

From: [Punt, Colin](#)
To: [Plan Commission Comments](#); [Wells, Chris](#)
Subject: FW: Oliv Madison
Date: Thursday, November 4, 2021 8:49:24 AM

Colin Punt
Planner

Department of Planning & Community & Economic Development
Planning Division
Madison Municipal Building, Suite 017
215 Martin Luther King Jr. Blvd.
Madison, WI 53703
cpunt@cityofmadison.com | 608.243.0455

From: Amol Goyal <agoyal8@wisc.edu>
Sent: Wednesday, November 03, 2021 8:15 PM
To: Punt, Colin <CPunt@cityofmadison.com>
Subject: Fwd: Oliv Madison

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FYI, would you please include this in the meeting materials.

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From: Amol Goyal
Sent: Wednesday, November 3, 2021 9:14:10 PM
To: financecommittee@cityofmadison.com <financecommittee@cityofmadison.com>
Cc: Verveer, Michael <district4@cityofmadison.com>; district8@cityofmadison.com <district8@cityofmadison.com>; Tim Kamps <tk.kamps@gmail.com>; robb@corespaces.com <robb@corespaces.com>; Brian Munson <bmunson@vandewalle.com>
Subject: Oliv Madison

Hi all,

The Oliv Madison steering committee acknowledges receipt of the Memorandum of Understanding drafts Core has shared with the Campus Area Neighborhood Association and Capitol Neighborhoods, Inc. The members of the committee very much appreciated the time, effort, and dedication that was put into the creation of these documents from all parties involved. Overall, when it comes to the Land Use Restriction Agreement (LURA), most of the committee members shared support for the project's commitment to lower-cost housing, with the following conditions listed. Having said this, some of the committee members

believed that such a variance from the downtown plan remains unacceptable, especially since the entire program for lower-cost housing is contingent upon the approval of two additional stories.

With both MOU drafts (i.e. the University and City agreements), there are three enforcement mechanisms - an accumulation of lower-cost beds from year to year (UW-Madison MOU, 7(f)), an Affordability Deficiency fine to the City of Madison (Section 2E, "Terms of LURA"), and a \$5 million penalty to the City of Madison for repeated Affordability Deficiency (Section 2F, "Terms of LURA"). Upon serious deliberation, the committee only supports this LURA if ***all three*** enforcement mechanisms are implemented ***and*** if the Affordability Deficiency fine equals twice as much as the cost of the student bed's rent in the prior year, multiplied by the number of deficient beds. Without such a fine, a small amount of money forfeited to the City of Madison from the developer will not constitute sufficient incentive to make the program work. In order to truly access this program, the development team and the university must actively reach out to qualified students about it, rather than having them be expected to take the initiative to apply for a program they would not know.

Almost all committee members believed that Core Madison must make available 10% of the beds in its project to qualified students at a 40% discount, provided they remain in 2/2+2 units. This option gained the largest consensus as any student who applies for a bed in the development with the lower-cost housing program will have the most certainty for what rent they will be expected to pay the following year. A steering committee member also added that if there is a hostile situation amongst roommates in the unit and there was a threat to a qualified student tenant's safety, that that tenant has the option of another bed of the same price available to them in Oliv. Having said this, some believed that "option 2", in which a larger range of options would be available to those qualified student tenants at differing prices, with smaller quantity, was preferable to the most popular option as it incorporates a variety of student preferences. This fraction of committee members thought that the building would be segregated with qualified students able to access just one option of living in Oliv.

The City of Madison must apply any Affordability Deficiency fine it receives directly toward Wisconsin Housing and Economic Development Authority funds for affordable housing. Likewise, any fines to the university must apply toward student housing, access and inclusion. The neighborhood was happy to engage in further conversation surrounding where forfeited money can and cannot be directed.

All LURA terms and associated penalties must apply to a future developer, should Core choose to sell the project to another management company, as they did with the James and the Hub I. It is unclear what would happen after 10 years of the university MOU and 30 years of the City MOU - renewal of contracts must be emphasized regardless of who the landlord of this project is.

The steering committee expresses deep gratitude to the Finance Committee for its interest in this subject. Some steering committee members emphasized that the project remains a great

investment in Downtown Madison and a means to employ and support families in construction-related jobs.

It remains important to reiterate, however, that opposition directed toward this project persists, and by the request of one of the steering committee members, is included in [this petition](#).

Having said all of this, both co-chairs of the steering committee support this project's LURA in that it is not a business partnership or joint venture - all parties involved appear to make a good faith effort to increase student access to lower-cost housing. This marks an opportunity for addressing the City of Madison's supply crisis as well as the revitalization of the Downtown businesses as Madison emerges from the pandemic, in terms of retail, food, and beverage establishments. Both the Campus Area Neighborhood Association and Capitol Neighborhoods, Inc look forward to participating in future City of Madison discussions regarding this project.

Please let Tim and I know if you have additional questions or concerns.

Best,
Amol Goyal

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