



# City of Madison

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

## Meeting Minutes - Approved COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE

---

Thursday, June 4, 2009

5:00 PM

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

---

### CALL TO ORDER / ROLL CALL

**Present:** 6 -

Shiva Bidar-Sielaff; Charlie R. Sanders; Steven C. Bartlett; Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

**Absent:** 3 -

Tim Bruer; Marsha A. Rummel and Arthur V. Robinson

**Excused:** 1 -

Monya A. Choudhury

STAFF: Bill Clingan, Audrey Short, Nancy Dungan, Pam Rood, and Anne Kenny.

OTHERS: Rita Giovannoni, Connie Ferris Bailey, Eileen Mershart, Kim Neuschel, Dave Porterfield, Steve Schooler, Tom Solyst, and Frank Staniszewski.

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

### APPROVAL OF MINUTES

**Bidar-Sielaff moved approval of the April 23 and May 7, 2009 minutes/  
Markofski seconded. Unanimous approval.**

### CALL TO ORDER / ROLL CALL

**Present:** 7 -

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

**Absent:** 2 -

Marsha A. Rummel and Arthur V. Robinson

**Excused:** 1 -

Monya A. Choudhury

### PUBLIC COMMENT

None at this time.

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

**6. The CDBG Office modifying existing Shared Appreciation Policy with regards to private non-profit affordable housing and service providers.**

Frank Staniszewski of Madison Development Corporation spoke in favor of modifying CDBG's existing shared appreciation policy on behalf of the Third Sector Housing, as well as other housing providers present at tonight's meeting, including Rita Giovannoni of Independent Living, Inc., Connie Ferris Bailey of Operation Fresh Start, Eileen Mershart of the YWCA, Dave Porterfield of Movin' Out, Inc., and Steve Schooler of Porchlight. Staniszewski remarked that discussion of shared appreciation was very welcome among his colleagues, as everyone supports changing the policy. He said he hoped that the group would be able to weigh in as staff drafts the policy.

**CALL TO ORDER / ROLL CALL**

**Present:** 8 -

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

**Excused:** 2 -

Monya A. Choudhury and Arthur V. Robinson

**The CDBG Office modifying existing Shared Appreciation Policy with regards to private non-profit affordable housing and service providers.**

The Committee discussed shared appreciation at length, and Clingan reviewed the Committee's discussion at May's meeting where the YWCA came in with their request for a waiver of shared appreciation on their loans.

Clingan said that, in evaluating the policy, staff recently looked at the loans that agencies have repaid over the last 20 years to determine whether or not there was a net value to the policy. Clingan said that staff discovered no net value and would like to do away with shared appreciation in principle at this meeting and then craft a policy by the next meeting.

Short passed around a list of loans that have been repaid over the last 20 years noted that most loans that were "repaid" were turned around and re-loaned either to the same agency for the same property or to a different agency for the same property.

Bruer moved to allow staff to proceed with drafting a policy to do away with shared appreciation/Bartlett seconded.

Clingan said that our intent is to have staff dialogue as well as dialogue with Third Sector partners.

Bidar-Sielaff made a friendly amendment to the motion to state that we are "modifying" the existing policy rather than "doing away" with it. Both Bruer and Bartlett accepted the friendly motion.

Unanimous approval.

14938

Shared Appreciation

**Bruer moved to accept staff recommends to maintain the intent of the policy (reinvesting in housing and other initiatives and repaia the City funds initially invested), but end the current procedure of shared appreciation with our non-profit providers; Bartlett seconded. Both accepted a friendly amendment by Bidar-Sielaff that language to accept should say that we want to "modify" existing policy, rather than do away with it. Unanimous.**

- 7. YWCA requests a consolidation of all existing CDBG office loans for their property at 101 E. Mifflin St. and a waiver of the Program Framework requirement that the loan repayments included a share of appreciation.**

Sanders explained the YWCA's request, and Mershart said that she is appreciative of the process the Committee uses in changing their policies. She said the YWCA would appreciate approval of their project request this month in order to ease the Section 42 tax credit requirements of WHEDA.

Bruer asked if taking this action tonight would be in advance of setting policy to modify shared appreciation, and Sanders said that it would.

14606

Approve satisfying six existing mortgages and promissory notes in the amount of \$127,956.50 that represent CDBG Office financed improvements at 101 E. Mifflin, create a new mortgage and promissory note for a combined \$377,956.50 to reflect the value of the old notes and the new \$250,000 loan approved by the CDBG Commission on 1/6/2009; and approve a waiver of the 2009-10 Program Funding Framework to reflect no shared appreciation on the new note.

Board of Estimates

**A motion was made by Bartlett, seconded by Bruer, to Referred for Introduction. The motion passed by voice vote/other. Bartlett moved to accept staff recommendations.; Bruer seconded. Unanimous.**

- YWCA requests a consolidation of all existing CDBG office loans for their property at 101 E. Mifflin St. and a waiver of the Program Framework requirement that the loan repayments included a share of appreciation.**

Rummel asked what would have happened to the shared appreciation funds if the economy were different and the YWCA loans had appreciated rather than stagnated. O'Callaghan said that the shared appreciation would have been rolled back into the property as additional equity for their next project.

Bruer said that we are not giving anything up, and Rummel noted that we are letting them keep a loss.

Whitesel was concerned about setting policy with this vote. Clingan said there is a sense we're headed in a certain direction and that we're trying to accommodate the YWCA's project, which is due in July. Whitesel asked if we would have been as quick to undo the policy had there been money on the table. Bartlett replied that we would have probably waited until we had the policy modification. He said, however, that there are no consequences in letting this go through.

Rummel noted that WHEDA also played into the decision to waive this before the policy was changed.

Bidar-Sielaff said she believes that the Commission needs clarity in whatever policy is developed. She said she did not want our investments lost, especially if there are gains in value in the future.

Unanimous approval.

Rummel requested to add WHEDA as a layer in the discussion about shared appreciation due to the fact that the market has changed and other issues might change.

**1. Movin Out Inc.,**

Porterfield described Movin' Out, Inc.'s request to waive the CDBG Framework loan-to-value ratio and the per unit limit in order to move forward with two projects that are nearly ready to close, one of them on North Lawn Avenue and the other at Stonebridge Condominiums.

With respect to the loan-to-value ratio change request at North Lawn, Rummel asked what 140% meant versus 115%. Bartlett gave as an example that an agency could borrow up to \$140,000 on a \$100,000 condo, instead of \$115,000.

Bartlett suggested that each change in policy on this issue should be considered on a case-by-case basis. Bartlett also said that most of our loans are over the loan-to-value ratio.

Unanimous approval.

14853

Approve the request of Movin' Out, Inc. to waive the CDBG Office 2009-2010 Program Funding Framework loan-to-value ratio and the per unit limit for projects at North Lawn Ave. and Stonebridge Condominiums.

**This Resolution was Return to Lead with the Recommendation for Approval**

**2. Vera Court Children and Youth**

Sanders said that Vera Court Neighborhood Center is requesting up to \$8,000 in CDBG funds to make accessibility and other improvements at the neighborhood center playground at 614 Vera Court and up to \$13,000 in CDBG funds to make accessibility and other improvements at the neighborhood center playground at 1917 Lake Point Drive.

Solyst said that Vera Court has added playgrounds to both centers and they are in need of accessible woodchips as well as an accessible border. Solyst stated that they would also put in an accessible path from the parking lot at Vera Court to the playground.

Bartlett asked about the 10-year lease requirement given that BLW is hoping to build a new center at a different site, and Short said that staff recommended waiving the Framework requirement for a 10-year lease in this case. Bruer noted that BLW has an agreement with the Community & Economic Development Division to rent their current site on a two-year lease basis.

Bidar-Sielaff wondered if she understood correctly that we're investing in an area that won't be used for the entire length of the lease, and Sanders replied, yes. Solyst said that the playground equipment and new woodchips would move along with BLW to a new space.

Bruer noted that the CDBG was the first City of Madison agency to go into this challenged, former Simpson Street neighborhood.

Unanimous approval.

**14935**

Approve the request of Vera Court Neighborhood Center, Inc. (VCNC) for up to \$8,000 in CDBG funds to make accessibility and other improvements at the neighborhood center playground at 614 Vera Court and up to \$13,000 in CDBG funds to make accessibility and other improvements at the neighborhood center playground at 1917 Lake Point Drive.

**Bruer moved adoption of staff recommendations.; Markofski seconded.  
Unanimous**

- 3. REAP is requesting funds for start up cost to for the Southwest Farmer's Market in the Meadowood neighborhood. The project seek funding for the 2009 market season, with plans to establish infrastructure to independetaly maintain and operate the garden by 2010 season.**

Kim Neuschel, a Public Health Nurse, reviewed REAP's request for start up costs for a farmer's market in the Meadowood neighborhood. Neuschel said the Southwest/Meadowood area has a high poverty level and that a farmer's market would be a walkable source of fresh produce for the area.

Bruer moved adoption of the staff recommendation/Rummel seconded.

Clingan noted that this application is one of the more impressive applications

we've received.

Bartlett asked when the farmer's market would start and where it would be located. Neuschel replied that it would begin on June 24 and that it would take place in the Orchard Ridge Church of Christ parking lot.

Markofski asked Neuschel if she knew whether or not LMI people are utilizing the comparable Northside Farmer's Market. Neuschel said she had no data about that market. She said that lots of outreach will be done in the Southwest/Meadowood area to notify residents of the market and said there is talk of holding a parade for the opening of the market.

Unanimous approval.

[14947](#)

REAP - Southwest Farmer's Market

**Bruer moved adoption of staff reccomends.; Rummel seconded. Unanimous**

**4. Request for Proposals for HUD-funded Homeless Prevention and Rapid Re-Housing Program (HPRP) funds. (information only)**

Sanders said that Sue Wallinger did a wonderful job on the RFP working with Lori Bastean, who is with Dane County.

Clingan noted that this is a joint Request For Proposal (RFP) for the Homeless Prevention and Rapid Re-Housing money and described the purpose of the funds for eviction prevention.

Whitesel asked if the City has the money yet. Clingan replied that he was informed of the dollar amount two or three weeks ago, but the funds are not here yet.

Rummel asked how the RFP process would work. Clingan said that agencies can apply to the City, County or both. He said that staff will review the applications and the potential award winner would come before the Committee for a vote.

[14953](#)

Consolidated Homeless and Rapid Re-Housing

**5. Community Development Division is in the process of consolidating and updating the underwriting gudielines for our various homeowner programs. These guidelines will be used when determined whether homeowners are eligible for City of Madison HOME or CDBG Office funds provided through the non-profit agencies with whom we contract. These same guideline will be used for all homeowner down payment programs funded through the CDBG Office including ADDI.**

Sanders noted that staff would like approval of updates to the underwriting

guidelines for the City of Madison. The major changes being proposed include:

- Removal of the Land Use Restriction requirement for HOME funded down payment. The CDBG Committee recently approved removal of the resale restriction for homeowners and this change is being incorporated into the language and documents related to all the CDBG Office loan programs.
- The 100% limit on Loan-to-Value will be based on purchase price or appraised value whichever is lower to respond to current market conditions.
- The Total Assistance Limits are increased to match the 2009-2010 program framework.
- First mortgage loans cannot exceed the Freddie Mac prevailing 30 year fixed interest rate. The previous limit was tied to WHEDA's market rate. Since WHEDA is not currently providing direct loan a different standard was established.
- Grossing up of Non-Taxable income has been added. This is an industry practice and improves our method of accurately computing and projecting household incomes.
- The limit on assets has been changed to 12 months of PITI or \$15,000 whichever is higher to assure that homeowners have available resources to maintain their properties.

Markofski said that wording of the last bullet item, the limit on assets, is confusing and suggested changing it to reflect "maximum" not "minimum."

[14951](#)

Home Owner Underwriters Guidelines

**Markofski moved approval with the last bullet point modification/ Bidar-Sielaff seconded.**

**Unanimous approval.**

**8. Property Tax Exemption Update (Information only)**

[14952](#)

Property Tax Exemption

**CONTINUED DISCUSSION ITEMS**

**9. Neighborhood Stabilization Program**

Clingan described the NSP funds and noted that they were proposed before the economic stimulus package was passed. He said that we put together a coalition of housing agencies and applied for over \$4,000,000. The City's the award was a little over \$1,000,000.

The Committee discussed the proposed amounts that the agencies would receive for their proposed programs as outlined in the resolution.

Bruer noted that the City Community Development Authority (CDA) was not included in the list. Clingan replied that part of this process was prescriptive by census tract only.

Unanimous approval.

14939

Authorizing specific projects in an application to the State of Wisconsin for Neighborhood Stabilization Program Funds and authorizing the Mayor and City Clerk to sign agreements with the State of Wisconsin and various agencies to implement the projects and amending the CDBG 2009 Adopted Operating budget to recognize \$1,098,634 in State Grant revenues and commensurate expenditure authority.

Board of Estimates

**A motion was made by Bruer, seconded by Rummel, to Referred for Introduction. The motion passed by voice vote/other.**

**10. STIMULUS UPDATE**

Clingan reported that the CDBG-R proposal was sent in late in the day yesterday and said there are broad terms on how we want to spend the funds. Barb Constans will begin working on the Request For Proposal process soon.

Clingan noted that Nancy Dungan is working on the energy block grant, which is due on June 25, 2009.

**OTHER REPORTS**

Bruer requested an update regarding Allied Drive, and Clingan said this would be on the next agenda. Bruer requested that the CDBG Commission and the CDA meet jointly for the discussion at the BLW Center in July or August. Clingan said that staff would work to secure a joint meeting with the CDA sometime in the future. Peggy Stonestreet will poll the Commission members as well as the CDA members as to when this meeting will take place.

**ADJOURNMENT**

**Markofski moved adjournment/ Bidar-Sielaff seconded.**

**Unanimous approval.**

Respectfully submitted,  
Anne Kenny, recorder.