



# City of Madison Meeting Minutes - Final

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

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Monday, July 10, 2006

5:00 PM

210 Martin Luther King, Jr. Blvd.  
Room 310 (City County Building)

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**Please Note Room Location**

### ROLL CALL

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

**Absent:** Carl G. Silverman

**Excused:** Ald. Santiago Rosas and Steven C. Bartlett

*Staff present: Hickory Hurie, Mary Charnitz, Nancy Dungan, Pam Rood, Audrey Short, Sue Wallinger*

### WELCOME

*Estante called the meeting to order at 5:07 PM.*

### SPECIAL ITEM: COMMISSION DELIBERATIONS ON 2007-2008 PROPOSALS

*Estante asked commissioners how they would like to proceed with discussion of the proposals.*

*As a point of order, Markofski disclosed once more a potential conflict of interest with respect to Troy Gardens. Hurie said that he believed the disclosure to be sufficient.*

*Hurie explained the scoring sheet and funding restrictions, as well as a memo to the Mayor he shared with commissioners regarding funding source flow.*

**Present:** Ald. Cindy Thomas, Kristina L. Dux, Arthur V. Robinson, Sophia Angelina Estante, Carl G. Silverman, Justin O. Markofski and Charlie R. Sanders

**Excused:** Ald. Santiago Rosas and Steven C. Bartlett

*Hurie then explained staff recommendations. He said staff decided not to put as much money in reserve funds and put it toward programs instead. The projected budget for 2007 is \$1,106,607 total, which includes \$488,976 from reserves.*

*The commission decided to review the suggested funding recommendations by category.*

**IMPROVE EXISTING OWNER-OCCUPIED HOUSING:** H1, Independent Living, Inc. (ILI) - Home Modification; H11, Project Home (PH) - Home Repair/Rehab

*Discussion highlights:*

*The only viable funding source for ILI's Home Modification is CDBG. ESG is ineligible, and HOME funds are not eligible because the cost per unit is generally less than \$1,000.*

- Staff recommendations represent a 22% cut for PH and an 18 % cut for ILI from the 2006 budgeted amounts. Staff thought PH could tap fees they have built up.

*ASSIST FIRST-TIME HOMEBUYERS: H2, Habitat for Humanity - Volunteers Providing Affordable Housing; H3, Madison Area CLT - Revolving Fund; H4, Madison Area CLT - Scattered Site; H6, Movin' Out, Inc. (MOI) - Homebuyer Downpayment Assistance; H8, Operation Fresh Start (OFS) - Housing Rehab/Employment Training; H13, Urban League - Single Family Rent-to-Own*

*Discussion highlights:*

- Madison Area CLT has an interim loan for Troy Gardens, which the CD Office anticipates they will repay sometime in next year. Staff recommends funding CLT's revolving fund with their Troy Gardens repayment rather than with new funds. With a revolving fund, Madison Area CLT would be able to lower some of their costs. If they don't use the revolving funds by the end of the year, the funds come back to the general housing fund.
- Urban League funded one house less than their goal this year. CDBG funds have to be used for this project based on the timing of funds. The Urban League can't use HOME funds for its project because HOME requires lease-to-own programs to be completed within a three-year period. Urban League leverages CDBG funds against Section 42 tax credits, which require rental for 10-15 years. Urban League's SFRO program will be reduced by almost \$70,000 over their current funding level, but CDBG funds would have to be cut from another program if the commission wanted to fund them at their requested amount of \$255,000.
- The commission will receive a proposal from Movin' Out in August for about \$250,000 for their downpayment program. If the commission approves that proposal, MOI will have about what they asked for in their summer funding request, which is why staff is recommending funding only \$216,000 for their summer proposal.
- OFS can use HOME funds. Otherwise, staff would not have been able to recommend funding them at their requested level of \$372,000
- PH and ILI have large budgets, and CDBG funding is a low percentage of their total budgets. They have other funds to back up their programs, but Urban League does not have the same resources. PH and ILI, however, use too little money per unit to be able to utilize HOME funds. Otherwise, the commission could recommend Urban League receive their full funding request in CDBG funds, and allocate HOME funds to PH and ILI.

*EXPAND RENTAL HOUSING: H5, Madison Development Corporation (MDC) - Rental Housing; H7, Movin' Out, Inc. (MOI) - Rental Housing Acquisition; H9, Porchlight - Atwood Safe Haven Acquisition; H10, Porchlight - Family Transitional Housing; H12, Project Home (PH) - Neighbor Owned Affordable Housing (NOAH)*

*Discussion highlights:*

- Staff recommended funding any project that was HOME-eligible. The most difficult thing to do was to phase out NOAH, but NOAH does not work well with HOME funds.
- MOI along with WISH, its rental housing partner, is aware of 18 buildings that currently house individuals among their target population. The buildings are located in scattered sites, and most contain two or three units. Owners have approached MOI/WISH to try to sell these buildings. Disabled tenants could be evicted or given non-renewal of leases if MOI/WISH does not step in to purchase the buildings for sale. The project would meet Framework goals of expanding rental housing.
- Porchlight's Family Transitional Housing was recommended for an extra \$30,000 in ESG funding over their request of \$50,000 because the ESG funds are available for

rehab. Although they have not chosen a new site, Porchlight would have an easier time acquiring property with money already committed to the project.

- CD staff would recommend ESG funds for other projects, if they were eligible, but most housing projects do not meet the criteria for ESG funding.
- ESG funds can be used on projects assisting the homeless with a cap on the percentage that can go to services. The only capital project eligible for ESG funds is Porchlight's.

Break: The CDBG Commission recessed for dinner at 6:20 PM.  
Estante called the meeting back to order at 6:45 PM.

HELP BUSINESSES/NON-PROFITS CREATE EMPLOYMENT OPPORTUNITIES: E3, Common Wealth Development (CWD) - Public Market; AND ASSIST MICRO-ENTERPRISES: E1, African American/Black Business Association (AABBA) - Smarter Business; E4, Latino Chamber of Commerce (LCC) - Small Business Initiative; H5, Wisconsin Women's Business Initiative Corporation (WWBIC) - Micro-enterprise Development Continuum

Discussion highlights:

- The only source of funds eligible for this category is CDBG.
- The CD Office would like to talk to AABBA and LCC to set up referral and set aside protocols so that some businesses would be able to tap into micro-loans or business development through WWBIC. The CD Office would then set aside a pool of funds with WWBIC for use in assisting businesses referred by AABBA and LCC.
- All groups are well intended; and CD would like to help them build from their strengths so that they are able to continue the work that is unique to them, as well as to help them collaborate with each other on shared functions.
- There is overlap of functions in a lot of organizations, but different organizations can speak to different groups better than others
- Money recommended for the Public Market could be used for AABBA and LCC, but CWD may not get \$450,000 from the capital budget recommendation. Funding them for \$150,000 in CDBG funds would move them along.
- The Parks Commission controls the ground for CWD's arts incubator, and the land has to go through the public disposition process before any outside group can lay claim to it.
- The commission has to make a difficult choice with either funding organizations that have always done well or funding instead new agencies to start new programs.
- The commission also has to consider the Framework in which there is more money for helping create employment opportunities than for assisting micro-enterprises. The Public Market fits in better with Framework funding goals than micro-enterprises do.
- It is possible for the commission to revise the Framework through this process.
- Agencies use CD funds to leverage other funds.
- Funding only one of two minority groups would not be good public relations, but the commission is helping neither by giving them small amounts.
- The commissioners requested that staff provide more information about outcome objectives for AABBA and LCC with respect to giving each only \$15,000. Commissioners would like to know whether or not either agency would be able to accomplish any part of its goals with only \$15,000.
- Hurie said staff will put together two packages for Thursday night with two themes: (1) showing where the duplications and similarities are for each program, and (2) showing the amount of funding required to get the new programs up and running.

CREATE, ENHANCE, SUSTAIN OPERATION OF CENTERS AND GARDENS: C1, Atwood - Facility Use; C2, Boys and Girls Club (BGC) Taft - CORE Services; C3, BGC

Allied - CORE Services; C6, Community Action Coalition (CAC) - Community Gardens Development; C7, East Madison Community Center (EMCC) - Facility Use; C8, Neighborhood House (NH) - Facility Use; C5, Vera - Vera CORE Services; C4, Vera - Bridge-Lake Point-Waunona (BLW) Facility Use; C9, Wexford - Facility Use; C10, Wil-Mar - CORE Services; C11, Wisconsin Youth Center (WYC) - Facility Use; AND PROVIDE LINKAGES FOR ALLIED RESIDENTS TO JOB RESOURCES: N1, Urban League - Job Services Network; N2, Building and Trades Council - Apprenticeship Readiness Training

Discussion highlights:

- Neighborhood centers and gardens are funded basically for operating costs. They are categorized as public services and all capped in some way. What the commission has done in past is to ask the Common Council for additional funding to keep pace with new centers in new areas, cost of living increases, and increased needs.
- The Mayor asked the CD Office to find viable proposals for the Allied Initiative.
- In the L2 category, staff has recommended \$90,000 total (\$60,000 for Urban League's proposal and \$30,000 for the Building and Trades Council's proposal) based on discussions with the Mayor's Office regarding their expectations for the Allied area. Staff does not see anything wrong with asking for more than the expected amount, but asking for too much more tends to undermine integrity of request.
- The commission agreed to ask for \$10,000 more for the Urban League proposal (\$70,000 total) because the increased funding would enable them to serve more people and because they are likely to have a larger impact on the area.
- Staff funding suggestions have taken the available CDBG and City funds and spread them across each center for 2007 at the same level each center received in 2006, except for WYC, which is funded by a different source. CDBG funds cannot be used to fund WYC because WYC received City funds within the past year.
- Staff came up with two funding options for centers. With the first option, funding amounts suggested for centers represent a 1.31% cut across the board to make up for the \$10,000 decrease in funds to this category for 2007. Hurie said the alternative is to switch systems and come up with a choice in terms of approaches.
- Charnitz explained the second funding option for centers and broke it down into four parts: (1) give every center a base of "x" amount; (2) distinguish between CORE and facility use centers and add another amount to the base depending on the type of center; (3) take into account the neighborhood and add an amount for challenged neighborhoods; and (4) add an amount to compensate for change in funding between 2006 and 2007, which staff said represents a stability factor.
- CORE centers are Wilmar, Allied, Vera, and Taft.
- With the second funding option, every center would get a base amount of \$35,000. CORE centers would each get an additional \$20,000, and facility use centers would each get an additional \$5,000. Priority areas include 1) Allied, which would receive \$49,348 extra, and 2) Taft, which would receive \$30,000 extra. The stability issue would apply to Wilmar, which would receive an extra \$50,000 and BLW, which would receive an extra \$30,000. Additional amounts from OCS for CORE centers would be \$23,500 for Wilmar, \$63,000 for Taft, \$6,000 for Allied, and \$44,500 for Vera. The totals would be as follows:

Wilmar:	\$128,500
Atwood	\$ 40,000
Taft	\$148,000
BLW	\$ 70,000
Allied	\$110,348
EMCC	\$ 40,000
NH	\$ 40,000
Vera	\$ 99,500

Wexford \$ 40,000

- Staff is not making recommendations as to how to fund centers; instead, they are showing the commission various funding options for centers.
- Funding suggestions do not relate to performance because it has not been a factor. All centers are doing really well.
- Regarding WYC, CDBG funds cannot supplant City money. The commission could choose to fund WYC with CDBG funds, but it would be in addition to the \$40,000 in projected City funds, not instead of City funds.
- The commission could acknowledge BLW as a CORE center. It could also take part of one center's CDBG funds to give to another center.
- BLW's funding has always been determined through the summer funding process. The commission had been funding them with more money than other facility use centers in recent years because other funders had pulled out of the center. Now that BLW has stabilized, other funders have come back to the table. The commission had not intended to continue funding BLW at higher levels beyond the point where it was a stable center.
- Charnitz explained past and current funding strategies for neighborhood centers. In the early 1990s, a committee was formed with members from OCS, CDBG, the school district, and United Way to look at ways to better fund centers. The committee developed the CORE funding strategy, which takes both OCS money and CDBG facility use funds to pay for operating costs. Other funders would then fund program costs. Three centers were put out as pilots: BGC - South (now Taft), Allied, and Wilmar. Vera was added as a fourth CORE center a couple of years later. The plan was to add all centers to this process, but it required more City money and no funds were available. Eventually, the interest in converting all centers to CORE funding waned. Now, the CD Office funds a percent of CORE due to increased costs and cost allocation system deterioration.
- Thomas said that the commission keeps doing the same thing year after year, and centers' dependence on CD funds grows. She said maybe the commission needs to cut back and get a new system.
- Two years ago, the commission recommended cutting gardens from its funding process and spreading the money from gardens across centers, but the Mayor rejected the commission's recommendations and restored gardens funding.
- Robinson said he favors lowering BLW's funding slowly, not abruptly.
- City funds could be moved from other programs to centers.
- CORE money goes to administrative costs for all programs, and facility use money goes only to facility use by outside groups.

Estante suggested tabling discussion on centers for the moment and moving on to the next category.

M1 - IMPROVE CAPACITY TO ACCESS HOUSING OPPORTUNITIES: A1, Community Action Coalition (CAC) - Financial Services; A2, CAC - Housing Counseling; A3, Financial Education Center (FEC) - Financial Education/Outreach; A4, Independent Living, Inc. (ILI) - Home Share; A5, United Asian Services (UAS) - Housing Counseling; A6, Tenant Resource Center - Mediation; AND M2 - STABILIZE OR IMPROVE HOUSING SITUATIONS FOR HOMELESS PERSONS: Ahm1, Porchlight - Hospitality House; Ahm2, Porchlight - Housing Operations; Ahm3, Porchlight - SRO Housing (PTO After Hours); Ahm4, Porchlight - SRO Support Services; Ahm5, YWCA - Second Chance; Ahm6, Tellurian - ReachOut

Discussion highlights:

- Hurie said staff recommendations make as much use of ESG funds as allowed.
- Hurie said that one funding strategy the CD Office has used has been to pick up

*new agencies and programs here and there and fund them for a while so they can grow and demonstrate their success to other funders. Regarding United Asian Services, the CD Office put them in a three-year funding cycle, which was extended last year to help them accommodate an influx of refugees. Staff felt CD funding could be cut in light of the growth of the organization.*

- Thomas said she is not impressed with TRC's outcomes and prefers to give CD funds to financial counseling services like CAC's Financial Services program.*
- Hurie said that only \$3,800 of TRC's recommended funding is from City funds that could be used elsewhere. The other \$6,200 is ESG funding and can't be moved unless to ESG-eligible programs.*
- Dux said she has an issue with the way in which Hospitality House handles funds. She said she has dealt with them as a rental manager. She feels their money needs to be more accounted for and that their system is not well managed. She said landlords often do not get the money when they are promised it.*
- Dux also said she feels that TRC's Mediation service does about the same thing as the court commissioner does. She said she feels like the commission is funding something the County already does. She said a majority of cases that come through the courts are payment plans, as opposed to behavior problems, and that the County could fund a mediator.*
- Thomas recommended dropping the \$10,000 to TRC totally.*
- Silverman noted that the \$10,000 recommendation for TRC is already a significant cut from what they requested. Hurie said that the State of Wisconsin rated mediation the third highest priority, but state ESG funds have been cut, which is why TRC came to us for more funding.*
- Estante asked commissioners for their opinions on cutting TRC funding. Silverman, Markofski, and Robinson said they would accept staff recommendations as written, though Markofski and Robinson noted that they had no strong opinion on the topic. Sanders, Thomas, and Dux said they would prefer to cut City money. The commission was split three-to-three, so Estante broke the tie by agreeing to cut City money.*
- Thomas said she would opt to use the City money staff recommended for TRC toward funding centers.*
- Regarding Hospitality House's proposal, Dux said she is bothered by their lack of outcome specifics. Wallinger noted that Porchlight has been excellent at follow-up and has not been a concern for her as a contract manager.*
- Hurie said the State Street alder was looking for a more positive approach to the homeless on State Street, and the ReachOut program was developed about two years ago by Tellurian and Briarpatch to work with State Street merchants to identify and decrease negative behavior among the homeless.*
- Thomas said she would prefer to use City money recommended for ReachOut toward funding centers. She said the issue is not whether ReachOut is a good program or not, but rather that the commission has only a finite amount of money to delegate and must decide what its priorities are.*
- Robinson said he would like to move City funds from Hospitality House and ReachOut to other programs.*
- Dux said she would not want to cut Hospitality House just because some of the staff is mismanaging money, but she would agree with moving City money from ReachOut to centers. She said she would like staff to provide an update on Hospitality House.*
- Silverman and Markofski said they would prefer to leave staff recommendations as they are written.*

*ACQUIRE OR HELP IMPROVE COMMUNITY-BASED SERVICE FACILITIES:  
Facility1, Atwood - Kupfer Center; Facility2, Wisconsin Youth Center - Family Resource Center Gym Divider*

*Commissioners agreed that they like staff recommendations to fund the Kupfer Center*

*for \$650,000 in 2008 with money from the Capital budget and to refer WYC's gym divider proposal to September's request for Acquisition/Rehab funds.*

*Estante returned the commission to discussion on neighborhood centers. She asked whether or not all members agreed about moving \$10,000 in City funds from the ReachOut proposal and \$3,800 in City funds from TRC's Mediation proposal to centers, and everyone said yes. Commissioners asked staff to put together other funding options for centers for the next meeting.*

## **ADJOURNMENT**

*Silverman moved to adjourn, and Robinson seconded. The commission voted unanimously to adjourn at 9:10 PM.*

*Respectfully submitted,  
Anne Kenny*