



# 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, June 3, 2010

5:00 PM

215 Martin Luther King, Jr. Blvd.  
Room 300 (Madison Municipal Building)

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### CALL TO ORDER / ROLL CALL

**Present:** 9 -

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

**Excused:** 1 -

Ken W. Pritchard

STAFF: Charnitz, Clingan, Constans, Miller, Noel, Rood, Studesville,  
Wallinger

OTHERS: Rachel Krinsky (The Road Home Dane County), Dave Porterfield  
(Movin Out, Inc.), Kay Stevens (Wisconsin Youth Company, Inc.), Marylou  
Grzadzielewski (Wisconsin Youth Company, Inc.), Laura Geyer, Marianne  
Morton, Ed Lee (Urban League of Greater Madison), Jan Reek (Project  
Home), Sterling Link (Urban League of Greater Madison), Mary Watrud  
(Construction Training, Inc.), Pat Schram (Working Development Board),  
Terry Mullins (Bock Water Heaters, Inc.), Michael Gay (Economic  
Development Division, City of Madison), Marianne Morton (Common Wealth  
Development)

CALL TO ORDER: Sanders called the meeting to order at 5:01 pm.

### APPROVAL OF MINUTES

Rummel moved approval, Whitesel seconded, Markofski asked to be noted as  
excused not absent. Unanimous approval.

### PUBLIC COMMENT

No comments at this time.

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

1. [18574](#) Authorizing the Mayor and City Clerk to execute a loan agreement with The Road Home Dane County, Inc. to provide up to \$308,000 in HOME or HOME Match funds to acquire one or more buildings to be used as part of the agency's Housing and Hope program.

Krinsky thanked the Committee for its support and noted that they have 15 units on Vera Court, which have been renovated and are ready to be occupied. Krinsky voiced her need of support for Phase 2.

Clingan asked about a model of The Road Home.

Krinsky said they partner with Meridian; Meridian provides the development and The Road Home provides services.

Krinsky said that Phase 2 would be located in a new neighborhood, not in the Vera Court area. Krinsky pointed out that there are funds devoted to support their buildings for the long term.

Whitesel said he was supportive of their programs.

Markofski wondered what the terms of the long term deferred loan were.

Waller said it was long term deferred, no interest or appreciation.

**Whitesel moved approval of funding as recommended. Choudhury seconded. Unanimous approval. Approve \$308,000 in HOME funds in the form of a long-term deferred loan to purchase a total of 16 units of residential housing of which 6 will remain affordable by HOME standards. Purchase of the property for the Housing and Hope program should be completed by the end of 2011.**

6. [17266](#)

Amending Sec. 4.22 of the Madison General Ordinances to allow the payment of developers' operating costs from the Affordable Housing Trust Fund.

**Rummel moved to refer this agenda item/Bruer seconded. Unanimous approval.**

Clingan reviewed the current status of the AHTF and noted that the Comptroller, Dean Brasser, would be able to come to the July Committee meeting.

Sanders suggested referring this item.

Porterfield passed out an example sheet, which explained a possible use of the fund to create a bridge loan fund that would enable projects to get started; this would reduce the cost of projects and all funds would need to be repaid. Porterfield provided examples that would explain how the City might make loans, recoup funds and generate interest on funds loaned, all of which would add value to the loan fund over time.

Porterfield noted that he wanted to provide an example of a revolving loan fund, which would take some risk, but would get paid back over time. Porterfield said there would be a fair amount of work to evaluate and underwrite loans.

Sanders noted that the Council would still have to vote on any changes and wondered if this would be ok with Dean Brasser and Anne Zellhoefer.

Clingan pointed out that Dean Brasser said there are many ways in which to use the fund; \$4.1 million of which the Council can decide to take action upon. Clingan wondered what would be the effect of such a large available fund.

Whitsel asked Porterfield where the agencies go for bridge loans.

Porterfield said to FCI and other national groups.

Whitesel noted that they generally would need property in hand to obtain loan.

Porterfield said that it would be very hard to fund pre-development funds as these funds are riskier and have potential for higher loan loss.

Porterfield said he would like to find a way in which to grow this fund while augmenting other funds.

Rummel wondered if the Housing Committee has discussed this issue.

Porterfield said not this particular issue or idea.

Whitesel thought that the Ordinance stated that no money would be spent without the CDBG Committee's recommendation.

Porterfield pointed out that the Housing Committee could consider this issue if the CDBG Committee would send it back for consideration.

Choudhury thought that the Committee's discussions and actions were included.

Clingan said they were.

Rummel moved to amend her motion to accept Porterfield's report and move forward to the Housing Committee/Bruer accepted the amendment.

O'Callaghan was concerned about tinkering with the Ordinance that has been in effect for only 2 - 3 years and wondered if the recommendation would be due to a fear of reducing the fund.

Sanders said the big debate centered around 25% of funds over \$10 million that could be spent, however, the decision needs to be made regarding growing the fund to \$10 million before spending it.

Clingan noted that this issue has been out there for over a year; tension remains relative to the need to grow the fund in addition to the issue that projects would be funded correctly.

Clingan said that ultimately the Council would need to resolve this.

O'Callaghan stated that he was still concerned over the final resolution of how the trust fund would be spent.

Bidar-Sielaff wondered what the original goal of the sponsor of the resolution was.

Choudhury felt that the Committee was tacitly taking part in a political process to change the Ordinance.

Rummel stated that the Committee was trying to figure out how and when to spend the money and was trying to respond to the current needs of housing providers.

Sanders suggested that the Committee would need to take action on whether the members could/should change the \$10 million limit.

Whitesel noted that it was ok to look at issues, but this is a trust fund, which was meant to be there for future growth and that options do not mean disbursement.

Whitesel said the Committee would need the Comptroller and Attorney to address the amount of latitude the Committee would have in changing the Ordinance.

Rummel amended her motion to invite the Comptroller and Attorney to the next meeting to discuss the action Bruer accepted. Unanimous approval.

2. [18608](#)

Approve the authorization of a long-term deferred loan to Wisconsin Youth Company, Inc. (WYC) for \$50,000 in CDBG funds to make improvements to the parking lot at their facility at 1201 McKenna Blvd.

Stevens and Grzadzielewski, from the Wisconsin Youth Company, explained the need for the long-term deferred loan to the Committee.

Stevens said the parking lot was never designed for the use it currently receives as a community center. Stevens discussed the safety issues, traffic pattern and lighting that would need to be changed in order to improve the parking lot for children. Stevens noted that the changes would also allow them to have increased daytime programs for seniors.

Rummel wondered about landscaping issues.

Stevens said there would be some underground utilities and some additional landscaping required.

Markofski wondered why the \$100,000 request was funded at \$50,000.

Rood stated that since the CDBG office would be looking at priorities and projects that would be coming in, she wanted to hold funds for anticipated projects.

Rummel felt that she could support this project, but generally would not be supportive funding parking lots.

O'Callaghan agreed that parking is necessary for a facility such as this in order to safely operate; it is a critical part of infrastructure.

Rummel asked if they had done a parking/traffic study.

Stevens said they had not really addressed those issues.

Rummel stated that at the Urban Design Commission, the members inquire as to how agencies address traffic/parking issues.

Stevens pointed out that they have shuttle busses; however, they really need parking for families.

Grzadzielewski said that busses cannot get in and out of the lot to pick up their children.

Rummel expressed her concerns about bus pass use and bicycles.

**Whitesel moved approval of staff recommendation, Choudhury seconded. Unanimous approval. Provide \$50,000 in CDBG funds as a long-term deferred loan under the terms of the 2009-2010 Program Funding Framework.**

## ROLL CALL

Alder Bidar-Seilaff left the meeting.

**Present:** 8 -

Tim Bruer; Marsha A. Rummel; Monya A. Choudhury; Charlie R. Sanders; Arthur V. Robinson; Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

**Excused:** 2 -

Ken W. Pritchard and Shiva Bidar-Sielaff

3. [18633](#)

Allowing a waiver of the re-sale restrictions for owner occupied properties assisted under the HOME or CDBG loan programs when the City of Madison receives full re-payment of the loans per the terms of the promissory notes or where the City receives payment of the net proceeds of any foreclosure action as required by HUD.

It was noted that the owner came forward to talk about refinancing and stated that the appraisal had increased significantly.

The owner had built assets in the house and said they would like to pay off the City.

Clingan wondered if there was a Promissory Note/Mortgage that included resale and recapture in the language. Clingan said that if they paid back the loan early, then they would need to go with resale.

Clingan noted that the Committee going forward voted not to have resale language in the future.

The owner was asking for a waiver.

Markofski asked about shared appreciation.

Constans explained that shared appreciation would be paid back at the time of refinancing.

Whitesel also asked about the appreciation.

Constans explained that previous shared appreciation was not the same discussion, it applied only to Agencies not individual property owners.

Choudhury expressed her concern with the letter from Matt Douglass and didn't feel that this would help to cultivate affordable housing. Choudhury said that we work very hard to provide affordable housing.

Constans stated that it is difficult for families to fund LMI families to sell to and it would force families to stay where they really don't want to be.

Constans said that as long as the shared appreciation was paid back it would be better.

Rummel asked whether we were losing affordable affordable housing.

O'Callaghan suggested making opportunities for homeownership without saddling the homeowners with additional requirements.

Bruer talked about Lakepoint selling to low to moderate income families. Bruer stated that when these properties sell they are being sold to the same type of people. Bruer felt the need to look a broader goals and how to bring homeownership opportunities.

**O'Callaghan moved approval of the staff recommendation. Because each owner is offering a full re-payment of their loans at the full appreciated value per the terms of their promissory note, we would recommend approval of these waiver requests and approval of the attached resolution; approving the waiver of the re-sale restrictions when the CDBG Office receives full repayment of a loan to an owner occupied property, or re-payment of any net proceeds of said loan due the City as required by HUD. Bruer seconded approve the waiver of re-sale restrictions as recommended. Unanimous approval.**

## ROLL CALL

As a CLT homeowner, Markofski recused himself from the discussion and left the room.

**Present:** 7 -

Tim Bruer; Marsha A. Rummel; Monya A. Choudhury; Charlie R. Sanders; Arthur V. Robinson; Daniel A. O'Callaghan and Russ Whitesel

**Excused:** 2 -

Ken W. Pritchard and Shiva Bidar-Sielaff

**Recused:** 1 -

Justin O. Markofski

4. [18629](#)

Madison Area Community Land Trust and Common Wealth Development request funds to create a new affiliation and cooperative venture between their two organizations. CWD would use the funds to hire attorneys, accountants and consultants as necessary.

Morton requested \$20,000, however, knowing that there would not be enough money in the pot. Morton noted that both boards have approved the

application.

Bruer requested that the resolution be re-worded. It was noted that Common Wealth would use the funds as requested to coordinate and plan the new application to more efficiently and effectively enhance affordable housing.

Common Wealth would maintain the two boards but would have 2/3 voting rights. Common Wealth would take on the CLT staff and CLT would have one staff person that would run through Common Wealth.

Bruer moved approval/Rummel Seconded.

Madison Area Community Land Trust and Common Wealth Development requested funds that will enable the creation of a new affiliation and cooperative venture between the two organizations. Common Wealth Development will utilize the funds as requested to ensure that the affiliation enhances the effectiveness and efficiency in their stewardship of the affordable housing in which the City holds a significant investment.

#### ROLL CALL

Markofski returned to the meeting.

**Present:** 8 -

Tim Bruer; Marsha A. Rummel; Monya A. Choudhury; Charlie R. Sanders; Arthur V. Robinson; Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

**Excused:** 2 -

Ken W. Pritchard and Shiva Bidar-Sielaff

5. [18692](#)

Request approval for Business Energy Incentive Program and Neighborhood Energy Conservation/Employment and Training Program.

Lee, who represented the group, was very excited with the opportunity to move unemployed/underemployed persons into job programs at the same time that we would be starting an energy efficiency program. Lee stated they were excited about the number of partners who have come together to meet these needs and provide new job training opportunities.

Link noted that the participants would come together into the program focusing on returning to work.

Schram said that they held a meeting for construction industry participants. Schram also noted that this would be a great opportunity in which to involve neighborhoods and low income persons; energy efficiency is a new model and they are trying to align with the City.

Reek agreed that Project Home is excited to be a part of this program because they work in homes of low income persons; this would get low income folks into jobs and would help make their homes energy efficient.

Watrud said that initially they would bring industry representatives into line with their trainees along with ties to apprenticeship. Watrud thanked the Committee for setting funds aside for training programs for low and moderate income persons who would benefit directly from these stimulus funds.

Bruer moved separation of 2 items and moved adoption of job training, energy program and \$470,600/O'Callaghan seconded. Unanimous approval.

Clingan agreed that it was a great collaboration of very diverse agencies to get an integrated program together; this proposal was on top.

Whitesel stated that he was excited by this program and wondered if we would be voting on the last sheet to businesses.

Clingan said the Committee would be voting only on the job training energy efficiency program

## ROLL CALL

6:45 pm Alder Bruer left the meeting

O'Callaghan recused himself from the meeting as he represents someone who is an applicant.

**Present:** 6 -

Marsha A. Rummel; Monya A. Choudhury; Charlie R. Sanders; Arthur V. Robinson; Justin O. Markofski and Russ Whitesel

**Absent:** 1 -

Tim Bruer

**Excused:** 2 -

Ken W. Pritchard and Shiva Bidar-Sielaff

**Recused:** 1 -

Daniel A. O'Callaghan

## 18692

Request approval for Business Energy Incentive Program and Neighborhood Energy Conservation/Employment and Training Program.

Studesville presented the program to the Committee and thanked Clingan and Rood for all the work while he was gone. Studesville said that we had received approximately 46 applications and recommended funding for 13 different programs and program administrative costs.

Whitesel wondered if the list before the Committee was the recommendations of the Energy Review Committee. Whitesel asked if the members would be voting on grants only and not administrative funding.

Studesville pointed out that final administrative costs were not fully defined.

Rummel wondered if Studesville would describe the job creation from the



grants.

Studesville said that we would be collecting data on jobs created/retained for the DOE as projects move forward.

Choudhury said, just to be clear, that jobs created or retained were through contractors doing actual work on buildings and wondered if buildings would be brought to code.

Mullins, who is president of Bock Water Heaters, said they would retain jobs by making their plant efficient and competitive in the world market, thereby saving long term jobs here in Madison.

Clingan pointed out that this would benefit for-profit, non-profit and large and small businesses.

#### ROLL CALL

O'Callaghan returned to the meeting.

**Present:** 7 -

Marsha A. Rummel; Monya A. Choudhury; Charlie R. Sanders; Arthur V. Robinson; Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

**Absent:** 1 -

Tim Bruer

**Excused:** 2 -

Ken W. Pritchard and Shiva Bidar-Sielaff

#### COMMON COUNCIL REFERRAL

7. [18565](#) 3rd SUBSTITUTE - Accepting the 2010 Madison Public Market (MPM) Site Analysis for locating a Madison Public Market and the Economic Contribution of the Proposed Madison Public Market to the Regional Economy Reports (collective "the Reports"), and the Recommendation that the Government East Parking Ramp be selected as the preferred site for the development of a Madison Public Market, amending the 2010 Adopted PCED Capital Budget to provide for the creation of a new project entitled "Public Market," and authorizing the Mayor and City Clerk to enter into an agreement with Common Wealth Development, Inc., to provide \$50,000 in funds to proceed with the preparation of documents and materials regarding budget, fundraising, outreach, market operations, updates to tenant leasing reports, and MPM project management, and \$50,000, for architectural/engineering and space planning design services for the MPM portion of the "Public Market Square" (Blocks 88 and 105) once the Mayor's planning process related to downtown high speed rail redevelopment begins.

**Rummel moved acceptance of the report/Choudhury seconded. Unanimous approval.**

**Morton said that their Public Market report concluded that the Government East Ramp is an appropriate site for the Public Market and that it is a joint project with the City, Common Wealth Development, and Blue Planet Partners.**

Morton noted that with 40,000 square feet, 58 new businesses would be created along with many new jobs in both construction as well as jobs in the market.

Whitesel suggested beginning with the basics.

Gay, who represented the City as staff to the Public Market, stated that the Government East parking ramp will be torn down and replaced with 3 tiers of parking underground. Gay said that the first floor of the Government East lot will be the public market, which would have about \$200/square feet, and then 2-3 floors above as office space. Gay went on to say that the resolution authorizes \$100,000 for studies to move the public market forward. Gay stated that the public market would be allowed inside the TIF district with site analysis approval.

Choudhury noted that job analysis section presumes that jobs are great and said she was not impressed with the data as presented.

Morton said that Common Wealth was asked to look at other sites, but with their limited resources, they could not do a revision to the capital/operating budgets.

Choudhury felt as if she was steered into this site and felt that the report lacked some level detail.

O'Callaghan wondered if Morton could talk about the public market process to date.

Morton said that she had a lot of involvement in the process prior to this, however, she did not do a lot of outreach beyond the First Settlement and more outreach was done at the Brayton site.

O'Callaghan had thought about another recent project where there was a lot of discussion about process.

Rummel pointed out that this accepts a report and provides funds for preliminary plans, but development would still need to be approved; it could be a hotel, parking lot, public market, train station, etc.

Morton agreed that more detail is needed before we could move forward.

Whitesel wondered if the size of parking was in flux.

Gay said it was along with high speed rail plans.

Whitesel wondered how this would affect farmers market during the summer.

Morton said that the site was for the winter months; however, their sample showed that indoor market sales go down on the day of an outdoor market.

O'Callaghan wondered about the timeframe for this project.

Morton clarified that there was a 2011 parking design, construction could begin in 2012 in which the public market would take one year to construct and

that all things could fall into place within 2-3 years.

## PRESENTATION

8. [18638](#) Burrs Oaks, Truax and Allied Drive (update)

Rummel moved referral to next month's meeting/Markofski seconded.  
Unanimous approval.

## DISCUSSION ITEM

9. [18609](#) 2011 - 2012 Community Development Program Funding Process update

Clingan gave an overview of the process and said that the planning took a long time, workshops have been held, and agencies have had a chance to walk through the application.

Charnitz and Noel reviewed the funding process.

Charnitz pointed out the single Council change to the process, which was that the CDBG Committee should consider neighborhood and comprehensive plans. Charnitz reviewed the calendar.

Whitesel asked for clarification on which meetings the members would have to attend.

After the description of budgeting/meeting process,

Rummel expressed concern about how the Mayor may ask for cuts to City funds after the Committee takes its action.

O'Callaghan was supportive of the resolution from the Committee asking for the Mayor to frame City funds, which have been detailed below:

### Federal

- CDBG \$1,854,000
- Home \$1,649,000
- ESG \$81,500
- City \$300,000 - \$400,000 City Levy

Rood distributed the CDD Estimated Funds By Area document.

Whitesel led discussions with Charnitz and Noel stating that rankings are a piece of a proposal process, but not the whole answer with regards to reaching funding decisions.

A long discussion continued about what actions could/should be taken after the public hearing.

Whitesel suggested that 2 Committees make recommendations on a joint

process on August 16. That led to a discussion regarding the 85% allocation by OCS vs. 100% by CDBG.

Noel explained how the \$3.7 million of OCS funding was allocated and how 15% was being held out by OCS.

The CDBG Committee was very concerned about allocating 100% of its neighborhood funds to be allocated by the Conference Committee and the OCS would only allocate 85% of its neighborhood fund to the Conference Committee.

#### STAFF REPORT

10. [18615](#) CDBG June Staff Report
11. **Report from committees with CDBG Committee representation and designation of Commission representatives.**

#### ADJOURNMENT

**Whitesel moved adjournment at 8:50pm/O'Callaghan seconded. Unanimous approval.**

Respectfully submitted  
by Barbara Constans