

AGENDA
CITY OF MONONA
COMMUNITY DEVELOPMENT AUTHORITY
Monona City Hall – Conference Room
5211 Schluter Road, Monona, WI
Tuesday, June 28, 2016
6:30 p.m.

1. Call to Order
2. Roll Call
3. Approval of CDA Meeting Minutes of March 29, 2016
4. Appearances
5. Old Business
 - A. Update on Riverfront Development Project (Vandewalle & Associates/City Planner).
6. New Business
 - A. Discussion/Authorization of Revised Application for 2015 Renew Monona Loan Program Recipient (City Planner).
 - B. Discussion of Status of Contracts for Economic Development Services (City Planner).
 - C. Convene in Closed Session Pursuant to Wisconsin Statute Section 19.85(1)(e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session (Property Acquisition for Redevelopment).
 - D. Reconvene in Open Session Pursuant to Wisconsin Statute Section 19.85(2).
7. Reports of Staff and CDA Members
 - A. Update on Existing and Proposed Developments (City Planner).
 1. Build Monona Event – 8:00 am on July 12, 2016 East Side Club
 2. Plan Commission Projects
 3. UniverCity Year
 - B. CDA Questions and Requests for Information Concerning Development Projects.
8. Upcoming CDA Meetings – July 26, 2016 and August 23, 2016
9. Adjournment

Note: Upon reasonable notice, the City of Monona will accommodate the needs of disabled individuals through auxiliary aids or services. For additional information or to request this service, contact Joan Andrusz at (608) 222-2525 (not a TDD telephone number), FAX (608) 222-9225, or through the City Police Department TDD telephone number 441-0399. The public is notified that any final action taken at a previous meeting may be reconsidered pursuant to the City of Monona ordinances. A suspension of the rules may allow for final action to be taken on an item of New Business. It is possible that members of and a possible quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information or speak about a subject, over which they have decision-making responsibility. Any governmental body at the above stated meeting will take no action other than the governmental body specifically referred to above in this notice.

Minutes
Community Development Authority Meeting
March 29, 2016

Chair Stolper called the Community Development Authority (CDA) meeting to order at 6:30 pm.

Present: Chair Tom Stolper, Aldm. Kathy Thomas, Mr. Andrew Homburg, Aldm. Doug Wood, Mr. Scott Kelly, Mr. David Lombardo.

Excused: Mr. John Surdyk

Also Present: City Planner & Economic Development Director Sonja Reichertz, City Administrator April Little, City Attorney Bill Cole.

MINUTES

A motion by Aldm. Thomas, seconded by Mr. Homburg, to approve the minutes of the February 23, 2016 meeting was carried.

APPEARANCES

There were no appearances.

OLD BUSINESS

A. Update on Riverfront Development Project

Planner Reichertz provided an update on developer contacts and property acquisition. She explained that multiple contacts and conversations are on-going with developers and that a few of them have developed site plans and pro formas. There are promising leads to pursue, with more possible contacts based on those that have viewed the Mail Chimp email correspondence. She said staff is working with WPS Health Solutions to distribute a survey to their employees regarding their interest in residing at the Riverfront site. This data will be shared with prospective developers. She said the Council took all necessary action to exercise the option to purchase the Inland Marina properties. There were no additional questions or comments.

B. Convene in Closed Session.

In open session, Bill Noltner, property owner of 6414 Bridge Road, presented a revised proposal for the CDA's consideration regarding the potential acquisition of his property. He stated he would like a one year extension of the city's current option to purchase to May 31, 2017 for a non-creditable option fee of \$7,500.

Cari Fuss, TIF consultant, presented information regarding the TIF application for Jacs Property, LLC. Robyn Seymour, Seymour Environmental Services, Inc. was also available to answer questions about the environmental conditions of the property. Nate Sparbell, project engineer was available to answer questions regarding soil stability. Property owner Richard Fritz was also present, as well as Meineke representatives Joe Saelens and Carl Kampmeier. The CDA asked

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Draft Minutes Subject to Approval

questions about the purchase price, average price of land in the area, fill removal requirements, and cost allocations including developer fees.

A motion was made by Alder Thomas, seconded by Mr. Homburg, to convene in Closed Session Pursuant to Wisconsin Statute Section 19.85(1)(e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session (1. JACS Property Monona, LLC - TIF Application; 2. Consideration of Bridge Road and Monona Drive Property Acquisition for Redevelopment).

On a roll call vote, the motion carried unanimously.

C. Reconvene in Open Session Under Wisconsin Statute Section 19.85(2).

A motion was made by Alder Thomas, seconded by Alder Wood, to reconvene in open session.

The motion carried.

D. Consideration of TIF Application and Direction to Staff Moving Forward with a Development Agreement with JACS Property Monona, LLC.

Chair Stolper said the CDA is supportive of the project and welcomes the new owners and business to Monona. He added that many of the numbers in the TIF application are not clear or well justified, and the CDA has not been able to get clear answers on their questions. The CDA intends to authorize the City Attorney to commence negotiations based on discussions in closed session.

A motion was made by Alder Wood, seconded by Alder Thomas, to authorize the City Attorney and City Staff to negotiate with the applicants as per discussions and direction provided in closed session.

The motion carried unanimously.

E. Consideration of a Resolution to Exercise an Option to Purchase Real Estate Located at 6414 Bridge Road.

Mr. Homburg abstained from this vote.

A motion was made by Mr. Kelly, seconded by Alder Thomas, to accept the one year extension to the option to purchase as presented by Property Owner Bill Noltner, at a non-creditable option fee of \$7,500.

The motion carried.

NEW BUSINESS

6.A. Discussion of UnvierCity Year (UCY) Housing Projects.

Jason Vargo, UCY Program Director, and Professor Kurt Paulsen, UW Department of Urban and Regional Planning (URPL) introduced themselves and their roles in the project. Mr. Vargo is the program director and works to coordinate city projects with faculty and courses on campus. Professor Paulsen is a lead faculty member on Monona's UCY, coordinating the URPL Workshop projects in housing and transportation. He also teaches a spring course in Housing Policy. Other courses matched to the housing project are in the Business School, including courses in real estate development, green and sustainable development, and residential health care settings. Planner Reichertz asked for the CDA's input on what they would like to see from the student projects and what they think are the important housing issues in the community.

Alder Thomas explained that retail attraction and economic development efforts on Monona Drive are often dependent on the addition of housing units. She said the City has wanted to create a more walkable and bike friendly environment, but there are not a lot of destinations currently that people want to walk or bike to.

Chair Stolper agreed that housing as an economic development strategy would be important to discuss.

Mr. Homburg said maintaining the single-family character of Monona's neighborhoods is critical. He would like the students to provide recommendations on how to improve the Renew Monona program, including how we can best utilize the increment from the closing of TID 2. He would also like to hear how we can direct resources to rehabilitation of existing multi-family developments.

Alder Thomas said we may need to take a closer look at our land development regulations in our single family neighborhoods. She said in areas that have smaller lots and small homes, some owners have difficulty bringing the home up to modern standards with additions or two car garages. Perhaps we can explore ordinance revisions that would reduce setback distances and lot coverage limitations in targeted areas. She said we could facilitate a higher density and value on some lots while maintaining the same number of actual housing units.

Mr. Homburg agreed and said these existing lots would have no additional fiscal burden on the city with regard to added services, but we would get a higher value from them. He said regional stormwater facilities could also be explored in residential areas, as well as common greenspace. He wants to see specific actions and recommended ordinance revisions that can lead to real changes.

Administrator Little discussed housing affordability, especially in the more middle range single family homes between expensive lakeshore homes and small post-war ranch homes.

Professor Paulsen added that exploring financing mechanisms for rehab of older multi family would be a potential piece of the project as well as explore policies for income and tenure mixing within multi-family structures.

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Sites were discussed that a real estate development course could focus on. The sites included the Whitehorse properties on E Broadway, the San Damiano / Norbertine Novitiate on Monona Drive, the Pirate Island area, and the 4500 block of Monona Drive across from the high school.

Reichertz and Paulsen will work together to finalize the course Scopes of Work based on this feedback.

REPORTS OF STAFF AND COMMUNITY DEVELOPMENT AUTHORITY MEMBERS

7.A. Update on Existing and Proposed Developments

Planner Reichertz reported there are no new projects.

7.B. CDA Questions and Requests for Information Concerning Commercial/Residential Development Projects/Proposals.

Mr. Homburg offered his sincere thanks to Alder Kathy Thomas for her over 30 years of service to the City of Monona and her role on the CDA. This is her last meeting.

A motion was made by Mr. Homburg and seconded by Mr. Kelly, commending Alder Kathy Thomas on her last CDA meeting and years of service.

The motion carried.

UPCOMING CDA MEETINGS - The next meeting is April 26, 2016 at 6:30 pm.

ADJOURNMENT

A motion by Mr. Homburg, seconded by Mr. Lombardo to adjourn was carried. (9:00 pm)

Respectfully Submitted by:
Sonja Reichertz
City Planner, Economic Development Director



5211 SCHLUTER ROAD

MONONA, WI 53716-2598
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1FAX (608) 222-9225
<http://www.mymonona.com>

MEMO

TO: Community Development Authority
FROM: Sonja Reichertz, City Planner & Economic Development Director
DATE: June 28, 2016
RE: Agenda Items June 28, 2016

Unfinished Business

- A. Riverfront Update - Vandewalle & Associates and Staff will provide an update at the meeting. No attachments.

New Business

- A. Discussion/Authorization of Revised Application for 2015 Renew Monona Loan Program Recipient

Three applicants received approval of a Renew Monona Loan application in the most recent round (2015). No new rounds have been opened, and no additional funds budgeted for 2016. From the 2015 round, only one of the three applicants completed paperwork for the loan. Since completing the paperwork, the applicant's renovation plans have expanded. This is scheduled on the CDA agenda for reauthorization of the application to ensure the improvements still meet the program intent. While reviewing the revised plans, it became apparent that the existing home has been torn down. There is some question whether the Renew Monona program is intended to fund tear downs. Program materials are attached for your information. Staff and CDA will discuss further at the CDA meeting.

- B. Contracts for Economic Development Services – Staff will provide an update at the meeting. No attachments.
- C. Closed Session – No attachments.

**Resolution No. 10-05-1706
Monona Common Council**

Approval of CDA "Renew Monona" Housing Stock Renewal Loan Program

WHEREAS, most of the existing homes in the City of Monona were built in the 1950's and many no longer meet the needs of today's households, particularly young families with children; and

WHEREAS, the Community Development Authority has created a loan program, titled "Renew Monona," that is intended to help eligible applicants to make substantial system or structural improvements to their homes to enhance their efficiency and bring them to modern standards; and

WHEREAS, the goal of the "Renew Monona" program is to help rejuvenate existing and aging housing stock to make it more attractive to buyers, especially young families; and

WHEREAS, funds from the program will be available in the form of a deferred second mortgage loan with 0% interest over the life of the loan, and loans will be funded through the use of TIF funds from a closing TIF district in the City.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council of the City of Monona, Dane County, Wisconsin, approves the "Renew Monona" Housing Stock Renewal Loan Program as created by the Community Development Authority.

Adopted this 17th day of May, 2010.



Robb B. Karl
Mayor

ATTEST: Joan Andrusz

Joan Andrusz
City Clerk

Requested by: Community Development Authority

Council Action:

Date Introduced: 5/17/10

Date Approved: 5-17-10

Date Disapproved: _____

Renew Monona Loan Program



Description

The City of Monona's *Renew Monona Loan Program* is a housing stock renewal loan program that is intended to improve the affordability and attractiveness of purchasing homes in Monona. The program was created by the City of Monona Community Development Authority (CDA) and will be administered by the City of Monona. Most of Monona's housing stock was constructed in the 1950's and although the homes have been well maintained, many of them no longer meet the needs of today's households, particularly young families with children. We have heard from many families interested in buying a house in Monona that the cost of bringing a home up to modern standards, when added to the initial purchase price, makes a Monona home purchase unaffordable compared to purchasing a newer home in a suburban location.

Funds from the program will be available in the form of a deferred second mortgage loan with 0% interest over the life of the loan. Loans will be funded through the use of TIF funds from a closing TIF district in the city. The primary goal of the program includes rejuvenating existing and aging housing stock to make it more attractive to buyers, especially young families. Important byproducts resulting from home improvements made through this program include the sustaining of a school-age population of children, improving the energy efficiency of the city's housing stock, stabilizing the city's tax base, and building and enhancing community capacity and aesthetics.

Eligibility Requirements

Eligible applicants include those purchasing or residing in a home within the City of Monona looking to make substantial system or structural improvements to the home to enhance its efficiency and bring it to modern standards. Homes must be occupied by the funding applicant as the owner for a period of two (2) years after the time improvements are made to be eligible for funding. There are no applicant age, income, or other restrictions on applying for this program. Those purchasing a home and seeking loan funds to make improvements must prove the existence of a legitimate primary mortgage lender.

Homes eligible for improvements under this program include **owner-occupied homes in Monona** whose most recent assessed value is at or below **120%** of the median assessed value of residential property in the city. Furthermore, eligible homes include those in the City of Monona being purchased whose sale price is valued at or below 120% of the median assessed value of residential property in Monona. This determination will be based on the most recent figure, at the time of the loan application, from City of Monona assessment data. For example, on July 1, 2010 the median assessed value of residential property was \$203,500. Eligible homes would be those assessed at or below \$244,200 (120% of \$203,500).

Eligible Uses of Loan Funds

Funds may be used to make upgrades to home systems including **electrical, plumbing, mechanical**, or other systems or functionally outdated features, to bring them into compliance with current standards and codes, or to modernize them to current quality, efficiency, and performance levels. Replacement or maintenance of home components that are expected to be replaced periodically such as roofing, water heaters, and fixtures will not be funded. Repayment of any loan application fees incurred as part of this program is an eligible use of loan funds received.

In addition to home system upgrades, loan funds may also be used for **window replacement** and **insulation improvements**, measures that will increase the heating and cooling efficiency and overall performance of the home.

Many of the existing homes in the City of Monona are smaller in size and are considered less desirable to new home purchasers looking for more living space. Therefore, program funds may be used for **the addition of living space, or a garage** that has a primary purpose of parking cars used by the resident household.

All decisions regarding loan fund disbursements, loan eligibility, and the uses of loan funds will be made by the City of Monona Community Development Authority.

Please note that funds may only be used for improvements made on the **primary housing structure**, and not any auxiliary structures on a particular lot. Work on garages where the primary use is parking cars used by the resident household is an eligible use of loan funds; however, higher priority will be given to attached garages.

Loan Terms and Conditions

Loans will consist of **0% interest** over the life of the loan, and act as a deferred second mortgage with **no principal or payments due until after ten (10) years** following the award of the loan, or at sale (or refinancing) of the home, whichever comes sooner. The expectation is that the borrower will preserve sufficient equity to allow for repayment of the Renew Monona loan at the end of the loan term. At the end of the loan term, the amount of the loan must be repaid in full.

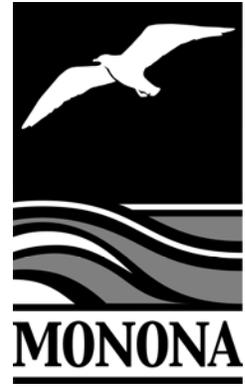
The maximum amount of any loan award will be **\$10,000 or 50%** of the total improvement costs, whichever is less, available to homebuyers or homeowners in the City of Monona looking to make system and other home upgrades. Applicants must work with financial institutions to cover the balance of home improvement costs not covered by the loan. Construction on improvements must begin within thirty (30) days of loan approval and be completed within one-hundred eighty (180) days of the start of construction. The Monona CDA will keep record of the dates of loan approval and the start of construction. The Monona CDA reserves the right to take and use photographs, as well as develop project summaries of individual improvement projects for publicity purposes.

For questions regarding the program, please contact:

Patrick Marsh, City Administrator
City of Monona
5211 Schluter Road, Monona, WI 53716
(608) 222-2525

Renew Monona Loan Program

Application Scoring Rubric



Please rate the application in each of the following criteria areas based on how well the applicant addresses the intent of each in his/her proposed improvements.

The rating is on a scale of 0 - 10, where **0** means that the application **does not meet** the criteria, and **10** means that the application **strongly meets** the criteria.

Application Code Number _____

	Criteria	Rating
1	Proposed improvements follow what have been identified as eligible uses of program loan funds.	
2	Proposed improvements will increase the assessed value of the home.	
3	Proposed improvements will improve the re-sale value of the home and the attractiveness of the home and neighborhood to potential future home buyers.	
4	The home where proposed improvements will occur is in an area in need of improvements, or is in an identified preference area.	
5	Improvements are significant enough to alter the look of the home from the street in a positive way, and help to enhance the aesthetics of the neighborhood.	
6	Proposed improvements will increase the energy efficiency of the home.	
7	Improvements are long-lasting and will enhance the quality of the home for years to come.	
8	Proposed improvements are well chosen, are an appropriate use of loan funds, and fulfill an obvious need for the housing structure.	
9	Applicant is in good financial standing and is a reliable candidate to meet the repayment terms of the loan.	
10	Proposed improvements are made on home's primary structure, including attached garage.	
	TOTAL	