

CDA Redevelopment

Capital Improvement Plan

	2020 Adopted	2021 Request	Change
2021 Capital Budget	959,000	600,000	(359,000)
2021 Capital Improvement Plan	3,759,000	3,700,000	(59,000)

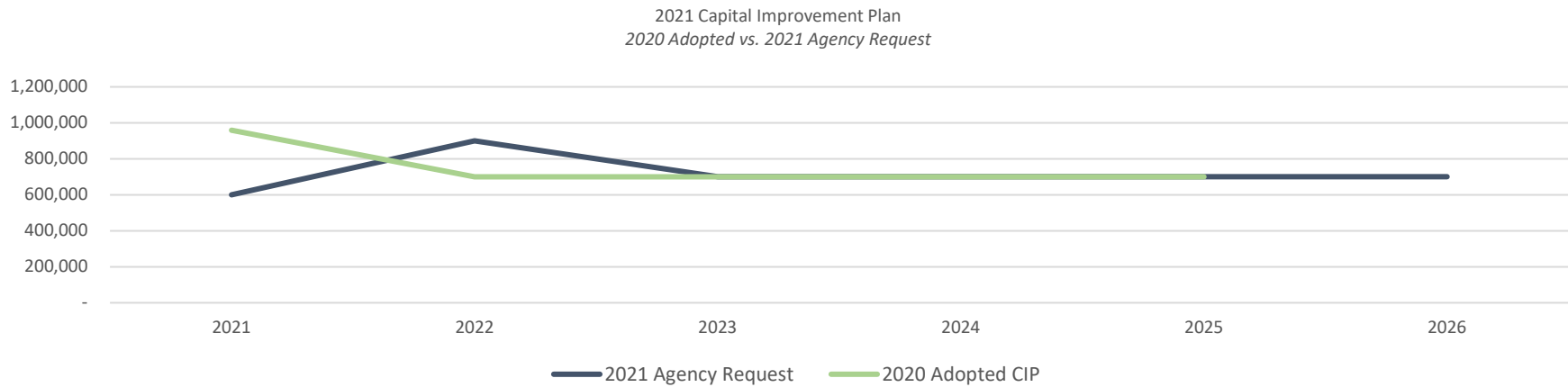
2020 Adopted
3

2021 Request
2

Project Summary: Agency Request

	2021	2022	2023	2024	2025	2026
Mosaic Ridge Construction Financing	600,000	600,000	600,000	600,000	600,000	600,000
Public Housing Redevelopment	-	300,000	100,000	100,000	100,000	100,000
Total	\$ 600,000	\$ 900,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000

Changes from 2020 CIP



Major Changes/Decision Points

- Village on Park
Project removed from CIP because project is complete (\$59k)
- Public Housing Redevelopment
Program budget in 2021 delayed to 2022 due to work not beginning in 2020 as anticipated (\$300k)



Community Development Authority of the City of Madison

CDA Redevelopment

Matthew Wachter, Executive Director

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<https://www.cityofmadison.com/dpced/housing/>

June 12, 2020

To: David Schmiedicke, Finance Department
From: Matthew Wachter, CDA Executive Director

Subject: CDA Redevelopment 2021 Capital Budget

Under state statute, the Community Development Authority is charged with encouraging safe neighborhoods, the provision of healthful homes, and supporting adequate places for employment. The CDA engages in entrepreneurial redevelopment activities and manages properties that support these objectives.

The CDA Redevelopment 2021 capital budget reflects the agency's core work in providing neighborhood revitalization and public housing redevelopment. In preparing the 2021 capital budget request, I have taken into account the CDA's available resources and the budget instructions from the Mayor. I feel that our budget balances these considerations with the needs of the community and our mission.

Goals of Agency's Capital Budget

The Mosaic Ridge construction project supports the development of additional housing stock in the Allied Drive neighborhood. This housing development serves both the new homeowner and the larger neighborhood by encouraging a diverse housing structure in the community. Funds from the sale of previous homes are used to construct additional homes. No City borrowing is requested.

The public housing redevelopment program is a multi-year effort to redevelop aging public housing stock in the City. The goal of the program is to continuing to provide safe, affordable housing to low-income seniors and people with disabilities and, if possible, increase the number of units during redevelopment.

Summary of Changes from 2020 Capital Improvement Plan

The capital project for the Village on Park is complete. The City provided advances to the from general obligation borrowing to the CDA for redevelopment of the property. The CDA has completed the redevelopment and continues to repay the advance. Additional capital investments and maintenance are paid by the project management company using funds at the property generated by rent.

As a result of COVID-19 and vacant positions, the public housing redevelopment project has not started. As such, the intended project timeline will be pushed back one year. In 2020, anticipated work included planning for redevelopment of the Triangle and Theresa Terrace.

There is no change to the Mosaic Ridge construction project in the CIP.

Prioritized List of Capital Requests

- Project 11817 – Public Housing Redevelopment – Priority 1
- Project 10079 – Mosaic Ridge Construction Financing – Priority 2
- Project 10578 – Village on Park - Complete

The public housing redevelopment program is a multi-year project requiring significant engagement with public housing residents, the broader community, and redevelopment partners. Given the long time frame and continued aging of housing units, it is important that the CDA continue to advance redevelopment planning.

The funds requested are advanced for GO borrowing to the CDA. For this program, the CDA has already received an advance of \$50,000 through the capital budget. The CDA is repaying the current advance and would repay future advances from property redevelopment fees.

Potential for Scaling Capital Requests

The nature and size of these projects do not lend themselves to scaling.

Impact of COVID-19 on Capital Funding

COVID-19 has required significant attention from CDA staff to protect the health and wellness of residents, employees, and the broader community. This has delayed public housing redevelopment planning. Given the ongoing uncertainty, it is unlikely that significant activity will occur before 2021.

It is unclear what impact COVID-19 will have on Mosaic Ridge.

I look forward to further discussing our capital proposal in the coming weeks.

Sincerely,

Matthew Wachter
Executive Director
Community Development Authority

Cc: Adam Pfof, DPCED Budget and Performance Excellence Manager
Brent Sloat, Budget Analyst, Finance Department

2021 Capital Improvement Plan Capital Budget Proposal

Identifying Information

Agency	CDA Redevelopment	Proposal Name	Mosaic Ridge Constructic
Project Number	10079	Project Type	Project
Project Category	Facility	Priority:	2

Description

This project funds construction at the Mosaic Ridge housing development. The goal of the project is to improve the housing stock in the Allied Drive neighborhood and maintain a variety of housing choices for both renters and owners. Progress will be measured by the successful sale of homes and lots to low- and moderate-income residents. Since the program's inception in 2014, 11 lots have been sold, one lot has a model home for sale, and 11 lots remain for sale. The budget authority in this project is for the cost to build the homes prior to their sale with the goal of completing three new home or building lot sales in 2021.

Budget Information

Total Project Budget \$5,420,000 **Prior Appropriation** \$2,520,000

Budget by Funding Source

Funding Source	2021	2022	2023	2024	2025	2026
Reserves Applied	600,000	600,000	600,000	600,000	600,000	600,000
Total	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000

Budget by Expenditure Type

Expense Type	2021	2022	2023	2024	2025	2026
Building	600,000	600,000	600,000	600,000	600,000	600,000
Total	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000

Explain any changes from the 2020 CIP in the proposed funding for this project.

No change to the CIP is requested.

Priority

Citywide Element Neighborhoods and Housing

Strategy Increase the amount of available housing.

Describe how this project advances the Citywide Element:

This project directly supports the construction of homes for families at a variety of income levels.

What is the justification for this project?

Mosaic Ridge is an innovative, multi-agency initiative to promote ownership of safe, healthy, and affordable housing in the Allied Drive community. CDA-owned lots in the neighborhood are sold at reduced prices to low-income households and at market rates. The Office of Real Estate Services contracts for homes to be built on the lots on behalf of buyers, which are then sold to the families. The Community Development Division utilizes a variety of home ownership programs to create an affordable financing package for the purchase. This project captures the cost to build homes on the lots prior to their sale. Because it is not known how many homes will be constructed in a given year, \$600,000 is used as a placeholder to accommodate anticipate construction.

Project Schedule & Location

Can this project be mapped? Yes No

What is the location of the project? 2401- 2433 Allied Drive/2407 -2432 Dunns Marsh Terrace 53711

Is this project on the Project's Portal? Yes No

	<i>Status/Phase</i>	<i>Est Cost</i>	<i>Description</i>
			Model home has been constructed and sold
			Model home has been constructed and is for sale
		300000	Another model home is being planned
2022	Status		
	<i>Status/Phase</i>	<i>Est Cost</i>	<i>Description</i>
			Construction will depend on buyers
2023	Status		
	<i>Status/Phase</i>	<i>Est Cost</i>	<i>Description</i>
			Construction will depend on buyers
2024	Status		
	<i>Status/Phase</i>	<i>Est Cost</i>	<i>Description</i>
			Construction will depend on buyers
2025	Status		
	<i>Status/Phase</i>	<i>Est Cost</i>	<i>Description</i>
			Construction will depend on buyers
2026	Status		
	<i>Status/Phase</i>	<i>Est Cost</i>	<i>Description</i>
			Construction will depend on buyers

Operating Costs

What are the estimated annual operating costs associated with the project? \$0

Personnel

<i># of FTEs</i>	<i>Annual Cost</i>	<i>Description</i>
<input type="text" value="0"/>	<input type="text"/>	No additional FTE are anticipated as a result of this project

Non-Personnel

<i>Major</i>	<i>Amount</i>	<i>Description</i>
<input type="text"/>	<input type="text" value="0"/>	No additional operating costs are anticipated as a result of this project.

Notes

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2021 Capital Improvement Plan Capital Budget Proposal

Identifying Information

Agency	CDA Redevelopment	Proposal Name	Public Housing Redevelo
Project Number	11817	Project Type	Program
Project Category	Facility	Priority:	1
2021 Project Number	N/A		

Description

This program funds planning and implementation of public housing redevelopment through 2026. The goal of this program is to provide quality, affordable housing for low-income seniors and people with disabilities. Progress will be measured by completing the renovation or new construction of modern affordable housing, resident stability, and resident satisfaction. Planned projects for 2021 include planning for the Triangle complex redevelopment and continued redevelopment of public housing duplexes on Theresa Terrace.

Budget Information

Prior Appropriation*	\$1,530,000	Prior Year Actual*	\$1,055,554
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*Based on Fiscal Years 2015-2019

Budget by Funding Source

Funding Source	2021	2022	2023	2024	2025	2026
GF GO Borrowing	0	300,000	100,000	100,000	100,000	100,000
Total	\$0	\$300,000	\$100,000	\$100,000	\$100,000	\$100,000

Budget by Expenditure Type

Expense Type	2021	2022	2023	2024	2025	2026
Building	0	300,000	100,000	100,000	100,000	100,000
Total	\$0	\$300,000	\$100,000	\$100,000	\$100,000	\$100,000

Explain any changes from the 2020 CIP in the proposed funding for this program.

As a result of the disruption caused by COVID-19 and staff changes, work did not begin in 2020 as anticipated. Budget authority from the 2020 budget will be used in 2021. The remainder of the CIP is pushed back one year.

Priority

Citywide Element Neighborhoods and Housing

Strategy Support the rehabilitation of existing housing stock, particularly for first-time homebuyers and people living with lower incomes.

Describe how this project advances the Citywide Element:

The public housing redevelopment program is a multi-year effort to redevelop aging public housing stock in the City. The goal of the program is to continuing to provide safe, affordable housing to low-income seniors and people with disabilities and, if possible, increase the number of units during redevelopment.

Project Schedule & Location

2021 Projects

Project name	Est Cost	Location
Planning for Phase 1 redevelopment of public housing and multi-family housing on the Triangle	\$200,000	755 Braxton Place 53717

Project name	Est Cost	Location
Redevelopment of Public Housing on Theresa Terrace	\$50,000	1400 Block of Theresa Terrace

Explain the justification for selecting projects planned for 2021:

The Triangle redevelopment project estimates costs associated with planning for housing redevelopment in later years (e.g., consultants, financial professionals). Actual construction on the Triangle is expected to be paid through a variety of third-party sources.

The Theresa Terrace property needs to be evaluated for the best possible future use in the community. The project captures possible redevelopment costs.

These projects are dependent on the hiring of a redevelopment specialist.

2022 Projects

Project Name	Est Cost	Location
Redevelopment in Triangle Phase 1	\$100,000	755 Braxton Place 53717
Redevelopment in Triangle Phase 2	\$200,000	755 Braxton Place 53717

Explain the justification for selecting projects planned for 2022:

Continuation of Phase 1 Triangle Redevelopment and commencement of predevelopment for Phase 2 of Triangle redevelopment.

2023 Projects

Project Name	Est Cost	Location
Planning for redevelopment of 3A units in Truax housing	\$100,000	755 Braxton Place 53717

Explain the justification for selecting projects planned for 2023:

Continuation of predevelopment for Phase 2 of the Triangle Redevelopment. Phase 1 should be under construction at this point with third-party financing.

2024 Projects

Project name	Est Cost	Location
Planning for redevelopment of 3A units in Truax housing	\$100,000	3400 Anderson Street 53704

Explain the justification for selecting projects planned for 2024:

Predevelopment costs for redevelopment of 3A units at Truax. Phase 2 in the Triangle should be under construction at this point with third-party financing.

2025 Projects

Project name	Est Cost	Location
Planning for redevelopment of 3A units in Truax housing	\$100,000	3400 Anderson Street 53704

Explain the justification for selecting projects planned for 2025:

Predevelopment costs for redevelopment of 3A units at Truax.

2026 Projects

Project name	Est Cost	Location
Planning for the predevelopment for Triangle Redevelopment Phase 3	\$100,000	755 Braxton Place 53717

Explain the justification for selecting projects planned for 2026:

Operating Costs

What are the estimated annual operating costs associated with the projects planned within this program? \$0

Personnel

# of FTEs	Annual Cost	Description
1	80,000	The CDA anticipates filling a vacant redevelopment specialist position that will be instrumental in the redevelopment planning for these properties. Hiring has been delayed as a result of the citywide budget freeze, but an estimate of \$80,000 is used here.

Non-Personnel

Major	Amount	Description
	0	No additional operating expenses are anticipated as a result of the redevelopment planning activities.

2021 Capital Improvement Plan Capital Budget Proposal

Identifying Information

Agency	CDA Redevelopment	Proposal Name	Village on Park
Project Number	10578	Project Type	Project
Project Category	Facility	Priority:	3

Description

This project is for facility improvements and maintenance of the Village on Park commercial space. The goal of this project is the continued development and operation of the Village on Park to meet the needs of the surrounding community. The project's scope in 2020 includes HVAC repairs, electrical work, elevator repairs, and a roof replacement. The improvements will address safety concerns with ice damming over an emergency exit and an elevator with no emergency phone.

Budget Information

Total Project Budget \$1,516,000 **Prior Appropriation** \$1,516,000

Budget by Funding Source

<i>Funding Source</i>	2021	2022	2023	2024	2025	2026
GF GO Borrowing	0	0	0	0	0	0
Total	\$0	\$0	\$0	\$0	\$0	\$0

Budget by Expenditure Type

<i>Expense Type</i>	2021	2022	2023	2024	2025	2026
Building	0	0	0	0	0	0
Total	\$0	\$0	\$0	\$0	\$0	\$0

Explain any changes from the 2020 CIP in the proposed funding for this project.

This project is complete. The remaining budget authority on the project will be removed.

Priority

Citywide Element Neighborhoods and Housing

Strategy Does not meet a strategy.

Describe how this project advances the Citywide Element:

The Village on Park is a unique commercial space owned by the Community Development Authority (CDA). The redevelopment and continued operation of the Village on Park fulfills the CDA's statutory charge to encourage well-planned, integrated, stable, safe, and healthful neighborhoods. In close connection with the South Madison planning initiative, the Board of Commissioners is engaged in a process to further develop the property to meet the needs of the surrounding neighborhood.

What is the justification for this project?

The work captured in this project is essential for the responsible maintenance of the property.

Project Schedule & Location

Can this project be mapped? Yes No

What is the location of the project? 2300 S Park Street

Is this project on the Project's Portal? Yes No

	<i>Status/Phase</i>	<i>Est Cost</i>	<i>Description</i>
			This project is complete.
2022	Status		
	<i>Status/Phase</i>	<i>Est Cost</i>	<i>Description</i>
2023	Status		
	<i>Status/Phase</i>	<i>Est Cost</i>	<i>Description</i>
2024	Status		
	<i>Status/Phase</i>	<i>Est Cost</i>	<i>Description</i>
2025	Status		
	<i>Status/Phase</i>	<i>Est Cost</i>	<i>Description</i>
2026	Status		
	<i>Status/Phase</i>	<i>Est Cost</i>	<i>Description</i>

Operating Costs

What are the estimated annual operating costs associated with the project? \$0

Personnel

<i># of FTEs</i>	<i>Annual Cost</i>	<i>Description</i>
<input type="text" value="0"/>	<input type="text" value="0"/>	

Non-Personnel

<i>Major</i>	<i>Amount</i>	<i>Description</i>
<input type="text"/>	<input type="text" value="0"/>	

Notes

Notes:

City of Madison 2020 Authorized Projects

Summary Status

Agency : CDA Redevelopment

of Projects on Schedule

2

of Projects Delayed

1

Project	2020 Budget	Status	Notes
Mosaic Ridge Construction Financing	600,000	On schedule	The immediate and long-term impact of COVID-19 on the local real estate market is unclear. In 2020, one lot and one model home have been sold to date. The portion of this project funded by City GO borrowing is complete. Future repairs, remodeling, and redevelopment are expected to be managed by the property manager.
Village on Park	279,000	On schedule	
Public Housing Redevelopment	250,000	Delayed -- will not be started until 2021	As a result of COVID-19 response and vacant positions, this project is delayed until 2021.
TOTAL	\$ 1,129,000		