



City of Madison

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

Meeting Minutes - Approved COMMUNITY DEVELOPMENT AUTHORITY

Thursday, August 14, 2014

4:30 PM

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

SCHEDULED MEETINGS:

Housing Operations Subcommittee: Mon., Aug. 11, 4:30 p.m., Brittingham
Apts., 755 Braxton
CDA Regular Meeting: Thurs., Sept. 4, 4:30 p.m., LL-130 MMB
Allied Development Subcommittee: Tues., Sept. 9, Noon, 313 MMB
Community Development Subcommittee: Thurs., Sept. 11, Noon, 313 MMB

CALL TO ORDER / ROLL CALL

Present: 5 - Daniel G. Guerra, Jr.; Lauren K. Lofton; Sariah J. Daine; Dean Brasser
and Kelly A. Thompson-Frater

Absent: 2 - Lucas Dailey and Larry Palm

1 APPROVAL OF MINUTES: July 10, 2014

Lofton called the meeting to order at 4:37 p.m.

Staff Present: Natalie Erdman, Matt Wachter, Agustin Olvera, Tom Conrad
and Anne Zellhoefer

**A motion was made by Daine, seconded by Guerra, Jr., to Approve the Minutes
of the meeting of July 10, 2014. The motion passed by voice vote.**

2 PUBLIC COMMENT

None

3 DISCLOSURES AND RECUSALS

None

4 [32700](#) COMMUNICATIONS

Erdman said the Public Housing group was successful in 2013 in raising
their physical and management scores from HUD. They have now received
High Performer Status. She commended them for their excellent work.

- 5 [35119](#) CDA Resolution No. 4095, authorizing amendments to the 1999 financing agreements with Marcus Hotels, Inc.

Anne Zellhoefer, City Attorney, appeared to answer questions. Zellhoefer stated that in 1999 the CDA issued lease revenue bonds for the Hilton Hotel Project. The City is presently in negotiations with JDS development, LLC for a new hotel. This is an amendment to the agreement with Marcus Hotels. Any developer has to negotiate exclusively with Marcus for operation and maintenance of hotel. This resolution changes the trigger date. Companion resolution was approved last week by Council.

Marcus did not bid for the new hotel. This is a timing issue. It doesn't change any of the material terms, just changes date when negotiations have to begin.

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

Lucas Dailey arrived at 4:44 p.m.

Present: 6 - Lucas Dailey; Daniel G. Guerra, Jr.; Lauren K. Lofton; Sariah J. Daine; Dean Brasser and Kelly A. Thompson-Frater

Absent: 1 - Larry Palm

- 6 [34786](#) Accepting the report and recommendations of the Housing Strategy Committee - Affordable Housing Market Report.

Matt Wachter appeared to present a summary of the Housing Strategy report (attached).

- The report is split between affordable housing (households that make less than 50% of median income) and market-rate housing.
- The bulk of growth in the last five years has been over \$75,000 and one-third has been in the low end with not a lot of activity in between.
- Cost burden - paying more than 30% of gross income for housing. There are between 8,000 to 10,000 households that pay more than 50% of their gross income for housing.
- Two-thousand people are turned away every year from shelters. System is at over capacity. A growing percentage of unsheltered population are chronically homeless. Demand exceeds supply and there's not enough money.
- Nine out of 10 new households rent rather than own
- There will be separate chapter on students. Hard to get data on them. Census doesn't count very well for them.

RECOMMENDATIONS:

- Pursue harm reduction and "wet housing" options should be investigated
- Increase Rapid Rehousing programs and create units through partnerships with for-profit real estate developers
- As shelter facilities approach the end of their usable life, new shelter should be constructed as purpose-built shelter
- Encourage affordable units in all new construction
- Convert and preserve existing affordable housing by purchasing land use restrictions
- Actively pursue and support Section 42 tax credit developments

(administered by WHEDA)

- Pursue demonstration projects to test the viability of alternative housing forms
- Focus first on homebuyer education

A motion was made by Guerra, Jr., seconded by Brasser, to Return to Lead with the Recommendation for Approval to the HOUSING STRATEGY COMMITTEE. The motion passed by voice vote.

Absent: 1 - Larry Palm

PRESENTATION OF CONSENT AGENDA

At this time, a consent agenda will be moved with the recommendation to approve the following items: 7, 7B, 7C, 8, 9, 9A and 10.

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

7 [17719](#)

HOUSING OPERATIONS MONTHLY REPORT

7A [29695](#)

Housing Operations Subcommittee Report

Daine asked a question regarding the family unification program with vouchers and whether the families have to be unified to use the vouchers. Do the parents have to live with the child? Conrad said no, the program is available by referral from County Child Protection Services.

Daine asked how many people will be put on waiting list for the Section 8 lottery. Conrad said about 4100 people will be put on the waiting list.

A motion was made by Daine, seconded by Guerra, to Accept the report. The motion passed by voice vote.

7B [35141](#)

CDA Resolution No. 4089 - Authorizing the Executive Director to enter into a contract for (8) Project-based Housing Vouchers under the CDA's Project Based Voucher (PBV) Program to Truax Park Redevelopment Phase 2, LLC

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

7C [35142](#)

CDA Resolution No. 4090 - Authorizing the filing of the final budget for the 2010 Capital Fund Grant

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

7D [35143](#)

CDA Resolution No. 4094 - Authorizing the Executive Director to enter into a contract for eight (8) Project Based Housing Vouchers under the CDA's Project Based Voucher (PBV) Program for the project known as Northridge Terrace (formerly "The Woodlands")

Erdman said the Woodlands is a property on the north side. The City has had significant concerns about the property for about three years. A Neighborhood Resource Team was assigned to this area. The landlord has done a dismal job of maintaining the property. There are a significant number of code violations and tickets. Thirty apartments have been closed to occupancy by Building Inspection. The CDA had quite a few people with choice vouchers, but have not allowed new people to live there because it's a substandard location. Muris, a developer who does Section 42 development, is looking to do a significant renovation paid in part by equity raised, and \$1.3M contribution by the Community Development Division. The property will be long-term income restricted. The CDA was asked to entertain the use of project-based vouchers. This would represent a form of collaboration with the Community Development Division and the CDA. She is comfortable with this transaction.

Thompson-Frater asked what will be the difference in the quality of the construction.

Christopher Jaye, developer, appeared. He said they are doing similar projects elsewhere. Typically doing \$35,000 per unit; this project will be \$50,000 per unit. Deterioration of property and lack of maintenance are significant. Significant scope of work to address the condition. Stay in as a managing member.

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

- | | | |
|----|------------------------------|---|
| 8 | <u>32701</u> | ECONOMIC DEVELOPMENT UPDATE |
| 9 | <u>32706</u> | COMMUNITY DEVELOPMENT SUBCOMMITTEE REPORT |
| 9A | <u>32703</u> | CDA EXECUTIVE DIRECTOR'S REPORT |
| 10 | <u>32702</u> | ALLIED DEVELOPMENT SUBCOMMITTEE REPORT |

11 [25012](#) **MOSAIC RIDGE UPDATE**

11A [35209](#) CDA Resolution No. 4096, approving the construction and placement of a house on Lot 20 of Mosaic Ridge.

Erdman provided the update. She said we signed a contract to buy a house from Madison College. Could not fit the house and garage on the lot chosen. We are now going to put the house on Lot 20 instead of Lot 27.

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

12 [33361](#) **TRUAX PARK REDEVELOPMENT UPDATE**

12A [35093](#) CDA Resolution No. 4092, authorizing a contract by and between Truax Park Development, Phase 2, LLC and McGann Construction, Inc. in an amount not to exceed \$711,000.

Erdman provided the update. She said we looked at multiple ways to subsidize the eight-unit building. The Project-based vouchers were approved above. We are getting ready to close on investing with financier. Required to meet 10% test. The resolution will authorize this.

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

12B [35094](#) CDA Resolution No. 4093, authorizing the Community Development Authority to take necessary actions to develop 48 units of affordable housing at Wright Street, known as Truax Park Development, Phase 2, LLC.

Erdman said this resolution is approving the transaction previously discussed. There is one modification on Page 3, Section G and page 5, G. We do not have final approval from CDBG yet.

A motion was made by Thompson-Frater, seconded by Guerra, Jr., to Approve CDA Resolution No. 4093 subject to approval of Items 3G and 6G being approved by the Common Council for home funds. The motion passed by voice vote.

13 **BUSINESS BY THE COMMISSIONERS**

13A [35135](#) Amended By-Laws of CDA

Lofton said we are changing the way finances are handled. This will include dissolution of the Allied Development Subcommittee and creation of the Finance Subcommittee.

Erdman said we work through the City's Finance Department and are correcting the CDA By Laws to follow that. We can't vote on this until next month. It is being introduced at this time.

Lofton said they are also working on amending the By-Laws of MRCDC, that owns Monona Shores. Trying to become the full owner. An annual meeting will have to be held.

14 ADJOURNMENT

A motion was made by Guerra, Jr., seconded by Daine, to Adjourn. The motion passed by voice vote. The meeting adjourned at 5:54 p.m.