

AGENDA
CITY OF MONONA
COMMUNITY DEVELOPMENT AUTHORITY
Monona City Hall – Conference Room
5211 Schluter Road, Monona, WI
Tuesday April 26, 2022
6:30 pm

1. Call to Order
2. Roll Call
3. Approval of Open Session and Closed Session CDA Meeting Minutes of February 22, 2022.
4. Appearances
5. Public Hearing (None)
6. New Business (None)
7. Old Business
 - A. Continued Discussion and Possible Action on Renew Monona Loan Program Policy Language Amendments related to First Generation Homebuyers.
8. Update on Existing and Proposed Developments
 - A. Staff Report on Development Projects and Applications.
 - B. CDA Questions and Requests for Information Concerning Development Projects.
9. Upcoming CDA Meetings – To Be Determined
10. 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
February 22, 2022**

Chair Stolper called the Community Development Authority (CDA) meeting to order at 6:33 pm.

Present: Chair Tom Stolper, Alder Jennifer Kuhr, Mr. Scott Kelly, Mr. Andrew Homburg, and Mr. Dave Lombardo.

Excused: Alder Doug Wood

Also Present: City Administrator Bryan Gadow, City Planner Doug Plowman, City Attorney Bill Cole, Mayor Mary O' Connor, Nat Helbach, and C.J. Fermanich.

MINUTES

A motion by Ms. Kuhr, seconded by Mr. Kelly, to approve the minutes of the February 22, 2022, meeting carried.

APPEARANCES

There were no appearances.

OLD BUSINESS

- A. Continued Review, Discussion, and Possible Action (if necessary) on Development Proposal and Tax Increment Finance Request for 4711-4601 Monona Drive (The Neutral Project).

Mr. Helbach provided a presentation with an overview of the prior review from the Plan Commission and modifications to their TIF request. He noted that the project would have minimum setbacks of 14 ft to add green area around the site for the neighborhood, and noted the addition of seven townhomes that face Gordon Avenue to transition from the higher density on Monona Drive to the single family neighborhood to the west. He also noted the addition of a second exit on Springhaven and addition underground parking throughout the site to meet parking code requirements. Lastly, he noted that addition of green roofs on the building corners.

Mr. Helbach then discussed the TIF request, indicating that McGann Construction had provided rough construction numbers for the hard construction costs in their TIF proforma. He described a mill-rate based calculation of a \$2,599,931 TIF request with a pay-as-you-go option.

Chair Stolper asked about the gross vs present value figures, noting that \$2.5 million was a present value figure. Administrator Gadow asked about the status of property ownership of the parcels required for the development project. Mr. Helbach stated that

they have sent out Letters of Intent with the various property owners. Administrator Gadow noted that the City would need to see evidence of property ownership before any formal TIF agreement could be finalized. Mr. Homburg asked about the additional underground parking stalls. Mr. Helbach noted that they were needed to meet the parking code. Mr. Kelly noted the need to establish a minimum assessed value for the project that the developer would be responsible for if TIF was to be provided.

- B. Convene into Closed Session Pursuant to Wisconsin State Statute 19.85(1)(e) (6501 Bridge Road Project).

Motion by Mr. Homburg, second by Mr. Kelly, to convene into closed session. On a roll call vote, all members voted aye to convene into Closed Session at 6:59 pm.

- C. Reconvene into Open Session under Wisconsin State Statute 19.85(2).

Motion by Ms. Kuhr, seconded by Mr. Homburg, to reconvene into open session. Motion carried. The CDA reconvened into open session at 7:40pm.

- D. Discussion and Possible Action on Items Arising from Closed Session (4711-4601 Monona Drive).

No further action was taken.

- E. Discussion and Possible Action on Renew Monona Loan Program Policy Amendments related to First Generation Homebuyers.

Ms. Kuhr provided an overview to some potential policy language pertaining to First Generation homebuyers that she would like considered by the CDA. She noted the challenges that First Generation homebuyers have getting into the market, and the potential for \$40,000 in assistance (per applicant) with an additional \$10,000 investment from the applicant. She also noted the potential to tie support to completion of a homebuyer education course through University of Wisconsin-Extension. CDA members asked staff to spend some time drafting additional policy language for further consideration.

REPORTS OF STAFF AND CDA MEMBERS

City Planner Plowman provided an update on the Monona Garden project, the Village Lanes redevelopment project, and the South Towne Office project.

UPCOMING CDA MEETINGS

The next meeting will be Tuesday, March 22, 2022, at 6:30pm.

ADJOURNMENT

Community Development Authority Minutes -
February 22, 2022

A motion was made by Mr. Homburg, seconded by Ms. Kuhr to adjourn. The motion carried.
(7:55 pm)

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 quality, functionality, affordability and attractiveness of 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 loan with 2% interest over the life of the loan. Loans will be funded using TIF funds from a closing TIF district in the city. The primary goals of the program includes rejuvenating existing and aging housing stock to make it more attractive to buyers, especially young families, and well as working to close the wealth gap through a First-Generation homebuyer program making the Monona community more accessible to all. 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 a home for the first time or residing in a home within the City of Monona looking to make substantial system or structural improvements to the home to enhance its safety, functionality or 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 purchase or 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 purchase or improvements under this program include **owner-occupied homes in Monona** whose most recent assessed value is at or below **120%** of the median sale price of residential property in the city as reported on www.realtor.com/local/Monona_WI. Furthermore, eligible homes include those in the City of Monona being purchased whose sale price is valued at or below 120% of the median sale price 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 Jan 1, 2021 the median sale price of residential property was \$298,500. Eligible homes would be those assessed at or below \$358,200,400 (120% of \$298,500).

Eligible Uses of Loan Funds

First-Time Homebuyer: Funds may be used toward the down payment on the purchase of an eligible home by a first-time homebuyer.

First-Generation Homebuyer: Funds may be used toward the down payment on the purchase of an eligible home by a first-generation homebuyer. A First-Generation homebuyer is defined as a loan applicant (including the individual and spouse, if applicable) who have never owned a home and whose parents and/or legal guardians do not currently and have never owned a home. Applicants to this program will be required to sign affidavits attesting that they meet the above criteria.

Home System Upgrades: 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.

Energy Efficiency: Funds may be used for **window replacement** and **insulation improvements** and other measures that will increase the heating and cooling efficiency and overall performance of the home. Furnaces replacement is not an eligible use of program funds.

Renewable Energy Technology Installation: Funds may be used for the purchase and installation of renewable energy technologies for the residence, such as roof-mounted solar panels.

Major Rehab: 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 or significant improvement to living space**, such as adding a floor or a room or rehabbing a kitchen or bathroom. Tear-downs, auxiliary structures, unattached garages not used to park cars are not eligible uses of program funds.

Environmental Remediation: Funds may be used to remove asbestos siding, remediate lead-based paint or remediate other environmental issues of the home. Soil remediation or other activities not part of the house are not eligible uses of program funds.

Repayment of any loan application fees incurred as part of this program is an eligible use of loan funds received. 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 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, Conditions, and Procedures

Loans will consist of **2% interest** over the life of the loan, and act as a deferred second mortgage with **payments amortized over ten (10) years** following the award of the loan, or at sale (or refinancing) of the home, whichever comes sooner. 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 **50%** of the total down payment or improvement costs (with the exception of the First-Time Generation Homebuyer program as further described below), whichever is less up to the maximum for the program for which the applicant is applying as described in the following table.

Program	Description	Max Loan Amount	Loan Terms and Requirements
Home Improvement Program	Home System Upgrades, Energy Efficiency, Renewable Energy Technology Installation, and Environmental Remediation (asbestos, lead)	\$15,000	<ul style="list-style-type: none"> ▪ Payments amortized up to 10 years. ▪ 2% annual interest. ▪ Loan due upon sale or after 10 years.
Major Home Rehab Program	Major work such as adding floor, rooms, rehab of kitchens, baths, etc.	\$75,000	<ul style="list-style-type: none"> ▪ Construction must begin within 60 days of loan approval.
First-time Homebuyer Program	Provides no more than 40% of the required down-payment.	\$20,000	<ul style="list-style-type: none"> ▪ Construction must be completed within 180 days of start of construction.
<u>First-Generation Homebuyer Program</u> <u>Note: This program may potentially be combined with other homebuyer assistance programs offered by other financial institutions or non-profits at the discretion of City Administrator or their designee.</u>	<u>Provides up to \$40,000 of down payment assistance for qualified buyers with a \$10,000 payment match from Borrower.</u>	<u>\$40,000</u>	<ul style="list-style-type: none"> ▪ <u>Borrower and family must provide signed affidavit verifying that they qualify as First-Generation home buyers</u> ▪ <u>Borrower must complete and provide documentation of completion of an approved homebuyer education course, prior to receiving the approved funds. Borrowers may participate in a course from their financial institution(s) or the</u>

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			<p><u>University of Wisconsin-Extension services.</u></p> <ul style="list-style-type: none"> ▪ <u>Borrower must provide documentation of a minimum of a \$10,000.00 contribution towards property down payment.</u> ▪ <u>Annual Payments are amortized over 10 years. For example, a \$40,000 loan would have a total interest cost of \$4,166.46.</u> ▪ <u>2% annual interest.</u> ▪ <u>Full Loan repayment is due upon sale or after 10 years.</u>
<p><i>Eligibility requirements apply, see program information for details.</i></p>			

Additional Terms and Conditions

Applications for Renew Monona Loan funding requests of \$50,000.00 or less will be reviewed by City Staff for program eligibility and a determination on any project funding award, subject to available program funding. Application requests for more than \$50,000.00 will be subject to review and approval by the Community Development Authority, subject to available program funding.

Applicants must work with a local financial institution or provide another source of identifiable funding to cover the balance of home improvement costs or down payment costs not covered by the loan.

Construction on home improvement projects must begin within sixty (60) days of loan approval and be completed within one-hundred eighty (180) days of the start of construction, unless a longer time-frame is approved by the CDA. 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:

City Administrator/Economic
Development Director
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