



City of Madison Meeting Minutes - Final

City of Madison
Madison, WI 53703
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COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION

Thursday, July 6, 2006

5:00 PM

215 Martin Luther King, Jr. Blvd.
Room 260 (Madison Municipal Building)

ROLL CALL

Present: Ald. Cindy Thomas, Kristina L. Dux, Sophia Angelina Estante, Justin O. Markofski and Charlie R. Sanders

Absent: Ald. Santiago Rosas and Carl G. Silverman

Excused: Arthur V. Robinson and Steven C. Bartlett

Staff present: Hickory Hurie, Mary Charnitz, Barb Constans, Nancy Dungan, Audrey Short, Sue Wallinger

WELCOME

Estante called the meeting to order at 5:05 PM.

SPECIAL ITEM: PRESENTATION BY APPLICANT AGENCIES OF PROPOSALS TO ADDRESS THE GOAL OF AFFORDABLE HOUSING

As a point of order, Dux announced that she has worked for Habitat for Humanity, Project Home, and Tenant Resource Center, but employment with all of them was over year ago, so no conflict of interest should exist.

Hurie handed out diskettes and hard copies of an Excel spreadsheet that shows the estimated Community Development revenue for 2007-08 on the first worksheet and funding recommendations on the second worksheet.

Hurie said we won't know the exact amounts for several of the major funding sources until later this year, but funding expectations are listed on first sheet. Hurie said he estimates 98% of the 2006 CDBG funding level will be available for 2007 and 100% for other funding sources (HOME, ESG, and City funds). The 2008 estimate is simply a projection of what might be available by then. Hurie said he has taken estimates and spread them out across the worksheet according to Framework amounts. The shaded columns represent what's available for the summer process. The first page represents "new" money and is for information purposes only. The last legal-size page shows past uses of funds year-by-year.

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The five pages contained on the second worksheet show the proposals received by category and objective. Hurie said that these pages will calculate the commissioners' recommendations per funding source so that they can see where they are over or under the allowed amounts. Hurie said the CD Office will email sheets for those with no floppy drives and will also email the chart from the Five-Year Plan that shows which funds can be used for which projects (i.e., ESG, HOME, CDBG, and City funds restrictions).

Habitat for Humanity of Dane County, Volunteers Providing Affordable Homeownership (H-2), Brian Miller, Executive Director

Miller said Habitat's application is for 2008 only. He said Habitat acquires land or rehab opportunities and puts a lot of sweat equity from participant families and volunteers into their properties, while also doing a lot of fundraising. Habitat typically serves families below the 60% AMI, and offers mortgages at 0% interest. Families pay principle only on the first mortgage. CD funds are tied to the property through a silent second mortgage, which is deferred until sale of the property. Habitat also has a silent third mortgage due at the sale of the property.

Habitat has no properties identified yet for its 2008 scattered site project, but they will be looking for sites in next 1-1/2 years. Habitat has applied only for 2008 funds because they already have 2007 funding from CD for their Twin Oaks and Arboretum Co-Housing projects.

Estante asked for questions from Commissioners.

Discussion highlights:

- Habitat's formula for affordability is for families at less than 60% AMI and Habitat is the lender. Habitat's mortgages equal 30% of a family's income, and Habitat can control the length and size of the mortgage. Families pay principle, taxes, and insurance (PTI) only.*
- A land use restriction agreement (LURA) is tied to each CD HOME mortgage and restricts the income of Habitat's buyers to LMI for 10 years after the initial sale.*
- Tenure in Habitat's homes is usually very long. Since 1987, 97 of 100 families are still in their original homes.*
- Habitat retains the right of first refusal where they can purchase a home back should a family decide to sell, so that Habitat can resell it to their clients.*
- Habitat has had only one foreclosure in the 100 homes they have sold. They attribute their success rate to Habitat's remaining the financial lender. If a family has trouble with their finances, Habitat's financial committee works very closely with the family to get them caught up. Their policy now is to have automatic payments drawn from bank accounts. Families can also use the equity they have built up in their homes.*
- Most of Habitat's activity is in the Twin Oaks subdivision right now, but all Habitat homes at Twin Oaks will be finished by 2008. Other areas include a duplex to be built in the Arboretum Co-housing project, as well as homes built throughout county.*
- Mortgage payments never change. They are calibrated at the initial home purchase and do not change, even if a family's income increases over the years.*

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Tenant Resource Center (TRC), Inc., Housing Mediation Service (A-6)

Habitat finished their presentation early, and TRC was not yet at the meeting to present their proposal. With no objections, the commission agreed to move on to Tellurian's presentation and return to TRC's whenever that group was ready to present.

Tellurian, ReachOut (A-hm-6), John Wagner

Hurie said that Wagner was part of the team from Briarpatch that spoke last Thursday. However, part of the Municipal Building was locked that night, and he wasn't able to get in to speak along with Briarpatch, so he was allowed to report tonight.

Wagner said he assists homeless or street people with finding AODA treatment and housing. His duties include acting as a liaison for local businesses and treatment agencies and basically trying to coordinate services for clients. He has been on the job for one month and assisted 25 people with counseling and drug treatment and assisted seven people with finding housing. Wagner gave an example of a veteran with alcohol problems and lesions on his foot whom Wagner assisted and who is now in treatment with the Veteran's Administration (VA) in Tomah.

Estante asked for questions from Commissioners.

Discussion highlights:

- Wagner said that a reasonable percentage of people to move from the streets to housing in a month is 12% of those contacted, which is about 50.
- Usually people they have helped into shelters reappear on the streets. People have to be willing to really change their lives and be honest about their current situations.
- Part of the outreach work is to meet clients eye-to-eye, get their story, and get dialog going.
- Wagner has received help from the Veterans' Center on South Butler Street working with homeless veterans.

Tenant Resource Center (TRC), Inc., Housing Mediation Service* (A-6), Megin McDonnell

McDonnell said she has been with TRC for about nine years. She gave commissioners a transcript of tonight's presentation. She also passed around summary information from the 2005 client survey.

McDonnell said that the Housing Mediation Service provides neutral third party mediators to help tenants and landlords resolve disputes, particularly evictions, and that they are requesting funds to continue providing their mediation services so tenants can avoid homelessness resulting from eviction. They are requesting an increase in funding over last year to accommodate more staff time to devote to mediation, as well as other program costs. McDonnell said the demand for mediation service has increased considerably, and increasing staff time from a .25 to a half-time person would allow TRC to respond faster to requests for mediation, to contact more tenants and landlords earlier in the process, and to provide more comprehensive follow up to their mediation to ensure successful outcomes.

Estante asked for questions from Commissioners.

Discussion highlights:

- TRC usually provides one "move-out date" mediation to two "payment plan" mediations. Arranging move-out dates allows tenants to find new housing before leaving their current situation.
- TRC typically serves people who are at 30% or lower AMI. Out of 836 tenants assisted, approximately 439 were 0-30% AMI, 200 were 30-50% AMI, and 49 were 50-80% AMI.
- Most tenants indicate on surveys that without mediation, they would have become homeless through eviction; and landlords say they wouldn't have gotten money owed them.
- TRC recently gave a presentation to the Apartment Association to educate people that mediation service can be used before cases go forward with evictions and court dates.

Madison Area CLT (MACLT) Corp., Scattered Site Affordable Homes (H-4), Greg Rosenberg, Executive Director

Rosenberg said that MACLT is in the process of finishing its Troy Gardens project, so they are looking at what potential projects are next. He said new land prices are radically higher than before, and MACLT cannot afford to pay market rates in Madison.

Rosenberg then discussed highlights from information MACLT sent out last week. Their focus is to build up a stock of affordable housing, and they will be looking at doing condo conversions.

Regarding IZ, Rosenberg said MACLT's program provides key enhancements to the IZ program.

Rosenberg said that MACLT's goals include marketing their units to people at or below 70% AMI, providing accessibility in their units, and making sure that their three bedroom units go to larger households. The current challenges to selling units to people at less than 70% AMI include increased interest rates, rising housing prices, lower credit scores, and stagnant median incomes.

Estante asked for questions from Commissioners.

Discussion highlights:

- With increased numbers of students going to new high-rise apartments, MACLT now has the opportunity to buy older houses downtown for condos.*
- Section 8 for homeownership differs from rental Section 8 in that participants have to be able to qualify for mortgages. MACLT could potentially work for couple of years to help persons qualify.*
- All of MACLT's current projects started before IZ.*
- Land prices now typically exceed allowable CD money.*

Madison Area CLT Corp., Revolving Loan Fund (H-3), Greg Rosenberg, Executive Director

Rosenberg said that a revolving loan fund would allow MACLT to cover increased development costs and avoid paying high interest rates on short-term loans between acquisition and sale.

Commissioners had no questions regarding the revolving loan fund proposal.

Madison Development Corporation (MDC), Rental Housing Program (H-5), Frank Staniszewski, Executive Director

Staniszewski said that MDC is proposing to construct eight new apartments in the 1900 block of East Washington Avenue, increasing the density of its existing 40-unit complex known as The Avenue. MDC's target income range is 30-50% AMI, with a goal of providing rents at less than 85% of the fair market rent. Their preliminary plan is to construct an eight-unit flat, with the four bottom units conforming to Class A accessibility standards. MDC has talked with the alder and the Planning Department about their proposal, and all seem to support it.

Estante asked for questions from Commissioners.

Discussion highlights:

- The lower level will have mix of 1- and 2-bedroom apartments, with two 2-bedroom*

apartments for people who need attendants and two 1-bedroom apartments for people who are more mobile, less restricted.

- Each unit would be about 1,000 square feet.
- MDC is working with Glick Architects on the accessibility design.

Break: The CDBG Commission recessed for dinner at 6:30 PM.

Estante called the meeting back to order at 6:50 PM.

Movin' Out Inc., Downpayment Assistance (H-6), Howard Mandeville, Executive Director

Mandeville explained that the goal of Movin' Out's Downpayment Assistance program is to assist persons with disabilities purchase housing with deferred loans. Clients repay the principle on the loan and a percentage of equity at the time of sale. Movin' Out is asking for funding for 12 homes in 2007 and again in 2008.

Estante asked for questions from Commissioners.

Discussion highlights:

- Applicants need to verify that they have a permanent disability, which may include a physical, developmental, or psychiatric disability.
- Movin' Out works with individuals and human service teams to help support individuals and to help them adapt to homeownership.

Movin' Out Inc., Rental Acquisition (H-7), Howard Mandeville, Executive Director

Mandeville said that Movin' Out's Rental Acquisition program assists people attain stable rental housing where homeownership is not a viable option. The program also keep renters in stable affordable housing should their landlord sell the property they are living in by allowing Movin' Out to purchase the property and rent it to them.

Estante asked for questions from Commissioners.

Discussion highlights:

- The momentum of Movin' Out's program favors the homeownership side, so rather than have both homeownership and rental acquisition inadequately funded, Mandeville would rather have homeownership fully funded.
- Movin' Out was started by a group of parents whose children with disabilities were living at home. For the most part now, Movin' Out serves a wide swath of the population, including those are live on their own.

*Operation Fresh Start (OFS), Inc., Housing Rehab/Employment & Training (H-8),
Connie Ferris Bailey, Executive Director*

Ferris Bailey said she has worked for OFS for 30 years. She said OFS builds seven houses per year through its Housing Rehab/Employment & Training program. She explained that OFS's Housing Rehab/Employment Training program is about helping the City's most disconnected youth who have been totally removed from society (e.g., dropouts, ex-cons, etc.). Participants become engaged in rehabbing homes, and when they're not building, they're engaged in classes (e.g., GED, reading, health classes). OFS currently has 1,000 young people on its waiting list to participate, and they are hoping to add an eighth group for next year in response to the need. They are also looking at changing their curriculum to assist their youth in getting high school diplomas. They would like to start graduate programming, as well as to train past graduates to teach programs. The majority of the graduates from their program remain self-sufficient

years later. They are not on assistance and not committing crimes.

Estante asked for questions from Commissioners.

Discussion highlights:

- Each OFS staff person has a construction background and background in teaching.
- With the new grad program, OFS would have people doing site visits modeled after a program now in Oregon.
- OFS's waiting list is on a first-come, first-served basis, but they do have a certain number of slots set aside for those released from jail or on referral from Dane County Social Services.
- OFS has formed partnerships with many construction trades.
- Omega, MATC, and Youth Services, among other agencies, refer people to OFS's waiting list.
- Youth under age 18 who come to OFS's program usually have joint referrals from their high school and another referral agency (e.g., school/jail, school/DCSS), but very few youth come on referrals from high schools alone.

Porchlight Inc., Atwood Safe Haven Acquisition (H-9), Steve Schooler, Executive Director

Schooler said that Porchlight would like to move its Safe Haven shelter from Roth Street to what is now the Atwood Community Center site. Safe Haven started in 1994 to serve homeless individuals with serious mental illness and currently has space for 14 persons per night. Safe Haven is staffed 24 hours per day, seven days per week, and offers daytime services including meals, laundry facilities, and counseling.

Porchlight's application asks for funds to acquire the Atwood Community Center and do some rehab. They would also add four single room occupancy (SRO) units of permanent housing in 2008-2009 if they acquire other funds.

Estante asked for questions from Commissioners.

Discussion highlights:

- Local psychiatrists volunteer to evaluate and prescribe medications to Porchlight's clients.
- Porchlight receives some free medication samples through doctors, and also funds prescriptions with grant money and donations.
- Porchlight is unsure whether or not the new facility will have more beds than their current facility. They will have to do a site evaluation.
- Volunteer psychiatrists come from UW Medical School. Ron Diamond also recruits doctors.
- Seventy-five percent of Porchlight's clients have a dual diagnosis of mental illness and AODA.
- Porchlight rents the current Roth Street building.
- In addition to CD money, Porchlight plans to use other funding sources and to raise funds to acquire the new building.
- Porchlight has not started the neighborhood approval process yet for the Atwood building.

Porchlight Inc., Lake Point Drive Acquisition (H-10), Steve Schooler, Executive Director

Originally, Porchlight had sought to buy a property on Lake Point Drive, but the alder is not at all supportive, so they are now looking for a new site for four units of transitional housing for families.

Estante asked for questions from Commissioners.

Discussion highlights:

· Porchlight has not found an alternate site. They just met with the Lake Point Drive alder last week and decided to change sites.

Project Home Inc., Home Repair & Rehab Program (H-11), Jan Reek, Program Director

Reek said that Project Home is requesting \$212,180 (plus program income) to complete work on 145 homes. She said Project Home has an established track record of serving low- and moderate-income homeowners with affordable repairs at \$8.00 an hour for labor, plus materials. They also provide a subsidy of 25% of the cost of contractor work to help with expensive repairs, such as roof, furnace, and water heater replacements and electrical upgrades. Eligible jobs range from \$300 to \$3,000, which is the lifetime maximum per customer.

Estante asked for questions from Commissioners.

Discussion highlights:

· Project Home now has clients pay some money up front for repairs because it sets up the expectation that they have to pay for the services. Previously, some people had no intention of paying for Project Home's services.

Project Home, Inc., NOAH Program (H-12), Jan Reek

Reek said Project Home is seeking \$306,000 for its Neighbor-Owned Affordable Housing (NOAH) program with the goal of assisting three low- and moderate-income households in purchasing multifamily properties for owner-occupancy and providing three affordable units for low- and moderate-income renters. Properties will be located in scattered sites throughout Madison. Reek said in addition to increasing homeownership opportunities for low- and moderate-income households and expanding the number of affordable rental units in Madison, NOAH supports owners with training and mentoring in property management and stabilizes neighborhoods through placement of trained owner/managers onsite in small rental properties. The program accepts Section 8 tenants, if the tenants meet the NOAH owner's screening criteria. Reek said Project Home is seeking four-unit buildings for the NOAH program because there is a larger stock of these available in the city.

Estante asked for questions from Commissioners.

Discussion highlights:

· In one four-unit building, one unit would be affordable and two would be market rate units. Section 8 is not required, but owners are required to be open to Section 8.

Urban League of Greater Madison, Inc., Single Family Home Ownership (H-13), Scott Gray, President & CEO and Vicki Lundquest, Program Housing Coordinator

Gray said that the Urban League has been operating in Madison for 15 years, and they currently have 50 houses in their program. Gray reviewed Urban League's funding proposal and said that they serve people who are 40-60% AMI. Urban League operates their single-family rent-to-own program in partnership with Madison Community Reinvestment Associates (MCRA). They purchase and renovate homes in various Madison neighborhoods and then rent them to eligible families who have the right to purchase the house at an affordable price with no downpayment. Gray said they have

built \$8 million dollars in equity into community during the past 15 years.

Estante asked for questions from Commissioners.

Discussion highlights:

- *At time of sale, CD receives the deferred loan repayment, plus a percentage of the appreciated home value, and Urban League tries to resell the property to an income-eligible family.*
- *Turnover of houses is about 3%. Of 18 families, nine have been in the program after 15 years, and the first eight households are getting the option to purchase their properties.*
- *Currently, 35 qualified people are on the waiting list.*
- *The reason the home has to be rental for 15 years is because of the tax credits Urban League uses, but people don't have to be in program 15 years before they can buy.*

Urban League of Greater Madison, Inc., Job Services Network-Allied-Dunn's Marsh Partnership (N-1), Scott Gray, President & CEO and Diana Shinall, Madison Apprenticeship Program (MAP) Coordinator

Gray explained Urban League's proposed collaboration with MAP and the Boys and Girls Club to provide job training and placement services to unemployed and underemployed residents of the Allied-Dunn's Marsh Neighborhood. Gray said that the Urban League will have a job developer doing an assessment of needs of the area. He said that MAP provides an employability program that works with people who are not yet ready to enter the workforce and that the Urban League will be working with MAP on a two-week program for employability skills as part of its Allied Job Services Network. Urban League's employment program currently works citywide. Gray said they understand there is no CDBG money available now, but the Mayor is looking at appropriating \$85,000 for 2007.

Shinall said the third MAP class will be starting in September. She explained that MAP is a starting point and helps to give participants basic skills and polishing. It is a 12-week course aimed at building self-esteem and ridding participants of their negative assumptions against society. She said 20 students have graduated, and some of those are now at MATC, while others work in the construction industry. Seven of the 20 graduates are former drug dealers in the Allied area.

Estante asked for questions from Commissioners.

Discussion highlights:

- *MAP is open to any resident anywhere (city, county, state), not just to Allied residents.*
- *MAP falls within the neighborhood strategy area by targeting the Allied area, so it qualifies for City funds. It otherwise would only have been eligible for funds from the services category, which have a 15% cap as stated in the Framework.*
- *CD would specifically state in its contract with Urban League/MAP where money can be spent, and then CD would monitor the contract.*
- *Urban League is trying to expand its medical prep program and trying to develop relationships with new companies to identify what they're looking for and what their needs are, so that they can develop specific programs to meet those needs.*
- *Special skills training will be implemented in partnership with agencies like hospitals, MATC.*
- *Urban League is hoping to leverage CD money with other fund sources, e.g. City of Fitchburg.*

East Madison Community Center (EMCC), Facility Use (C-7), Tom Moen, Executive Director and Angela Cunningham, Ex-Resident and Current Board Member

Moen said that over the past 40 years, East Madison Community Center has evolved as the focal center for the far-east side. Household incomes in the service area equal approximately \$15,000 per year. The center operates seven days per week and hosts many meeting groups. Participants range in age from two to 92.

Moen said EMCC is requesting \$52,000 for 2007 and will be increasing its annual services hours.

Additionally, they will be adding a wellness center. Operational costs will increase with the growth of the center and its services. Moen said that expanded space at the center and delivery of services fits with the CDBG Framework; their new and improved facility will allow expansion of programs and services.

Estante asked for questions from Commissioners.

Discussion highlights:

- Center users say that EMCC staff members are top-notch, accommodating service providers and that the center is a great place for programs.*
- Cunningham shared the positive experiences she has had with East Madison Community Center. She said the center helped her with school advice. She has earned not only a B.S., but also a M.S. and is now working on her Ph.D. in social welfare. Additionally, her son was able to utilize the Head Start day care.*

Present: Ald. Cindy Thomas, Ald. Santiago Rosas, Kristina L. Dux, Sophia Angelina Estante, Carl G. Silverman, Justin O. Markofski and Charlie R. Sanders

Excused: Arthur V. Robinson and Steven C. Bartlett

ADJOURNMENT

Rosas moved to adjourn, Silverman seconded. The commission voted unanimously to adjourn at 8:55 PM.

*Respectfully submitted,
Anne Kenny*