



City of Madison Meeting Minutes - Final

City of Madison
Madison, WI 53703
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HOUSING AFFORDABILITY SUBCOM OF THE HOUSING COM

Thursday, December 22, 2005

3:00 PM

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

ROLL CALL

The group asked Hirsch to serve as temporary chair in the absence of both the elected chair and vice-chair.

Present: Committee Member Thomas E. Hirsch, Committee Member John L. Merrill, Committee Member Howard Mandeville, Committee Member Julia S. Kerr and Ald. Austin W. King

APPROVAL OF MINUTES

The Subcommittee approved the minutes from its three November meetings.

REFERRALS FROM THE COUNCIL AND THE HOUSING COMMITTEE

Amending Sections 28.08(4)(c)4., 28.08(9)(c)6., and 28.08(11)(c)4. to allow tax-exempt lodging houses as conditional uses in the R3, R4, R4L and R4A Districts.

David Sparer appeared in the capacity of attorney for the Madison Community Cooperative, seeking a change in the current zoning ordinance to permit the conditional use of lodging houses in R3, R4, R4L and R4A districts. Sparer described the intent of the ordinance change is to permit housing cooperatives entities qualifying as tax-exempt lodging houses the potential to offer a form of affordable housing in an expanded number of zoning districts. The subcommittee raised issues regarding the potential for abuse of this expansion, particularly near the university neighborhood where overcrowding of individuals is already an issue. Sparer noted that the ordinance is narrowly defined to include only tax-exempt organizations, and that the entity would need to pass the review of the Plan Commission in order to obtain a conditional use.

The Subcommittee noted that Planning Unit staff were preparing a report on the potential impact of the ordinance change that would be presented to the Plan Commission.

A motion was made by Ald. King, seconded by Committee Member Kerr, to Return to Lead with the Recommendation for Approval to the HOUSING COMMITTEE. The motion passed by the following vote:

Aye: Merrill, Mandeville, Kerr and King

Non Voting: Hirsch

Hirsch, in his role as chair, did not vote.

Amending Section 28.04(25) of the Madison General Ordinances to change the equity distribution at sale, add a new kind of occupancy, and add exemptions to the inclusionary zoning ordinance.

The Subcommittee identified and discussed major changes and alternatives proposed in the inclusionary ordinance regarding the homebuyer terms of sale, and the balancing goal of attractiveness to the buyer with the goal of some retention of affordability into the future. The subcommittee discussed the pros and cons of four alternatives:

- a) Percentage approach: City share is defined as a percentage of the value of the inclusionary dwelling unit. When the IZ buyer wishes to sell, the City receives a pay-off determined by this percentage, and the owner retains all other equity.*
- b) Flat amount: The City share is defined by a specified dollar amount. When the IZ buyer wishes to sell, the City receives a flat amount.*
- c) Flat amount plus some 'interest': The City's share is defined by a specific flat amount, plus a nominal amount that would help the program maintain some affordability into the future.*
- d) Resale restriction that would require the IZ buyer to sell only to an income eligible family upon sale. This resale requirement would be time-limited to 5, 10, 15 or a specific number of years.*

The Subcommittee discussed the benefits and impacts of each approach as they related to several subgoals of the IZ program:

- a) attractiveness to initial buyer;*
- b) fair treatment of IZ buyer compared with non-IZ unit buyer;*
- c) some ability to retain a level of affordability into the future with the next buyer;*
- d) ease of understanding;*
- e) differential effects in up and down markets.*

The Subcommittee reviewed a table summarizing homebuyer terms and alternatives. A copy is available in the City Community Development Office (request by e-mail at cdbg@cityofmadison.com, or by phone at 267-0740).

A motion was made by Committee Member Merrill, seconded by Ald. King, to Return to Lead with the Following Recommendation(s) to the HOUSING COMMITTEE approval of the percentage method as the most simple, best balanced of the several approaches discussed. The motion passed by the following vote:

Aye: Merrill, Mandeville, Kerr and King

Non Voting: Hirsch

Hirsch, in his role as chair, did not vote.

ADJOURNMENT

The Subcommittee established its next meeting for Wednesday, January 11, 2006, to start at 5:00 p.m., in the Parks Conference Room, 120 Madison Municipal Building.

*Respectfully submitted,
Hickory Hurie, recorder*