



City of Madison Meeting Minutes - Final

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

Thursday, March 2, 2006

5:00 PM

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

ROLL CALL

Present: Ald. Austin W. King, Ald. Santiago Rosas, Kristina L. Dux, Arthur V. Robinson, Sophia Angelina Estante, Steven C. Bartlett, Carl G. Silverman and Justin O. Markofski

Excused: Ald. Cindy Thomas and Charlie R. Sanders

Others present: Hickory Hurie, Enis Ragland

WELCOME - CHAIR'S REPORT

Estante called the meeting to order at 5:00 PM.

News and announcements

Estante asked Markofski to discuss and respond to an article, which he passed regarding the National Low Income Housing Report. The President is proposing a small increase in HOME funds and ESG funds, but there is a significant slash of \$500,000 to \$700,000 in CDBG funding with regard to Madison. Hurie stated it is difficult to tell what the impact that new proposed formulas adjustments will have locally. Money is being moved from the North to the South based on allocation formulas. ADDI funds have increased, however, by 25 percent.

SPECIAL DISCUSSION

Discussion with Mayoral Aide Enis Ragland on the City's Allied Neighborhood Revitalization Strategy

Ragland introduced himself to the Commission as the Mayor's liaison for Allied Drive. He said that Allied is at the forefront of issues in the news and in the City's endeavors for change. It is the City's last major challenged neighborhood, similar in scope to what the Simpson Street and Wexford areas had been in previous years. The City's initiatives and residential efforts have already helped challenged neighborhoods like Simpson Street and Wexford, and those collaborative endeavors have created positive changes in those neighborhoods that are working really well.

Ragland said that efforts in the Allied Drive area must not only include increased and improved housing options, but must also address safety issues.

Ragland said that in 2005, the West Police precinct took several measures to improve safety in the Allied area. They included:

- updating its Allied safety plan;*
- assigning district detectives;*
- developing an anti-gang task force,*
- holding the fifth annual pig roast to provide opportunities to meet and greet,*
- performing an anti-drug operation in mid June,*

- surveying neighborhood residents,
- participating in Allied Stakeholders meetings,
- investing 900-plus officer hours in the area,
- performing a prostitution sting and also a drug sting aimed against dealers;
- taking nuisance abatement action,
- apprehending the assaulter who was victimizing women along the local bike path,
- apprehending the taxi-cab robber, and
- cooperating with FBI, Fitchburg Police and others to address drug issues in the area

They are, thus, making some progress with safety issues, while also working with residents to develop strategies to make drug buyers and gangs uncomfortable being in the area. The City is also working with property owners to improve the process of screening applicants. The City has provided funding to neighborhood association staff and has also funded the Madison Apprentice Program (MAP). The City is also writing grant applications to support funding and working to build capacity among residents to sustain a healthy neighborhood. The City's next strategy is to improve housing stock and quality. Most of the housing available would remain rental, yet affordable, but the City has to work to change Allied's image of housing of last resort. Currently, there are fewer than 30 Section 8 vouchers in use in the area. If the City does nothing, Allied Drive will be vacant within four years, and property owners who might face bankruptcy will be renting to anyone.

The second part of the City's strategy for change in Allied includes charettes with the American Institute of Architects (AIA) for design improvements in the area, a request for proposals to help improve positive communication between Allied and outside neighborhoods, and a request for proposals for financing options to provide assistance to residents.

The third part of the City's strategy involves strengthening and building capacity among residents themselves to take part in revitalization efforts. Ragland also noted that a new Boys and Girls Club facility financed with City CDBG funds is going up on Jenewein Drive, which should help neighborhood residents by providing many resources for children and families.

Estante asked commissioners for questions of Ragland.

Dux explained that she used to manage property in the Allied area and will soon be running the new Avalon Project. She said that strategies employed in 2005 are similar to those employed over the years when she was managing Allied properties before. She asked Ragland what changes have occurred as a result of strategies enacted in 2005. Ragland stated that unfortunately when a neighborhood is known as open-air drug market, a lot more change will be seen only when the neighborhood association and owners feel stronger in their abilities to influence their neighborhood. The school district surveyed the neighborhood a few years ago and found only half of the people surveyed had stayed within three months. High turnover remains a problem. Other challenges to be met are the high number of vulnerable populations, such as single mothers. Ragland said the Mayor wants to focus on larger property ownership. He said larger property owners who buy and manage much of the property works better in areas like Allied than do a lot of single owners managing only a few properties here and there. Successful examples of larger property owners/managers include Meridian/Future Madison, which has had success in challenged neighborhoods like Wexford, Vera Court, and Worthington (all with the help of CDBG funds and the leadership of the CDBG Commission). Ragland said there seems to be more commitment from this set of Allied residents, and the City wants to ensure the diversity of Allied and the health of the neighborhood.

Rosas thanked Ragland and expressed concern about community services in the Allied area such as the community center. Ragland stated that the Mayor's Office sees the Boys and Girls Club as a community center for the neighborhood and that the City has funded \$500,000 for the new building. Rosas then inquired whether the City had any specific plans to purchase large properties, and if so, asked what would be done with them (e.g. used for green space, etc.). Ragland said that residents will meet with the AIA in charettes to discuss design plans for the Allied area. He said that at the upcoming Monday BOE meeting there will be a discussion of the City purchasing Hauk properties.

Rosas brought up the Gorman project and its presentation to the residents and how the residents didn't feel involved in that project. Rosas also asked about plans for job training for residents. He said Ragland had mentioned the apprentice program. Ragland responded that the Madison Apprentice Program (MAP) teaches students to have confidence in themselves, how to communicate (i.e., draft letters and work on language skills), develop job expectations, and work on conflict resolution.

Rosas stated that several years ago Ragland was very instrumental in setting up a report on apprentice programs in Madison like those in Milwaukee. Ragland explained that programs like those in Milwaukee would require that Madison become a City of First Class, which would then require contractors to hire people living in certain zip codes with high unemployment rates. When he looked into the possibility of having Madison become a City of First Class, the negatives outweighed the positives in that scenario, but this is not to say that some form of apprenticeship program shouldn't be implemented here in Madison. Affirmative Action has goals for hiring minorities and other groups, and the trades have been involved in those goals. Allied residents consider jobs and employment a priority based on meetings with Allied Stakeholders.

Silverman agreed that training for employment is necessary, but said he also felt that the money that went into MAP would have been better spent teaching people real skills with training. He thinks the program is misnamed and represents an outrageous triumph of PR over substance compared to traditional apprenticeship programs that teach job skills. Ragland respectfully disagreed in that what the MAP program accomplishes is help with psychological confidence and a sense of accomplishment, although he agreed that the use of the term "apprenticeship" is arguable.

Bartlett stated that Ragland mentioned successes of other challenged neighborhoods involving significant efforts by the City along with other significant players, such as Meridian or Future Madison. Bartlett said that Hauk could have been a significant player with his efforts to develop affordable owner-occupied condos had his plans not been thwarted by the Urban Design Committee. He asked Ragland if the Mayor's Office or the City in general had tried to work with Hauk at that time.

Ragland stated that he wasn't with the Mayor's Office during the Hauk negotiations, but he believes that the Urban Design Committee was right on that the condo design wouldn't work. He said Hauk had grandiose ideas and a good heart, but he couldn't say how much the City stepped up to work with him.

Silverman agreed that multiple landlords and screening standards are bad. He said that Future Madison and Meridian didn't take the opportunity to participate in Allied revitalization due to multiple landlord issues. He asked Ragland whether there will be any policy changes with respect to those issues. Ragland answered that he would like to initiate talks with Meridian, WHEDA, and other significant groups for guidance. He said the City of Milwaukee has some good initiatives and that he would like to get more

ideas from them, also.

Rosas thanked Ragland again, and said he had talked Alders Golden and Bruer about using the Simpson Street progress as a pilot program for Allied. Ragland stated he had been very involved himself in efforts in the Simpson Street revitalization and co-chaired the efforts with the Mayor of Monona.

Estante mentioned the Wisconsin State Journal article from February 28, 2006, discussing the possibility of the City trying to buy up to 20% of rental properties in the Allied area. Estante inquired about the role the CDBG Commission would have in that goal. Ragland stated that CDBG could help by continuing to provide good housing in the area and support efforts to keep good landlords. CDBG has been a significant player and integral partner in the success of other challenged neighborhoods.

PUBLIC HEARING

Public Hearing concerning the performance of assisted activities during 2005, emerging community needs and opportunities, and suggested funding priorities and terms for the next two years

Marcia Hendrickson, Executive Director of the Boys and Girls Club (BGC)

Hendrickson thanked the Commission for its past support for the Taft and Allied programs, especially for staff support from Mary Charnitz. Hendrickson appealed to the Commission for continued support in the next funding cycle. She knows that BGC programs work, and the youth strategy programs also work. Hendrickson is new to Madison, but has worked in some of the most challenged places in the country and knows the difference that BGC makes in communities and that CDBG support is necessary to continue to provide these programs. The proven programs include gang prevention strategy, working with many different associations, developing advisory groups with residents in the Taft neighborhood, providing opportunities to all age groups, and family support programs.

Estante asked commissioners whether they had questions for Hendrickson.

Rosas inquired about Hendrickson's experience with BGC and what she perceived to be the biggest challenge in Allied. Hendrickson answered that there are a number of challenges, but the key to success is to work with neighborhood partners, such as Headstart, Madison Police, and neighborhood associations. She said starting with children to instill pride and ownership in their neighborhood is the first step in creating positive changes that will follow. Right now, safety is the biggest issue in the Allied area, and BGC will prove that it is a safe haven for children and families in the Allied area.

Rosas asked what services are offered in Allied now. Hendrickson replied that leadership programs, character development programs, arts, activities, family programs, learning, literacy initiatives, job training, food pantry, parenting, athletics, and senior activities are currently provided and will continue when the new facility opens. Rosas also asked about CDBG support and what that means to BGC. Hendrickson replied that as much as the Commission can give funding wise would be the biggest support.

Silverman inquired about educational efforts. Hendrickson explained that the key is to start with young children, working collaboratively with schools and counselors. This also involves BGC staff and BGC programs. Silverman asked if BGC has had success in enticing kids to participate in educational programs when sports programs compete for their time. Hendrickson discussed BGC's Power Hour and said that if kids want to play basketball, they understand that they first have to participate in Power Hour (which

entails doing their homework) to ensure their grades are up to par.

Markofski asked what BGC's philosophy is on collaboration. He asked whether BGC's philosophy is it to use its own staff and resources or turn to existing organizations and agencies for help. Hendrickson stated that BGC does both. She said that BGC staff has the lead in dealing with club members, but within our framework we work with other area groups. Markofski asked how many full-time and part-time staff work at BGC Allied. Hendrickson explained that there are five full-time employees 13 part-time employees and volunteers at BGC Allied. BGC looks to serve over 200 children a day.

Greta Hansen, Executive Director, Community Action Coalition (CAC)

Hansen said she would like to thank the Commission for its support of CAC's programs. She said CAC ended its business development program in 2005. She said that during evaluations, CAC learned that people seeking help with business starts were too low income and needed financial education more than anything. A pilot program in the Villager Mall called Planning for Prosperity offers classes to help people to become more financially stable. She said CAC would like CD to consider their rent assistance/eviction prevention programs a major priority in the next funding cycle. She said that in 2005 over 15,000 calls came into CAC for rent help or eviction prevention, but CAC was only able to help about 20% of the people who qualified. Poverty is a major issue in helping people in crisis, and Allied is just the tip of the iceberg. Unless there are adequate funds, CAC can't help Allied very much.

Silverman asked what happened to the business money. He asked if it were used up or whether it could be used for IDAs. Hansen explained that, yes, it could be used for IDAs. Silverman inquired about whether there were any plans along those lines or any funds left. Hansen stated there were no funds and that CAC has closed out its IDAs and is not operating them anymore. Silverman asked when CAC receives funds, do they have to request them for just a specific purpose (e.g., IDAs)? stated that it depends on the funder. For instance, if asking CDBG for funds for IDAs, it would have to line up with CDBG's goals and framework.

Brian Miller, Executive Director, Habitat for Humanity

Miller had to leave, but stated his support of housing goals as they appear in the Framework.

Howard Mandeville, Executive Director, Movin' Out Inc.

Mandeville said that Movin' Out, Inc. works with low income people with disabilities to get safe, accessible and affordable housing. They provide down payment assistance to persons or families with disabilities. Movin' Out is also now acquiring property to rent at affordable rates. They are also involved in a couple of new developments with a mix of affordable and market rate housing. He handed out a sheet describing Movin' Out's programs.

Rosas left the meeting at 6:20 PM.

REVIEW OF DRAFT FRAMEWORK

Hurie highlighted a couple of changes in the framework. On page 2, the Framework discusses how to balance the people who have already received help versus people who have not. The preference is to put in deeper upfront funding to help people get into housing and then have people go elsewhere for assistance.

Markofski stepped out at 6:35 PM.

Scattered throughout the Framework are changes in the maximum levels pegged to increase the percentage of the value of property rehab from \$19,000 to \$26,000. Also, housing for buyers at about 24% minus the developer fee gives us a 20% stake in property so the homeowner doesn't need mortgage insurance.

In the category of Business and Economy, the Framework's standard has been changed from jobs paying Federal minimum wage rates to paying the City's living wage rate, which in effect raises the amount of pay a job generates from \$12,500 to \$22,000.

King asked whether the use of City funds always mandates a living wage. Hurie explained that these are not direct payments to individuals but loans to businesses creating jobs, so they have not been required to pay the City's living wage. Bartlett asked what the City's current living wage is. King responded that it is \$10.03/hour. Hurie stated that we do most of business development through third parties (e.g. incubators, MDC). Bartlett inquired about the number of hours required for an employee to be considered full-time. Hurie answered 35 hours a week. Silverman asked about the consequences to the borrowers for not achieving the number of jobs they said they would provide. Hurie stated most of the time, the consequences are that the businesses will end up not being viable. Bartlett asked about flexibility, i.e. paying one part-time employee a living wage and one full-time employee the minimum wage. Silverman asked what the difference would be in doing that if there are no consequences. Hurie stated the strong market tests show that on average, the number of jobs promised have been achieved.

Markofski returned at 6:38 PM.

King left the meeting at 6:40 PM.

Markofski asked whether the primary goal is to create new jobs or to help people get jobs at a living wage. Hurie stated that CD is in the business development aspect. While other agencies deal with education and training, our emphasis in this goal category has been on business development.

On page 5 of the Framework, staff looked at ways to broaden the use of concentrated neighborhoods funds. Other changes in the Framework have been made primarily to clarify or to catch the Framework up with policy changes the group has recently developed. Markofski asked about the housing trust fund and how has that been established. Hurie explained that this should be a topic on the next agenda.

Bartlett left at 6:50 PM and returned at 6:52 PM.

Estante asked if there were any recommendations for the Framework or questions about it.

Markofski encouraged the Commission to continue to serve the low-income section of the population.

Present: Kristina L. Dux, Arthur V. Robinson, Sophia Angelina Estante, Steven C. Bartlett, Carl G. Silverman and Justin O. Markofski

Excused: Ald. Austin W. King, Ald. Cindy Thomas, Ald. Santiago Rosas and Charlie R. Sanders

Framework as a guide to the CDBG Commission for the development of its funding recommendations for the 2007-2008 budgets.

A motion was made by Silverman, seconded by Markofski, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by the following vote:

Excused: King, Thomas, Rosas and Sanders

Aye: Dux, Robinson, Estante, Bartlett, Silverman and Markofski

REQUEST FOR MAJOR CHANGES IN CURRENTLY FUNDED PROJECTS OR FUNDING FOR NEW PROJECTS

A. *Movin' Out requests CDBG Commission approval to provide a portion of their previously approved 2006 HOME funds to a person who is seeking to purchase an IZ unit. (2006/03-b), Howard Mandeville*

Mandeville described Movin' Out's request to provide a portion of their previously approved 2006 HOME funds to assist a man with permanent disabilities who works on Monroe Street. The man's income is SSDI, and he has the opportunity to purchase a unit in Monroe Commons. The only unit that is affordable to this man, who is at 28% of the median income, is an IZ unit. He has the support of family and has a financial payee who makes sure his bills are paid. He is highly motivated, and through various funding assistance programs, his housing payments could be 36 percent of his monthly income. His Section 8 voucher has been converted to cover homeownership mortgage payments

Silverman asked if all Section 8 vouchers could be transferred from rent payments to mortgage payments. Hurie stated CDA has two programs: HAP (homeownership) and rental vouchers. Use of Section 8 vouchers for mortgage payments requires application and qualification.

Bartlett moved to approve staff recommendations; Silverman seconded. Bartlett asked whether changes to equity sharing that might be made by IZ ordinance revisions would be retroactive to this purchase. Hurie stated he was not sure, but his general impression is that the Council would support making those changes retroactive. He also said this purchase has special status because it is subject to buy back from Movin' Out, which supersedes the City's IZ interest. Markofski asked if the total amount of money into home would equal \$25,000. Hurie stated that HOME funds are \$25,000, in addition to some ADDI funds. The motion passed unanimously, minus Rosas and King who had left the meeting earlier.

Hurie stated that when Community Development Block Grant Commission adopted its general policy about use of CD funds in IZ projects, we were going to do two things: (1) look at amount of money already in project, and (2) look at the special IZ review sheet that included extra enhancements. What we were thinking about was that we really have two other programs that involve direct downpayments for homebuyers. Most of them have additional need for help or additional resources that help them purchase homes. Hurie asked whether we need to have a different view of the approval system for the direct downpayment program where there are two tracks for approval-one for agencies and one for homebuyer assistance.

Bartlett said that waiting until the monthly CDBG Commission meeting wouldn't stop someone from writing an offer with CD funding as a contingency. Estante stated the bigger question is do we want to amend our policy for involvement in IZ, and do we want

to revise it to suit customer needs. She said we could have staff bring in suggested revisions or someone could make an ad lib motion to suggest changes. Silverman said he preferred to have staff bring in suggested revisions and put it as an item on the next meeting on agenda.

APPROVAL OF MINUTES

Bartlett moved to approve the minutes from the February 2, 2006, meeting. Dux seconded. The motion passed unanimously.

OTHER BUSINESS FOR ACTION

A. Issues and/or referrals to or from the Common Council

No one from Common Council was present.

1. Joint Community Development/Community Services study group proposed in the 2006 Executive Budget.

Estante said the joint committee would study issues of how to streamline any overlaps of the two offices. Draft recommendations were handed out and working documents are open for input. OCS made a comment that they help people, while CD is more about bricks and mortar. Estante disagreed. The Mayor wanted us to look at opportunities for efficiencies in child programs, senior programs, etc. Recommendations from the meeting included the following:

- Solicit suggestions from non-profit agencies for program and administrative efficiencies;
- Provide non-profit agencies the opportunity to share successful program and administrative strategies in non-profit agencies;
- Promote the idea of sharing of resources for neighborhood centers and other agencies in areas of mutual benefit, such as shared health insurance groups, payroll and accounting services, supplies and other administrative services where that would be valuable; and
- Use the biannual application and review processes to examine potential consolidation or efficiencies in operations through increased communication between CD and Community Services staff and related policy groups

B. Review of Summer Review Process Schedule (2006/03-D)

Alder Cindy Thomas and Steve Bartlett will help the Commission review tips on the summer process.

C. Reports from Committees with CDBG Commission Representation

1. Housing Committee (King)

King had left the meeting.

2. Gardens Committee (Estante)

Lots of interesting things were discussed at the last meeting. The committee is thinking of putting together a concept of universal design for gardens. Instead of concentrating on making gardens accessible, they would make them universal in design to serve anyone, which handles the issue of disability in a more holistic, non-prejudicial manner.

3. *Martin Luther King Humanitarian Award Committee (Estante)*

There was no meeting recently.

4. *Other Commission Representation*

There were no other reports.

STAFF REPORT

A. *Trends in national, state and local community/neighborhood development issues. HUD funding, monitoring, technical assistance, and performance measures.*

The president's proposal is significant; it may cut as much as 33% or \$700,000 from the local CDBG budget. Hurie encouraged commissioners and others present to talk to their congressmen about the proposed cuts.

Hurie described CD's investments in Allied over the years, which have included Friends Community Housing; the Friends Community Housing sponsorship of the Allied-Dunn's Marsh Neighborhood Center, which developed out of neighborhood planning processes; Project Home's Prairie Crossing and Prairie Crossing landscape project; and most recently, funding the building of the new Boys and Girls Club, which will serve as the new neighborhood center.

B. *Inclusionary zoning ordinance revisions, Mayor's IZ work group*

Estante asked why no CDBG staff or commissioners were included on the Mayor's IZ work group. Hurie explained that the Mayor wanted alders to come to a consensus on zoning issues, and the Plan Commission has the lead for this program although the CD Office plays a significant role in the staffing of the program.

C. *Correspondence and reports from various groups and individuals*

There was no correspondence to report.

D. *Status of current projects.*

This issue was referred to the next meeting.

ADJOURNMENT

Markofski moved to adjourn. Silverman seconded. The motion passed unanimously, and the Commission adjourned at 7:15 PM.

*Respectfully submitted,
Anne Kenny*