



# City of Madison

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Madison, WI 53703  
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## Master

**File Number: 08380**

**File ID:** 08380

**File Type:** Resolution

**Status:** Passed

**Version:** 3

**Reference:**

**Controlling Body:** BOARD OF ESTIMATES

**File Created Date :** 12/04/2007

**File Name:** Redevelopment of Allied Drive Neighborhood

**Final Action:** 01/22/2008

**Title:** AMENDED SUBSTITUTE - Authorizing the Mayor and the City Clerk to execute a Cooperation and Development Agreement with the CDA for the Redevelopment of the Allied Drive Neighborhood.

**Notes:** Introduced from the Floor 12/4/07 CC Meeting

**CC Agenda Date:** 01/22/2008

**Sponsors:** David J. Cieslewicz and Brian L. Solomon

**Effective Date:** 01/22/2008

**Attachments:** Memo/Strategy.pdf, Maps.pdf, Map 011008.pdf, Allied Neigh Rev Phase 1-2 Plans\_10.08\_cda, Allied Drive Redevelopment 1-8-08- REV-SVA (version 1), Allied Drive Redevelopment 1-8-08- REV-SVA (version 1cash flow), Allied Drive Redevelopment 1-8-08- REV-SVA (version 1cost 1), Allied Drive Redevelopment 1-8-08- REV-SVA (version 1cost 2), Memo Allied Statement\_Framework Phase 2\_1-14-08, Memo File 08380 1-14-08, AlliedPhase2Report022708.pdf, 08380 Registration Stmts.pdf, 08380 Memo from DPCEd.pdf, 8380 Memo from CDA.pdf

**Enactment Number:** RES-08-00057

**Author:** Anne P. Zellhoefer

**Hearing Date:**

**Entered by:** smautz@cityofmadison.com

**Published Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Attorney's Office	12/04/2007	Referred for Introduction				
	<b>Action Text:</b>		This Resolution was Referred for Introduction				
	<b>Notes:</b>		Board of Estimates; Housing Committee; CDBG Commission; Plan Commission; Allied Drive Task Force; CDA				
1	COMMON COUNCIL	12/04/2007	Refer	BOARD OF ESTIMATES		01/14/2008	Pass
	<b>Action Text:</b>		A motion was made by Ald. Gruber, seconded by Ald. Verveer, to Refer to the BOARD OF ESTIMATES. The motion passed by voice vote/other.				
	<b>Notes:</b>		Additional Referral(s): Housing Committee, Community Development Block Grant Commission, Plan Commission, Allied Area Task Force, Community Development Authority				

1	BOARD OF ESTIMATES	12/04/2007	Refer	HOUSING COMMITTEE (ended 6/2012)	01/09/2008	
	<b>Action Text:</b> This Resolution was Refer to the HOUSING COMMITTEE					
	<b>Notes:</b>					
1	BOARD OF ESTIMATES	12/04/2007	Refer	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE	01/17/2008	
	<b>Action Text:</b> This Resolution was Refer to the COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION					
	<b>Notes:</b>					
1	BOARD OF ESTIMATES	12/04/2007	Refer	PLAN COMMISSION	01/14/2008	
	<b>Action Text:</b> This Resolution was Refer to the PLAN COMMISSION					
	<b>Notes:</b>					
1	BOARD OF ESTIMATES	12/04/2007	Refer	ALLIED AREA TASK FORCE	01/10/2008	
	<b>Action Text:</b> This Resolution was Refer to the ALLIED AREA TASK FORCE					
	<b>Notes:</b>					
1	BOARD OF ESTIMATES	12/04/2007	Refer	COMMUNITY DEVELOPMENT AUTHORITY		
	<b>Action Text:</b> This Resolution was Refer to the COMMUNITY DEVELOPMENT AUTHORITY					
	<b>Notes:</b>					
1	COMMUNITY DEVELOPMENT AUTHORITY	12/13/2007	Return to Lead with the Recommendation for Approval	BOARD OF ESTIMATES	01/14/2008	Pass
	<b>Action Text:</b> Olinger and Levitan reviewed the resolution.					
	Mr. Byron Olson of 2349 Allied Drive registered and spoke in support of adoption. He urged the CDA to develop as much owner-occupied housing as possible.					
	A motion was made by Fike, seconded by Shimanski, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by the following vote:					
	<b>Notes:</b>					
	Ayes: 5 Tim Bruer; Gregg T. Shimanski; Alice J. Fike; Stuart Levitan and Kelly A. Thompson-Frater					
	Abstentions: 1 Julia S. Kerr					
	Excused: 1 Kevin M. O'Driscoll					
1	COMMUNITY DEVELOPMENT AUTHORITY	12/21/2007				
	<b>Action Text:</b> Referred to January 4 meeting.					
	<b>Notes:</b>					
1	COMMUNITY DEVELOPMENT AUTHORITY	01/04/2008				
1	HOUSING COMMITTEE (ended 6/2012)	01/09/2008	Return to Lead with the Following Recommendation(s)	BOARD OF ESTIMATES	01/14/2008	Pass

**Action Text:** A motion was made by Sparer, seconded by Brink to Return to Lead with the Following Recommendation(s) to the BOARD OF ESTIMATES, Recommendation for Approval with the following Amendment:

Amendment:

That the Phase 1 and Phase 2 properties be conveyed per the Resolution, but that information regarding the detailed elements of the WHEDA Application be made available in final form to the Council for consideration as part of the entire project on January 22, 2008, and that the concept plan and elements of Phase 2 be clearly defined and brought back to the Housing Committee prior to submittal of the General Development Plan Re-Zone for the entire property, with all relevant data describing ownership, unit counts, bedroom counts, AMI, storm water management, right-of-way, streets, parks, and everything else that has to be defined in the General Development Plan.

Ald. Konkel had sent a number of questions about this project and did not hear many of the answers she was expecting to hear. She is really disturbed that they do not have the affordability numbers; they do not know how many of the units are affordable, what bedroom ranges, and all of that stuff. One of the items that was important that it went back to them was because they were supposed to get this information. They put up some slides at the presentation on Monday night and the information disappeared. She does not know how many different ways to ask the question and be able to get how many bedrooms at what percent are going to be affordable? What are the amounts going to be? She has some numbers but they are all wrong and she is very confused about what they are approving at this point. She is very frustrated because that was the whole point of doing this, so that they would know how affordable units would be. When she looks at what the Allied Drive Taskforce recommended, and this is what was passed at the Council, she cannot tell if they are hitting the goals or not because she does not have the information. She wants the project to move forward but she does not want to vote for it if she does not know that they are voting for a good project. She has been to a lot of meetings and the answers/numbers keep changing. She does not feel they are ready to vote on this and they should have a special meeting to be able to get the answers. What about undocumented people? Who is actually in these units? Do we have the affordability mixes so that every one of those 31 families that are currently in those buildings will actually be able to live in these buildings or not? What income levels are they at? Do they fit within these criteria that they have? They haven't seen the market studies. Who is going to do the services that are connected to the building, and who is paying for it?

Mr. Munson is struggling with it because he came in at the end and is trying to play catch-up. Going back to the concept, he thinks there has been some market improvement within the last 24 hours, and that has been part of the challenge of this. It has been a moving target, there has been a lot of new information, and almost every time you look at the website there is a new map. There is more information that is becoming available, which is good. Mr. Munson thinks the concept has progressed positively in comparison to what some of the earlier concepts had, but there are still embedded questions within that. He is struggling with what the Housing Committee is being asked to approve tonight. Is it a WHEDA application so they can move to the February 1st deadline, which is an important deadline and can enable the project to move forward? How much of that can they separate out and focus on from the concept and the physical of the building designs, concept plan designs, Phase 1 design, Phase 2 design? If they can look at the first obstacle/hurdle to overcome, the WHEDA application, and then maybe deal with the concept plan as a separate item, that might help solve things tonight. It seems like to take it all as a whole and do the whole thing tonight is a lot. He has a lot of concerns on the concept still. While they are minute details, they are big details because they are all cost related. It seems like there is development still happening on the concept plan. So what can they approve tonight and what do they have the information for?

Mr. Sparer wants to be sure that they do not prevent this from moving forward and have it affect the neighborhood negatively. They owe it to the neighborhood to do something as big deadlines are coming up very fast. Mr. Sparer is influenced by what Mr. Levitan said about not rejecting "pretty good" just so that we can keep working in it being perfect. Maybe the Committee can say it has to have a certain mix of affordability and so many units have subsidy and Section 8, and that is a requirement. This would go to the Council and it would provide the Housing Committee's ideas on

what should be in there. He would suggest focusing on what couple of extra things they want to add on there, and then vote for it.

Ms. Day is concerned about trying to micromanage these numbers to the point that it makes it very difficult, if not impossible, for the people doing the tax credit applications and the Federal Home Loan Bank applications to do what they have to do to maximize the points they get on those applications and be successful with them. The truth is they are very close to what our goals are. The guidelines for both of those applications are very close to what our goals are so she is concerned with trying to micromanage that.

Mr. Brink thinks an important factor is that they need to move along so that they do not hold that part up and move towards the application to WHEDA. The other important factor is whether they want to attach the unit mix, etc. When it comes to the 22nd meeting, that is where the rubber is going to hit the road, but they do not want to wreck anything else. The positive things about this here, is that we are getting 30% units and we are getting 40% units and we worked hard to get the project-based Section 8 there. You have a whole different community because the density has dropped a great deal there. Also, if you can stabilize the neighborhood going forward, that is important. He thinks that they should move forward with the WHEDA application, and then specifically talk about what the members of Council will want to get this approved to move forward. How does it become a win/win? If this gets delayed a year, it will devastate that area because there is no other money any place else. Brink does not want to hold up the WHEDA application.

Chair Hirsch works with Mr. Landgraff professionally, but not on this project. Knowing the power of the financing, this is not an opportunity that should be passed by. He hopes they can get this issue resolved and get comfortable with it. We can have concerns about it, but do not stop the whole thing because of those concerns. We can have more discussions about other aspects of the project a little later, at the committee level or subcommittee level.

Ald. Konkel wants to see the numbers/information to make a decision. Only 10% of the units will be at 30% of AMI or less, if she understood correctly. If there are only 12 units that have 30% AMI, and there are 100+ units in the project, it is only 10%. The Allied Drive Task Force recommendations were 25-35% so we are not hitting that goal. The other goal that is not met is the number of 3-bedrooms that they asked for. They asked that they be substantially increased. Right now, there are 80, 3-bedroom rentals there that are being torn down and we are going to end up with 27? It has changed 100 times and if we count the 2 + den or not. That is a substantial decrease.

Day & Brink think Phase 1 looks good to meet goals, and Chair Hirsch thinks the Council should be able to deal with this on the 22nd.

Mr. Porterfield indicated that all bodies approved going after the tax credits. The information continuously comes up and it is almost impossible to give a final set of numbers to make this work. He is not surprised that they do not have numbers because of knowing the situation and how it works. It is a very ambitious timeline and it might be possible to make it if this goes through. The biggest factor is going to be getting the zoning in place in time.

Mark Olinger stated that WHEDA has been asking about the whole project/site and not just Phase 1. There is a huge concern if you break it down to just Phase 1. Mr. Olinger again went over the project-based vouchers and County median levels.

Ald. Solomon reiterated what Mark Olinger said and indicated that the Task Force is comfortable with this. There is another Task Force meeting tomorrow night. The Task Force voted on having 67 – 75% of the units being Section 8 and it passed unanimously. Site ownership of Phase 2 is an important part of the tax credit application with WHEDA.

Mr. Landgraff clarified what is on the WHEDA tax credit application. It does not require an absolute submittal of something like this that says this is what you are going to do. You need to have site control, talk about the number of units, talk about the mixes, and talk about the affordability. They understand that the plans are not finalized. You can give back a tax credit if the project does not move

forward. The rental concentration is in Phase 1, and ownership is more Phase 2.

Munson stated that if not conveying the property is going to hurt the WHEDA application, the Housing Committee should think very seriously about that. He does not want to hurt the WHEDA application. He would like to make a notation that the concept plan for Phase 2 still has some adjustment needed and the numbers that say exactly what Phase 2 is. He wants more information for Phase 2.

Chair Hirsch addressed Mark Olinger stating that the Housing Committee has never been involved in a specific land use development the way they have been in Allied Drive. The Housing Committee has done this largely in response to being looked to by the Allied Drive Task Force as housing smart, whereas they are more of a citizen body, and the Housing Committee has been asked by the Plan Commission at various points to also render opinions because of the time spent on housing. Chair Hirsch thinks that Mr. Olinger is doing everyone a disservice if he does not give us the information and does not work with the Housing Committee to develop these plans and develop Phase 2. There are committee members who have spoken with Chair Hirsch individually with serious reservations about what is being shown so far, but they are not ready to discuss it tonight and they are trying to get the Phase 1 application up and out. Chair Hirsch hopes there is time for dialogue and invited Mr. Olinger to the Affordable Housing Subcommittee, where some of these people will be seated around the table, to spend some time looking at Phase 2 and to listen to some of the criticisms and questions about it. He thinks sooner would be better.

Mr. Olinger thinks the motion by Munson is perfect. He is also happy to have discussion on Phase 2, after they get the Phase 1 application in.

The motion passed by the following vote:

**Notes:** A motion was made by Sparer, seconded by Brink, to Return to Lead with the Following Recommendation(s) to the BOARD OF ESTIMATES, Recommendation for Approval with the following Amendment:

That the Phase 1 and Phase 2 properties be conveyed per the Resolution, but that information regarding the detailed elements of the WHEDA Application be made available in final form to the Council for consideration as part of the entire project on January 22, 2008, and that the concept plan and elements of Phase 2 be clearly defined and brought back to the Housing Committee prior to submittal of the General Development Plan Re-Zone for the entire property, with all relevant data describing ownership, unit counts, bedroom counts, AMI, storm water management, right-of-way, streets, parks and everything else that has to be defined in the General Development Plan.

Absent: 2 Victor E. Villacrez and Detria D. Hassel

Ayes: 8 Brian A. Munson; David C. Porterfield; Susan K. Day; Philip P. Ejercito;  
Tobi L. Rutten; Curtis V. Brink; David R. Sparer and Eli Judge

Abstentions: 2 Brenda K. Konkel and Thomas E. Hirsch

Excused: 3 Howard Mandeville; Judith M. Wilcox and Rose M. LeTourneau

1 ALLIED AREA TASK 01/10/2008  
FORCE

**Action Text:** Mark Olinger, Director of Planning and Community and Economic Development, and Stuart Levitan, chair of the Community Development Authority (CDA), briefed the group about the community meeting held on January 7th. Olinger passed out a paper copy of the power point presentation he shared with residents and interested stakeholders at the meeting on the 7th. Since the last Task Force meeting on the 20th of December, the “final” plan is distinguished from the previous plans in three ways: the Boys & Girls Club parking lot is left in tact, the architects have addressed the concerns the City’s engineering department had with storm water retention, and the plan does not show a connection on Pawnee Pass. It does, however, maintain the curvilinear street pattern that several members of the Task Force liked about Plan B.

The design plan presented shows 48 rental units (in 5 buildings total) in Phase I, with a breakdown of 13 - 3BR, 13 – 2BR+den, 9 – 2BR (all handicap accessible), 9 – 1BR, and 4 – studio/lofts. The plan also includes a 2000 square foot community space in one of the large apartment buildings that are at the intersection of Jenewein and Allied Drive. There is also a large green space/plaza available to the community at the corner, between the two large buildings. Olinger reports that the majority of the 3BR units are in the two large buildings, and those buildings include ample parking underground and on the street. Olinger explained that the CDA would be able maximize the WHEDA points for 3BR units with their own entries, as is shown on the design plan. Levitan also commented that the 2BR+den units could easily be converted to 3BR units. The plan currently shows those units as 2BR for the tax credit application, since WHEDA awards the maximum number of points for a project with 26% 3BR units. Levitan explained that CDA is committed to creating a product that will not adversely affect the other Section 42 properties in the area. Therefore, all of the 2BR units will be accessible for persons with disabilities, which would distinguish them from the 2BR units at Prairie Crossing, Project Home’s tax credit property on Allied Drive.

There was some discussion about how the community space can be used and by whom. Levitan said that the CDA would support allowing the Allied Dunn’s Marsh Neighborhood Association to have access to that space, but they could not, according to WHEDA regulations, provide designated space for the association.

There was much discussion about levels of affordability in Phase I. Levitan reports that the CDA is committed to meeting the affordability goals of the Task Force, which includes site-based Section 8 vouchers for 36 of the 48 units. In order to be eligible for the Section 8 program, the household must be at or below 50% Area Median Income (AMI). The remaining units will be affordable to households between 50-60% of AMI.

Matyka pointed out that, according to Olinger’s power point materials, there are two different rent rates that have been proposed – one rate for those units with the Section 8 vouchers and one for the units that will be rented without the vouchers. Matyka questioned if charging different rates for similar apartments is allowable by the federal Housing and Urban Development (HUD) department. Olinger reports that he has had several discussions with HUD, and he believes that the rental rates outlined are well within their guidelines.

Several members expressed concern over long-term affordability of the rental units, particularly those units that have the Section 8 vouchers attached. The resolution language calls for 25 years of affordability, which is supported by the Task Force. Levitan explained that the CDA would maintain a commitment of the site-based vouchers through the entire term of the project (whatever that means?). Levitan also explained that tenants that use a site-based voucher for at least a year, have the option of obtaining the next available Section 8 Housing Choice voucher (tenant-based rather than site-based) that comes available. He hopes that the housing developed by this project would be such high quality and the neighborhood stable enough that people would not want to leave after one year.

There was also discussion about the management responsibilities for the tax credit property. Olinger reports that the plan is to issue an RFP for management services should the tax credits be awarded. At this point, there is no plan for the CDA Housing Operations unit to manage the property.

Olinger also reviewed the relocation plan that the CDA has developed for the project. After hearing the

concerns of residents and the Alder, the CDA has decided to maintain two of the Birch Hill Square buildings for residents of the City property while Phase I construction occurs. Currently there are 33 households living in several buildings on the City property. The plan will involve moving 18 households into those two Birch Hill Square buildings – the remaining 15 households already reside in those buildings. The CDA will cover the costs associated with moving these households, and they will also offer one month's free rent. Olinger also reports that the CDA is committed to providing some form of financial education for the residents in the City property with the hope to improve their rental situation, such as moving into the Phase I rental property, or prepare them for home ownership. There may be an additional 8 units that could be made available in the City property during the construction of Phase I should someone qualify to rent there. Solomon requested that staff report back on estimated rehab costs for those additional units.

Dan Wood expressed concern about the current rental rates of the City property, as they are generally higher than the rest of the neighborhood. He is particularly concerned that the residents that may get displaced from the G&H apartments may not be able to pay the City rent rates, and he asked Olinger and Levitan to consider allowing those that are displaced to pay a rent rate at the City property that is similar to the rent they were paying prior to getting displaced.

Olinger reports that they have begun discussions with the United Way to determine what those financial education services mentioned earlier would entail. Solomon recommended that that issue be put on the agenda of the Task Force's February meeting.

As per the request of the members at the last Task Force meeting, Olinger and Levitan also provided additional information about the initial plans for Phase II, which they envision to be all home ownership. The design plan shows 61 units to be developed on the balance of the site. Levitan anticipates that the CDA will issue RFPs with a goal to achieve a mix of home ownership types, such as land trust units, co-housing, live/work units, sweat equity units, and general market units. The stated goals for affordability in Phase II are: about 1/3 of the units will be affordable for households between 30-50% of AMI, 1/3 of units for households between 50-80% AMI, and 1/3 units for households at 80% AMI and above. Levitan also reports that the CDA had approved earlier this afternoon a plan for 20% of the developer fee retained after completion of Phase I be made available for home buyer loans and grants for the Phase II units.

Levitan invited Tom Hirsch, the City's Housing Committee chair, to comment on their meeting. Hirsch reports that the Housing Committee received much of the same information that the Task Force received regarding the site plan. However, they did not have the same detailed information about unit mix, Section 8 voucher plans, and rent levels, but rather, they got some assurance from Olinger and Levitan that the intention of the CDA is to strive to meet the goals for affordability outlined by the Task Force. The Housing Committee did not spend much time on Phase II, though they requested that Olinger and Levitan report back to the committee once the tax credit application for Phase I has been completed. The Housing Committee recommended that the Council pass Resolution 08380 in order to move the application for tax credits forward, even though there was some discomfort about the lack of detailed discussion about the second phase.

Zimmerman invited Alder Brenda Konkel to share her concerns about the plan presented and the Solomon resolution. Konkel recommended that the Task Force consider amending Resolution 08380 to include (as part of the resolution) language about specific issues they would like to make certain would be included in the plan and application for tax credits. Konkel reports that she prepared the document she shared prior to having specific information about Phase II, community space, community gardens and relocation plans for current City property residents. In addition, Konkel expressed concern that the existing resolution language did not guarantee that levels of affordability for the project would match the recommendation from the Task Force, should the Section 8 vouchers not be approved by HUD. There was much discussion about how to ameliorate some of Konkel's concerns with the plan by adding amendments to Resolution 08380 from the Task Force.

Zimmerman also invited Fitchburg Mayor, Tom Clauder, to comment on the plan. Clauder applauded the hard work of all involved, especially the residents that have been at the table with City staff and other stakeholders. Clauder said that he particularly appreciated that the architect team and City staff

listened to the concerns of the Fitchburg residents regarding the Pawnee connection. He assured the group that the Fitchburg residents did not favor the connection because of their concerns about increased traffic in their neighborhood.

**Notes:**

1 ALLIED AREA TASK 01/10/2008  
FORCE

**Action Text:** Green moved, and Artis seconded a recommendation to approve the plan presented and recommend support for Resolution 08380. No vote was taken on this action.

Discussion

Baryd offered three amendments in effort to address some of the principal concerns of Alder Konkel.

Motions: Baryd moved to approve the plan and recommend support for Resolution 08380 with the following amendments:

9. The CDA will retain two Birch Hill Square buildings in place during construction of Phase I to be housing for tenants waiting to move into the Phase I project as well as for other tenants, subject to the screening criteria established by the Allied Task Force, who are displaced in the Allied Drive area.

10. The CDA will provide relocation costs to tenants currently residing in the Redevelopment.

Relocation costs will include a minimum of the following:

- a. Front-end moving and hook-up costs plus a free month's rent
- b. Renovation costs
- c. Back-end moving and hook-up costs

11. Be it further resolved that all aspects of the development for Phase II including the Requests for Proposals, the final site plan, the level of affordability, the unit count by ownership and number of bedrooms be referred to the Allied Task Force for recommendations to the Common Council for final approval. The CDA shall strive for units that are created in Phase II of the project will be affordable as follows:

- a. Approximately 1/3 of the units will be affordable for people at 30-50% AMI.
- b. Approximately 1/3 of the units will be affordable for people at 50-80% AMI.
- c. Approximately 1/3 of the units will be affordable for people over 80% AMI

Green and Artis accepted amendments as friendly.

Motion: Green moved for unanimous approval of the motion as amended by Bayrd. Artis seconded. Decision not unanimous, motion fails.

Motion: Hayes moves to re-open discussion regarding the plan and Resolution 08380. Solomon seconded. 10 ayes; 3 nos. Motion carries.

Discussion

Hayes expressed discomfort with the ambiguity regarding community space. He would like to see a separate community space, perhaps included in Phase II that would be able to be accessed by all Allied area residents. He would also like to see a management structure for the rental property that includes resident participation.

Motion: Hayes moved to recommend that a separate community space be included in the plan for Phase II and that the management of the rental property include resident participation. Howard seconded.

Discussion:

Bayrd asked if the tax credit application includes an articulation of the use of community space for the whole neighborhood, would that hurt the CDA WHEDA application. Plant explains that according to his interpretation of the WHEDA regulations, community space is to be used by residents of the property, though residents of the property could reserve it for community purposes. He would not favor the language suggested by Baryd, as he posits that it would negatively affect the WHEDA application. Baryd calls the question. 2 ayes (Hayes and Howard); 11 nos. Motion fails.

**Notes:**



1	ALLIED AREA TASK FORCE	01/10/2008	Return to Lead with the Following Recommendation(s)	BOARD OF ESTIMATES	01/14/2008	Pass
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**Action Text:** Baryd offered three amendments in effort to address some of the principal concerns of Alder Konkel.

A motion was made by Green, seconded by Artis, to Return to Lead with the Following Recommendation(s) to the BOARD OF ESTIMATES.

**New #9**

The CDA will retain two Birch Hill Square buildings in place during construction of Phase I to be housing for tenants waiting to move into the Phase I project as well as for other tenants, subject to the screening criteria established by the Allied Task Force, who are displaced in the Allied Drive area.

**New #10**

The CDA will provide relocation costs to tenants currently residing in the Redevelopment. Relocation costs will include a minimum of the following:

- a. Front-end moving and hook-up costs plus a free month's rent
- b. Renovation costs
- c. Back-end moving and hook-up costs

**New #11**

Be it further resolved that all aspects of the development for Phase II including the Requests for Proposals, the final site plan, the level of affordability, the unit count by ownership and number of bedrooms be referred to the Allied Task Force for recommendations to the Common Council for final approval. The CDA shall strive for units that are created in Phase II of the project will be affordable as follows:

- a. Approximately 1/3 of the units will be affordable for people at 30-50% AMI.
- b. Approximately 1/3 of the units will be affordable for people at 50-80% AMI.
- c. Approximately 1/3 of the units will be affordable for people over 80% AMI

The motion passed by the following vote:

**Notes:**

- Absent: 1 Stephan D. Uselman
- Ayes: 12 Brian L. Solomon; Carousel Andrea S. Bayrd; Joel Plant; Lynn M. Green; Michael T. Zimmerman; Daniel R. Wood; David L. Jennings; Robert J. Artis; Evelyn D. Burns; Denise G. Matyka; Susan M. Corrado; Barry E. Hayes and Leticia Concepcion Marin
- Noes: 1 Alice P. Howard

1	PLAN COMMISSION	01/14/2008	Return to Lead with the Recommendation for Approval	BOARD OF ESTIMATES	01/14/2008	Pass
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**Action Text:** A motion was made by Kerr, seconded by Cnare, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by voice vote/other.

**Notes:** The Plan Commission recommended approval of the resolution as recommended for approval by the Board of Estimates with the following revisions:

- That #4 of the first resolved clause be revised to note 48 units, not 40 to 47 as currently indicated.
- That #9 of the first resolved clause be added to state that the two memos from Stuart Levitan, Chair of the Community Development Authority to the Board of Estimates, Plan Commission and Community Development Block Grant Commission, one with the subject line "File 08380 (Allied Drive Redevelopment) and the other "Statement and Framework for Phase Two, Allied Redevelopment," and the PowerPoint presentation entitled "Allied Neighborhood Revitalization: Phase 1 and Phase 2 Plans" were presented to the Plan Commission on January 14, 2008 and are attached here as exhibits of the discussed plans and goals for the property.

2 BOARD OF ESTIMATES 01/14/2008 RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER Pass

**Action Text:** A motion was made by Verveer, seconded by Bruer, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other. Note: The Board of Estimates accepted the Allied Area Task Force changes and also made the following changes in the Resolved clause: #2--specify a sufficient allocation to be approximately \$750,000 annually; #7--delete.

**Notes:**

1 COMMUNITY DEVELOPMENT AUTHORITY 01/16/2008

1 HOUSING AFFORDABILITY SUBCOM OF THE HOUSING COM 01/16/2008

**Notes:** Mark Olinger, Executive Secretary of the CDA, and Stuart Levitan, Chair of the CDA, reviewed the current CDA plans for phase 2 of the allied Drive redevelopment, and distributed two memos outlining some of the CDA commitments to this homeownership [Phase. Levitan reviewed the CDA target goals for affordability (1/3 of the units priced for households under 50% of Area Median Income, 1/3 for households in the 50% to 80% range, and 1/3 for households over 80% AMI. Levitan also reviewed the types of housing the CDA hopes to attract, include some portion of land trust arrangement, some form of cooperative housing, some work-live units.

The Subcommittee discussed the following topics:

**Request For Proposal (RFP) model:** The subcommittee discussed the timing of phase two and how to best achieve the diverse development goals, particularly with regard to using one request for proposals or several separate RFPs. The subcommittee expressed support for using one RFP. They noted that multiple RFPs would require a clear delineation of the specific parcels, a step that would require precise delineation and platting of the phase II area. "Inches become critical" if different developers are working side by side under separate RFPs.

The CDA representatives and the subcommittee discussed the timing of the development, with Levitan noting that the CDA hoped to issue an RFP in July or August, once some of the major details of the site plan had been developed and the CDA knew the status of the Low Income Housing Tax Credit application to WHEDA, and the remainder of the financing.

**Site Plan:** Some subcommittee members expressed interest in looking at some broader issues of site planning, including the issue of connectivity and amount of streets. Olinger and Levitan noted that the current site plan is still a work in progress, with some consideration of additional roads, balanced against a goal of having more of a family friendly development, with less traffic.

Olinger noted that the Task Force likes the look of the current site plan, but there are still ongoing issues of affordability, tenure, and income mix. Like any developer, the CDA needs a certain amount of flexibility to proceed and modify the plan, as market conditions or demand change.

Different residents have varied comfort levels with certain aspects of the building types; some prefer larger buildings, while others have expressed interest in single-family homes. Levitan also noted that the CDA had pledged to use 20% of its developer fee for loans and grants related to homeownership in this phase.

Affordability controls: The group discussed a variety of affordability controls, including capped or shared equity, resale provisions, and a land trust arrangement. The City and CDA are discussing the balancing of multiple goals, including the need to generate increment in the property tax base (to meet the TIF projections) while trying to keep the income mix of the three household groups.

Marketability, pricing and increment goals: Levitan concluded that the CDA's experience from the current private development at Lakepoint (Lakepoint Condo) suggests that the market requires new buildings, and that conversions do not work. The new units at Lakepoint are outselling the converted apartments 5 to 1. Some committee members suggested that the conversion market did have some life, and one member described the experience of a buyer family that looked at Lakepoint, Petra Place, and Allied, and chose Allied because they liked the neighborhood.

Visitability: The subcommittee noted that the CLT development at Troy Gardens included an income mix as well as building in such features as Visitability in all units, in order to promote some sense of 'community' within the development. Olinger noted that 44 of the first 48 rental units in Phase 1 would be accessible.

Stormwater Management: Olinger noted that the City Engineer had reviewed the concept plan C and appeared comfortable with the management plan for stormwater. The current concept calls for additional shallow areas that could be used to store storm water over the storm sewer pipe. This technique would eliminate deep storage on the site and reduces potential hazards for children.

Olinger reported on a recent survey of the existing residents in the City-owned properties, noting that 14 households were under or equal to 30% of area median income, 5 were between 30% and 50% of AMI, and 13% were over 50% of AMI. The average household size is about 4 people, but this includes two families of 8 people and 9 people apiece.

The subcommittee expressed its appreciation for the presentation, and noted their continuing interest in this phase of the development.

1	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE	01/17/2008	Return to Lead with the Recommendation for Approval	BOARD OF ESTIMATES	Pass
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**Action Text:** At a meeting on January 17, the CDBG Commissioners voiced continuing concerns about these themes, and interest in continuing to work with the CDA, community agencies and other City agencies on these goals:

- Continue to work on lowering costs/unit in order to stretch City resources for additional revitalization projects in the neighborhood and in other challenged areas within the community.
- Start the homeownership activities as soon as possible, to keep momentum moving for broader neighborhood improvements;
- Conduct special efforts to outreach to current residents of City property to help them understand and prepare for homeownership and other housing opportunities.
- Continue to explore ways to preserve the potential opportunities for increased connectivity within the neighborhood;
- Increase the participation of the CDBG Commission in the planning and management of the homeownership phase and in phase 3.

Bartlett moved and Markofski seconded a motion to recommend to the lead referral body and to the Council approval of resolution 08380.

The Commission voted 4 to 0 with two abstentions to approve the motion.

Voting for the motion were Bartlett, Markofski, Robinson, and Rummel. Abstaining were Silverman and Trivedi

**Notes:**

3 COMMON COUNCIL 01/22/2008 Adopt the Following Friendly Amendment Pass

**Action Text:** A motion was made by Ald. Konkel, seconded by Ald. Kerr, to Adopt the following amendment(s): strike 'low and moderate income' and replace with 'rental housing for households with less than 50% AMI' in #7, #11 & #13. The motion FAILED by the following vote:

**Notes:**

- Absent: 1 Jed Sanborn
- Ayes: 9 Robbie Webber; Marsha A. Rummel; Eli Judge; Paul E. Skidmore; Brian L. Solomon; Satya V. Rhodes-Conway; Brenda K. Konkel; Michael E. Verveer and Lauren Cnare
- Noes: 8 Tim Gruber; Julia S. Kerr; Tim Bruer; Larry Palm; Judy Compton; Michael Schumacher; Mark Clear and Thuy Pham-Remmele
- Excused: 3 Zachariah Brandon; Joseph R. Clausius and David J. Cieslewicz

3 COMMON COUNCIL 01/22/2008 Adopt the Following Friendly Amendment Fail

**Action Text:** A motion was made by Ald. Konkel, seconded by Ald. Webber, to Adopt the following amendment: Add '# 17 - Any developer fee and/or net proceeds from this development or sale of land in Phase 2 shall be reinvested in rental housing for households at or below 40% AMI'. The motion FAILED by the following vote:

**Notes:**

- Absent: 1 Jed Sanborn
- Ayes: 3 Marsha A. Rummel; Brenda K. Konkel and Robbie Webber
- Noes: 14 Eli Judge; Paul E. Skidmore; Brian L. Solomon; Tim Gruber; Satya V. Rhodes-Conway; Julia S. Kerr; Tim Bruer; Larry Palm; Judy Compton; Michael Schumacher; Mark Clear; Thuy Pham-Remmele; Michael E. Verveer and Lauren Cnare
- Excused: 3 Zachariah Brandon; Joseph R. Clausius and David J. Cieslewicz

3 COMMON COUNCIL 01/22/2008 Adopt the Following Friendly Amendment Fail

**Action Text:** A motion was made by Ald. Konkel, seconded by Ald. Rummel, to Adopt the following amendment. The motion FAILED by the following vote:

**Notes:**

- Absent: 1 Jed Sanborn

Ayes: 1 Brenda K. Konkel

Noes: 16 Eli Judge; Paul E. Skidmore; Brian L. Solomon; Tim Gruber; Satya V. Rhodes-Conway; Julia S. Kerr; Tim Bruer; Larry Palm; Judy Compton; Michael Schumacher; Mark Clear; Thuy Pham-Remmele; Michael E. Verveer; Lauren Cnare; Robbie Webber and Marsha A. Rummel

Excused: 3 Zachariah Brandon; Joseph R. Clausius and David J. Cieslewicz

3 COMMON COUNCIL 01/22/2008 Adopt With Amendment(s) Pass

**Action Text:** A motion was made by Ald. Solomon, seconded by Ald. Cnare, to Adopt With Amendment(s). The motion passed by the following vote:

**Notes:** 5 Registrant(s) in support wishing to speak; 1 Registrant(s) neither in support nor opposition wishing to speak; 9 Registrant(s) in support not wishing to speak.

Absent: 1 Jed Sanborn

Ayes: 15 Michael E. Verveer; Robbie Webber; Marsha A. Rummel; Eli Judge; Paul E. Skidmore; Brian L. Solomon; Tim Gruber; Satya V. Rhodes-Conway; Julia S. Kerr; Tim Bruer; Larry Palm; Judy Compton; Michael Schumacher; Mark Clear and Lauren Cnare

Noes: 2 Thuy Pham-Remmele and Brenda K. Konkel

Excused: 3 Zachariah Brandon; Joseph R. Clausius and David J. Cieslewicz

3 URBAN DESIGN COMMISSION 02/27/2008

**Action Text:** The Urban Design Commission Received an Informational Presentation. Speaking on behalf of the project was Mark A. Olinger, Director, Department of Planning & Community & Economic Development.

**Notes:**

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### Text of Legislative File 08380

#### Fiscal Note

In summary, under the cooperation and development agreement outlined in this resolution, the City would invest a total of roughly \$8,900,000 to acquire and improve property in the Allied Drive area and transfer that property to the CDA. The CDA would commit to pay the City ~~\$384,000~~ \$392,000 for the improved site, and would invest an additional \$9,000,000, obtained from a variety of financing sources including City backstop, to accomplish the initial stage of redevelopment. No draft development agreement was available for review prior to the introduction of this resolution and the preparation of this fiscal note.

Under the terms of this proposed resolution, the City would transfer all of the City-owned properties in the Allied Drive area to the CDA. This includes the residential properties formerly known as the "Hauk Properties" (purchased by the City in 2006 for \$4,350,000), additional residential properties on Jenewein Drive (purchased in 2005 for \$377,000) and an area of public greenway currently recorded as an asset of the Stormwater Utility with a recorded value of \$18,000. Prior to transfer of the property to the CDA for redevelopment, the City will continue to incur holding and tenant relocation costs chargeable to TIF District #29. Under the terms of the proposed agreement, the City would be reimbursed by the CDA for tenant relocation costs.

The proposed redevelopment agreement would also require the City to demolish the existing buildings located on the redevelopment property and construct public improvements to benefit the redevelopment. It is estimated that demolition and public improvements will cost \$3,900,000. General Obligation borrowing of \$2,200,000 is budgeted in the 2008 Planning and Development Capital Budget for these purposes, although specific improvement projects have not been identified. The remaining \$1,700,000 of City cost would need to be appropriated in 2009.

In total, the City will have invested approximately \$8,900,000 to acquire properties, demolish the existing buildings and construct public improvements including sidewalks, streets, sewer infrastructure and street lighting. The total price charged to the CDA for this property would be ~~\$384,000~~—\$392,000, based on the assumption that the CDA would develop 48 units of tax credit housing and one resident manager unit on this site. This transfer would be financed with a deferred payment note from the City and no payment from the CDA would occur in the foreseeable future.

To provide short term financing for its redevelopment effort, the CDA would borrow up to \$2,100,000 using its existing Fannie Mae line of credit. This CDA line of credit is backstopped by the City's existing general obligation pledge to repay any principal and interest due if the CDA is unable to fulfill its repayment obligations.

The entire proposed redevelopment agreement would be contingent upon the CDA's ability to obtain \$9,000,000 of redevelopment financing by August 1, 2008. Currently, it is anticipated that \$7,500,000 of this financing could be available from tax credit equity, with the additional \$1,500,000 available through a first mortgage on the property and miscellaneous grant sources.

**Title**

AMENDED SUBSTITUTE - Authorizing the Mayor and the City Clerk to execute a Cooperation and Development Agreement with the CDA for the Redevelopment of the Allied Drive Neighborhood .

**Body**

WHEREAS, the City created Tax Increment Finance District No. 29 for the purpose of redeveloping and assisting the Allied Drive neighborhood; and

WHEREAS, the CDA and City approved the creation of and adopted the Allied Drive Redevelopment District Plan on May 11, 2006 and on July 19, 2006, respectively, for the purpose of fostering redevelopment in the Allied Drive neighborhood; and

WHEREAS, pursuant to Secs. 66.1105, Wis. Stats. (the "TIF Law") and 66.1333 (the "Redevelopment Act") the City may furnish services or facilities, provide property, lend or contribute funds, and enter into a cooperation agreement with the CDA to further the objectives of a redevelopment plan; and

WHEREAS, by Amended Alternate Second Substitute Resolution No. RES-07-00847 adopted August 7, 2007, by Amended Second Substitute Resolution No. RES-07-00926 adopted September 4, 2007, and by Resolution No. RES-07-01064 adopted November 6, 2007 (collectively, the "Preliminary Allied Resolutions"), the Common Council adopted an Allied Drive affordable housing plan and authorized the City to negotiate with the CDA to act as Master Developer of the City-owned properties located at 2317, 2345 and 2409 Allied Drive and 4705 and 4713 Jenewein Drive (collectively, these City-owned properties, along with the Greenway parcel located south of the Boys and Girls Club parking lot, shall be known as the "Redevelopment Property"); and

WHEREAS, the City and CDA intend to enter into a Cooperation and Development Agreement to delineate certain duties and obligations of the City and CDA for the conveyance of the Redevelopment Property and the design, planning, financing, development and construction of residential housing and related improvements thereto to be located in the Allied Drive Redevelopment District and Tax Increment Finance District No. 29 (the "Project").

**NOW THEREFORE, BE IT RESOLVED**, that the Common Council hereby authorizes the conveyance of the Redevelopment Property to the CDA and authorizes the Mayor and City Clerk to execute a Cooperation and Development Agreement with the CDA and all related documents, all in a form approved by the City Attorney, which will include the following material terms and conditions:

1. CDA as Master Developer. The CDA shall act as Master Developer for redevelopment of the Redevelopment Property, and shall be solely responsible for the Project's market analysis, design, land subdivision, planning, financing, construction, operation and maintenance. The terms and conditions contained in the Preliminary Allied Resolutions shall be incorporated, as appropriate, in the Cooperation and Development Agreement and other Project documentation.

2. Conveyance of City Property. The City will convey to the CDA the Redevelopment Property by quit claim

deed for the sum of ~~\$392,000 (\$8,000 per unit x 48 units of tax credit housing and one property manager unit developed)~~, free and clear of all liens and encumbrances except the standard exceptions. The CDA shall execute a deferred payment note to the City at closing in the amount of ~~\$392,000 the Purchase Price~~. Payment shall be due under the note when the CDA conveys the redevelopment Property, or any portion thereof, to any entity other than a limited liability company to be created by the CDA. The City will subject the Redevelopment Property to various restrictions to ensure it reverts to the City: if the CDA fails to receive an sufficient allocation of Section 42 Low Income Housing Tax Credits of approximately \$750,000 annually for ten years in 2008; if sufficient funding for the Project is not obtained; or if the development of the Project is not undertaken and accomplished in accordance with the Cooperation and Development Agreement.

3. Limited Liability Company. The CDA shall create a Wisconsin limited liability company ("Developer") that will be the legal entity to develop, construct and operate the tax credits housing portion of the Project. The CDA may assign to Developer its WHEDA tax credit allocation, and its rights, duties and obligations under the Cooperation and Development Agreement, construction contract, architecture and design contract and any other agreements related to the tax credits portion of the Project. In contracts issued under this paragraph, the CDA shall endeavor, to the fullest extent possible, to provide employment and training opportunities to Allied area residents, including granting additional points to proposals that offer such opportunities.

4. Tax Credits Housing. The CDA shall commence the Project by developing the northern third of the Redevelopment Property into ~~40 to 47~~ 48 units of Section 42 low income rental housing ("Phase 1 Housing"). The Phase 1 Housing shall remain affordable for a minimum of ~~25~~ 30 years at the levels of affordability and pursuant to the conditions enumerated in Resolution No. RES-07-00847 (File Number ~~05247~~ 05427). The CDA will convey a portion of the Redevelopment Property to Developer by long term ground lease for construction thereon of the Phase 1 Housing.

5. Fannie Mae Loan. The CDA or Developer may borrow an amount not to exceed \$2,100,000 from the Fannie Mae American Communities Capital Revolving Fund Program and utilize the loan proceeds to assist in developing the Phase 1 Housing. All outstanding principal and interest payments under the Fannie Mae loan shall be due on or before December ~~31, 2010~~ 15, 2011. Such loan shall be evidenced by a note and secured by a mortgage.

6. Public Improvements. The City, at its expense, shall construct certain public improvements to benefit the Redevelopment Property. The City shall also, prior to conveying the Redevelopment Property, except as outlined in # 8 below, demolish the improvements located thereon. Such demolition and public improvements shall be performed as public works construction projects under the direction of and pursuant to the discretion of the City Engineer, and are limited by the extent of funding authorized, from time to time, by the Common Council.

~~7. Existing Tenants. The CDA or Developer will reimburse the City, on or before the receipt of the first installment of tax credit equity, for all of the City's expenses in relocating existing residential, commercial and non-profit tenants located in the Redevelopment Property.~~

7. Financing. The CDA will be responsible for procuring sufficient financing for the Project. The Cooperation and Development Agreement shall be null and void and of no further effect if the CDA fails to obtain at least \$9,000,000 in firm financing commitments by August 1, 2008. The City's financial contribution will be limited to its contribution of land to the CDA, demolition and public improvement costs outlined in item 6 above, and its credit backstop of the Fannie Mae revolving line of credit loan.

Any equity capitalization, developer fee or other fee received by the CDA or Developer from the Project shall be reinvested in the Allied Drive neighborhood and other community development initiatives consistent with the City's policies, plans and objectives. Additionally, following the completion of Phase 1:

- At least 20% of the developer fee shall be reinvested specifically into the development of low- and moderate- income rental housing, consistent with the City's policies, plans, and objectives.
- An additional 20% of the developer fee shall be set-aside for loans and grants to assist with affordability in Phase 2 of the Allied Redevelopment Project.

8. Housing During Construction. The CDA will retain two Birch Hill Square buildings during construction of Phase 1 to be housing for tenants waiting to move into the Phase 1 project as well as for other tenants who are displaced in the Allied Drive Area, subject to the screening criteria developed by the Allied Area Task Force.

9. Relocation. The CDA will provide relocation costs to tenants currently residing in the redevelopment. Relocation costs will include at a minimum the following:

- a. Front-end moving and hook-up cost plus one free month's rent
- b. Renovation costs
- c. Back-end moving and hook-up costs.

10. If the units in Phase 1 are converted to condominiums, the net proceeds received due to the sale of rental housing shall be reinvested in rental housing for households at or below 50% AMI.

~~11.~~ 11. Final Approval. All aspects of the development for Phase 2 including the Request for Proposals, the final site plan, the level of affordability, the unit count by ownership and number of bedrooms shall be referred to the Housing Committee, CDBG Commission, Plan Commission, and Allied Drive Area Task Force for recommendations to the Common Council for final approval.

~~12.~~ 12. Affordability Targets. The CDA shall strive for units that are created in Phase 2 of the project which are affordable as follows:

- Approximately 1/3 of the units will be affordable for people at 30-50% AMI
- Approximately 1/3 of the units will be affordable for people at 50-80% AMI
- Approximately 1/3 of the units will be affordable for people over 80% AMI.

~~13.~~ 13. Land Sales Proceeds. At least 20% of any land sales proceeds from Phase 2 shall be reinvested specifically into the development of low- and moderate- income rental housing, consistent with the City's policies, plans, and objectives.

~~14.~~ 14. Connectivity. The CDA will work with City of Madison staff, the CDBG Commission, and the City of Fitchburg to ensure adequate connectivity throughout and between the redevelopment property and the two Fitchburg neighborhoods that surround it. This should include at least a sidewalk / bike path connection, and possibly a street connection, between Lovell Lane and Pawnee Pass.

~~15.~~ 15. Mixed Use. The CDA will strive to include live / work units in Phase 2. Additionally, the CDA and City of Madison shall work to encourage the development of neighborhood retail in the adjacent Madison Plaza Shopping Center.

~~16.~~ 16. Employment Opportunities. To the fullest extent possible, the CDA shall endeavor to provide employment and training opportunities to Allied area residents in the development of Phase 2, including granting additional points to development proposals that offer such opportunities.

NOW THEREFORE BE IT FURTHER RESOLVED that the Common Council finds that the development of the Project as described herein and in the Preliminary Allied Resolutions is in the vital and best interests of the City and its residents and is in accordance with the public purposes of the Redevelopment Act and the TIF Law under which the Project is being carried out.



