



# City of Madison

City of Madison  
Madison, WI 53703  
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## Meeting Minutes - Approved COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION

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Thursday, July 10, 2008

5:00 PM

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

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### CALL TO ORDER / ROLL CALL

**Present:** 6 -

Thuy Pham-Remmele; Marsha A. Rummel; Monya A. Choudhury; Steven C. Bartlett; Justin O. Markofski and Charlie R. Sanders

**Absent:** 1 -

Arthur V. Robinson

**Excused:** 3 -

Carl G. Silverman; Tim Bruer and Lina Trivedi

Staff Present: Mary Charnitz, Barb Constans, Nancy Dungan, Pam Rood, Audrey Short, Sue Wallinger, Anne Kenny

Charlie Sanders called the meeting to order at 5:08 p.m.

### PUBLIC COMMENT

No one from the public registered to speak under this item.

### WELCOME FROM THE CHAIR

Sanders explained that tonight's agenda focuses on presentations by applicants for 2009-2010 funds. Following each presentation, Commissioners may ask questions of agency representatives about their proposals.

Charnitz noted that the Northside Planning Council has withdrawn their proposal for 2009-2010 funds. The letter confirming their withdrawal was included in the Commission meeting packet for this evening.

### SPECIAL ITEMS: PRESENTATION BY APPLICANT AGENCIES OF PROPOSALS TO ADDRESS THE OBJECTIVE OF HOUSING AND STRATEGY AREAS PRESENTATIONS

**The Community Development Block Grant Commission will hear from applicants for 2009-2010 CDBG, HOME, ESG, and City funds. Each agency has been requested to briefly describe the major goals, participants, and benefits of their project.**

5:15

[11034](#)

Wisconsin Partnership for Housing Development, Foreclosure Prevention (A1)

Kathy Kamp, Deputy Director

Kamp said that WPHD is requesting funds to initiate a foreclosure prevention program. They are proposing a program that goes beyond counseling to keep people in their homes utilizing several possible options to help them. For homeowners whose credit history would allow them to make monthly mortgage payments if the payments were reduced, WPHD would provide financial assistance to make payments on delinquent loans, pay the closing costs to make refinancing possible, or put the land in trust to reduce the amount to be refinanced. For homeowners who cannot refinance, WPHD would take over ownership of the property and lease it back to the current owner, allowing them to repurchase the home after they have improved their credit and increased their income. This lease-purchase option would not involve the use of 15-year tax credits, but would instead last only two or three years to give households the opportunity to improve their financial situations. WPHD could also refer homeowners to other agencies that might purchase the house and then sell it to income-eligible families. WPHD anticipates they would generate program income from the program. Kamp said that this program is necessary to the community given the current housing market.

Discussion highlights:

- WPHD would do outreach by working with the Dane County Housing Authority or by working with the lenders in their "Downpayment Plus" program who could put them in touch with families in need. They would also accept direct calls from interested individuals.
- This program would be targeted to Madison residents.
- They would most likely operate this program on a first-come first-served basis.
- WPHD also hopes to add other funding sources, including State and Federal, to assist with the program.
- WPHD would not offer legal counseling, but they would offer real estate broker counseling.

5:30 [11035](#)

Urban League of Greater Madison, Single Family Homeownership, (B1)

Scott Gray, Executive Director, Sterling Link, and Ed Lee

The Single-Family Rent-to-Own (SFRO) program has been ULGM's flagship housing program. They have about 51 families in their program working toward homeownership. Eight families will make the transition from renters to homeowners next year. ULGM started with 15 families, and surveys show those families now have nearly \$250,000 in assets built up from \$8,000 combined at the beginning.

ULGM experienced a snag last year in the SFRO program when WHEDA denied them the tax credits necessary to make the program work with HOME funds as a rental program. WHEDA has encouraged them to apply for tax credits in 2009, but because of the snag in 2008, ULGM has had to work with families at 60-80% AMI rather 40-60% AMI, as they were doing before.

Discussion highlights:

- Energy efficiency is a top priority in the homes that ULGM assists, and they could certainly try to ascertain the degree of energy efficiency in their homes in the future.
- ULGM would like to do five homes per year. They currently have 55 homes in their portfolio and have moved three families to homeownership with another eight anticipated to take over ownership in 2009.
- US Bank is one of ULGM's partners in their program. US Bank buys tax credits that ULGM gets from WHEDA, and ULGM uses those funds to rehab houses for resale. If they didn't have those funds, they would not be able to sell the homes at affordable prices.
- ULGM is a member of a number of different housing coalition groups, which is one way they find potential clients. Word of mouth is another way. They currently have a waiting list of 40 families, so they are not doing much outreach to the community. ULGM periodically participates at homebuyers' fairs.
- ULGM's houses are spread out throughout most of the city on the north, east, south, and southwest side. Currently, however, they do not have homes on the west side.

5:45 [11038](#)

Project Home, Home Repair and Rehab, (A2)

Jan Reek, Director of Programs

Reek said that the minor home repair and rehab program has been operating in Madison for years. PH is requesting \$160,000 per year to work on 110 houses per year. Their program improves the established housing stock. Reek said that participants pay for their own materials and PH pays for labor. In hardship cases, PH also pays for supplies.

Discussion highlights:

- PH does a lot of marketing of their program in general ads, shopper ads, at senior centers, and at senior programs. Vans with their program graphics also provide advertisement, and they receive many word of mouth referrals.

6:00 [11039](#)

Operation Fresh Start, Inc., Housing Rehab, (B2)

Connie Ferris Bailey, Executive Director

Ferris Bailey said that OFS has had a 34-year partnership with CDBG in the Employment/Rehab program. OFS Employment/Rehab program addresses the CDBG Framework goal of expanding the affordable housing supply. The program also helps disconnected youth to acquire skills. OFS's goal is to build seven affordable units with Energy Star requirements each year. In addition, 113 youths will be engaged in training. Eighty percent of OFS's  
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program also helps disconnected youth to acquire skills. OFS's goal is to build seven affordable units with Energy Star requirements each year. In addition, 113 youths will be engaged in training. Eighty percent of OFS's youth complete their program and end up in jobs or go on to post-secondary education.

OFS has a newly launched website to help promote their program. They have trained five staff persons to market and show homes and assist with talking people through their eligibility requirements. They offer an open house every single Sunday. They have seven homes completed, with an offer on one dependent on the other side of the condo being sold. The number of their youth going on to post-secondary education has increased, and the quality and design of their homes is improving with respect to Energy Star requirements.

Discussion highlights:

- Work has not stalled because of the housing market. They always have youth working and have not slowed in building houses. They have slowed in selling houses because of the market. City Parks has youth working on conservation.

6:15 [11040](#)

Movin' Out, Madison Homeownership, (B3)

Howard Mandeville, Executive Director

Mandeville said that MOI has been in partnership with CDBG for 18 years now. MOI has helped more than 75 people settle into their homes and neighborhoods. MOI uses CDBG funds to assist with downpayments and to lower mortgage payments. They also provide housing and budget counseling. MOI has had no foreclosures among its clients. They are targeting 10 households for next year. They have six homes reserved for closing this year and only one slot left open for the remainder of the year. They help homeowners leverage other funds to layer funding, which lowers mortgage payments.

Discussion highlights:

- MOI receives referrals from families of their clients. They also receive referrals from Dane County and do a lot of outreach themselves.
- MOI provides several months of housing counseling and planning to prepare clients for homeownership so that clients are sustainable in their homes.
- MOI maintains the first option to purchase on each of the homes it sells. If MOI decides to purchase a home from one of its buyers, they keep it affordable to people with disabilities. MOI only works with buyers who have a disability, but if their clients choose to re-sell their homes and MOI declines to purchase them back, clients are not required to re-sell to

disabled households.

- Clients may re-sell their homes at market value, though some older units have a ceiling price in place. MOI homeowners get a share of the appreciation after resale.
- MOI does not have a waiting list as such.

6:30 [11041](#)

Movin' Out, Madison Rehab / Rental, (D1)

Howard Mandeville, Executive Director

Mandeville said that their rental program is newer and has been operating for just a couple of years. MOI merged with WISH to do the rental program. They originally worked under a separate LLC with WISH to purchase rental properties. Now they are building on the program model that WISH started. MOI has hired Dave Porterfield, formerly of WPHD, to work on rental program development. MOI focuses on purchasing and rehabbing existing housing stock for its rental program. Usually, MOI serves people who live on SSI in their rental program.

7:00 [11042](#)

Madison Development Corporation, Home Ownership 2nd Mortgage (B4)

Frank Staniszewski, Executive Director and Lee Ann Bank, Resource Coordinator

Staniszewski said that MDC first focused on their Homeownership Second Mortgage program in 2008 with \$135,000 in program income to provide second mortgage loans in south Madison. They are asking for \$138,000 in both 2009 and 2010 to continue to provide second mortgages to assist homebuyers in purchasing homes. MDC intends to stay with homes in south Madison neighborhoods and continuing assisting that area as its target. MDC has provided other second mortgages on other projects. They operate as a financial intermediary with other lenders. They also have a licensed broker on staff. They target 80% AMI, but usually serve much below 60% AMI. MDC has subcontracted with Dane County Housing Authority for housing training counseling. They have had eight perspective contacts about the program after only 90 days in the program. The program requires households to spend 30% income on PITI.

Constans said that the 2008 contract uses program income (PI) only. MDC's request for 2009-2010 would be for new money. Constans explained the difference between new money and program income and how agencies earn PI usually through rental projects through repayments.

Discussion highlights:

- MDC has seen a greater need for helping households with credit repair than they anticipated when they started the program. The need for

credit repair has put a dent in the flow of the program so far.

- MDC has not abandoned its plans for expansion of The Avenue, but they need to wait out the tax exemption decision from the City Assessor before they proceed. If they are not able to maintain tax exemption, then they will have a \$50,000 hole in the project's pro forma.

7:15 [11045](#)

Independent Living, Inc., OT / Home Modification, (A3)

Rita Giovannoni, CEO and Mike Burns, Home Modification Program

Giovannoni said that ILI's Home Modification program has been funded by CDBG for years. The program is one of a kind in Dane County, providing OT assessment and rehab of homes to allow elderly persons stay in their homes. ILI receives referrals for OT assessments from health care providers, and they then assess the safety and accessibility modifications necessary and draw up plans to make the modifications. Typical modifications include railings, threshold ramps, bath benches, bars in bathrooms, etc. ILI serves LMI households, and has set a goal of 130 homes for next year. CDBG funds are the last funds made available after other sources (Medicaid, family contributions, etc.) have been utilized. ILI does not have a waiting list. They serve everyone who calls within about two weeks of receiving the call.

Burns said that MOI will typically go in to look at a home and then issue the safety and accessibility modification suggestions and plans.

7:30 [11053](#)

Habitat for Humanity, Homebuilding (B5)

Perry Ecton, CEO, and Mike Carlson, Community Development Director

Ecton said that Habitat provides homeownership opportunities to 30-60% LMI. They are looking for nine additional infill lots within the city with this application throughout next year. The funds would be used for site purchase. CDBG funds then turn into a deferred second mortgage for the homebuyer. Habitat carries the first mortgage at 0%. Mortgage terms are from 17 to 23 years and all payments are straight principle.

Carlson said they are anticipating separating land cost from improvements by partnering with the Land Trust to own the land.

Discussion highlights:

- Habitat intends to look at infill projects of less size, such as smaller density lots or townhomes, to achieve their goal of serving 30-35% LMI.
- Plumbing, heating, and electrical are contracted out, but volunteers donate labor for other work.
- The length of the loan can be extended beyond 23 years to achieve more affordable monthly mortgage payments.

- Habitat retains a five-year right of first refusal in order to keep the property affordable, but most of the restriction on resale to eligible buyers comes from the City with affordability being a requirement for 15 years with a Land Use Restriction Agreement on HOME-funded properties.

7:45 [11051](#)

Common Wealth Development, Inc., Vaughn Commons Housing, (D2)

Marianne Morton, Executive Director, and Paul Jasenski, CWD Housing Developer

Jasenski said that CWD has been in Madison since 1979. At one time, they developed a housing site called Vaughn Commons for victims of domestic violence. CWD is seeking funds to purchase Vaughn Commons from the limited partner investors so that they may maintain the units as long-term affordable rental housing. Otherwise, they will have to sell the property at market rate. Morton said that HOME funds are critical to keeping the project as it currently is.

Discussion highlights:

- The limited partnership was structured 20 years ago with 60/40% appreciation.
- The property has been appraised.
- Constans said that staff asked CWD to come in with a proposal at the summer process because we might not have the money available in 2008 for CWD to purchase Vaughn Commons. CWD's tax credits run out in 2008.

8:00 [11036](#)

Urban League of Greater Madison, Southwest Madison Job Services Network Program, (L1)

Scott Gray, Executive Director, Sterling Link, and Ed Lee

Gray said that ULGM is duplicating its Allied efforts in the southwest neighborhoods of Madison. They are seeing quite a lot of interest in that area. They want to provide MAP life skills training and customized training for employment. They are taking the comprehensive approach they have taken in Allied.

Link said that when ULGM began working in southwest Madison, the neighborhoods had concerns that ULGM would be done at the end of the year instead of staying and continuing to help. They provide more than just workshops to residents.

Discussion highlights:

- The Prairie Hills and Meadow Ridge Neighborhoods are the primary targets of ULGM's efforts so far in southwest Madison. Their program is linked to Emerging Neighborhoods Funds.
- Low Voltage, US Cellular, the medical industries, and the skilled trades are among the network of employers working with ULGM.
- ULGM has a job developer whose job is to create job opportunities and establish

relationships with employers.

- ULGM has completed two of three workshops in the southwest area. They are getting the pulse of the community. They have seen a lot of population shift from Allied to the southwest neighborhoods.
- ULGM canvasses the neighborhoods in their outreach efforts. They also receive many word of mouth referrals.

8:15 [11037](#)

Urban League of Greater Madison, Allied-Dunn's Marsh Job Services Network Program, (L2)

Scott Gray, Executive Director, Sterling Link, and Ed Lee; also Diana Shinall, MAP

Gray said that this project started two years ago with the help of the Mayor to get the pilot off the ground in Allied. Lack of job opportunities is one of the biggest challenges in the Allied area. ULGM wants to focus on getting people in that area job skills and employment. They are aligned with three other partners in Allied: MAP, YWCA, and the Boys and Girls Club (BGC). They have all joined in collaboration to address the spectrum of obstacles and barriers to employment in Allied. MAP provides life skills; YWCA and ULGM provide job training and placement; and BGC hosts job fairs and also provides training opportunities. In the pilot year of this program, 24 individuals received life skills and job training, with 14 getting jobs. Three participants will receive jobs starting at \$18 per hour as part of the Allied Redevelopment Project.

Shinall shared the story of a young lady who completed MAP's 12-week course. ULGM then got her a half-time job with the *Isthmus*. She now works full-time for the *Isthmus*. Shinall also shared the story of a young man working on the Allied Redevelopment Project who has passed his apprenticeship program.

Discussion highlights:

- One barrier for folks in Allied is that they aren't connected to Madison opportunities, such as biotech, technology, construction, and the health and medical industries. ULGM is trying to customize their program to connect people to Madison's opportunities.
- The partnership is developing resources to assist with transportation issues, while also working with available resources. They provide bus passes for program participants.
- Each of the 14 people employed through the program is employed with a different employer.

8:30 [11052](#)

TJ's Support Brokerage Firm, Inc., Urban Home Agricultural Initiative, (L3)

TJ's Support Brokerage Firm, Inc., has withdrawn its proposal for 2009-2010 funds.

8:45 [11047](#)

Construction Training, Inc., Skilled Trades Apprenticeship Readiness Training Program (START), (L4)

Scott Vaughn, Director, Mary Watrud, Program Coordinator, and Leo Daltard, START Program Participant with Laborers #464

Vaughn said that they are excited about crossing a hurdle in Allied. START has gotten some industry funds. He said they may have underestimated

the challenges in the Allied Drive area. They are fortunate in getting Madison Community Foundation's grant. They eventually hope to carry their model all over the city of Madison.

Watrud said she has been working with the Allied neighborhood for one-and-a-half years and that it is a vibrant community. START has established credibility in the neighborhood. They use residents to assist with outreach and to sell the program in Allied because they know the neighborhood better than anyone else. Watrud said that toward the end of the last session, they contracted with Arthur Morgan for support services for participants, which kept more people in the program. They have used the Madison Community Foundation grant for outreach and support services.

Watrud said that the Public Works contract for Allied redevelopment required that three laborer positions be hired from within the Allied neighborhood. She said four people are in line for the jobs.

For 2009-10, START will go with lower enrollment and more support services. They will also set up a monthly meeting to make sure people who've passed the tests are still involved until they find work.

Leo Daltard described his success with the START program. He started working for Homburg Construction in May. He passed his laborer's test with the help of START. He said that other paths did not pan out for him like the START program has. The biggest goal for him was to get into the trades. START assisted him with bus tickets and transportation.

Watrud applauded Leo for his story and how it represents the stories of many people of color. She said that residents of Allied are supporting START as an excellent opportunity.

#### ADDITIONAL INFORMATION

Charnitz handed out a table showing funding allocations from OCS and CDBG together for neighborhood centers.

#### ADJOURNMENT

**Pham-Remmele moved to adjourn, and Bartlett seconded. The Commission voted unanimously to adjourn the meeting at 8:30 p.m.**

Respectfully submitted,  
Anne Kenny, recorder.