -

Ken W. Pritchard

**Excused:** 4 -

Tim Bruer; Monya A. Choudhury; Arthur V. Robinson and David A. Smith, Sr.

### 19348

SUBSTITUTE - Approve the request from Independent Living, Inc. to provide up to \$432,000 in CDBG, HOME Match, Acq/Rehab funds and Scattered Site Funds to acquire and construct 42 units of senior rental housing on the north side of Madison.

**Dennis Tiziani, from Cherokee Country Club, said that ILI approached Cherokee. He gave details about the plan. He said there are people who do not want to leave the area and want to stay in their own unit and said that for his group this project would be good. There is a need for housing on this side of town.**

**Anita Weier, who spoke on behalf of the North side Planning Council (NPC), asked the Committee to see her written statement which expresses support for the facility. Weier said there were significant benefits to those on the north side and NPC trusts that the City and ILI will work diligently to ensure there would be neighborhood input with no significant environmental impact.**

**Rummel wondered about the watershed.**

**Weier wanted the work to be done responsibly so that the marsh would not be affected.**

**Caryl Terrell, who is the secretary for the Capital Region Advocacy Network for Environmental Sustainability (CRANES), said that her organization does consulting work for independent groups and provided a handout to the Committee. Terrell urged the Committee to deny funding as there were too many potential problems with the site and marsh.**

## ROLL CALL

**Bruer returned at 5:45 pm.**

**Present:** 7 -

Tim Bruer; Shiva Bidar-Sielaff; Marsha A. Rummel; Charlie R. Sanders; Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

**Absent:** 1 -  
Ken W. Pritchard

**Excused:** 3 -  
Monya A. Choudhury; Arthur V. Robinson and David A. Smith, Sr.

**19348** SUBSTITUTE - Approve the request from Independent Living, Inc. to provide up to \$432,000 in CDBG, HOME Match, Acq/Rehab funds and Scattered Site Funds to acquire and construct 42 units of senior rental housing on the north side of Madison.

Terrell said the Committee may not feel the land use is part of its job, but would ask the CDBG Committee to refer this issue until the land use could be decided. Terrell directed the group's attention to a letter from Dr. Joe Meisel dated December 2006 in which he warns of potential run-off with the site. Terrell said ecological considerations need to be reviewed. Over 60% of the site would be impervious which would not be good for storm water run-off in the marsh. Wet/flooded basements in the area also are a consideration. She said the project may experience problems with flooding in its underground parking facility. Terrell said she would like the CDBG Committee to deny the facility.

#### ROLL CALL

**Rev. David Smith appeared at 5:50 pm.**

**Present:** 8 -  
Tim Bruer; Shiva Bidar-Sielaff; Marsha A. Rummel; Charlie R. Sanders; David A. Smith, Sr.; Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

**Absent:** 1 -  
Ken W. Pritchard

**Excused:** 2 -  
Monya A. Choudhury and Arthur V. Robinson

**19348** SUBSTITUTE - Approve the request from Independent Living, Inc. to provide up to \$432,000 in CDBG, HOME Match, Acq/Rehab funds and Scattered Site Funds to acquire and construct 42 units of senior rental housing on the north side of Madison.

Fayth Kail lives on the northeast side and said she was excited about the project when she heard about it; many senior citizens need a place to live. She said she is excited for people on the north side and has great faith in ILI's management of the property and that she was excited about ILI's interest in building in Cherokee.

Jon Becker noted that his arguments against the project were all on public record. He encouraged the Committee to understand the situation and said that the Capital Area Regional Planning Commission had received testimony against development in this area. He noted that there were all sorts of problems with climate change. Becker said that Cherokee Park and condos were a big mistake and that some people are running pumps in their basements all the time. Becker gave information from USGS about flooding in Madison. He noted that the Westshire senior housing development has a 20%

vacancy in the development.

Rummel wondered if this was low density residential and said she would support low density residential.

Becker said he would be opposed.

Whitesel asked if there was no alternative site appropriate.

Becker said he would like to see it across the street if the study would support such a move.

Craig Makela said that Cherokee Park has been a steward of the area for 40 years and spoke about the City's standards for storm water and that standards are consistent.

Char Tortorice noted that it was a beautiful facility and would like to live in the area. She said it has a lower down payment than other developments and said it was a very interesting project. Though she said she was not an environmental expert, she would trust the City agencies in their due diligence.

Richard Walker, a member of the Friends of Cherokee Marsh, noted his concerns with proper development of ILI. Walker stated that Cherokee Marsh is ecologically important. Increased urban usage could adversely affect the marsh. Walker said that if development does proceed, the Friends advocates due diligence. Walker noted that sump pumps are in use all the time in the Cherokee Garden condos.

Lydia Maurer, who is from the Berkley Oaks Neighborhood Association, read from an e-mail statement which she handed out regarding concerns for the ILI proposed project. Her comments provided alternatives for the site. Maurer noted that the Cherokee Country Club doesn't offer a whole lot of programs for seniors, whereas Warner Park offers more for less money in membership fees. Maurer said that bus service to Cherokee is limited, whereas in the Tennyson Terrace area there is more service. Maurer encouraged the facility to be built elsewhere on the north side. She discussed a number of services in the area and handed out examples of those services.

Bruer moved approval of staff recommendations to fund the project in the amount of \$345,000 in CDBG/HOME Match and Acquisition/Rehab Funds and \$87,000 in Scattered Site funds for a total of \$432,000 contingent upon compliance with the loan to value requirement, waiver of the new construction 8 unit limit, inclusion of the 2011-2012 Scattered Site map, and planning and zoning review and acceptance of the site. Smith seconded.

Bidar-Sielaff had to leave, but stated that this issue should go for land use approval first.

## ROLL CALL

Alder Sielaff-Bidar left the meeting

- Present:** 7 -  
Tim Bruer; Marsha A. Rummel; Charlie R. Sanders; David A. Smith, Sr.;  
Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel
- Absent:** 1 -  
Ken W. Pritchard
- Excused:** 3 -  
Shiva Bidar-Sielaff; Monya A. Choudhury and Arthur V. Robinson

**19348**

SUBSTITUTE - Approve the request from Independent Living, Inc. to provide up to \$432,000 in CDBG, HOME Match, Acq/Rehab funds and Scattered Site Funds to acquire and construct 42 units of senior rental housing on the north side of Madison.

**Markofski stated that he would like ILI to speak to other available sites and asked for Swanson's perspective.**

**Swanson said that he looked at all suggested sites and crossed them off the list. Swanson determined that the Cherokee site was much better.**

**Becker noted that Ald. Schumacher was not the alderperson for this property yet. He pointed out that the City had the property appraised at \$45,000/acre; however, ILI had it appraised at \$200,000/acre.**

**Rummel noted she had followed this project for a long time, however, would not support it on the basis of environmental concerns. She asked to have her name removed as a sponsor for the project.**

**Whitesel said that he shared some of Rummel's concerns and that he would like to delay the project and have it come back to the group.**

**Bruer stated that he would prefer to focus on the merits of the project itself and not the environmental issues, especially due to the neighborhood's support of the project. Bruer said he recognized that others with greater expertise would be vetting the project thoroughly. He said that referral would be symbolic and would urge ILI to go forward as vetting will happen.**

**Whitesel said he would move to refer this issue.**

**Rummel said that referral would give a stronger message; it goes against the special area plan and comp plan and is very ecologically sensitive.**

**Markofski wanted more information about the financial part of the project. He thought those financials had been revised and asked Swanson to speak to those issues.**

**O'Callaghan said that this was very challenging for him because our focus was on affordable housing issues and that he didn't feel qualified to make environmental decisions about this project. O'Callaghan said it is a high quality service and project. He wondered how we would square this with the planning issue. O'Callaghan said that density is good in terms of preserving other parts of the area. O'Callaghan asked if it was the Committee's job to sort all this out.**

**Charnitz noted that the amendments needed to the plan would be consistent**

with how they would move the project ahead which is why we recommended the project. She pointed out that the Plan Commission would approve land use decisions.

Whitesel said he agreed with O'Callaghan that our focus should be on financial issues, but he could not make a decision until the siting is finalized because we don't know zoning's decision. He said he would vote against the motion.

Rummel said she would ask Bruer to withdraw his motion.

Bruer said that the planning documents were a guide and there was no question that this has been properly vetted to bring before our group; we owe it to this project to go forward instead of withdrawing the motion. Bruer wanted to keep the motion on the table.

Markofski said he would vote no and would like leveraged financing for ILI, but not if it's to spend money on zoning issues. He said he was more supportive of referring the motion.

O'Callaghan said that money was not in jeopardy. He noted that the motion included language that the zoning issues must be met before proceeding with funding. He was reassured by the Planning Department and our department's vetting process. He said he likes the project and likes the mix. O'Callaghan said he understood the location concerns, but noted that the group should not be deciding that here.

Smith asked if the group could make sure that some of the money would not be used for research.

Swanson said he needed technical assistance to go before the Plan Commission and would require money for that technical assistance.

Whitesel spoke about the uncertainty as to site and noted that a referral would allow the group to use financial judgment.

O'Callaghan wondered if this would be approved, then would our approval still stand, or would the issue come back to the group?

Clingan said that our money would not be at risk and that our money would be committed.

Rummel noted that we should not approve projects that go against standing plans. She stated that the Framework indicates that our projects should fit the existing plans.

Bruer said that we have vetting and financials before us and that if we had any doubts then we wouldn't have made the motion.

Charnitz said that if the motion was contingent on the planning process then we would not be able to release our money until that process was complete; if any changes are made it would have to come back to the Committee.

Bruer said it was site specific and if it's not here, then it's not approved.

Charnitz said that approval from City Zoning and Plan Commission is required.

Whitesel reminded the group that if changes are made it would come back to the group.

Sanders called for a voice vote.

Bruer moved approval of staff recommendations to fund the project in the amount of \$345,000 in CDBG/HOME Match and Acquisition/Rehab Funds and \$87,000 in Scattered Site funds for a total of \$432,000 contingent upon compliance with the loan to value requirement, waiver of the new construction 8 unit limit, inclusion of the 2011-2012 Scattered Site map, and planning and zoning review and acceptance of the site. Smith seconded. Rummel - no; Whitesel, Markofski, Bruer, O'Callaghan, and Smith - yes. Rummel withdrew her name as a sponsor for this item.

**This Resolution was Return to Lead with the Following Recommendation(s)**  
Bruer moved approval of staff recommendations to fund the project in the amount of \$345,000 in CDBG/HOME Match and Acquisition/Rehab Funds and \$87,000 in Scattered Site funds for a total of \$432,000 contingent upon compliance with the loan to value requirement, waiver of the new construction 8 unit limit, inclusion of the 2011-2012 Scattered Site map, and planning and zoning review and acceptance of the site. Smith seconded.

**Absent:** 1 -

Ken W. Pritchard

**Excused:** 3 -

Shiva Bidar-Sielaff; Monya A. Choudhury and Arthur V. Robinson

**Ayes:** 5 -

Tim Bruer; David A. Smith, Sr.; Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

**Noes:** 1 -

Marsha A. Rummel

**Abstentions:** 1 -

Charlie R. Sanders

## ROLL CALL

**Bruer left at 7:05 pm.**

**Present:** 6 -

Marsha A. Rummel; Charlie R. Sanders; David A. Smith, Sr.; Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

**Absent:** 1 -

Ken W. Pritchard

**Excused:** 4 -

Tim Bruer; Shiva Bidar-Sielaff; Monya A. Choudhury and Arthur V. Robinson

2. [19614](#)

Approve Domestic Abuse Intervention Services' request for \$11,190 in ESG funds in the form of a deferred loan for costs associated with rehabilitation of their shelter building and forward the recommendation to the Mayor for his approval.



Wallinger was available to answer questions.

O'Callaghan moved approval to award \$11,190 in ESG funds in the form of a deferred loan; Rummel seconded.

Whitesel asked for clarification on the deferred loan.

A motion was made by O'Callaghan, seconded by Rummel, to Discuss and Finalize. The motion passed by voice vote/other.

3. [20073](#) Approving the Community Development Division's HUD required 2011 Action Plan.

Whitesel moved approval of the HUD required 2011 Action Plan; Markofsk seconded, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by voice vote/other.

Rood said that the majority of the plan was funding recommendations which are submitted to HUD each year.

Whitesel moved approval of the HUD required 2011 Action Plan; Markofsk seconded, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by voice vote/other.

4. [20094](#) Approving the reapportionment of \$664,145 in previously-approved EECBG funds for the Community Development Division's Business Energy Incentives Program (BEEP), and authorizing the Mayor and City Clerk to execute all requisite agreements with the designated recipient businesses and organizations.

Whitesel moved approval of the reapportionment of \$664,145 in previously-approved EECBG funds for the Community Development Division's Business Energy Incentives Program (BEEP); Rummel seconded. Unanimous.

James Amundson, who represented Sergenians Floor Coverings, explained his reason for the Empower Program and stated that he had worked during the last two years to be more sustainable. Amundson said that his proposal was based upon a cooperative venture with landlords and gave examples of current projects. He was appreciative of the opportunity to speak.

Whitesel wondered why the funds were shifted.

Studesville said that some of the original applicants decided not to take the loan portion. Studesville noted that the loan portion will actually roll into a revolving loan and not go back to DOE.

Whitesel moved approval of the reapportionment of \$664,145 in previously-approved EECBG funds for the Community Development Division's Business Energy Incentives Program (BEEP); Rummel seconded.

Clingan stated that we are farther ahead than most cities.

Sonya Lindquist, who represented the East Madison Coalition of Aging, stated that they did not have a gigantic increase in their 2011 funding and said she

was excited about the BEEP grant. Lindquist said that the dollar amount was significant. She said they reach out to seniors who are low income and noted that often there are 10-12 people in their day facility. Lindquist said that their windows need replacement. Lindquist noted that an energy audit for this grant was done and they'll receive higher energy savings from window replacement. She said they were already starting the fundraising for the balance of the funds (\$14,000).

Coe said he was delighted to be a part of the BEEP. Exterior signage for the building would reduce energy consumption. The LED signage is very durable in cold weather, doesn't have harmful chemicals like neon signs, and lasts longer than neon.

Studesville said the loans go for five years and achieve better than 20% drawdown by September. He noted that the grant increases the return on investment timeframe and allows us to accelerate payback.

Whitesel moved approval of the reapportionment of \$664,145 in previously-approved EECBG funds for the Community Development Division's Business Energy Incentives Program (BEEP); Rummel seconded, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by voice vote/other.

## DISCUSSION ITEMS

5. [19929](#) Notice of potential conflict of interest situation and request from Madison Development Corporation.

The Community Development program provides CDBG funds to the Madison Development Corporation to make loans to eligible businesses that meet City objectives and HUD eligibility rules. MDC has created a Loan and Investment Committee that includes MDC Board members and representatives of various community lenders to help analyze, screen and approve business loans. MDC has adopted operational policies to balance the goal of leveraging private funds with the goal of minimizing conflict of interest whereby community lenders rotate membership periodically and must excuse themselves from discussions of co-loans involving their institutions.

A member of the MDC Loan and Investment Committee, Mike Flynn, works for Monona State Bank. Both MDC and Monona State Bank are considering a co-loan to a business applicant. While this situation may present a conflict of interest situation as defined by HUD, HUD also provides a method for review and waiver of their conflict of interest prohibition on decisions where the activity serves the public interest, the relationship is publicly noticed, the City Attorney finds that no laws are broken, and where HUD determines that the merit of the public interest outweighs the potential impact on the apparent conflict.

The CDBG Committee has adopted a procedure whereby CDBG staff are authorized to seek HUD determination of the conflict of interest exception, unless the Committee votes to not seek such a waiver.

**The Committee took no affirmative action on this item, so CDBG staff are authorized to seek HUD determination of the conflict of interest exception in this matter.**

Charnitz said that HUD requires us to post any potential COI.

A motion was made by Smith, Sr., seconded by Markofski, to Discuss and Finalize. The motion passed by voice vote/other.

6. [20064](#)

Amended the 2010 contract for the Operation Fresh Start to allow them to use their remaining 2010 HOME contract funds for work on units owned by other non-profit agencies.

Short said that OFS would like to do a two-unit for MACLT which would require Committee approval.

Whitesel moved approval/O'Callaghan seconded.

Riggin thanked the Committee for their support and noted that they were not building their own homes now, but have seven crews working on projects for other agencies like CLT and WPHD. Riggin said that OFS owns seven houses that are unsold but is in a better place financially than we were one year ago. He stated that their HOME money would go to projects with no doubling up and that all their projects were NSP also.

Smith suggested they work with first time homebuyers groups.

Riggin said they are working with many banks and with the City's own first time homebuyer program.

A motion was made by Whitesel, seconded by O'Callaghan, to Discuss and Finalize. The motion passed by voice vote/other.

7. [19934](#)

CDBG October 2010 Staff Report

Rood discussed the spreadsheet and explained that it shows a lot of zeroes now because we used 2010 money to fund projects for 2011-2012 funding process. She said that we are out of CDBG and HOME funds but that we have Affordable Housing Trust Fund money, Scattered Site funds, and HOME Match.

Clingan explained about the budget and said that the two-year process has been completed. The Mayor's budget was announced this week with \$200,000 extra levy going to the Community Services side. The Mayor's budget goes to the BOE next week and then to Council.

Markofski had questions on the financials and the duties of the Committee regarding the AHTF. Clingan said he sent out a message to people to hold on to ideas as we will be coming forth with a process in the near future to be determined.

**Report from committees with CDBG Committee representation and designation of Commission representatives.**

**ADJOURNMENT**

A motion was made by Whitesel, seconded by Markofski, to Adjourn at 7:45 p.m. The motion passed by voice vote/other.  
Anne Kenny, Recorder.