



City of Madison

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

Monday, July 14, 2008

5:00 PM

215 Martin Luther King, Jr. Blvd.
Room 300 (Madison Municipal Building)

CALL TO ORDER / ROLL CALL

Present: 7 -

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

Excused: 3 -

Tim Bruer; Arthur V. Robinson 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 5:10 p.m.

NOTIFIED ABSENT

PUBLIC COMMENT

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

SPECIAL ITEM: COMMISSION DELIBERATIONS ON 2009-2010 PROPOSALS

11770

COMMISSION DELIBERATION ON 2009 - 2010 PROPOSALS

Charnitz explained the spreadsheets that Commissioners received with their packets for this meeting. Charnitz said the first spreadsheet displays Commissioners' rankings of projects by Framework objective. Choudhury asked why some of the proposals were not ranked by all Commissioners. Charnitz said that some Commissioners did not submit their ranking sheets.

The second spreadsheet details staff funding recommendations by objective. Charnitz said that target funds identified in the Framework are indicated on this spreadsheet, also. She said that staff took into account the 95% of 2008 HUD funds and 100% of 2008 City funds they thought would likely be available for funding. However, Charnitz said, the Mayor gave City staff a message this morning regarding next year's budget. He said that departments should be thinking "no new services" and no supplements. He said that everything for next year should be budgeted at 5% of this year's level. Charnitz said this means that 5% of the City money staff recommended for funding on the funding spreadsheet will need to be cut.

She explained that the recommendations are presented by fund source and also pointed out that B-List recommendations are shown on the spreadsheets. She noted corrections to the B-List column under Housing for Homebuyers. She said that the B-List amount for Movin' Out, Inc.'s (MOI) Homeownership program should be \$30,000, and the amount for Madison Development Corporation's (MDC) Second Mortgage program should be \$0.

Owner-Occupied Housing

Charnitz asked for comments or questions on the amounts recommended for proposals under this category. She reminded the Commission that staff recommendations as presented on the spreadsheet do not include the 5% cuts in City funds. The total amount to be cut from City and Core funds will be \$45,572.

Silverman moved to accept and Pham-Remmele seconded the following staff recommendations for Owner-Occupied Housing proposals as presented on the spreadsheet:

Wisconsin Partnership Foreclosure Program	\$0 for 2009 and 2010, with \$150,000 in CDBG funds on the B-List for both years;
Project Home's Home Repair	\$160,000 in CDBG funds for 2009 and 2010;
Independent Living's Home Modification	\$41,000 in CDBG funds for 2009 and 2010.

The Commission voted unanimously to approve the recommendations.

Housing for Homebuyers

Charnitz asked for comments or questions on amounts recommended for proposals under this category. Bartlett asked why staff recommended nothing for Habitat for Humanity when it ranked the highest among Commissioners. Charnitz said that staff's rationale was that Habitat has two very large projects online right now, both of which will be carried into next year. CDBG funded them \$560,000 for Northport in Spring 2008 and \$200,000 for Hauk/Marquette in 2007-2008. She also said the office will have Housing Development (HD) funds available, and Habitat could return to the Commission when they have a site in mind. They have no sites in mind at this time and are requesting a license to hunt with their request for funds for 2009-10. Charnitz said she expects the HD funds to have \$240,000 in 2009, plus repayments rotating back into the HD funds throughout the year.

Staff recommended no funding for MDC's Second Mortgage Program because the program duplicates programs the CDBG Office already funds, such as ADDI and Home-Buy. Constans said staff would prefer a one-time project to southwest Madison rather than an ongoing program such as MDC's.

Constans said that Urban League of Greater Madison (ULGM) does three units per year very well, but the Commission could choose to cut them in this category. Bartlett asked if it were possible for ULGM to come back to the Commission for more money, and Constans said yes, but tax credit projects such as theirs carry a caveat. ULGM has to have a lock on the units in January and won't find out about the tax credits until

May. Choudhury said she would prefer four to three houses when shuffling funds, if possible.

Markofski moved to accept and Silverman seconded the following staff recommendations for Housing for Homebuyers proposals as presented on the spreadsheet:

ULGM's Single Family Rent-to-Own	\$153,000 in <u>CDBG</u> funds for both 2009 and 2010;
Operation Fresh Start's Housing Rehab	\$378,000 in HOME funds for 2009 and 2010;
MOI's Homeownership Program	\$270,000 in HOME funds for 2009 and 2010, with \$30,000 on the B-List for both years;
MDC's Second Mortgage Program	\$0 for 2009 and 2010;
Habitat's Homebuilding Program	\$0 for 2009 and 2010.

The Commission voted unanimously to approve the recommendations.

Rental Housing

Bartlett asked what happened with Vaughn Commons. They ranked high, yet staff recommended no funding. Charnitz said the preliminary review of the budget shows that we should be able to bring this project in with this year's budget, so that it would be funded in the 2008 budget rather than 2009's budget.

Bartlett moved to accept and Markofski seconded the following staff recommendations for Rental Housing proposals as presented on the spreadsheet:

MOI's Rental Rehab Program	\$180,000 in HOME for 2009 and 2010, with \$100,000 on the B-List for both years;
Common Wealth Development's (CWD's) Vaughn Commons:	\$0 for 2009 and 2010.

The Commission voted 4 to 2 to pass the motion, with Bartlett, Markofski, Pham-Remmele, and Silverman voting yes and Choudhury and Rummel voting no.

Businesses with Jobs

Charnitz said that CWD requested money only for 2010 for their Public Market Project, and staff recommended \$330,000 for 2010. The Public Market will also receive \$400,000 from the Planning Department's capital budget in 2010 for the project. Money is also proposed in the Mayor's Office budget to assist with land acquisition and project development.

Pham-Remmele asked whether the Commission could commit to the project without a concrete plan for the site. Charnitz said the CWD is proposing the Brayton Lot as the Public Market's site, and that they don't need the money until 2010. She said that now would be the best time to get the money in the budget for 2010.

Choudhury asked if this project is separate from Micro-Enterprises, and Charnitz said

yes. Choudhury said she does not know whether the project is locally sustainable. She asked how CWD would prevent it from becoming like State Street when rents become too high for vendors. Bartlett agreed with Choudhury, adding that unless you're going to have a market for the market's sake, it doesn't fit with the City's needs. Brennan's and Whole Foods already fill the market niche. Rummel said she doesn't know if the market will provide the level of what it says it will provide, but it might bring in new things.

Choudhury said she still has concerns about this proposal within our funding parameters. She said she is not sure this is the best use of funding. Markofski said that only 32 jobs were created in 2007 in this category. The market would provide 41 jobs, so it actually does seem in line with the Framework objective, he said. Choudhury said she has no concerns with CWD's ability to create 41 jobs, but the project isn't finished yet. The proposed outcomes are intangible. It's just the potential of 41 jobs.

Pham-Remmele said that she sees no clear business plan or past experience with this sort of venture. She said it might create competition for markets that are already here in Madison. Bartlett said that the market would keep a prime lot off the tax rolls forever.

Rummel asked if the Commission had options to set stipulations for funding.

The Commissioners agreed to set this project aside and discuss it again later.

Micro-Enterprise

Choudhury asked staff what could be done to get more out of this objective. She said that Latino Chamber of Commerce's (LCC) proposal did not have congruency between its budget and its narrative. She also said she is consistently disappointed by the performance of both LCC and Wisconsin Women's Business Initiative Corporation (WWBIC).

Bartlett said he was also disappointed in LCC and WWBIC. Choudhury asked what options were available for this category. Markofski suggested not funding either but putting the money in Economic Development Funds instead. Pham-Remmele said it is foolish to keep putting money in when we see no results. She said they look good on paper but not in reality.

Charnitz said that one option the Commission has is to put money in the Economic Development Funds and then specify what the funds are for and do an RFP.

As to LCC, Charnitz said that the Commission had initially voted to fund them for start-up only. The reason for recommending continued funding is because they got a very late start in the last funding cycle and because Latinos are the fastest growing population in the area. Staff did not want to cut them when they are now making progress.

Choudhury said that she doesn't want to see the Commission allow people to continue using our money when we're not satisfied with their performance.

Sanders said that these are the kinds of proposals the Commission needs to fund. Choudhury said she would be happier to fund them at a lower amount or wean them off

our funding.

Charnitz asked why Commissioners weren't satisfied with WWBIC's results. Rood said that last year WWBIC did five loans, and so far this year they have already committed all of their funds for the year.

Dan Beccue of WWBIC said that they have seven loans approved and have already met their goal for the year.

Charnitz said that staff is actually seeing very satisfactory results and good performance from WWBIC. Pham-Remmele said that their project looks nice on paper but doesn't hit the target population as promised.

Sanders reviewed WWBIC's report for the Commission.

Choudhury said she is concerned with their efficiency of service to Madison residents. They seem to provide more service to residents outside the city.

Rummel said that having a local director at WWBIC has had a huge impact on their performance and success.

Pham-Remmele said she is concerned with LCC's performance and that they are not on their own as they should be by now.

Markofski said he would like to see \$30,000 for LCC in 2010 instead of just \$15,000 for continuity.

Silverman said that the change of personnel at LCC is adding to their instability. Bartlett said that LCC doesn't have plan, so he doesn't know if continuing to fund them would help them.

Silverman said that funding LCC for anything less than staff has recommended would be a bad move.

Bartlett moved to accept and Silverman seconded the following staff recommendations for Micro-Enterprise proposals as presented on the spreadsheet:

WWBIC's Microenterprise Development	\$140,000 in CDBG funds for both 2009 and 2010, with \$40,000 on the B-List for both years;
LCC's Small Business Initiative Program	\$30,000 in CDBG funds for 2009 and \$15,000 in CDBG funds for 2010.

The Commission voted 4 to 2 to pass the motion, with Bartlett, Rummel, Pham-Remmele, and Silverman voting yes and Choudhury and Markofski voting no.

Community Centers

Charnitz explained that CDBG would have no City supplements this year for Center funding. She said CDBG has about \$27,000 less from the City than anticipated, which the Commission can cut in this category alone or across the board.

Rummel asked when money might be available to help centers, especially since centers are expanding. Charnitz said that the City informed centers some time ago that we do not have money to help them with their continued growth trend.

Sanders asked about Goodman's situation. Charnitz said that staff did not recommend funding their expansion but did recommend continuing with Facility Use funding.

Choudhury said she believes all centers need to be funded on the Core model and suggested some version of a consortium of centers to meet monthly to come up with a new funding strategy.

Sanders said that centers are funded roughly equally as shown in the spreadsheet given to the Commission at a previous meeting. Silverman said that Facility Use centers get more dollars from OCS in program funding, whereas with Core centers, OCS's funding is funneled through the CDBG Office.

Silverman said he agreed with not funding Goodman's expansion, adding that they elected to use their money on a fancy building.

Sanders asked about Wexford expansion money. Charnitz said that staff recommended to fund Wexford at the 2008 level for Facility Use but did not recommend anything for expansion.

Silverman moved and Rummel seconded approval of the following staff recommendations for Civic Places proposals as presented on the spreadsheet:

Wisconsin Youth Center Facility Use 2010;	\$50,818 in CDBG funds for 2009 and 2010;
Wilmar Neighborhood Center Core	\$145,926 in CDBG and Core funds for 2009 and 2010;
Wexford Neighborhood Center Facility Use 2010;	\$34,008 in CDBG funds for 2009 and 2010;
Wexford Facility Use Expansion	\$0 for 2009 and 2010;
Vera Court Neighborhood Center Core	\$122,407 in CDBG and Core funds for 2009 and 2010;
Goodman Community Center Facility Use 2010;	\$35,924 in CDBG funds for 2009 and 2010;
Goodman Facility Use Expansion	\$0 for 2009 and 2010;
East Madison Community Center Facility Use 2010;	\$45,383 in CDBG funds for 2009 and 2010;
East Madison Capacity Building	\$0 for 2009 and 2010;
Community Action Coalition Gardens 2010;	\$42,371 in CDBG funds for 2009 and 2010;
Bridge-Lake Point-Waunona Facility Use and 2010;	\$111,845 in CDBG funds for 2009 and 2010;
Boys & Girls Club - Taft Core	\$160,448 in CDBG and Core funds for 2009 and 2010
Boys & Girls Club - Allied Core	\$114,369 in CDBG and Core funds for 2009 and 2010.

The Commission voted unanimously to accept the staff recommendations.

Access - Housing

Charnitz said that City funds in this category will have to be cut by 5%. Rummel asked about the Commission's policy on handling the 5% eliminations. Sanders said that the decision on cuts should come at the next meeting and that the Commission should just consider staff recommendations as presented at this meeting. He asked staff how they would recommend handling cuts. Charnitz said that the Commission could recommend to cut all of the 5% from Fair Housing Testing, but the Mayor might disagree and then he would make the cuts decision himself.

Silverman suggested cutting Tenant Resource Center. He asked what the paid employees at TRC do that their volunteers do not do.

Silverman moved and Pham-Remmele seconded approval of the following staff recommendations for Access - Housing proposals as presented on the spreadsheet without 5% City funding cuts:

Independent Living, Inc., Home Share and 2010;	\$9,471 in CDBG funds for 2009 and 2010;
Community Action Coalition Financial Assistance and 2010;	\$23,376 in City funds for 2009 and 2010;
YWCA Second Chance and 2010;	\$20,600 in ESG funds for 2009 and 2010;
Tenant Resource Center Housing Mediation	\$5,750 in City funds and \$5,030 in ESG funds for 2009 and 2010;
Project Home Resident Services	\$12,800 in City funds for 2009 and 2010;
Fair Housing Council Testing	\$30,000 in City funds for 2009 and 2010.

The Commission voted unanimously to accept the staff recommendations.

Access - Homeless

Silverman suggested transferring City funds from Tellurian to underfunded programs of Porchlight because Porchlight offers a bigger bang for the buck. Their services are more predictable. Choudhury said that public funders for street outreach programs are fewer than for Porchlight's programs. Bartlett said that perhaps State Street businesses would make the difference. Wallinger said that ReachOut actually started as a collaboration of City, County, and State Street retailers, but in the last four to five years, the funding hasn't continued in full.

Rummel said that outreach is part of the puzzle. She also said she likes Freedom, Inc.'s Homeless Leadership proposal and would like to see how they would do. Wallinger said that her only concern with Freedom, Inc.'s proposal is that there is a significant amount of documentation that goes along with applying for ESG funds, and she's not sure that Freedom, Inc. is there yet with documentation. Bartlett said that the overall ranking for Freedom, Inc.'s proposal was low.

Wallinger said that the Commission could possibly reduce staff recommendations for Salvation Army by \$5,000 to \$20,000 without significantly damaging the product.

Silverman moved that \$7,835 be cut from Tellurian's ReachOut and divided equally

between Porchlight's DIGS and Housing Operations, but keep Tellurian's \$4,433 of ESG funds. He reiterated that Porchlight programs provide a bigger bang for the buck when the money is invested in tangible, hands-on services rather than something less tangible like ReachOut's program, which may or may not work. No one seconded.

Choudhury reminded the Commission that street outreach isn't just outreach but also provides other services. It provides more of a continuum of services than just convincing people to go to a homeless shelter.

Bartlett moved and Silverman seconded approval of the following staff recommendations for Access - Homeless proposals as presented on the spreadsheet:

Freedom, Inc., Homeless Leadership	\$0 for 2009 and 2010;
DAIS Housing Assistance	\$29,000 in City funds for 2009 and 2010;
The Salvation Army Warming Shelter	\$25,000 in City funds for 2009 and 2010;
Tellurian ReachOut	\$7,835 in City funds and \$4,433 in ESG funds for 2009 and 2010;
Porchlight SRO Support Services	\$5,600 in City funds for 2009 and 2010;
Porchlight SRO After Hours	\$34,697 in City funds for 2009 and 2010;
Porchlight Housing Operations	\$44,194 in City funds for 2009 and 2010;
Porchlight DIGS	\$25,622 in City funds and \$20,000 in ESG funds for 2009 and 2010.

The Commission voted unanimously to accept the staff recommendations.

Strategy Areas

Silverman asked staff what their rationale was for not funding ULGM's Southwest Employment Program. Charnitz said that Southwest Employment was a small pilot that was originally funded out of Emerging Neighborhood Funds, not with CDBG funds. Therefore, it is a new program for CDBG, and we don't actually have the money to fund it.

Rummel pointed out that ULGM is an excellent organization and that Southwest Employment is a good program that should be recommended to the Mayor.

Markofski moved and Bartlett seconded approval of the following staff recommendations for Strategy Area proposals as presented on the spreadsheet:

Urban League Southwest Employment	\$0 for 2009 and 2010;
Urban League Allied Job Services	\$71,146 in City funds for 2009 and 2010;
START Construction Training	\$54,928 in City funds for 2009 and 2010.

The Commission voted unanimously to accept the staff recommendations.

Reserves

Charnitz told the Commission that the Housing Development Funds are for either homeownership or rental projects to respond to applications throughout the year. She explained that Acquisition/Rehab Funds are for rehab projects involving community centers, daycare centers, etc. She said staff recommended taking money out of the Economic Development Fund to fund other projects. She said that CDBG has not had Futures Funds available for some time, but staff members believe it's important to have Futures Funds set aside for emerging needs. She said staff has, therefore, recommended putting money into the Futures Funds for 2009 and 2010.

Charnitz said that ESG reserve fund recommendations represent money left over from other funding, and CDBG has no flexibility to move these funds. Charnitz said that Neighborhood Planning Process Funds are also somewhat inflexible because a portion automatically goes to neighborhood planning. Next year Census Tract 22 in the North Sherman Avenue area is the concentration area.

Charnitz said that staff has recommended putting some money into 2010 reserves for a "mini summer process" to respond to emerging needs.

Charnitz said that staff would like to have the Commission's recommendations for a substantial B-List and for the Commission to prioritize the B-List. She said we never know what might come through from the Federal budget, but it's good to have a list of projects designated for extra money. She said that the Commission cannot put services projects such as neighborhood centers and homeless toward the B-List because those projects are already at their funding caps.

Rummel asked if the 5% cuts could come from this category of funding, and Charnitz said that they could not because these are not City funds.

Silverman moved and Pham-Remmele seconded approval of the following staff recommendations for Reserves as presented on the spreadsheet:

Housing Development Fund	\$103,963 in CDBG funds for 2009 and 2010 and \$136,423 in HOME funds for 2009 and 2010, with \$200,000 on the B-List for both years;
Economic Development Fund	\$0 for 2009 and 2010, but \$100,000 on the B-List for 2009 and 2010;
Acquisition/Rehab Fund	\$223,402 in CDBG funds for 2009 and 2010, with \$400,000 on the B-List for 2009 and 2010;
Futures Fund	\$18,690 in CDBG funds for 2009 and 2010;
ESG Fund	\$29,203 in ESG funds for 2009;
Neighborhood Planning Process Fund	\$93,450 in CDBG funds for 2009 and 2010;
2010 Reserve Fund	\$37,380 in CDBG funds for 2009 and 2010.

The Commission voted unanimously to accept the staff recommendations.

Return to Business with Jobs

Charnitz said that Planning and Development has requested \$250,000 in 2009,

\$750,000 in 2010, and \$1 million in 2011 in their capital budget for CWD's Public Market.

Constans said that CWD's request works out to \$12,195 per job created.

Markofski asked what issues are involved in the placement of the market on the Brayton Lot block. He said he wants to support the market in right location.

Marianne Morton of CWD said that she met with Kent Petus and explained that we assume, but don't know for certain, that this will be a mixed-use site with the Public Market on the first floor. She said there would be a master developer for the site and for other development above the market, which will be owned by a single-purpose, non-profit agency. The mixed-use space above the market could be commercial, office, or housing. She said CDBG should support the market for the job creation potential. The market will provide entrepreneurial opportunities especially targeting minorities. The market will be a very inclusive gathering space.

Markofski asked if CWD had a site B in mind. Morton said that the Brayton Lot is the preferred site, and the secondary site was the Don Miller site. CWD did extensive research on locating the market, and Morton said they have an extensive business plan. CWD looked at 30 sites around the City in a very deliberate, thorough process. She said placing it near a major employment center is critical, as is having it surrounded by residential areas.

Silverman asked for clarification of the contingency put on CDBG funds for the market. Constans said that at the time we would write the contract, there would be requirements that CWD meet certain benchmarks and be ready to go by the beginning of 2010 or they would lose CDBG funding. It would not carry over to 2011. Constans said she will write down the bulleted points and give them to the Commission.

Rummel moved to accept the staff recommendations for Business with Jobs proposals as presented on the spreadsheet: \$330,000 in CDBG funds to Common Wealth Development's Public Market for 2010. Markofski seconded.

The Commission voted 4 to 3 to pass the motion, with Choudhury, Markofski, and Rummel voting yes and Bartlett, Pham-Remmele, and Silverman voting no. Chairperson Sanders broke the tie by voting yes.

ADDITIONAL INFORMATION

Charnitz said that staff will put together the exact amount of City funds that needs to be cut to meet the 5% requirement and also give the Commission some recommendations for the cuts for the next meeting.

ADJOURNMENT

Pham-Remmele moved to adjourn, Silverman seconded. The Commission voted unanimously to adjourn the meeting at 8:10 p.m.

Respectfully submitted,
Anne Kenny, recorder.