



# City of Madison

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

## Meeting Minutes - Approved COMMUNITY DEVELOPMENT AUTHORITY

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Thursday, November 21, 2013

4:30 PM

215 Martin Luther King, Jr. Blvd.  
Room 313 (Madison Municipal Building)

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### CALL TO ORDER / ROLL CALL

Staff Present: Natalie Erdman, Agustin Olvera, Nancy Prusaitis, Sue Wallinger and Craig Wilson

The meeting was called to order by Chairperson Thompson-Frater at 4:33 p.m.

**Present:** 6 -

Sue Ellingson; Daniel G. Guerra, Jr.; Lauren K. Lofton; Sariah J. Daine; Dean Brasser and Kelly A. Thompson-Frater

**Excused:** 1 -

Paul E. Skidmore

### 1. APPROVAL OF MINUTES: October 10, 2013

A motion was made by Daine, seconded by Lofton, to Approve the Minutes of the meeting of October 10, 2013. The motion passed by voice vote.

### 2. PUBLIC COMMENT

### 3. DISCLOSURES AND RECUSALS

### 4. [29387](#) COMMUNICATIONS

### PRESENTATION OF CONSENT AGENDA

At this time, a consent agenda will be moved with the recommendation to approve each item EXCEPT: Items 5C, 5D, 6A, 7, 9, 10, 11 and 12

- 1) Items which have registrants wishing to speak.
- 2) Items which require an extraordinary or roll call vote and are not included on the consent agenda by unanimous consent.
- 3) Items which commissioner(s) have separated out for discussion/debate purposes.

A motion was made by Lofton, seconded by Daine, to Adopt the Consent Agenda. The motion passed by voice vote.

A motion was made by Lofton, seconded by Ellingson, to take Item 10.A. out of order. The motion passed by voice vote.

10.A. [32476](#)

Presentation from Recommended Developer

Mike Goldberg, Hume An and Anne Bowman appeared from Heartland (see attached handout). Mr. Goldberg stated they are a national company, but work regionally. The company has been doing affordable housing work for 25 years. They are part of a larger non-profit, Heartland Alliance. They provide services in four main areas: housing, health care, jobs and justice. They currently manage 850 units. They house people that are in vulnerable situations. Focus on supportive housing. Approach is working in partnerships. Takes government, developers, nonprofits to make these deals happen. Don't come with a set design or program. Flexible to the needs of the local community. Like to build signature buildings. Public art is a component. Wellness, health care, community farming, nutrition, how to cook with food we're growing. Addressing needs of residents.

Thompson-Frater asked what he thought the issues are here in Madison.

Mr. Goldberg said every community is different; every neighborhood is different. How are you going to operate a building so it doesn't become a problem? What are you doing and why do you think it's going to be successful? We have a strong track record. Financing - we've applied three times to the State for tax credits and received them each time. Active homeless advocacy community here. Working close with that community and work toward common goals. Nothing unexpected.

Thompson-Frater asked how involved are they with the site selection. Mr. Goldberg said they will want to be involved and feel comfortable with it. Amenities and access to amenities. Working collaboratively with CDA.

Ellingson asked if we have a budget for this and do they expect to make this work given the City's budget. Mr. Goldberg said at this point we don't have a site; we don't have a fixed budget yet. Go into WHEDA for tax credits. Level of design, the size of building, will influence the building.

Mr. Hume An said they are very adept at working through closing and get to a building that works.

Mr. Goldberg said we need to come up with a conceptual design and that's how we go into WHEDA. Follow through on early commitments we make.

Ellingson said that TIF adds points to WHEDA application. She asked about their thoughts regarding getting TIF? Mr. Goldberg said they used TIF in Chicago. Mr. An said it's not necessary to get the points. Other funding from City and County can get points also. Ellingson asked if this was due in February. Mr. An said the end of January. Ellingson asked them to explain supportive housing. Mr. Goldberg said it's a national approach. Organizations across the country have adopted a model where you're pairing residents in a building with the services that they need to be stably housed.

Match them up with service providers. Best chance of success. Ellingson asked if all the people in the building will be disabled. Mr. Goldberg stated all residents have barriers to affordable housing.

Brasser asked how they envision a project unfolding. Mr. Goldberg said a critical piece is if we're successful with tax credits. Mr. An said the application is due at the end of January. Expect to get award in mid-April, design development, permitting process. Could get this closed in the first quarter of 2015. Year-long construction period.

Ellingson asked if people move out of the apartments that are created. Mr. Goldberg said across their portfolio, they have roughly a 15-20% turnover rate. People move on to bigger and better things. Some people it may not be the right fit. Some folks move. Some folks have stayed in our buildings for years and years. Every unit has private bath and kitchen. At least ground floor and ground areas that have some communal areas. Like to invite community into our buildings.

Mr. An said each resident has a lease with the property manager.

Ellingson asked if residents are all adults. Mr. Goldberg said one adult per unit. Mr. An said each unit is between 350-400 square feet.

Ellingson said this requires long-term funding because it's not free to provide these supportive services. Where does that come from? Mr. Goldberg said typically for supportive housing we need: 1) Money to build the building, 2) rental support - voucher or other means, 3) service funding. We'll go into tax credits; services could be funded through those entities as well. Referrals to existing agencies. Vouchers - number of ways to get them through CDA or VA. Not one set way.

Mr. An said with the Affordable Care Act - billing Medicaid for some of these services is possible.

Brasser asked what share of units you manage are supportive services. Mr. Goldberg said he suspect it's well over 50%.

Thompson-Frater asked if it was common to mix different types of residents. Mr. Goldberg said they have done that in different sorts of percentages in some buildings. Serve mixed incomes. Maximum income is 60% of median income. Some units are at tax-credit rents. Some are 40-50% area median incomes as well. Other buildings it's just 100% for homeless individuals. Advantages and challenges either way.

Ellingson said with CDA one of the challenges is hoarding. Mr. Goldberg said they have a house policy and building policy for hoarding. Engage someone in supportive services. Rely on service partner. As a non-profit developer, our goal is to keep people housed. The more we can intervene the better.

Ellingson asked about the eviction process. CDA has to follow HUD rules and denying people who want to move in. Do you have to follow HUD rules?

Mr. Goldberg said yes. There is a three-way collaboration between us as property manager, service providers and the residents. Some cases lead to eviction. Try to minimize that.

Erdman asked what the resident's role/rights in that three-party system. Mr. Goldberg said they're giving them as many tools and resources as they can to make sure they make good, informed decisions. They have a responsibility to be a good community partner.

Ellingson asked if they allow smoking. Mr. Goldberg said yes. Have tried smoking cessations with limited success. Harm reduction - inform people of their choices. Have not moved to a no smoking policy because it's the least offensive of the vices.

Mr. An said they limit places where they can smoke. Residential corridor - negative pressure, smoke is not able to travel from unit to hallway because there's a negative pressure. Try to seal walls between units.

Mr. Goldberg said the service provider sits down with resident at beginning of residency.

Thompson-Frater asked how are they able to get good nutritional meals if they're not able to prepare them. Is that part of the program? Mr. Goldberg said they don't do meal preparation. Resource books available. Have transportation to take them to grocery stores. Have good supportive services.

Daine asked if this is housing for men and women. Mr. An said Fair Housing won't allow us to restrict by gender.

5. [29695](#) HOUSING OPERATIONS SUBCOMMITTEE REPORT

A motion was made by Lofton, seconded by Daine, to Accept. The motion passed by voice vote.

5.A. [17719](#) **Housing Operations Monthly Report**

A motion was made by Lofton, seconded by Daine, to Approve. The motion passed by voice vote.

5.B. [32199](#) CDA Resolution No. 4045 - Authorizing the filing of a revision of the 2011 Capital Fund Grant Budget

**A motion was made by Lofton, seconded by Daine, to Approve. The motion passed by voice vote.**

5.C. [32200](#) CDA Resolution No. 4046 - Authorizing the signing of a contract for; Parkside Elderly Apartments Elevator Modernization

CDA Resolution Numbers 4046 and 4047 were taken together. Thompson-Frater asked about the money being spent. Olvera said Parkside was built in the 70s and the elevators are outdated. Updated Brittingham last year. Fire Department asked us to upgrade this. Elevator consultant for City advised us to do this. Have the money in our replacement reserves. Close to paying off Parkside (2018). If we don't use it, WHEDA keeps it. Thompson-Frater said this would upgrade us to put us into next 30 years. Erdman said that Kelley Simonds said this \$360,000 has a 40-year life for the elevator. Guerra said we probably have to make the upgrade whether we want to or not. Daine asked how many floors there are. Thompson-Frater said eight. Daine said if the Fire Department says it's important, we should listen.

Guerra asked if this creates a false sense of doing anything else with the building. Lofton said we control the planning process; we set the parameters.

Thompson-Frater said this is not going to be one we're going to tear down.

**A motion was made by Ellingson, seconded by Lofton, to Approve. The motion passed by voice vote.**

- 5.D. [32201](#) CDA Resolution No. 4047 - Authorizing the signing of a contract for: Romnes Apartments Elevator Modernization

**A motion was made by Ellingson, seconded by Lofton, to Approve. The motion passed by voice vote.**

- 5.E. [32202](#) CDA Resolution No. 4048 - Authorizing the execution of a lease with Mentoring Positives, Inc. for the CDA-owned apartment unit at 414 Rethke Avenue for the purpose of providing support services to public housing and Madison residents

**A motion was made by Lofton, seconded by Daine, to Approve. The motion passed by voice vote.**

6. [29086](#) Economic Development Status Report

A motion was made by Lofton, seconded by Daine, to Accept. The motion passed by voice vote.

- 6.A. [32176](#) CDA Resolution No. 4044, authorizing a waiver of the Façade Improvement Grant Program Target Area for property located at 511 North Carroll Street, and directing staff to process the application under the normal operating standards and procedures of the program.

Craig Wilson appeared representing the Façade Grant Team. He said the Team is really excited about this, but it's outside the target area. Awarded landmark status earlier this year. Landmarks have to jump through hoops that cause them financial strain to do the work. Proposed work approved by Landmarks Commission. Take off ugly additions built in the 70s. Built as a

residence, but used as a meeting house for the Alanon House since the 80s. Façade grant matching grant up to \$10,000. Work is \$22,000 so it would be for \$10,000. Erdman asked if there are procurement policies. Wilson said he doesn't believe they require that. We don't do the contracting, only giving the grant. Erdman said these have to be approved by the Urban Design Commission (UDC). Wilson said this has been approved by UDC). Façade grants are for commercial buildings.

Guerra moved to approve CDA Resolution # 4044.

Lofton made a friendly amendment to add to the second WHEREAS clause, which is located outside the target area, and is a landmark.

Also add a fourth WHEREAS clause, the property is not a residential use. Guerra agreed with the amendment.

Ellingson asked what the zoning of this property is. Wilson said it's zoned residential. Ellingson asked if this is a permitted use. Wilson said yes. Thompson-Frater said group homes are allowed. Wilson said it's a meeting house. Ellingson said it could be residential again tomorrow. Uncomfortable with providing façade grants for houses. Nothing preventing it from being a house tomorrow.

Daine said it's been this since the 80s.

Erdman said the party that's receiving the grant is a non-profit organization. Not providing it to a homeowner. Thompson-Frater said they're improving the property. Ellingson said they're not paying property taxes. It's not a very attractive building.

Erdman said the Landmark list was championed by Stu Levitan and are now eligible for grants.

Thompson-Frater said we should give our support to façade improvements.

Ellingson said this is not a commercial block.

Lofton asked how this came about. Wilson said they wouldn't be able to afford what needs to be done without the grant.

Thompson-Frater asked what their schedule is. Wilson said they were able to do some fundraising this fall.

Guerra moved to refer this to the next meeting. There was no second.

Daine asked if they are planning on selling this. What's motivating it? Have been to Alanon meetings and they don't care how a place looks.

Brasser asked what is the purpose of the façade grant program. Started with commercial properties. Tax-exempt property - is it appropriate?

Wilson said it's been a really slow year. Have done about \$50,000. Have \$130,000 left for this year. Thompson-Frater asked if we will lose it if we don't spend it. Wilson said yes.

Erdman said we would have to get it reauthorized.

Thompson-Frater asked if we have any right to know what the owner's intention of the property is. They are enhancing this building. This is not commercially zoned.

Guerra said the program is to fund small, for-profit business owners.

Lofton asked if we need a more compelling argument.

Guerra withdrew his motion.

Wilson said the Façade grant is in no way trying to help somebody to do more business. It's about improving the façade.

A motion was made by Ellingson, seconded by Guerra to refer this to the next meeting.

Thompson-Frater asked what we need to make a decision. Guerra said take a look at Landmarks Commission. Lofton asked for recommendation from staff. Erdman said she will look at the policy. Look at language and minutes surrounding the last modification and then bring it back to CDA with reasons why you may want to make this exception.

Lofton asked if we need the owner. Ellingson said if they want to.

The motion to refer passed by voice vote.

7. [29088](#)

Allied Development Subcommittee Report

Erdman said Phase II will include rezoning from PUD/SIP to zoning for single-family homes. Going to next Council meeting for approval. Development Plan has been referred to CDBG (unanimous approval), Plan Commission, Allied Task Force tonight, and Housing Strategy Committee next week. RFQ for developer partner to handle the design/construction and sale of these homes. Two responses, one from Sveums under Yahara Builders and one from another small builder. Take those two proposals and have them presented at next Allied Subcommittee. Moving along. Really strong response to outreach. 38 people have gone through the one-on-one screening and phone is still ringing.

8. [29090](#)

Community Development Subcommittee Report

A motion was made by Lofton, seconded by Daine, to Accept. The motion passed by voice vote.

8.A. [32065](#)

CDA Resolution No. 4043, authorizing dissolution of Villager Investment

Fund, LLC.

**A motion was made by Lofton, seconded by Daine, to Approve. The motion passed by voice vote.**



- 8.B. [32203](#) CDA Resolution No. 4051, approving and granting a new underground utility easement to Madison Gas and Electric Company and releasing portions of existing Madison Gas and Electric Company underground and overhead utility easements across Community Development Authority-owned property at 2300 South Park Street.

**A motion was made by Lofton, seconded by Daine, to Approve. The motion passed by voice vote.**

9. [32184](#) CDA Resolution No. 4049, terminating the One East Main Redevelopment Plan.  
Erdman said they had a request. Never officially terminated this redevelopment district. City Attorney asked us to do this. Owner doesn't want this on their title.

Brasser said this used to be Penneys on the Square. Just a loose end.

**A motion was made by Ellingson, seconded by Guerra, Jr., to Approve. The motion passed by voice vote.**

10. [32191](#) SRO Developer Selection Committee Report

#### CLOSED SESSION NOTICE

**A motion was made by Lofton, seconded by Ellingson, to Convene into Closed Session. The motion passed by voice vote.**

**A motion was made by Guerra, Jr., seconded by Ellingson, to Reconvene. The motion passed by voice vote.**

- 10.B. [32206](#) Recommending the selection of Heartland Housing, Inc. for the provision of development services relating to the development and financing of housing for homeless adults.

Erdman said the Selection Committee made a unanimous vote to recommend Heartland.

**A motion was made by Guerra, Jr., seconded by Ellingson, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other.**

11. [29696](#) BUSINESS BY COMMISSIONERS

11.A. [32207](#) 2014 CDA MEETING CALENDAR

Thompson-Frater asked the Committee to take a look at the 2014 calendar and let Natalie or Nancy know of any problems.

December 10 at noon - 2-hour Allied meeting.

12. ADJOURNMENT

**A motion was made by Daine, seconded by Lofton, to Adjourn. The motion passed by voice vote. The meeting adjourned at 6:14 p.m.**