



City of Madison

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

Thursday, November 6, 2008

5:00 PM

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

CALL TO ORDER / ROLL CALL

Present: 9 -

Daniel A. O'Callaghan; Tim Bruer; Thuy Pham-Remmele; Marsha A. Rummel; Monya A. Choudhury; Arthur V. Robinson; Steven C. Bartlett; Justin O. Markofski and Charlie R. Sanders

Absent: 1 -

Lina Trivedi

Staff Members: Mary Charnitz, Barb Constans, Pam Rood, Audrey Short, and Bill Clingan

Others Present: Paul Jasenski, Brenda Konkell, Marianne Morton, Mark Olinger

Sanders called the meeting to order at 5:00 p.m.

APPROVAL OF MINUTES

Bruer moved to approve the October 2, 2008 minutes. Markofski seconded. Unanimous approval.

PUBLIC COMMENT

No one registered to speak at this time.

WELCOME CHAIR'S REPORT

Sanders introduced new commissioner Daniel O'Callaghan and asked him to tell the Commission about himself. O'Callaghan said he has been in Madison for eight years. Previously, he worked for the City of Milwaukee. He said that his undergraduate degree is in urban planning and that he is interested in housing and development issues. O'Callaghan graduated from law school in 2005, and he is currently involved in real estate and land use law with Michael, Best and Friedrich.

Sanders also showed the Commission an issue of *Asian Wisconsin*, which featured Pham-Remmele in a recent article.

REQUEST FOR FUNDS OR MAJOR CHANGES IN CURRENTLY FUNDED PROJECTS

Community Coordinated Child Care (4-C's)

Judy Bartwick, Director of Community Coordinated Child Care (4C's), stated that 4C's has been in Wisconsin for many years assisting clients with child care issues, certifying in-home daycare providers, assisting clients with employment searches, and providing meals/snacks. They also provide professional development and training in childcare provision.

Bartwick reported that on August 13, 2008 the 4-C's building burned down. She stated that the building was originally purchased with CDBG monies and was paid back per the requirements of their promissory note. Bartwick said that 4C's would like to re-borrow the funds necessary for rebuilding their facility.

Bartwick described how 4-C's dealt with issues after the fire and how they were able to get their operation up and running within 48 hours at CUNA. Bartwick reported that after digging through the rubble, they were able to find Internet files and back up tapes in the safes. She also stated that 4C's had an emergency preparedness plan in place before the fire.

Discussion highlights:

- The goal of 4C's is to build a better training center.
- The cause of the fire is officially "undetermined."

Choudhury moved to approve staff recommendations. Rummel seconded.

The Commission unanimously approved staff recommendations to provide \$124,000 in CDBG funds as a long-term deferred loan to Community Coordinated Child Care, Inc. (4-C) for the construction of a new facility at 5 Odana Court, the site of their former building, which burned down in August 2008.

12491

Authorizing the provision of \$124,000 in CDBG funds to assist Community Coordinated Child Care (4-C's) to construct a building at 5 Odana Court to allow them to continue to address City, Community and Neighborhood Development Objectives, and authorizing the Mayor and City Clerk to enter into contractual agreements as appropriate.

Board of Estimates

This Resolution was Referred for Introduction

Common Wealth Development Corporation - East Wilson Home Ownership

Paul Jasenski and Marianne Morton of Common Wealth Development (CWD) provided information regarding the property and were on hand to answer questions.

Charnitz asked Constans to provide an example of how CWD's lease-purchase program works, and Constans gave Commissioners a hand out that provided the details. Constans explained that CWD's model works differently from the City's Framework model. She said that when Common Wealth sells a house, it takes a promissory note with an option to purchase with equity sharing agreement. This note retains the CDBG Office investment in the property at its percentage of appraised value

but splits equity earnings 50/50 between Common Wealth and the buyer.

Jasenski handed out photos of the property located at 1045 and 1047 East Wilson Street. He noted that the property could be sold as a two-unit or converted to a four-bedroom single family home. Also, the property needs to be rezoned, which could pose problems. He said that the site needs a lot of work. Morton said that the preference in the community is for Common Wealth to provide the single-family homeownership opportunity, over the two-unit option.

Bruer moved to accept staff recommendations. Bartlett seconded.

The Commission unanimously approved staff recommendations to fund Common Wealth Development's proposal to purchase 2 houses on East Wilson Street for homeownership with \$50,000 of HOME Match funds and \$50,000 of Affordable Housing Trust funds under the terms of Common Wealth's previously approved lease-purchase, shared appreciation program.

[12490](#)

Authorizing the provision of \$50,000 of Federal HOME Match funds and \$50,000 of City Housing Trust funds to assist Common Wealth Development, Inc to acquire and develop the East Wilson Homeownership Program in ways that address City, Community and Neighborhood Development Objectives;

Board of Estimates

This Resolution was Referred for Introduction

Common Wealth Development Corporation - East Wilson Home Ownership

Markofski suggested the Commission discuss CWD's request for Conflict of Interest item, which is under the staff report.

Constans explained the conflict of interest as it relates to a CWD board member. CWD is seeking to purchase buildings at 1045 and 1047 East Wilson Street, which are titled in the name of La Samartaine Cooperative. John Schaefer, a member of the Cooperative, was a member of CWD's board until recently. CWD is seeking a conflict of interest waiver from HUD so that they may use HOME funds to acquire the two properties owned by La Samartaine Cooperative, one of whose members, John Schaefer, was formerly on CWD's Board of Directors. While this situation presents a conflict of interest as defined by HUD, HUD also provides a method for review and waiver of their conflict of interest prohibition on decisions where the activity serves the public interest, the relationship is publicly noticed, the City Attorney finds no laws are broken, and where HUD determines the merit of the public interest outweighs the potential impact of the apparent conflict. The Commission has adopted a procedure whereby CDBG staff are authorized to seek HUD determination of the conflict of interest exception unless the Commission votes not to seek such a waiver. Therefore, no action is required from the Commission on this item unless there is an objection. The Commission expressed no objection, so the CDBG Office will move forward with the waiver request from HUD.

City Parks Department / Hiestand Neighborhood Funds

Choudhury moved approval. Markofski seconded.

The Commission unanimously approved staff recommendations to reallocate the original funds provided for the culvert and pathway projects included in the Hiestand

Neighborhood Plan. Specifically, the Commission approved recommendations to increase the funding available for the culvert by \$11,000 for a total of \$46,000 and decrease the funding allocated for the pathway project by \$11,000 for a total of \$70,300. This request was due to the Bids secured by the project components. Whereby the culvert bids came in higher than expected.

12487

Approving the provision of \$116,300 of CDBG dollars for improvement projects in the Hiestand neighborhood as a way to implement a portion of the Hiestand Neighborhood Plan, and in a manner that will address City, community and neighborhood development objectives, and amending the 2008 CDBG operating budget, the Engineering and the Parks 2008 capital budgets to authorize the implementation of the projects.

Board of Estimates

This Resolution was Referred for Introduction

Southwest Nighborhood Funds

12619

Request authorization to reallocate up to \$15,000 of previously authorized Southwest Neighborhood improvement funds for rehab of the pilot Meadowood Center.

Charnitz said that \$79,535 originally approved for projects in the Southwest needs to be reallocated to other projects to ensure that all the CDBG funds get used by the end of this year. She said that based on Southwest Neighborhood Steering Committee input, CDBG staff recommend the following reallocation of funds:

1. Provide up to \$15,000 in CDBG funds for rehab needed at the Meadowridge Shopping Center to accommodate the new Meadowood Center.
2. Expand the Southwest Downpayment Program boundaries to include Russet/Balsam and Park Edge/Park Ridge areas as well as Police Sectors 115, 116, and 117.
3. Authorize CDBG to look for a non-profit interested in purchasing a multifamily dwelling and converting it to owner-occupied units.

Robinson moved approval. Pham-Remmele seconded. Unanimous approval.

Rummel asked what about the Center update?

Charnitz noted that the school board will be looking at approving a lease agreement for MSCR.

The Commission unanimously approved staff recommendations to reallocate up to \$15,000 in CDBG funds that were previously authorized for other projects in the Southwest Neighborhood Plan for rehab of the pilot Meadowood Center in the Meadowridge Shopping Center.

REFERRALS FROM THE COMMON COUNCIL

Affordable Housing Trust Fund Ordinance

Konkel reviewed 3 major changes to the ordinance, including the following:

1. The Affordable Housing Trust Fund (AHTF) balance cannot go below one million dollars.
2. No one project can take more than half of the available funds.
3. The revised ordinance provides for additional uses of the funds including rental rehabilitation; accessibility modifications; and modifications for health, safety and energy conservation purposes.

Konkel also discussed the potential for a downpayment program but said terms for such use need to be clarified. She said a new policy stated within the ordinance allows a recipient to receive up to \$25,000 as a loan or grant for each assisted unit.

She recently added a fourth issue to be discussed as a major change to the ordinance. Konkel said that the \$25,000 per-unit limit needs further discussion given that CDBG's Framework per-unit limits are higher. She discussed the property tax exemption issue and said that two budget amendments deal with this change. She said that language in the ordinance regarding administrative costs needs to be cleaned up. A memo from the Mayor outlining his position on the proposed changes and indicating his interest in utilizing AHFT outside City was handed out. Konkel noted that the Mayor wants to spend the funds outside the city of Madison as well as within the city, but said she opposes using the funds outside the city.

Discussion highlights:

- Choudhury asked if there were any way to include quantifiable efficiency parameters for Affordable Housing Trust Fund (AHTF) units. She also said that she is opposed to using AHTF funds outside the city of Madison.
- Rummel said she questions whether or not using AHTF funds outside the city is legal. Konkel noted that it was her understanding that the City tax dollars could not be spent outside the city of Madison.
- Bruer reported that he has asked for an opinion from the City Attorney regarding use of AHTF beyond the city. He said that the Mayor's objective is to open up more affordable housing opportunities throughout Dane County.
- One goal of using the funds for rental rehab is to make rental buildings more accessible.
- Bartlett said he did not like the building inspection portion of the ordinance.
- Pham-Remmele noted that in her district residents consistently remind her that we cannot afford to do more affordable housing because the City can't handle the special needs that affordable housing creates.
- Rummel stated that residents in her district say there is a need to have more diversity and affordability in their area.
- Bartlett noted that the criminal element has been relocated to Pham-Remmele's district.
- Charnitz said that using the AHTF for ongoing operating expenses could use up the funds quickly; CDBG's Framework allows expenses of 15% for soft costs related to housing development.

Bruer moved to refer this item to the December Community Development Block Grant meeting. Pham-Remmele seconded. Unanimous approval.

06811

SUBSTITUTE - Amending Section 4.22 of the Madison General Ordinances to update language and terms in the Affordable Housing Trust Fund ordinance.

Bruer moved to refer to the December meeting. Pham-Remmele seconded. The Commission unanimously approved a motion to refer Item 06811 amending Section 4.22 of the Madison General Ordinances to update language and terms in the Affordable Housing Trust Fund ordinance to the December meeting.

This Ordinance was Refer to the December COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION Meeting.

Create Policies and Procedures for Removal of Personal Property from Public Lands.

Konkel noted that the Housing Committee made two changes to the referred resolution during their meeting of November 5, 2008:

1. The Housing Committee removed language regarding the 72-hour sign.
2. The Housing Committee developed a higher standard for police in determining what articles are to be thrown away.

Konkel said that that the state law requires 90 days for storage before removal of articles.

Pham-Remmele asked what monies would be involved in overseeing this ordinance, and said that it is a lot of work in theory.

Konkel said that staff would need to be appointed to oversee this ordinance.

Pham-Remmele also took issue with the fact that just two languages (English and Spanish) are to be represented in the posting of notices when 55-plus languages exist in the city. Choudhury suggested adding Russian and Hmong languages to the ordinance regarding posting of notices.

Charnitz inquired what the ordinance means with respect to Section 8.32(2)(f), which states, "The Community Development Block Grant Office of the Department of Planning and Community and Economic Development shall designate a governmental or nonprofit agency or agencies that deliver social services to homeless persons to receive the notices required under this Section." Konkel suggested that when property was seized, then outreach workers could be contacted to notify the owners of the property. O'Callaghan asked whether a website would work more efficiently than designating an agency, and Clingan suggested an e-mail or fax to all agencies involved with homeless regarding missing property.

Bruer asked about the fiscal note. Konkel said she believes that the fiscal issue would not be that enormous and pointed out that some of the things homeless people could lose could be very sentimental and irreplaceable. Pham-Remmele noted that property gets lost in restrooms and airlines, etc., all the time and that logistically, keeping articles for the homeless is a nightmare.

Bruer asked about how other departments have reacted. Konkel reported that only two questions have arisen:

1. What constitutes "unsanitary?"
2. How do we know they are homeless?

Rummel asked what anecdotal evidence the City has regarding items that homeless people have lost because they have had to leave their articles unattended. Konkel said that she has heard many stories regarding the loss of valuables. She also noted that carrying their belongings everywhere with them becomes very problematic for homeless

persons, especially when they go to job interviews.

Bruer requested more information relative to the scale of the problem, the cost of the program, and the need for the program. Choudhury suggested exploring a version of public lockers because this is a legitimate problem. Bruer noted a secondary concern is designating a contact for lost articles. Rummel suggested designating the Homeless Consortium.

Bruer moved to refer the issue to the December meeting. O'Callaghan seconded.

Unanimous approval.

12176

Creating Section 8.32 of the Madison General Ordinances to create policies and procedures for removal of personal property from public lands.

The Commission unanimously approved a motion to refer Item 12176 creating Section 8.32 of the Madison General Ordinances to create policies and procedures for removal of personal property from public lands to the December Community Development Block Grant meeting.

Madison Public Market Project Report

Mark Olinger and Marianne Morton provided information regarding this item and were on hand to answer questions. Morton noted that Common Wealth Development worked with Blue Planet Partners on the Public Market Report.

Morton briefly highlighted the report and said she believes that the Public Market would have a tremendous positive impact on Madison especially for entrepreneurial opportunities.

Olinger said that selecting a site for the market within the city has been a very labor-intensive process and that CWD needed to look for the best site. He said that CWD determined the Brayton Lot on East Washington Avenue to be the best option. He discussed and explained different options for development of the Brayton Lot for parking, businesses, the market, etc.

Bruer noted that there seems to be a controversy over the site selection and asked Olinger what the controversy is. Olinger said the primary concern has been how to create a site that draws the necessary traffic for a public market. He said that the Brayton Lot was chosen over 40 or 50 other parcels because of three factors:

1. It is controlled by a single entity.
2. It's close to a strong daytime and tourist population.
3. It builds upon the initiatives for the downtown area.

Bruer asked about the financial aspects concerning this project especially in this economy. Bruer noted that a growing number of council members have asked why the public market is not a private venture. Morton spoke to the point Bruer made regarding the economy and noted that capitol fundraising is difficult and could delay fundraising efforts. Morton said that all other public markets in the region have a 50/50 mix of private and public monies. She said

that Madison Community Foundation has provided money for feasibility work.

Bruer inquired about the cost of the market. Morton noted that first the site would need to be determined as well as interest in the project. She said only then could they go forward with the fundraising portion of the project.

Pham-Remmele asked how much of the Brayton block the State of Wisconsin owns. Olinger said that the State owns one-third of the block, and City Parking Utility owns the remaining two-thirds.

Pham-Remmele asked why the State does not want to sell their portion. Olinger said the price was not the issue and that the State was reluctant to let go of the parcel in case they would need it for another building. He said the State might be interested in swapping a site for their portion of the Brayton Lot.

Bartlett suggested going out for an RFP. Olinger said they have considered doing so.

**Choudhury moved approval of the report. Robinson seconded.
Unanimous approval.**

[12178](#)

Accepting the report entitled "Madison Public Market: Project Report: Key Highlights and Findings."

This Resolution was Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES

OTHER RESOLUTIONS

2008 Carry-Over of CDBG, HOME and other funds. (2008/11-J)

Choudhury moved approval. Robinson seconded.

The Commission unanimously approved a motion to carry over CDBG, HOME, and other funds, and extend previously authorized projects within the Community Development program budget.

[12488](#)

Authorizing the carry-over of CDBG, HOME and other funds, and the extension of previously authorized projects within the Community Development program budget.
Board of Estimates

This Resolution was Referred for Introduction

STAFF REPORT

Item #2) City Budget concerning additional \$38,376 amendment.

Charnitz handed out a spreadsheet with possible recommendations for the additional

\$38,376 to be added to the budget by amendment. The Mayor would like to wait until this is approved before committing the entire amount to projects, but would like CDBG to go ahead and allocate \$22,084 that has been proposed as part of the amendment to restore programs. Rummel asked where the amount of \$22,084 originated. Bruer said it was a matter of equity. That amount is parallel to what was restored to Community Services' budget.

The Commission discussed various options for the \$22,084, including staff recommendations to reinstate the cuts made to four projects as part of the 5% budget reduction that the Mayor requested this past summer.

Bartlett moved to approve staff recommendations to restore a total of \$22,084 in funding to the following projects: (1) \$4,768 to Fair Housing Council for Testing, (2) \$10,156 to Wisconsin Youth Center for Facility Use, (3) \$2,750 to Tenant Resource Center for Mediation, and (4) \$4,410 to the Building Trades Council for START. Choudhury seconded.

The Commission then decided to proceed with discussion of funding options for the remaining \$16,292 of the \$38,376. Charnitz suggested the remaining funds could go to Freedom, Inc., for their Homeless Leadership proposal or to ULGM's Southwest Job Network proposal, both of which were discussed this summer. However, City funds were not available for these programs last summer. Rummel made a friendly amendment to add \$5,000 to ULGM Southwest Employment project. Rummel withdrew her motion when no one seconded.

Charnitz offered another option for use of approximate \$12,000 to bring gardens/center close to 3% COLA.

Markofski moved approval and Choudhury seconded.

Markofski made a friendly amendment to use the remaining \$4,436 restore cuts to the four CORE-funded neighborhood centers thereby reducing reductions OCS made to CORE this summer. Choudhury seconded. The Commission voted unanimously to approve the original motion with the friendly amendment to restore CORE funding to Wilmar, Vera Court, Boys and Girls Club Allied, and Boys and Girls Club Taft centers.

Charnitz said the Commission would need a special meeting later in November to discuss the 2009 Action Plan, which is due to HUD by December 1. The Commission agreed to meet on Thursday, November 20 at 5:00 pm.

ADJOURNMENT

Robinson moved adjournment. Choudhury seconded. Unanimous approval.

Respectfully submitted,
Anne Kenny, recorder.