



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes - Approved COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE

Thursday, September 12, 2013

5:00 PM

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

CALL TO ORDER / ROLL CALL

Staff Present: Jim O'Keefe, Mary Charnitz, Julie Spears, Linette Rhodes, Sue Wallinger, Monica Host

Markofski called the meeting to order at 5:15 pm.

- Present:** 5 -
Lauren Cnare; Colin A. Bowden; Liz Dannenbaum; Justin O. Markofski and Russ Whitesel
- Absent:** 2 -
Maurice S. Cheeks and Daniel A. O'Callaghan
- Excused:** 3 -
Matthew J. Phair; Ben M. Van Pelt and Monya A. Choudhury

APPROVAL OF MINUTES

MOTION by Bowden, seconded by Whitesel to approve the August 1, 2013 minutes.

PUBLIC COMMENT

Brenda Konkel from Tenant Resource Center spoke to the committee. She was happy the Impediments to Fair Housing Analysis report was completed. However, she was concerned that the "real issues" were not addressed such as non-renewal of leases and arrest records. Konkel was also happy with the work involving the Equity Impact Model.

Maurice Cheeks arrived at meeting.

- Present:** 6 -
Maurice S. Cheeks; Lauren Cnare; Colin A. Bowden; Liz Dannenbaum; Justin O. Markofski and Russ Whitesel
- Absent:** 1 -
Daniel A. O'Callaghan
- Excused:** 3 -
Matthew J. Phair; Ben M. Van Pelt and Monya A. Choudhury

PUBLIC COMMENT

Brenda discussed the Action Plan and asked when to bring concerns to the committee. She expressed frustration in the expected public input on the 62 page document. She would like to facilitate discussion and know when the committee will be discussing the issue further.

Jim O'Keefe stated the public hearing on the Action Plan would be next month. She could discuss the plan now if she liked. Brenda will review the plan and forward concerns. Mary Charnitz added the committee and staff would like to hear comments and send them before the October meeting. A revised draft will be presented to the committee then and any new suggestions may be added to create the newest draft.

DISCLOSURES AND RECUSALS

Dannenbaum disclosed that Movin' Out Inc. attended a meeting she was attending and she has strong feelings about the project. There is no financial benefit to either party.

NEW BUSINESS

1. [31327](#) CDBG September Chair Report

Markofski discussed the Conference Committee public hearing on August 14th. Most agencies in attendance supported the funding recommendations.

Markofski discussed Liz Dannenbaum's committee appointment expiring. She does not wish to be reappointed. She is eligible to be part of the committee for up to 90 days after her appointment expires and will continue to be on the committee through the end of the year. Markofski thanked her for her hard work and contribution to the committee.

- [31450](#) Analysis of Impediments for Fair Housing Presentation

Jason Valerius from MSA Professional Services, Inc. presented a PowerPoint on the Analysis of Impediments to Fair Housing Choice to the committee. Jason discussed impediments including items that restrict as well as have the effect of restricting fair housing.

Dan O'Callaghan arrived at meeting

Present: 7 -

Maurice S. Cheeks; Lauren Cnare; Colin A. Bowden; Liz Dannenbaum; Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

Excused: 3 -

Matthew J. Phair; Ben M. Van Pelt and Monya A. Choudhury

2. [31450](#) Analysis of Impediments for Fair Housing Presentation

O'Callaghan inquired about the number of units needed and estimated cost to reach a healthier vacancy rate. Jason Valerius explained there are numerous factors that influence a final figure, but he could provide a general projection of the number of units for next month's meeting. The committee thanked Jason for his time.

3. [31054](#) Declaring the City of Madison's intention to adopt an Equity Impact Model.

Jordan Bingham, the Health Equity Coordinator from the Health department, discussed the Equity Impact Model. The goal is to increase demographic diversity while decreasing health disparities and discrimination. The "America's Tomorrow" summary discusses the economic need to serve all populations at a higher level.

Committee members asked about standards of development to ensure the needs are being met. Jordan explained that there will be a guide and committees will also be involved as well as being open to feedback. The current models being studied are from Portland and Seattle. It is in the early stages and the future plan will involve various City departments. The small equity advisory team includes Public Health and Civil Rights. Research and recommendations will be better defined at the April 2014 check-in point.

A motion was made by Cnare, seconded by Choudhury, to Return to Lead with the Recommendation for Approval to the BOARD OF HEALTH FOR MADISON AND DANE COUNTY. The motion passed by voice vote/other.

4. [31328](#) 2012 Annual Report on Homeless Service in Dane County

Point in Time - July Results

Linette Rhodes and Sue Wallinger from the Community Development Division discussed the 2012 Homeless Services report. This year an Executive Summary and single page data analysis sheet were added for convenience. The report looks at population and demographics but does not discuss reasons for homelessness.

In general homelessness has increased. The largest groups in shelters were families with children at 42% next were single men at 40% and then single women at 16%. Data shows that less than 1% of people have been in Dane County for less than one month.

Russ Whitesel asked if there is a measure of chronic homelessness versus those who are new to the shelter system. Sue Wallinger explained that HUD is currently working on a Pulse report to provide a better idea based on agency data. Varying time limits in shelters for families, single men and single women make it difficult to pinpoint an exact number. Singles are more likely to be chronic. The report also does not calculate unmet needs of the community.

Cnare discussed the Mayor's budget which included 100 SROs and asked how that would impact these numbers. Jim O'Keefe responded the proposal is

intended to have a significant impact with the target population(s) it will focus on.

5. [31316](#) 2014 Draft Action Plan - Initial comments and discussion.

MOTION from O'Callaghan, seconded by Cnare to move item #5 to the end of the agenda to allow agencies present to discuss items 6, 7 and 8. Motion passed by voice vote.

6. [31369](#) Red Caboose Facility Feasibility Study

Wendy Rakower, Director of Red Caboose, and Jason Salus, Red Caboose Board President, spoke in support of the feasibility study. Marsha Rummel completed a registration statement in support of the feasibility study but had left the meeting. Rummel's letter of support was accepted and will be included in the minutes. Red Caboose has been downtown for 40 years. The Gateway Project would purchase the current Red Caboose property and then sell condo space to Red Caboose for a larger center. They received a gift of \$20,000 and would like an additional \$20,000 to complete the feasibility study.

Whitesel asked if the size of the center would change. Wendy Rakower discussed that it would add at least 1 classroom and possibly more if economically feasible. They would however be losing their playground space.

Monica Host spoke briefly in support of the feasibility study and the lack of quality child care located in downtown Madison.

MOTION by Whitesel, seconded by Cnare to approve \$20,000 for the Red Caboose Feasibility Study. Motion passed by voice vote.

7. [31264](#) Approving \$108,000 from Housing Development Reserve Funds to provide additional down payment assistance to qualified homebuyers through Movin' Out, Inc.

Howard Mandeville from Movin' Out Inc. discussed the success of the program in providing 13 households with assistance. They requested funds for 5 additional household and City staff recommends funding for 3 additional households.

MOTION by Whitesel, seconded by O'Callaghan to approve staff recommendations of funding \$108,000 towards Movin' Out, Inc. Motion passed by voice vote.

8. [31263](#) SUBSTITUTE: Authorizing the Mayor and City Clerk to execute a loan agreement with Movin' Out, Inc. (MOI) for up to \$660,000 in Housing Development Reserve and Affordable Housing Trust Funds for the development of 21 CDD-assisted affordable rental units at the Royster Clark site.

Howard Mandeville the Executive Director of Movin' Out, Helen Bradbury from Stone House Development and David Porterfield from Movin' Out were present

to answer questions and support the loan agreement.

Julie Spears clarified updates included in the substitute motion. Additions include: specification of CDD assisted units; updated estimate of \$7.3 million will be requested from WHEDA, along with a first mortgage of \$2.6 million bringing development costs to approximately \$11.6 million; update loan term to be amortized over 30 years; clarification of the interest rate of 2.75% or below the variable Annual Federal Rate (currently 3.28%), whichever is lower; and language to authorize execution of documents necessary to comply with and perform the obligations of the City (such as LURA, mortgage, etc.)

O'Callaghan recused himself from the discussion.

Dave Porterfield discussed a blueprint of project/neighborhood and the benefits of the project. The project will include mixed-use space with commercial and residential areas consisting of multifamily units and single family homes. Stone House Development will be 50/50 partners. Helen Bradbury discussed this being the 9th property in Madison Stone House Development has done. It will include Section 42 affordable tax credits and mixed income units.

Whitesel asked about soil problems on the site. Dave Porterfield explained that all the soil work is done and they are waiting for the final clearance letter.

Markofski clarified the amounts would be \$128,318 in 2012 HOME rental development funds, \$265,841 from Housing Development Reserve funds and \$265,841 from the Affordable Housing Trust Fund amortized over 30 years.

Cnare discussed concerns of creating a low-income housing concentration. The project includes 70 units and the loan agreement would create 21 units of permanently affordable rental housing. Plan specified that 11 would be market rate and 59 lower/lowest income units. Helen Bradbury explained that this would address the needs and counter impediments for fair housing. Stone House Development Projects vary. Parks Central is 60%, Madison Mark is 50% for 1/3, 60% for another 1/3 and 1/3 are full market rate. This is based on WHEDA and the demand. 60% is the hardest to fill.

David Porterfield discussed the relationship with potential employers and the high need for housing near jobs.

Markofski clarified that the payback for this project would begin immediately unlike other past projects. There is a need to address how the Affordable Housing Trust Fund is being used. The committee will continue to refine policy and how the funds are distributed and remain focused on these dollars.

O'Callaghan returned to the table.

[31316](#)

2014 Draft Action Plan - Initial comments and discussion.

Mary Charnitz discussed the Action Plan. The plan is available online and there was a notice in the newspaper. Preliminary discussion is tonight with primary discussion at the next meeting. Submit comments to Mary Charnitz via email to incorporate into the next draft. This annual report is required to be submitted

to HUD by every Entitlement Community. The Action Plan includes information from the summer process for 2013-14 funding.

Mary Charnitz discussed the individual pieces of the Action Plan. Goals and Objectives are listed on page 1-2. A summary of funding allocations by funding source by specific outcome or objective is on page 3. A breakdown of project by project outcomes with further details for each Objective listed on pages 13-32. The objectives tie into the 5 year plan. The results of the Action Plan will be compared to the last year of the five year plan. Some dollar amounts may need to be adjusted based on actual funds received versus original anticipation of funds per agency. Numbers are projected in 2012 for 2014 and adjustments are often needed.

HUD has created a system Econ Planning Suite program which will be used to enter information through the online tool. This information gets collected, used for expenditures and outcomes then will be aggregated to the CAPER and how needs will be met.

Geographic distribution of funds is also addressed in the Action Plan. CDA information regarding Public Housing needs and responses will be integrated into the CDD strategy as well. The exact roles of CDA and CDD staff in this process have yet to be defined. A Citizen Participation plan is incorporated as well. This defines how it will be integrated with the community and to ensure community representation.

The next steps include comments and discussion on the Action Plan that will happen at the October meeting. There will be a public hearing with a more complete document. The final action will be taken and plan will be submitted to HUD in November.

9. [31261](#)

CDBG September 2013 Staff Report
Financials
2014 Neighborhood Centers & Community Gardens - Conference Committee updates
Theresa Terrace / Meadowood
Emerging Opportunities Funds
Green Madison
Update on Council Action

Financials

Mary Charnitz discussed the Financials document that was distributed. Whitesel asked about repayments just getting caught up. Mary Charnitz explained that yes repayments from installment loans are included.

2014 Neighborhood Centers & Community Gardens – Conf Committee Update

Jim O'Keefe discussed the 2 funding scenarios in the budget. One budget is for 100% funding and the other budget is at the 97% level requested by the Mayor's Office. New proposals were received as well as expansion requests for current programs. There was no additional funding available. Conference Committee received all B-Lists from committees and developed the final B-List of \$250,000 with an updated order. B-List items were also included in the CDD supplemental budget request that was submitted.

The operating budget will be presented to the Mayor next week, then to

Council on October 1st then a public hearing on October 15th. No word on whether funding will be at the 97% or 100% level.

Bowden asked about movement on the living wage proposal. O'Keefe stated the issue was presented in budget deliberations and staff too agency proposals. The calculated amounts to offset living wages for all agencies would be about \$750,000 – \$800,000 which was not feasible. An adjusted formula was used that would total \$150,000-\$200,000 for all agencies. The final recommendation focused on a cost of living adjustment (COLA) was a 1.7% increase across the board to all agencies at the total amount of \$110,000. Council will get the proposal and memo regarding COLA as a response to living wage concerns. Cnare asked if this would be done on an annual basis. Jim O'Keefe stated it could be but this was just for 2014 budget impact.

Theresa Terrace/Meadowood

Poised to sign contract for preliminary design work for Theresa Terrace. Community input was included to determine the program needs of the neighborhood. The design firm will calculate what it will take to turn the duplex into a Neighborhood Center. All indicators show that will be a costly proposition to renovate the property so in addition to those calculations we are also asking for sense of cost and timeline tear down the duplex and start over with a new structure to better meet the needs. The firm's reports will be brought back to Council.

Meadowood design team is further along in renovating the library and Meadowood Neighborhood Center. They are picking out paint colors, carpet colors, furniture, etc. Plan to review one last time with the neighborhood. It is close to the stage of beginning renovation.

Whitesel asked if due to the delay with Theresa Terrace project could Meadowood serve some people from the Theresa Terrace area. Jim O'Keefe discussed a RFP going out for a potential operator for the Theresa Terrace Center. The soonest the new center would begin operations would be September 2014. The RFP would ask potential center operators how they would accommodate and acknowledge current programs in the area and how to incorporate a new center into the mix. Whitesel suggested having residents check out the Meadowood Center during the interim.

Markofski asked there was a mechanism to walk away from the original commitment to Theresa Terrace if the estimated cost becomes too high. Jim O'Keefe responded that yes it is an unspoken option to revisit the entire idea and if that location is the best for a new center. All options will be posed to the Mayor after the study is complete. So far both project costs far exceeded the original projections.

ATTENDANCE: Dan O'Callaghan left the meeting

Mary Charnitz discussed the Theresa Terrace site with more detail and how it is feasible to convert duplexes into neighborhood centers, but this particular one is a tri-level with accessibility issues and is generally in bad condition. The cost estimates to reach the necessary standards are extremely expensive.

Emerging Opportunities Funds

Jim O'Keefe discussed the new program Council created and allocated

\$200,000 for projects. A RFP went out with 75 applications submitted, 69 being valid, requesting \$2,500,000. Staff will meet internally to prepare recommendations. The Conference Committee will meet on September 24 to make final recommendations and forward those onto Council at the October 1st meeting.

Whitesel asked if there were parameters in the RFP regarding funding request limits. O'Keefe stated that yes there was a minimum of \$5,000, but no maximum was listed.

Green Madison Report

Jim O'Keefe discussed the Green Madison Report. The Green Madison program stems from part of the American Recovery and Reinvestment Act (Stimulus legislation). Originally \$2.3 million was granted in formula allocation with a City focus for lighting and loan projects that were energy efficient. Green Madison then joined Wisconsin Energy Corporation (WEC) to apply for a 2nd grant from the Department of Energy (DOE) and WEC received \$20 million with \$7.2 million came to Madison for pilot projects and expansion. A residential and commercial part of the program was created. Green Madison Program was off to a slow start due to difficult economic circumstances, energy prices, low interest rates and significant upfront investments from participants. The DOE advised programs to begin distributing grants vs. loans and increased incentives until the project became successful. 40 commercial projects were completed most involved lighting. Almost 600 residential projects have been completed. It was originally set to expire 5/31/13 and was extended to 9/30/13. The DOE offered a final extension to 11/1/14 with the stipulation the program is transformed to be self sustaining as a loan program.

\$1.5 million of the original \$7.2 that can be retained as long as it is used as a loan program. Most likely will end Green Madison as a standalone program and looking to combine with other City/State/Federal resources that already supply support to owner occupied rehabilitation projects. Attempting to consolidate and simplify the program by the first part of 2014.

Bowden asked about post grant options or other terms on how to disburse the funds. O'Keefe stated not yet, DOE has been strongly discouraging grant incentives. Loans are a tough sell in the energy improvement market. Bowden is concerned about low-income loans with fees that can add up and burden people. Jim O'Keefe agreed that was a good point. DOE and WEC believe the way to be self sustaining is through program fee revenue. Jim O'Keefe is skeptical that this program can generate significant fee revenue.

Whitesel suggested ways to get around roadblocks like making the Royster Clark project more efficient. Is it possible to use this money to make Royster Clark project more energy efficient? Jim O'Keefe stated Julie Spears could look into the possibility but it is difficult to motivate property owners to make units energy efficient if tenants pay the utilities. Whitesel also suggested having the Public Market become an energy efficient project. Jim O'Keefe explained part of difficulty is that DOE administers the grant to WEC and the City is a sub grantee. DOE is very interested in loans to residential and business properties to keep the loan program operating for years to come.

Council Action

Arbor Hills and Leopold passed.

Bus shelter on Northside was also approved.

Mary Charnitz would like to add a written comment from The Road Home to the record regarding the Action Plan.

10. [31262](#)

Report from committees with CDBG Committee representation
Gardens Committee (Markofski)

Markofski discussed sustaining garden leadership and defining approaches and strategies for gardens. The New Garden Fund has \$3,000. They are looking at dropping the “new” from the “New Garden Fund” to allow for use in existing gardens. CAC is sponsoring Garden Days this Saturday. Check their website for more information.

ADJOURNMENT

MOTION by Whitesel, seconded by Cheeks to adjourn the meeting at 8:20 pm.
Motion passed by voice vote.