



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Meeting Minutes - Approved COMMUNITY DEVELOPMENT AUTHORITY

Thursday, April 10, 2014

4:30 PM

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

SCHEDULED MEETINGS:

CDA Special Meeting: Thurs., April 24, 4:30pm, 313 MMB
Community Development Subcommittee: Thurs., May 1, Noon, 313 MMB
Housing Operations Subcommittee: Mon., May 5, 4:30pm, 120 MMB
Allied Development Subcommittee: Tues., May 6, Noon, 313 MMB
CDA Regular Meeting: Thurs., May 8, 4:30pm, 260 MMB

CALL TO ORDER / ROLL CALL

Staff Present: Tom Conrad, Lisa Daniels, Natalie Erdman, Kelley Simonds,
Matt Wachter, and Anne Zellhoefer

Present: 5 -

Daniel G. Guerra, Jr.; Lauren K. Lofton; Sariah J. Daine; Dean Brasser
and Kelly A. Thompson-Frater

1 APPROVAL OF MINUTES: March 13, 2014

A motion was made by Guerra, Jr., seconded by Daine, to Approve the Minutes
of the meeting of March 13, 2014. The motion passed by voice vote.

2 PUBLIC COMMENT

None

3 DISCLOSURES AND RECUSALS

None

4 [32700](#) COMMUNICATIONS

Augie Olvera received several thank-you letters from some school children at
Franklin Elementary School. There was a gas leak last week at Franklin
Field. Four-hundred children were sent to Romnes for a few hours.

PRESENTATION OF CONSENT AGENDA

At this time, a consent agenda will be moved with the recommendation to approve each item EXCEPT: Items 5, 6A, 6B, 6C, 8A, 11A, 11D, 12 and 13

- 1) Items which have registrants wishing to speak.
- 2) Items which require an extraordinary or roll call vote and are not included on the consent agenda by unanimous consent.
- 3) Items which commissioner(s) have separated out for discussion/debate purposes.

A motion was made by Guerra, Jr., seconded by Lofton, to Adopt the Consent Agenda. The motion passed by voice vote.

- 5 [33656](#) CDA Resolution No. 4077, authorizing the Chair and Secretary to execute all documents necessary to facilitate the redemption of the 2000 CDA Redevelopment Lease Revenue Refunding Bonds for the Block 89 project and the conveyance of the second phase of the Block 89 parking ramp from the City and CDA to Block 89 Parking Limited Partnership.

A motion was made by Guerra, Jr., seconded by Lofton, to Approve. The motion passed by voice vote.

- 6 [29695](#) HOUSING OPERATIONS SUBCOMMITTEE REPORT

- 6A [17719](#) **Housing Operations Monthly Report**

Thompson-Frater stated she took this item off the consent agenda because HUD will no longer allow us to pay for private security out of capital funds. Olvera said security costs \$100,000/year - East, West & Triangle sites. Public housing can no longer pay out of capital funds. Security is helpful. Have enough money in previous years' grants that we can continue to pay for security this year and most of next year. After that it will have to come out of general operations.

Guerra asked how many incident reports were filed by security last year. Olvera didn't know. He said he could look at the types of incidents and how often they occur. Residents like having security there.

Brasser asked if this would increase eligible expenses for operating expenses. Erdman said no, it doesn't get us more money. Olvera said the operating budget is pretty lean as it is.

Daine said there were frequent car break ins at Romnes when she lived there and the situation improved with security. Security is important.

Olvera said he hopes that there will be enough of an outcry that HUD will reverse its decision.

Mt. Zion - They moved out already and he will go and inspect it next week. Isadore Knox is going to move the football equipment out this weekend. Contacted the Police about their property - may be able to work something out with Mt. Zion.

6B [33731](#)

Housing Operations Year End Financial Review

Augie Olvera, Lisa Daniels and Tom Conrad appeared to answer questions.

(See attachments from Olvera) - Public Housing on one side, Section 8 on the other.

Olvera will provide a summary report on a quarterly basis. In the black. Karabis has a higher cash balance reserve because we get project-based vouchers. Haven't been making a lot of repairs because the building does need to be replaced.

Guerra asked what are the restrictions on the cash reserves.

Olvera said the East, West & Triangle are restricted for each property. Central Office Cost Center - that's our money. It has to be for housing purposes. We charge the sites for management. Lisa is taking applications; her staff is taking applications and processing the applications. We're allowed to charge the sites for services. That money becomes the CDA's money. If one of the sites is losing money, we can turn around and give it back to them or not charge for our services.

Erdman said we need budget authority from Council to spend money in Karabis' reserve. It's not restricted by HUD or WHEDA. Olvera said we don't have a mortgage on Karabis so it's our money.

Brasser said this money could potentially be available for security costs if we couldn't come up with another source.

Guerra why we have losses on some of the properties. Erdman said it costs us more to operate than we got in revenue. Get rents from tenants based on their incomes and get subsidies from HUD. Olvera said this happened as a result of sequestration. Got less money than we expected. Not anticipating this again because we got more money this year.

Section 8 - Olvera said last year we were able to spend what they gave us and also dipped into reserves. Can only be used for housing assistance. Also have unrestricted funds. This is important for us because we need to pay our administrative expenses. Last year gave us only 69%. Needed unrestricted funds to pay staff. Now they're giving us 75% so we're still short. Also can use it cover HAP. Memo talks about that. When you see a net loss, we had reserves to cover it. Again, we should have reserves to cover it for this year.

Thompson-Frater asked about the net restricted assets - we did go through

those? Olvera said yes.

- 6C [33732](#) Discussion of 2014 Funding for Housing Choice Voucher Program
- Memo (attached) - Getting more money from HAP this year. Need to try to get some vouchers out. Going to have a lottery this summer. Use that as our wait list.
- Daniels said the waiting list down to 78 people. Olvera said the lottery will be held open for 30 days. Can apply online.
- Erdman said Housing Operations staff deserves credit for helping 1600 families. Another 40 families were helped this year. The Board thanked Housing staff for a great job.
- 6D [33657](#) CDA Resolution No. 4075, authorizing the filing of the initial annual budget for Capital Fund Grant year 2014
- A motion was made by Guerra, Jr., seconded by Daine, to Approve. The motion passed by voice vote.**
- 6E [33658](#) CDA Resolution No. 4076, authorizing the filing of the 5 year Capital Fund Action Plan including grant year 2014
- A motion was made by Guerra, Jr., seconded by Daine, to Approve. The motion passed by voice vote.**
- 7 [32701](#) ECONOMIC DEVELOPMENT STATUS REPORT
- 8 [32702](#) ALLIED DEVELOPMENT SUBCOMMITTEE REPORT
- 8A [33686](#) CDA Resolution No. 4078, authorizing the negotiation of a contract with Bluestone Custom Homes for development/construction services.
(Resolution and letter of intent attached).
- Wachter said this will authorize us to contract with Bluestone to market and construct the homes.
- Thompson-Frater said the Allied Subcommittee went through, in detail, the Letter of Intent.
- A motion was made by Guerra, Jr., seconded by Brasser, to Approve. The motion passed by voice vote.**
- 9 [32706](#) COMMUNITY DEVELOPMENT SUBCOMMITTEE REPORT

10 [20808](#) **THE VILLAGE ON PARK**

10A [33311](#) CDA Resolution No. 4071, authorizing a Lease by and between the CDA and Dane County Parent Council, Inc. (Head Start) at the Village on Park.

A motion was made by Guerra, Jr., seconded by Daine, to Approve. The motion passed by voice vote.

10B [33560](#) CDA Resolution No. 4072, authorizing the extension of the contract for property management services at The Village on Park between Siegel Gallagher Management Company and the CDA.

A motion was made by Guerra, Jr., seconded by Daine, to Approve. The motion passed by voice vote.

11 [33361](#) **TRUAX PARK REDEVELOPMENT**

11A [33663](#) Revised Site Plan and Draft Elevations for Truax Park Redevelopment Phase 2

Erdman reviewed the highlights:

- Replacement of three apartments down at corner.
- Small independent cottage type apartments (35). Replace them with a 16-unit, 24-unit and 8-unit that Porchlight would occupy for homeless. Town homes with underground parking, exterior entrance for each apartment.
- 16 unit building (one-bedroom apartments). All would have public housing subsidy.
- 8-unit on Wright Street for homeless. Next page shows it on Anderson Street. Also might be moved closer to 16-unit building. Will meet with Porchlight to talk about their preference. They prefer Anderson Street. Each individual in eight-unit building will have a case manager. Second preference would be down on interior of site near 16-unit. Bus stop on Anderson, also on Wright Street.
- Elevations & schematic drawings also attached.
- Need 1500 square feet of office space. Reprogram apartments that managers are in now.
- Goal is to be under construction in September.
- Community meeting a week and a half ago.
- Hope to file for land use approvals before end of April.
- Will lose four of existing buildings (seven apartments). Staff is already looking for places to relocate those residents.

11B [33561](#)

CDA Resolution No. 4073, authorizing the execution of a contract by and between Truax Park Development, Phase 2, LLC and Knothe & Bruce Architects LLC for architectural services.

A motion was made by Guerra, Jr., seconded by Daine, to Approve. The motion passed by voice vote.

11C [33562](#)

CDA Resolution No. 4074, authorizing the negotiation of a contract by and between the Truax Park Development, Phase 2, LLC and Dimension Development LLC for development services.

A motion was made by Guerra, Jr., seconded by Daine, to Approve. The motion passed by voice vote.

11D [33577](#)

Truax Redevelopment Phase 1, LLC Audit

Erdman reviewed the auditor letter which gives some recommendations of what should be done. Also summary attached which tracks numbers year by year.

Partnership agreement calls for us to hold separate accounts in the name of the LLC. City Treasurer does not want to do that. Not FDIC insured because the amounts are greater than \$250,000. City has a way of doing it so it's insured. Listed as receivable. Investor consented to arrangement.

When we booked final capital, we booked some of that incorrectly. No cash impact. We have corrected that.

Brasser said the income statement shows net rental income, small loss. How does this compare to your expectations? Erdman said they all meet her expectations. Don't get a lot of cash out of them. Hold a lot of cash because we're required to hold reserves. Truax will always be a break even. More subsidy than she had expected in the beginning. Occupancy strong on each of these properties.

12 [33563](#)

Burr Oaks Senior Housing, LLC Audit

Erdman said the auditor's comments are minor. More than \$250,000 in reserves at Wells Fargo. Must monitor bank. Bank received Four out of a five-star rating.

Horizon turnover didn't have adequate separation about accounting audits. Have fixed that.

Clean audit, consistent with what they expected to see. Extra cash goes to investor.

13 [33564](#)

CDA 95-1 Audit

(aka, The Reservoir - see attached audit and letter) - Wholly owned by CDA, not an LLC. A lot of money reinvested in new siding, and exterior. Looks good, operates well, fully occupied. No financial issues.

A motion was made by Guerra, seconded by Brasser, to approve the all three audits. The motion passed by voice vote.

Daine asked about RAD.

Erdman said it's still unrolling. Take 60,000 units of public housing and turn them into vouchers. HUD hasn't gotten through this yet. Watching and talking to a couple housing authorities that have applied. Have to continue to watch it. They're going to try it with 60,000 units, but received 160,000 applications. Decided to wait it out to apply.

Dane Co Housing Authority applied.

14 **2013 Work Plan Review**

Referred to next meeting.

15 **ADJOURNMENT**

A motion was made by Guerra, Jr., seconded by Daine, to Adjourn. The motion passed by voice vote. The meeting adjourned at 5:36 p.m.