



City of Madison

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

Thursday, August 7, 2014

5:00 PM

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

CALL TO ORDER / ROLL CALL

STAFF: Mary Charnitz, Nancy Dungan, Anne Kenny, Susan Morrison, Jim O'Keefe, Julie Spears

CALL TO ORDER / ROLL CALL

Markofski called the meeting to order at 5:11 p.m.

Present: 5 - Maurice S. Cheeks; Lauren Cnare; Justin O. Markofski; Daniel A. O'Callaghan and Russ Whitesel

Absent: 1 - Colin A. Bowden

Excused: 3 - Matthew J. Phair; Ben M. Van Pelt and Monya A. Choudhury

PUBLIC COMMENT

Anders Zanichkowsky and Christina Lor of the Tenant Resource Center (TRC) said they were speaking tonight because they would be unable to speak at next week's public hearing. Zanichkowsky said TRC would like to tailor the outreach specialist position to Hmong outreach. He said that long-term commitment to the position would be involved in order to build trust in the Hmong community.

Bowden arrived at 5:14 p.m.

Present: 6 - Maurice S. Cheeks; Lauren Cnare; Colin A. Bowden; Justin O. Markofski; Daniel A. O'Callaghan and Russ Whitesel

Excused: 3 - Matthew J. Phair; Ben M. Van Pelt and Monya A. Choudhury

PUBLIC COMMENT

Lor said the Hmong community is very close-knit and tends to distrust government systems and agencies. The younger generation, especially students, is only just beginning to be more open to government and has begun to reach out to agencies like TRC for assistance. TRC would do outreach to Hmong students and at places like Kajsia House and on Hmong radio.

Discussion highlights:

- The Hmong community didn't know TRC existed until recently and has begun to spread the word about TRC among their community.
- Though volunteers could do housing counseling in Hmong, the chances of a volunteer being on duty when a Hmong client comes in to seek assistance are low.

- TRC applied for two full-time bilingual specialists, one an outreach specialist and the other a housing specialist. CDD recommended funding half of the housing specialist.

DISCLOSURES AND RECUSALS

There were no disclosures or recusals.

1. [34289](#) CDBG 2014 Chair Report

Markofski deferred the chair report so that Ald. Anita Weier could speak on behalf of the Woodlands Terrace proposal before having to leave for other meetings.

Whitesel moved to take Item 6 (35083) first so that federal energy funds could be used to support the Woodlands Terrace proposal. O'Callaghan seconded. The motion passed unanimously.

DISCUSSION ITEMS

6. [35083](#) Authorizing the use of available federal energy funds to support and supplement existing eligible housing programs administered by the Community Development Division

O'Keefe explained that the City received two energy grants from the US Department of Energy through the ARRA legislation. The first was a formula grant used to support a number of different projects. The second grant was through WECC, who was the lead partner agency on the grant. The City received \$7.2 million to fund Green Madison, which was a three-year program that came to an end last year. The City had \$1.7 million in funds remaining in the grant. The DOE has allowed the City to use those funds provided they are used in a sustainable manner for loans. CDD is interested in using the funds in concert with existing funding sources. The purpose of the resolution is to get authorization from the Common Council to use the funds to support and supplement existing programs.

A motion was made by Whitesel, seconded by O'Callaghan, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by voice vote/other.

2. [35050](#) SUBSTITUTE-Authorizing the Mayor and City Clerk to execute a loan agreement with Mirus Partners, Inc., or an affiliate LLC, for up to \$1,300,000 of City-administered funds for the acquisition and rehabilitation of the Woodland Terrace Apartments

Markofski noted that Committee members received a letter from Ald. Weier in support of the project.

Chris Jaye said Mirus Partners is proposing to acquire and rehab Woodlands Terrace Apartments. The 128-unit complex has run into significant issues on multiple fronts. Mirus is proposing to acquire the property with bond and LIHTC financing from WHEDA and is requesting \$1.3 million from the City to shrink the financing gap. There is urgency to the project because work needs to be done before winter to rehab the property suitably, especially its roof, for bad weather.

Ald. Weier emphasized the need for the apartments in the area. The NRT for Brentwood and Northport has been talking about this complex for two years. Building Inspection has come to every meeting to talk about the code violations at the apartments. Some units have been marked uninhabitable. This is a way of preserving affordable housing and could be the start of a turnaround for the Northport area.

Discussion highlights:

- Charnitz said that page two of the staff review should reference the 2013-2014 and 2015-2016 Frameworks instead of the Affordable Housing Trust Fund (AHTF) ordinance.
- O’Keefe said CDD was recommending a funding mix between AHTF funds and energy funds but weren’t specifying the exact amounts because energy funds will require DOE approval. If DOE doesn’t approve the funds for this use, then the City wants to have the flexibility to use AHTF funds for the project. City funding would be contingent on other financing.
- Mirus would probably rehab uninhabitable units first and then move tenants to those units in order to rehab the other units.
- It would be less expensive to rehab the apartments than to tear the complex down and rebuild. If the complex was torn down, tenants would have to be relocated. Rehabbed buildings should last for 40 to 50 years.
- AHTF funds require a 30-year affordability period.

Whitesel moved to return the resolution to the lead agency with the recommendation for approval. O’Callaghan seconded.

3. [34786](#)

Accepting the report and recommendations of the Housing Strategy Committee - Affordable Housing Market Report.

Whitesel moved to refer this item to the September meeting. Ald. Cheeks seconded.

Charnitz said that since Ald. Phair couldn’t be at this meeting, CDD was requesting the report be referred to the September meeting. It also allows more time for staff to look at it and provide further analysis and evaluation as to how it fits with the Framework and the Con Plan.

Natalie Erdman of the CDA explained the report. She said this was the first piece of the housing study.

The motion passed unanimously

This Resolution was Re-refer to the COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE

4. [35042](#)

Approving the exchange of HOME funds for CDBG funds between the City’s Deferred Payment Loan program and the CDD Housing Development Reserve Fund in order to better align these two HUD funding sources with appropriate projects and expenditures, in light of recent HUD regulation changes regarding the use of HOME funds.

Erdman explained the Truax Park project. It’s a 19-acre housing site at Wright and Anderson Streets across from Madison College near the airport. Truax Park currently consists of 150 units of public housing. A master plan was approved for redevelopment in 2009 with an additional 327 units of housing.

CDA has renovated 71 public housing units with CDBG participation from the AHTF. The second phase involves the creation of 40 new apartments with 3-, 4-, and 5-bedroom units. CDA added eight 1-bedroom units of permanent supportive housing to the application in conjunction with Porchlight.

Steve Schooler of Porchlight said that this project would be a smaller scale of their Nakoosa Trail project. They intend to use Section 8 vouchers to assist tenants with rents.

Discussion highlights:

- There is a strong demand for permanent supportive housing, so the units would be filled before they were built.
- The site is in good proximity to bus services, grocery stores, Access Community Health, and East Madison Community Center, among other services and amenities.
- There would be a 30-year affordability period because of the AHTF funds.
- Tenants would pay 30% of their income for rents along with the Section 8 vouchers to offset the difference between their rent and market rate rents. Most tenants would be at 30% AMI.

A motion was made by O'Callaghan, seconded by Cnare, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by voice vote/other.

5. [35044](#) Authorizing the Mayor and City Clerk to execute a loan agreement with the Community Development Authority or an affiliate LLC for up to \$280,000 in HOME funds for the development of 8 units of permanent supported housing.

A motion was made by Whitesel, seconded by O'Callaghan, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by voice vote/other.

REPORTS

7. [35041](#) 2014 August CDBG Staff Report
- Financials
CC updates
Elect 2 committee members to the Conference Committee for EOP process

Financials

There were no questions about the financials.

Common Council Update

O'Keefe said the Griffs property resolution was referred to the September 2 Common Council meeting. Ald. Cnare put together a nice summary of CDBG Committee's discussion at their meeting to give to Council members.

O'Keefe said the resolution authorizing a CDD RFP process for tax credit-eligible projects passed. CDD will put together a rental housing RFP with

a goal of using City funds to supplement tax credits. CDD would like to be involved with one Rethke-like project per year.

Whitesel left the meeting at 6:37 p.m.

Present: 5 - Lauren Cnare; Matthew J. Phair; Colin A. Bowden; Justin O. Markofski and Daniel A. O'Callaghan

Excused: 4 - Maurice S. Cheeks; Ben M. Van Pelt; Monya A. Choudhury and Russ Whitesel

[35041](#)

2014 August CDBG Staff Report

Financials

CC updates

Elect 2 committee members to the Conference Committee for EOP process

Conference Committee for EOP Process

Charnitz said the Committee needed to select two replacement members plus an alternate on the Conference Committee for Ben Van Pelt and Monya Choudhury.

O'Keefe said the Conference Committee will meet on September 22 and 23 for sure and on September 30, if needed.

Markofski said perhaps Choudhury could participate via phone call in the Conference Committee meeting, necessitating only one new appointee and an alternate.

Ald. Cheeks moved to nominate Bowden as a member of the Conference Committee with O'Callaghan as an alternate. Ald. Cnare seconded. The motion passed unanimously.

8.

[33867](#)

Report from Committees with CDBG Committee representation

Markofski said the Gardens Committee met on Tuesday of this week. There's continued work on the sustainability of garden leaders. A group of garden leaders continues to galvanize around leadership in the absence of CAC's leadership. The Gardens Committee decided to postpone receipt of applications for new gardens funds in the absence of a clear program moving forward and an entity to contract with. Parks is warming up to gardens thanks to positive experiences at Brittingham and Leopold.

2) Martin Luther King, Jr. Humanitarian Award Committee

Bowden said the past three attempts at meetings have been canceled. He also said there were five vacancies on the Affirmative Action Committee for which they are seeking members, if anyone knows of someone who'd like to serve.

3) Conference Committee

There was no report.

O'Keefe thanked the Committee for its work and support during the Summer Process.

ADJOURNMENT

Bowden moved to adjourn at 6:55 p.m. Ald. Cnare seconded. The motion passed unanimously.

Anne Kenny, recorder