



City of Madison

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

Meeting Minutes - Approved COMMUNITY DEVELOPMENT AUTHORITY

Tuesday, April 8, 2014

1:00 PM

215 Martin Luther King, Jr. Blvd.
Room LL-130 (Madison Municipal Building)

~ ALLIED DEVELOPMENT SUBCOMMITTEE MEETING ~

SCHEDULED MEETINGS

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: Natalie Erdman and Matt Wachter

Present: 3 -

Sariah J. Daine; Dean Brasser and Kelly A. Thompson-Frater

Excused: 2 -

Daniel G. Guerra, Jr. and Lauren K. Lofton

1 APPROVAL OF MINUTES: February 11, 2014

A motion was made by Brasser, seconded by Thompson-Frater, to Approve the Minutes of the meeting of February 11, 2014. The motion passed by voice vote.

2 PUBLIC COMMENT

None

3 DISCLOSURES AND RECUSALS

None

4 [33687](#) Revival Ridge Audit Review

(See attached audit and letter from auditor). Erdman said the audit letter is the most important item. Page 2 - Cash balances greater than \$250,000. Need to monitor bank. Cash flow analysis not done for 2013 yet. Requested that info and will follow up.

Spreadsheet after audit in packet. Vacancy and rent credit went up. A couple tenants that they did not renew. Increase in pay for manager. There are 50 apartments with a full-time manager. Value quality property manager on site.

\$36,000 - security cost added to operating and maintenance costs. May cut back on that. \$7800 per unit. Public housing is \$6500 a unit. Expensive property to operate. Joe Gromacki will work with us for asset management. Not a sustainable number in terms of operating expenses/revenue.

Property is not a risk. Excess cash will be \$200,000. Has generated income. Expenses are going up, revenues are flat.

Brasser asked about vacancy and rent credit. Erdman said this has to do with units/apartments that didn't have somebody paying rent for an amount of time.

5 [25012](#)

MOSAIC RIDGE

5A **Update**

Wachter provided the update. We have a signed Phase 2 Contract with Destree Architects for the three homes. Next will be addressing Bluestone's contract. Land use is done. Resolution will be introduced tonight to take the \$392,000 that the CDA owes the City (triggered by sale of any property). Ald. Cheeks introducing resolution that would release the three single-family lots from that. BOE on Monday, come back to Council in two weeks.

There is an issue with home buyers not attending the home buyer classes. Authorized GreenPath instructor to offer a makeup session that would be more intense. If they don't attend that, they could be asked to leave. Eighteen families were offered the class. In the first two sessions, 15 to 16 attended. At the last two sessions, there were only 13. Will get quarterly update.

5B [33686](#)

CDA Resolution No. 4078, authorizing the negotiation of a contract with Bluestone Custom Homes for development/construction services.

(See attached letter of intent). Wachter said the terms and conditions in the letter of intent were taken directly from the RFQ. Bluestone has met with the neighborhood and Ald. Cheeks, and African American churches in the area. They have given us a market report. Will be meeting them in a week or so re: marketing. Talking to Head Start Program and Madison College for scholarships to get trained. Bluestone is open to this. Mostly use subcontractors so don't know if they'll be able to directly employ someone. Have 25 lots. Set aside four for Habitat for Humanity or some other non-profit. Bluestone can construct up to 21 homes. Coordinate with Madison College for up to three pre-fab homes. These will count toward Bluestone's 21.

Erdman said we have the trust fund money and our money.

Wachter said they are also applying for HAP funds. We're not paying them.

Thompson-Frater asked how much will we pay for design, design assistance,

etc.

Wachter said our contract with Destree lays out pretty specifically for this first round what's covered by the contract. In the future, Destree has agreed to charge \$1500 for use of plans and set hourly fee that Bluestone would use for changes requested. Finish selection done through Bluestone.

Erdman said Bluestone understands that when the buyer wants modifications to plans, it's Bluestone's responsibility. CDA sells the lot to the owner, but then pays Bluestone for the home build. Giving Bluestone the exclusive right to build homes on these lots. Must meet our design guidelines.

Wachter said also our affordability guidelines must be met. Resolution will allow us to execute a contract with the terms listed.

Thompson-Frater asked if we can renegotiate.

Erdman said there is a 90-day notice to terminate clause in the contract. We can't enforce their warranty. If we don't like the quality, we have them modify it or we terminate them.

Wachter said we can also change the design guidelines.

A motion was made by Brasser, seconded by Thompson-Frater, to recommend approval of CDA Resolution No. 4078. The motion passed by voice vote.

Erdman said she met with Jeff Rosenberg from Veridian Homes. He pays \$50,000 for fees to build a house in Madison. Thompson-Frater said she would be interested in seeing how that breaks down.

5C [33688](#)

Sketch Design Review for Madison College Home

Wachter explained this is a trial run of the design review for Allied Drive. Have only half the required materials because we haven't picked the lot. Good preliminary design for Madison College cottage.

Thompson-Frater said there is no back door for children to go into back yard unless basement is a walkout.

Erdman said if the owner accepts the plans, it's not our issue. It has to be in the design guidelines. Does it comply with the guidelines?

Wachter said there is possibly too much glass on the front of the building. The pitch of roof might be too flat.

Thompson-Frater asked if there was a concern about large, nonoperable glass or is that allowed.

Wachter said he will check on that. There is a maximum and minimum on how much glass you can have. Thompson-Frater said you don't want an extreme of any kind. Wachter said we can either allow a variance or not buy the house.

Thompson-Frater suggested staff review plans before the CDA Board sees it. That's the way UDC does it.

Wachter mentioned sustainable construction. No submittal for that. Allow multiple standards to get at sustainable construction. Spell out more clearly what we want. Could ask for Wisconsin Green Built checklist. Sketch design review and then plan review before construction. Not laid out very well in our guidelines.

Erdman said sketch review to get preliminary approval before plans are drawn up.

Wachter said type of siding, etc., in next step of review. Thompson-Frater said this should be included in the design guidelines. Wachter said the design guidelines aren't finalized.

Wachter will bring checklist next time and a copy of design guidelines.

Thompson-Frater asked what sort of input do you want to move this forward.

Erdman said the Board should give their comments. Want it to be marketable.

Brasser said there is a conflict for this particular house because it's already built. This is a good way to get a house for a good price for the neighborhood. Less concerned about one house. Go ahead with this because the chance it gives us to get a house.

Daine said she thought this was a done deal.

Erdman said we said we'd consider buying this house. Will take Board approval to spend this kind of money. Of more concern is how it's going to sit on the site. Does it have a walkout basement? Where's the garage? What's the total cost? Looks like a side by side trailer. Want to see what porches look like.

Thompson-Frater said it's saying to Habitat that we accept less for cheaper houses. Setting the standard.

Brasser asked which lot would this be on.

Wachter said we've talked with Bluestone, but haven't gotten very far with that. Maybe one of the lots farthest back. More opportunity for walkout because the lots drop off. Bluestone has given us a preliminary cost to do the foundation, etc. to set the house. Haven't met with Destree yet about it.

Thompson-Frater asked staff what they recommend.

Erdman said we could turn it into a cool house with the right exterior elements designed by Destree. Like the clear story windows. Work with modern tones and modern looking stair and rail on the exterior that has a real modern look.

Thompson-Frater said she is not opposed to this because it's a good price, but we are setting a standard.

Erdman said this is a modern house and you can add fairly efficient, inexpensive exterior elements. Back for next meeting with this house and design for Best House. Wachter said we have floor plans. The students have not built a two-story house that could be moved. All three classes have to coordinate so it's slow.

Thompson-Frater suggested meeting again next month.

6 ADJOURNMENT

A motion was made by Daine, seconded by Brasser, to Adjourn. The motion passed by voice vote. The meeting adjourned at 2:17 p.m.