

Notes from TLNA Steering Committee Meeting
Gorman and Co. Proposal for the Messner Property
Thursday, May 31, 2018, 6:00pm
Festival Foods

Attendees:

Dane County District 2 Supervisor Heidi Wegleitner

City of Madison - Syndey Prusak (Planning Division)

Gorman and Company – Nicole Solheim (project lead), Ted Matkom (president of WI market), Ben Marshall (head of architecture), Mark Smith (project architect)

TLNA Council members - Patty Prime, Patrick Heck

Neighbors and Interested Parties: Joey Hoey, Tom Kapper, Shawn Kapper, Matt Coogan, Pat Kelly

Charge of the Committee

After a welcome and introductions, Patrick Heck reviewed the charge of the Steering Committee – to educate TLNA Council about the proposal and to provide analysis that will help the Council take a position should they choose to do so. The City looks to TLNA Council for guidance about how the neighborhood feels about a proposal, so the committee's work is key. Oftentimes the committee does not reach consensus, but instead issues a summary report that details the opinions of all. Typically, the committee does not vote on a level of support, but they can if so desired and can also choose leadership, etc. Membership in recent years has been essentially who shows up – the more voices the better.

Proposal review/updates and schedule

Ted Matkom from Gorman and Company quickly reviewed the County RFP process that led to Gorman's winning response. He noted that there was some controversy in how the RFP was handled and awarded, but that was on the county side – not related to their response itself. Their proposal is for housing for veteran-led families, which doesn't exist in Wisconsin. The apartments will all be 2-3 bedrooms. They anticipate the families will often consist of single women with children. There has been some concern voiced about the targeted population not being a demographic that is plentiful in Dane County, but from their similar project in Arizona and the large veteran population in the County, they think there are plenty of veteran-led families at lower income levels.

Since the May 8 neighborhood meeting, they have reduced the number of units from 64 to 60. It is TBD as to whether or not any units that go unrented due to a lack of qualified veteran families would then go to families on the homeless list from the county/city. They are more than open to that, but want to know if the committee would prefer a number of units permanently set aside for non-veteran families or if those families would be placed on a secondary waiting list. If there are units that are permanently set-aside for non-vet families (homeless or on the edge of homelessness), those apartments would have a 30% County Median Income Cap. WHEDA gives higher scores to projects with that lower CMI cap, but Gorman's approach to that was still TBD. Shawn Kapper asked if that aspect of the proposal was new. Ted said that it was discussed earlier, but it is still not clear what they will pursue with respect to that. They want input on the matter from the steering committee. Ted said they are trying to get gap funding – to finance the non-WHEDA funded development costs with grants from the city and county, but they need to explore ways to score high with WHEDA to assure getting tax credits (it's a competitive process).

Heidi Wegleitner said that there is a community-wide housing priority list identified by homeless service providers. There is HUD funding that the county gets, so the county has an interest due the existing barriers to housing. Nicole Solheim added that this possibility is new in that it came up after the County selected their proposal. Pat Kelly asked if there would be market rate apartments in the building. Yes, up to 15% market rate units, which is the largest percentage that will still be scored highly by WHEDA. WHEDA also scores lower if there are no market rate units. Matt Coogan asked what the CMI breakdown would be. 20-30% of the units will have a 30% CMI cap and the rest of the affordable units would have 50-60% CMI caps. Joey Hoey asked if the 20-30% with the 30% CMI caps would include the units set aside for not-vet families that have been discussed. Yes.

Ben Marshall of Gorman and Co. discussed their proposed schedule – it is constructed around their land use submittal application deadline of June 13 (see slides). That is when the City needs their application if they are to meet subsequent funding request deadlines further down the line (WHEDA especially). The beginning of the schedule works backwards from that June 13 deadline. They did file for the rezoning on May 11, but that just kicked off a required 30-day notification period. The architecture is still simplistic and that was okay for the zoning submittal. Better renderings and mature architecture plans will come later in the process. Ted Matkom said that Gorman went through the city process with the grand-families development at Union Corners that will start construction on about Sept. 1, so they are familiar with the city process. Fine design will come later. There will be a minimum of 2 meetings at UDC where public input will also be taken. Typically, the initial UDC meeting is a presentation of the big picture – mostly about massing, height, setbacks, etc. At the final UDC, typically the nitty-gritty details are discussed, e.g., siding, railings, etc. Shawn Kapper asked if the steering committee will be deciding those things. Patrick Heck said no – but we will have input opportunities throughout the committee process. Generally, the steering committee doesn't decide things, but advises the developer who can then make changes, or not. Ted added that the neighborhood seems to like the proposal concept. Joey Hoey said that there was no interaction between the County and neighbors on the RFP criteria, etc. We had no input. There was a TLNA representative on the RFP selection committee, but we had no interaction with that representative. Heidi summarized what happened– the process has been underway for a long time. She came to TLNA when drafting a resolution for affordable housing on the site after the day resource center site changed from Messner to its current location. She got support for her concept by talking to TLNA. Her initial intention was for an RFP that would serve some homeless families in general – the county resolution that was passed to create the RFP talks about homeless families, mixed-use, mixed income, etc. She won't defend the county's RFP and RFP selection process – she was not involved – it is the executive branch of the County that dictated those. She added that it is not really Gorman's fault either. Fortunately, Gorman is interested in meeting and engaging the neighborhood and potentially including some families from the homeless list.

Patty Prime gave more perspective - in general with any development project, there are timing issues – developers have specific application deadlines, etc., and we (neighbors/TLNA) get to weigh in. Timing issues often crop up. Ted Atom added that the schedule is back ended – it is all about the WHEDA scoring criteria and you have to follow those deadlines. They have to bring leveraged sources, e.g., Dane County, City of Madison, Federal Home Loan Bank, to the table. If a developer doesn't bring all three, for instance, they will lose the competition to a historic rehab proposal that is getting historic tax credits. Pat Kelly asked for clarification – will the County own the property? Yes, the County will own the land, but Gorman will have a 99-year lease for land. So the County's ongoing role will be minimal? Yes, their lease is minimal – only \$1, so no

substantial income from the lease will be coming. Heidi added that the county is also requiring that Gorman keep the units affordable for 99 years. WHEDA typically requires 20 or 30 years, so this 99-year affordability requirement is a big plus.

Ted discussed the rezoning issue – they have been discussing it with City. The City has ideas on how to make it best work. Currently, it is 3 separate parcels with 3 separate zoning categories. Originally, they thought Community Mixed-Use would be best for the site, but in working with the city, they are now pursuing a Traditional Employment zoning category. Sydney Prusak from city planning added that there are different land use recommendations (as opposed to zoning) on this part of E. Washington – this site is has 2 different land use recommendations, so it wasn't clear at first what would work best with the proposal. City staff are leaning towards the TE category.

Ben Marshall did a quick review of the preliminary design that was presented at the May 8 neighborhood meeting. He mentioned that the covered garage behind Tenney Nursery was unused – Tom Kapper corrected him saying that he actually rents a parking stall in that garage from the nursery, as well as office space in the nursery building.

Shawn Kapper asked why they went down to 60 units from 64. She thinks it is still too many units, but how were they going to decide the number of units? Ted said we should first discuss how the building has been revised since the last meeting and then talk about concerns.

Revised Proposal:

The ground floor footprint is similar, but they have reduced its square footage – this should reduce the overall demand for parking since there are now 4 fewer apartments and a somewhat smaller space for services on the ground floor. There is now more outdoor space on side of building and more backyard green space because of the smaller building footprint. Ted said they asked Dryhootch if they needed all the space they were originally given - Dryhootch said they could use it more efficiently, so they reduced the ground floor size. Pat Kelly asked how many feet of green area were in the rear, along the back of the parking structure – answer was 20'. The Gorman team said that the larger green area in the rear that extends towards the nursery is 67' deep. Tom Kapper asked about access to the 20'-wide green space from east side, i.e., from behind Pasquale's. Is that area open to the public? If so, there could be security concerns. Would they consider fencing it to keep it private? The Gorman team said that fences can also cause problems – people can lurk behind it – sometimes it is better to have eyeballs on an area rather than putting up fences, but they will explore options. Sydney Prusak from city planning said that if this site is all rezoned to TE, all the side and rear borders that are adjacent to residential areas must have a fence that is required to be 6-8' tall – she will find out the exact height required, but it is non-negotiable that the fence must be in most of that area.

Pat Kelly said that she wants green space in front of building – a type of urban terrace that would allow children to play there. Shawn Kapper said she thinks the green-space should mostly be in the rear, away from busy E. Washington.

Ben then discussed the parking structure and that there is no longer an open surface lot – both the rear and west side will be 2-story enclosed parking structures. The two-story parking structures allow them to have more parking - this should address some of the security concerns (open parking lot) voiced at the neighborhood meeting. They also have turned the building 90 degrees, so that the courtyard of the upper floors faces towards downtown and, per the neighborhood meeting comments, there is now more density on E. Washington. The apartment units are further

back from N. Baldwin than earlier - 47' from property line. The top of the parking structure that parallels N. Baldwin currently is not green or open space, but they are open to discussing it. The courtyard area atop the building's ground floor will be open space for residents and could connect to more open space atop the garage. Patty Prime said that it looks like there are some options there, but that the exact configuration doesn't have to be decided now. The architects also showed a slide with some shadowing studies, all done at the equinoxes when they think it is best to look – most representative. The shadowing study led to a discussion about the building's proposed height – 1 tall ground floor with 4 floors of apartments above. The height of the ground floor would be similar to other new E. Washington buildings – could be almost as tall as 2 regular stories. TE zoning allows up to a 5-story or 68'-tall structure, but conditional uses can allow more. Ben said the building is probably about 70' or maybe 68' tall.

Shawn Kapper asked about the project/building on the Marling Lumber site. Will it look like that, which she doesn't like because it is too tall. Pat Kelly said that when Lance McGrath's building (Factory District) was proposed, she and other nearby neighbors were concerned about the proposed height. He was able to reduce it by a floor and make the footprint bigger, thereby not losing apartments. Gorman reps said that the Messner site was much different – they can't go out further given the lot size and the need for parking. Joey Hoey said that there is nothing as tall as they are proposing in the nearby neighborhood and he doesn't think there will be in the future. The E. Mifflin and N. Baldwin blocks are basically residential and those houses are not going anywhere given their values. He asked if they can go up to 6 stories on E. Wash and go down to the rear. He thinks they aren't respecting the neighborhood and he's disappointed. It is basically a 6-story block that will stick out like a sore thumb. He appreciates that they made some changes since the neighborhood meeting, but when people ride down the bike boulevard, they will see this big block. He worries about the height and shadows. He also disputed the shadow study presented by Gorman – he thinks the shadows from similar buildings on E. Wash and across E. Wash cast much longer shadows and this will be similar. Mark Smith, project architect, said they don't know exactly how tall it will be yet, but it should be 68-72'. He said their software is accurate as far as he knows. Matt Coogan said that he thinks the height criticism is fair feedback. A neighbor asked why they can't do what the neighbors want. Tom Kapper asked if they can shrink the square footage of the 3-bdrm units to help make the building less massive/shorter. Mark Smith said that there are WHEDA minimums on square footage, but they can perhaps shrink them a bit, but they aren't sure what would be gained in terms of shrinking the building. Shawn Kapper asked what is their break-even point – how many units? Ted Matkom said that their biggest potential issue now is construction inflation – they don't really know exactly what their breakeven point will be.

Joey mentioned that parking is an emotional subject in the neighborhood, but he has seen recent nights where there was only 1 car parked on the street at night on the 1300 block of E. Mifflin. He added that only for nearby special events is street parking crowded – he doesn't think the tenants of the proposed building will necessarily impact street parking that much. Patty Prime suggested that their addition of more parking due to the discussion at the neighborhood meeting was maybe not necessary.

Ben Marshall showed some renderings that had the building represented only as a cube, so warned that they are very deceiving – they are very early in the architecture process and these cubes are not at all what the buildings will look like. Shawn Kapper reiterated that she has concerns about number of units and the height towards the back end of the block. Patty Prime said she likes the 2- and 3-bedroom family aspect of the proposal, so doesn't want them to shrink the building by reducing the apartments to smaller numbers of bedrooms. Ben said that they

could maybe reduce the 3-bedroom to 1100 square feet or so, but Mark Smith said that he thinks they are about right on the number in terms of WHEDA-advised/required square footage. Joey added that the blocky look of the building doesn't feel like our neighborhood. He also said that many families at risk would all be in one building, creating the potential for problems. Ted said only 12 units will be at 30% CMI, so not that many units will house families at risk. Joey disagreed – he thinks there will be problems. He suggested that they have 50 units instead of 60. Mark Smith noted that the high ground water on the site is one problem – they can't go dig down to reduce the height. The water table adds 10-12' in height to the building – this restricts their ability to go down and the lot size prevents them from going out, i.e., increasing the footprint and bringing down the height. Sydney Prusak from city planning said that a Traditional Employment zoning district abutting a residential area won't allow tall buildings right up against residential properties – they can't make the building tall on the rear or one side residential property lines. They will need step-backs from lower to higher floors on those sides, or they need to be further in from the required setbacks (required distance from the property lines). Joey says that the neighborhood is varied and this building should be too. Sydney detailed the need for the stepback sections abutting the residential areas need to not exceed a 45-degree angle. The Gorman team said they were aware of these requirements and would follow them.

Joey added that the houses on E. Mifflin and N. Baldwin are 1880-1950s houses, maybe some from the 60s. He wants the tenants to be a part of the neighborhood, but this feels like a fortress. The location and design won't allow the tenants to integrate into neighborhood or society. He wants it to be more organic. The Gorman team then segued to their thoughts about image and design since none of that is set yet. They showed some slides of buildings with various architectural styles, some of which are their projects and some that aren't. The design is still undecided and they want the neighborhood to give input on it. Pat Kelly said she likes the brick of the McGrath project on E. Wash and N. Few (Factory District). Joey likes the Breese across from Lapham School – it feels like part of the neighborhood to him. The porches help that feel. Pat added that she supports giving as many people as possible a place to live, but doesn't want the unit square footage to shrink – they should be appropriately sized. There was a discussion of how traffic will flow in/out of the parking area – concerns about increased traffic due to residents/clients not being able to turn into or out of the building when eastbound on E. Washington. Most felt that the increase in neighborhood traffic wouldn't be that much – Pat Kelly said that the increase on her block of E. Mifflin was not much due to Factory District. Sydney added that Traffic Engineering will review all those aspects of the proposal and provide input on any options.

More Set-aside for Non-Vet Families Discussion:

Back to the set-aside issue – what do we think about a permanent set-aside of some units for non-veteran-led families? Matt Coogan says he likes the idea of a permanent set-aside. He asked if Gorman would be managing the building – yes they will. They have experience in this market - they currently manage their projects and some have tenants with 30% CMI caps. They also have a project for vet-led families in Arizona and manage that. They hope to include a service provider for the most stressed families – they believe the management company should not be the service provider – good to separate those roles. Heidi Wegleitner said that the Road Home is a good local example – they provide services for the 3-bedroom family units with 30% CMI caps at the Breese. She described various programs and funding sources that currently are and can be accessed - HUD funds already flow to the County for these types of things. Joey Hoey said he prefers no set-aside for non-vet families because he thinks the veteran-led families will ostracize them. Patrick Heck mentioned that the non-vet families are likely desperate for housing and that a bit of uncomfortableness is better than sleeping in your car with your children. Shawn Kapper

greed with Joey – she prefers no set-aside because Gorman will have a big learning curve for this project already and Dryhootch hasn't done this before either. Adding a service provider to the mix will make it more complicated. Heidi mentioned that Stonehouse does exactly this and it works. Matt Coogan said that he appreciates Joey's point, but homogeneous communities have typically not been advocated for in the neighborhood – he thinks it is best to vary the tenants. He likes the affordability aspect and the mix of having some market rate. He prefers the set-aside.

Pat Kelly asked about their waitlist in other projects like in AZ. Won't it be hard to fill these units given that there is no data on vet-led families and their income levels in the County? The Gorman said that in their AZ project there are 50 units and 40 are filled with veterans. They don't know for sure, but they have been doing a type of roadshow – going to the Vets Administration, American Legions, etc., and they think the demand is there. There are about 8,000 veteran-led families in Dane County and they suspect a fair number are housing stressed.

The meeting came to close due to time constraints. The Gorman team plans to follow their schedule (see slides) in order to meet their financing goals. There will be future meetings at which more input will be taken and there will be time to further discuss the building form, etc.

Next Meeting:

The next committee meeting will be June 25 at 6:30pm at Festival Foods.