

AGENDA
CITY OF MONONA
COMMUNITY DEVELOPMENT AUTHORITY
Monona City Hall – Conference Room
5211 Schluter Road, Monona, WI
Tuesday September 25, 2018
6:30 pm

1. Call to Order
2. Roll Call
3. Approval of CDA Meeting Minutes of June 26, 2018
4. Appearances
5. Old Business
 - A. Renew Monona Program
6. New Business
 - A. Kevin O’Driscoll & Jeff Lee re: multi-family/commercial development concepts for Falcon Circle/Broadway. Discussion only.
7. Update on Existing and Proposed Developments
 - A. Staff Report on Development Projects and Applications.
 - B. CDA Questions and Requests for Information Concerning Development Projects.
8. Upcoming CDA Meetings – October 23, 2018
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
June 26, 2018

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

Present: Chair Tom Stolper, Mr. Andrew Homburg, Alder Doug Wood, Mr. Scott Kelly,
Mr. Dave Lombardo

Excused: Ald. Andrew Kitslaar, Mr. Jeff Staver

Also Present: Mayor Mary O'Connor, City Planner & Economic Development Director Sonja
Kruesel, City Administrator April Little, and Attorney Bill Cole

MINUTES

A motion by Alder Wood, seconded by Mr. Kelly, to approve the open and closed session minutes of the May 22, 2018 meeting carried with no corrections.

APPEARANCES

There were no appearances.

OLD BUSINESS

There was no old business.

NEW BUSINESS

- A. 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 (6418 Bridge Road).

A motion was made by Mr. Kelly, seconded by Mr. Lombardo, to convene in closed session. The motion carried unanimously on a roll call vote.

- B. Reconvene in Open Session under Wisconsin Statute Section 19.85(2).

A motion was made by Alder Wood, seconded by Mr. Lombardo to reconvene in open session. The motion carried.

- C. Action on Matters Arising out of Closed Session.

There was no action taken in open session.

Community Development Authority Minutes
June 26, 2018
Draft Minutes Subject to Approval

REPORTS OF STAFF AND CDA MEMBERS

The next meeting is August 28, 2018.

ADJOURNMENT

A motion was made by Mr. Kelly, seconded by Mr. Lombardo to adjourn. The motion carried. (7:26 pm)

Respectfully submitted by: Sonja Kruesel,
City Planner & Economic Development Director

Memo

To: CDA Members
From: Tom Stolper
cc: Gary Becker Mary O'Conner
Date: 15.Sept.2018
Re: Renew Monona Program

We will have an agenda item at the September CDA meeting regarding the Renew Monona Program. We last discussed this item in late spring when someone from Project Home was present and spoke to us about their program.

I didn't come away from that meeting with good thoughts as to any possible partnership with them. If I recall, we were considering partnering with them in order to have them provide administrative services to our program so we wouldn't have to burden City staff with a lot of work to determine eligibility for programs.

I believe it is instructive to revisit the impetus for Monona's program. Monona has a lot of housing stock that was constructed in the 50's and 60's. As a result, many of these properties are tired and could use upgrades, remodels, or additions. Many are limited by one car garages, limited numbers of bathrooms and bedrooms.

The program is intended to assist in upgrading Monona's housing stock. By making investments of public money to upgrade same, the City's tax base is enhanced. I believe this is consistent with the concept of TIF which is of course where the money originated, in this case from TID #2.

Given where we have come from and where we are it is my opinion that a simple eligibility determiner easily applied by staff is appropriate. This would suggest an eligibility based on the value of the property. I believe that whether we use assessed value or recent sales and where we put the cut off, median, 120% of median are details which we can discuss. Using such an approach would prevent abuse of the program, for example I suspect we all feel as though lake shore properties should not be eligible.

I would confine the program to owner occupied properties because rental properties are businesses which ought to support themselves or be sold.

For discussion items include type of programs to be offered. Examples include no interest loans, low interest loans, loan limits based on what is to be done, homeowner participation i.e. having some skin in the game especially if we consider down payment assistance. Deferred payments? How long? Due dates for loans? (set number of years, upon sale, upon refi etc.).

I believe we should not participate in teardowns. Normal building permits and inspections should be required as well as mortgages on properties. Costs such as recording, title work etc should be included in the loan.



GWB Professional Services

Project Management ♦ Community Development ♦ Planning
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Recommended changes to Renew Monona program:

1. Require homeowner to submit a bid from a qualified contractor:
 - a. Need to define a “qualified” bid:
 - i. Bidder has experience and is in the business of residential reconstruction
 - ii. Bidder does not have a history of poor customer service, inappropriate business transactions or criminal activity.
 - iii. CDA may consider creating a list of contractors qualified to bid on Renew Monona projects.
2. Clarify whether energy-efficient furnaces belong in the same category as “home components that are expected to be replaced periodically such as roofing, water heaters and fixtures” which are not allowed to be funded.
 - a. Energy system components should be eligible (insulation, weatherization, heating system)
3. Definition of “Affordable”
 - a. University report recommends using household income as a percent of area median income to determine affordable.
 - b. This approach requires collection of household income information, but not housing cost information. This approach is household focused and not housing stock focused. Renew Monona is intended to be focused on improving the City’s housing stock.
 - c. Alternative #1 – Housing Expenditure to Income Ratio: eligible applicants would be those whose housing expenditures are less than 30% of their income, regardless of the absolute level of either measure. This approach requires collecting both income and housing expenditure information from each applicant. Again, this measure of affordability is household focused and not housing-stock focused.
 - d. **Alternative #2 (recommended)** – Median Multiple Indicator: eligible applicants would be those whose home value is less than the median *sale* price of homes in Monona. Median HH income is \$56,481, affordable housing is \$188,270 and the median sale price is \$273,600. Monona is considered a community with generally unaffordable housing prices for the median household income, so under this definition, the “affordable” housing stock would be considered homes valued less than the median sale price of \$273,600. Technically this value is “unaffordable” housing, but if the median household cannot afford the median sale price, then their logical strategy is to purchase and make improvements to homes valued less than the median sale price to help make their housing affordable. This approach is like what is currently in place and does not require collecting specific household income or housing expenditure information. This approach is also in line with improving the affordable housing stock rather than providing benefits to lower-income households (not a purpose of the affordable housing TIF extension).
 - e. Alternative #3 – Contract out program administration to an organization whose mission is to improve the stock of affordable housing and which has the staff and protocols in

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place for collecting confidential household information. This will allow the City to use more standard definitions of affordable, if it wishes.

- f. According to the U.S Census Bureau, the median value of owner-occupied homes in Monona in 2016 was \$232,800. Current Renew Monona program allows homes valued at 120% of median or \$279,360. This is significantly higher than the 2010 figures in the program material. This should be updated. Note – the method in “d.” above using median sale price results in a very similar number.

4. Leverage

- a. Partner with Project Home. The Renew Monona application can have a question asking if the household’s income is below the 80% area median income (specific income level would be described in the application). If they indicate they are, the application can be referred to Project Home for intake and project structuring. Project Home would use other sources of funds first, and use Renew Monona funds for projects that may not be eligible under the other programs.

5. Establish Programs within Renew Monona

- a. Zero percent interest, deferred payment loans for up to 10 years to make physical improvements to an eligible owner-occupied home. Energy system improvements up to \$15,000, other home system upgrades up to \$7,500 and home expansions up to \$20,000.
- b. First-time Homebuyer Down Payment Assistance – provide a zero percent interest, deferred payment loan for up to 10 years to someone purchasing an eligible home in Monona. Up to \$30,000 (approximately 10% of median sale priced home). Questions – would anyone purchasing an eligible home qualify? **Recommended:** using this as an additional incentive to purchase a sub-standard home and fix it up, for those who can’t afford a down payment. No home improvement, no down payment assistance. May be combined with other elements of Renew Monona.
- c. Major Rehab – provide a low-interest loan for up to 10 years to make major repairs and upgrades to significantly sub-standard owner-occupied housing or for converting rental property to owner-occupied housing. Up to \$75,000 with flexible re-payment terms.
- d. Rental Rehab – provide a low-interest loan with flexible re-payment terms of up to \$20,000 per unit to owners of smaller rental buildings of less than 20 units. Owners would agree to keep rents at or below fair market rents for the duration of the loan.
- e. ~~The CDA may consider allocating funds for new affordable rental opportunities. This may help reduce the request for TIF assistance for multi-family rentals, however, it would shift such expenditures from the City’s active TIF program to the more restricted Renew Monona (a non-active TIF program).~~

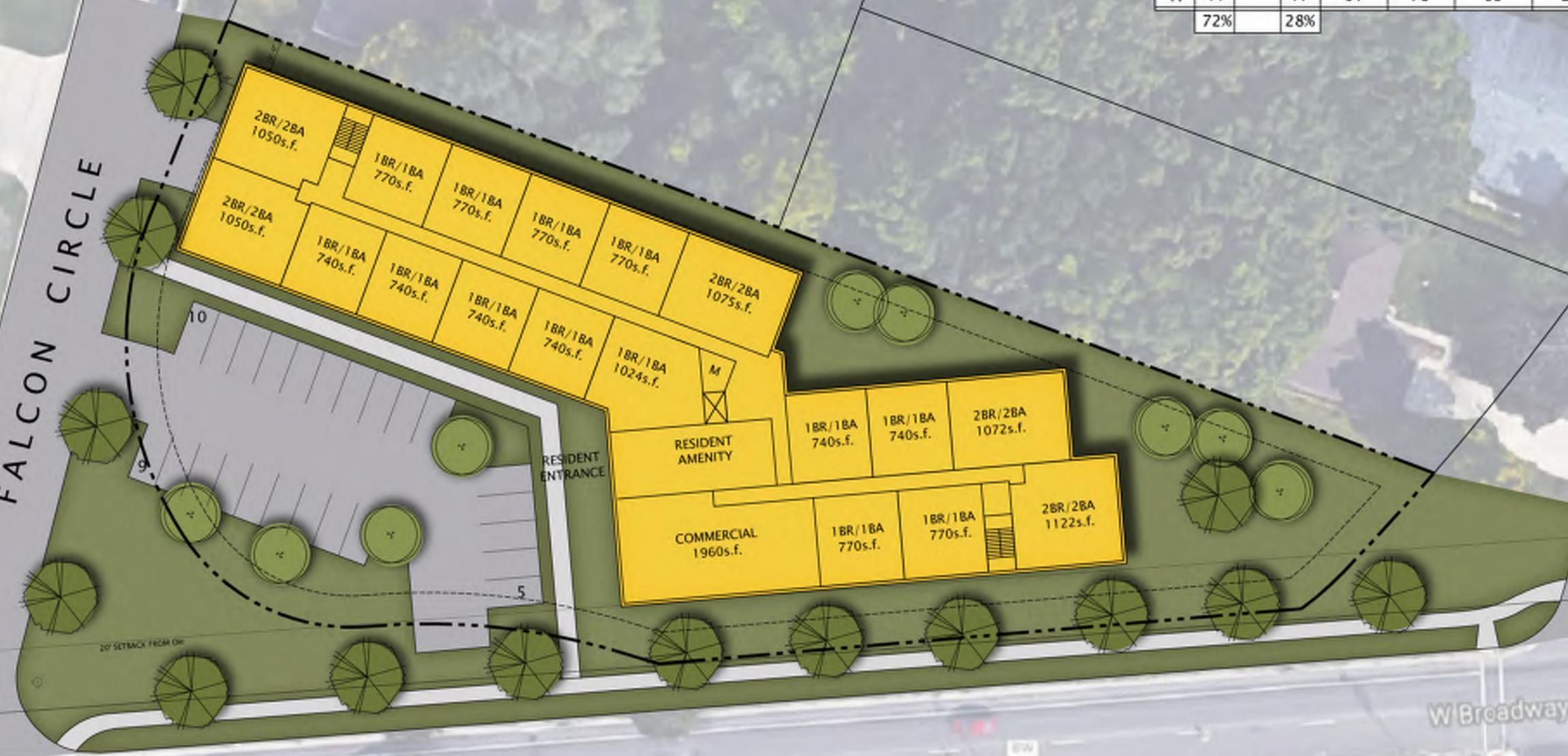
Commented [GB1]: Note from March meeting: increase \$ amounts



PROJECT DATA						1.16 ACRES = 52 U/A		
FLRS	UNITS				PARKING PROVIDED			
	1BR	1BR+	2BR	TOTAL	BEDS	COVERED	SURFACE	RATIO
3	15		6	21	27			
2	15		6	21	27			
1	14		5	19	24			
T.	44		17	61	78	63	24	1.12 / BR
	72%		28%					

FALCON CIRCLE

FALCON CIRCLE



W Broadway

WEST BROADWAY
(U.S. HIGHWAY 12 & 18)

W Broadway



FALCON CIRCLE APARTMENTS - 1ST FLOOR - OPTION 2
DENSITY STUDY

AUGUST 8, 2018
1"=40'

