

CDBG Committee Meeting

Thursday, Nov. 14, 2013

Habitat for Humanity of Dane County

Angie Grim, Family Services Manager and Cheryl McCollum,
Communications

Habitat for Humanity has served low to moderate income families for 25 years right here in Dane County. We are currently partnering with 13 families and have partnered with a total of 225 families in Dane County. These family partnerships have impacted more than 500 children.

In Dane County, there are approximately 10,000 families that Habitat for Humanity of Dane County could potentially partner with and provide a safe and secure home.

Habitat for Humanity has found that owning a home has many benefits to society. At Habitat, we believe it is the future generation, those 500 children we have already served, that benefits most from homeownership.

For example, children of homeowners tend to do better academically than the children of renters, scoring better in math and reading.

Children of homeowners have a 25 percent greater chance of graduating from high school and are 116 percent more likely to graduate from college.

Children of homeowners have higher lifetime annual incomes.

In addition, homeowners move less often than renters. Studies show that frequent moves by students negatively impact their educational outcomes. Since Habitat homeownership requires a long term commitment of paying a mortgage, individuals become more responsible and are more likely to work to improve their community.

But more importantly, homeowners say they are more satisfied with their living situation than renters. They have achieved the American Dream and feel a real sense of accomplishment. We see it in the eyes of our homeowners every time we close on a home and hand over the keys.

In addition, the City of Madison and Dane County have looked to Habitat for Humanity of Dane County and asked for help in stabilizing

neighborhoods including in North Madison, Russett Road and Carling Drive. The communities of Fitchburg and Sun Prairie have also looked to Habitat for Humanity for similar assistance. In our 25 years, Habitat has found that instead of building one home here and there, a better scenario to improve neighborhoods, is to partner with multiple families in neighborhoods. Future neighbors get to know each other as they take educational courses together through our program and are more willing to help each other after they move into their neighborhood.

Neighbors knowing each other and working together -- we have found this combination has provided a more stable community.

To keep our homes affordable for homeowners, Habitat does need city and county funding to help us pay for the land where we build. Habitat cannot continue to provide affordable housing for our families without the partnerships such as Community Development Block Grant funding and Down Payment Assistance funding.

We appreciate your past support of Habitat for Humanity of Dane County and we hope to continue working with the city of Madison and Dane County in years to come.

Thank you.

projecthome

MEMORANDUM

DATE: November 14, 2013
TO: CDBG Commission
FROM: Jan Reek, Director of Programs
SUBJECT: Project Home's Minor Home Repair Program

Project Home has operated a minor home repair program for households with income equal to or less than 80% of the Dane County median income for many years. Participants purchase the materials for the job, and they pay \$10 per hour for labor provided by Project Home staff.

Over the past 5 years, we performed necessary home repairs and accessibility modifications for 437 eligible households. Three fourths of the households had income less than 50% of the county median income. Over half of the households had either individuals with disabilities, individuals over age 60, or both, in the home. Over one third were female-headed households. The program served 884 individuals.

Common repairs include:

- Upgrading a bathroom by replacing an old leaking toilet with a high-rise, low-flow toilet, repairing the damaged subfloor, and installing grab bars to help a senior save water and have a safe, accessible bathroom;
- Fixing a leaking shower and replacing an old damaged tub surround that is causing a homeowner to have high water utility bills and doing damage to the walls behind their shower and basement; and
- Replacing a broken window in a mobile home that is not only causing a single mother to have high heating bills, but also jeopardizing the safety and security of her home and family.

Our program is affordable for single mothers, senior citizens and disabled individuals on a fixed income, as well as other low-income homeowners who cannot afford to hire a contractor and who cannot do the work themselves. The assistance we provide helps them to maintain their investment in their home and to make necessary health and safety-related repairs, enabling them to remain in their homes.

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Building strong communities for 40 years



CITY OF MADISON MINOR HOME REPAIR PROGRAM INFORMATION 2009 - 2013

YEAR	Contract Amount **	Median Job Cost	Households Served		Individuals Served					Race & Ethnicity Demographic Info.										Income			Smokes & COs		
			Completions (# of Households served)	Brand New (households not previously served)	# of Individuals Served	Female Headed Households	# of Children 6 or under	# of People 60 or over	# of Individuals with Disabilities	Hispanic	White	Black	Asian	American Indian	Pacific Islander	Black & White	Asian & White	American Indian & White	American Indian & Black	Other	Under 30% CMI	30-50% CMI	51-80% CMI	Smoke Alarms	CO Detectors
2009	\$ 160,000	\$589.50	100	36	201	71	11	59	55	13	148	25	3	0	0	2	0	0	0	20	39	38	23	no info.	no info.
2010	\$ 160,000	\$572.57	100	40	205	67	14	65	55	30	150	16	1	0	0	0	1	0	0	31	29	39	32	200	no info.
2011	\$ 160,000	\$561.38	83	35	163	56	11	56	53	8	114	28	8	0	0	2	0	0	0	8	30	30	23	170	35
2012	\$ 160,000	\$671.06	85	26	177	54	15	30	49	24	136	12	1	0	0	1	0	0	0	28	41	27	17	129	60
2013 (Y.T.D.)	\$ 160,000	\$701.19	69	25	138	51	7	39	40	7	97	15	13	0	0	7	0	0	0	6	25	32	12	57	25
TOTALS			437	162	884	299	58	249	252	82	645	96	26	0	0	12	1	0	0	93	164	166	107	556	120

** In addition to grant funds, varying amounts of program income are spent each year

2014 HOUSING AND HOMELESS SUPPORT - DANE COUNTY BUDGET

YWCA	Shelter & Housing First Stoughton <i>(\$60,000 subcontracted with The Road Home)</i>	\$ 141,605	families
Porchlight	Drop In Shelter (Hospitality House)	\$ 50,304	single men
	Emergency Shelter	\$ 66,121	Single men
	Housing Services	\$ 25,039	single men
Salvation Army	Shelter	\$ 635,130	single women and families
	Warming Shelter	\$ 97,500	single women and families
	(for food and shelter vouchers)	\$ 175,600	single women and families
The Road Home	Housing Services	\$ 19,796	families
Community Action Coalition of So.Wi.	Emergency Food Services	\$ 20,000	
	Family Support Services (housing)	\$ 128,726	
Tenant Resource Center	Housing Counseling and Referral	\$ 90,000	
	Housing Crisis Funds	\$ 5,000	
		\$ 1,454,821	Grand Total -- 2014 Housing/ Homeless Support

2014 Budget Initiatives

Bethel Lutheran Church	Day Services	\$ 30,000	(beginning Nov. 1, 2013)
Shine 608	Case management/Central Library	\$ 8,000	(beginning Nov. 1, 2013)
Porchlight	Van transportation	\$ 22,000	(beginning Nov. 1, 2013)
Briarpatch/Ysos	Homeless and runaway youth	\$ 68,033	
DCDHS	Homeless Contingency Fund	\$ 25,000	
DCDHS	funding for Day Resource Center	\$ 150,000	
		\$ 303,033	Grand Total for 2014 Operating Budget initiatives

2014 Capital Budget Initiatives

DCDHS	purchase rental property/DCHA	\$ 650,000	
DCDHS	county share of City of Madison SRO	\$ 750,000	
DCDHS	private funds for day resource center	\$ 75,000	
		\$ 1,475,000	Grand Total for 2014 Capital Budget initiatives

Carryforwards from 2013 Capital Budget

DCDHS	purchase/renovate day resource center	\$ 600,000	(capital budget)
DCDHS	plan/acquire SRO facility	\$ 200,000	(capital budget)
		\$ 800,000	Grand Total for 2013 Capital Budget carry-forwards

impact report

Prevention & Housing First

A winning strategy to reduce family homelessness

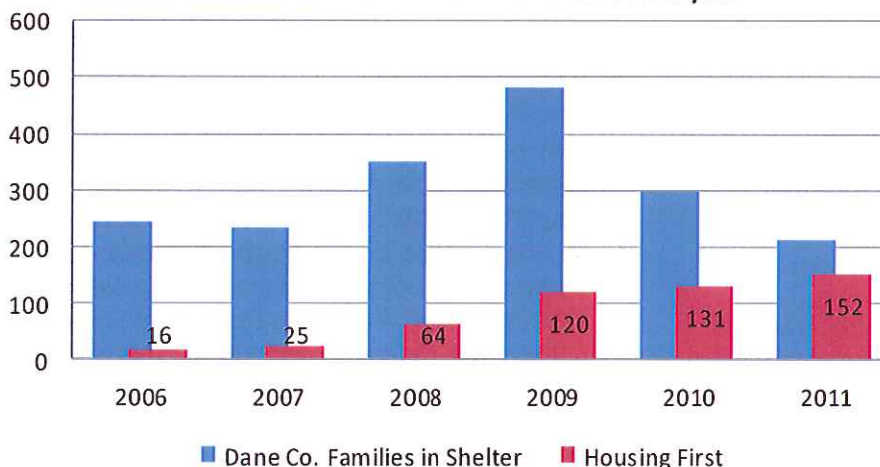
Our Goal

By focusing on landlord/tenant connections and financial coaching, case management, access to food and Housing First, we will reduce by half the number of Dane County children in shelters by 2015.

We recognize that by focusing on a goal of decreasing and eventually eliminating family homelessness in our community we are setting the bar high. Key strategies that prevent homelessness and rapidly rehouse homeless families kept well over 2,000 families stably housed last year. In the six years that United Way has been engaged in this work, we have increased the number of families that have been able to maintain their housing each year despite dramatic downturns in our economy. This report explores the success we have achieved with our partners in four significant strategies and the continuing barriers for families in Dane County.

Families in Shelter vs Housing First

Families who have lived in Dane Co. over a year



Background

In 2005, 2009 and again in 2012, the United Way Board of Directors approved four basic research based strategies to decrease family homelessness in Dane County. **The plan dramatically altered the prevailing conversation on homelessness by asserting that stable housing solutions and not emergency shelter is the most effective way to address homelessness in our community.**

Results to Date: We're reducing family homelessness in Dane County.

Our strategies expand prevention measures and provide direct access to affordable housing in order to reduce the reliance on emergency shelter. We seek to first prevent homelessness through preventing housing eviction in a variety of ways, and secondly, to place families who have lost their housing quickly back into stable housing.

These eviction prevention measures are highly successful:

Financial Coaching and Education - In 2012, 1,230 households gained financial skills and avoided eviction through financial literacy skills and strengthening relationships with landlords. Our financial coaching program is a research based, nationally recognized approach to financial education specifically designed for low income individuals and families. Through this partnership, families set individual financial goals and are assisted in reaching those goals by volunteer coaches or case managers.

Quality Case Management – A significant body of research demonstrates that quality case management for homeless

families results in greater housing stabilization. Families who have been homeless or are at risk of homelessness often lack the economic and social resources to facilitate important connections with services they or their children may need. Highly skilled professional case managers assist families in gaining access to the services and supports that will help them be successful. Through our partnerships, in 2011, 1,912 households at risk of homelessness were able to stay housed due to quality case management.

Access to Food – 11,350 children accessed fresh and healthy food in programs specifically designed to reach children of low income families. Over 154,000 households benefited from 7.6 million pounds of food through Dane County food pantries last year. This access to food plays an important part in families' ability to remain stably housed by freeing up resources in tight family budgets to pay rent and other bills.

Permanent Housing (Housing First)

Some families however, still lose their housing. In general, these families' have greater barriers (serious personal events, loss of employment, injury or illness, flight from domestic violence, substance abuse or mental illness) but can, with some assistance, be successful in finding permanent housing. This is where Housing First fits in. Housing First moves families into permanent housing by providing a small rent subsidy and intensive case management to address challenges that are present in the family. Based on work in a number of other cities, Housing first is based on the philosophy that homelessness is a first and foremost a housing issue. When families (or individuals) are able to get into housing and work with case managers to address the barriers to staying successfully housed, 8 in 10 families remain stably housed and at half the cost of shelter while families in shelter have only a 37% chance of gaining and maintaining stable housing. In 2011, 152 formerly homeless families gained housing stability through intensive housing intervention programs.

Our partners in the Housing First work are all emergency shelter providers who now also provide permanent housing solutions for families with children: YWCA, the Road Home, Salvation Army, and Porchlight. These partnerships are essential. All four providers have extensive experience working with families and individuals

at difficult periods of homelessness. As case management is key to the success of Housing First, the housing case managers work cooperatively with each other and with United Way to share best practices and consider ongoing refinements to the program to allow as many families as possible to be successful.

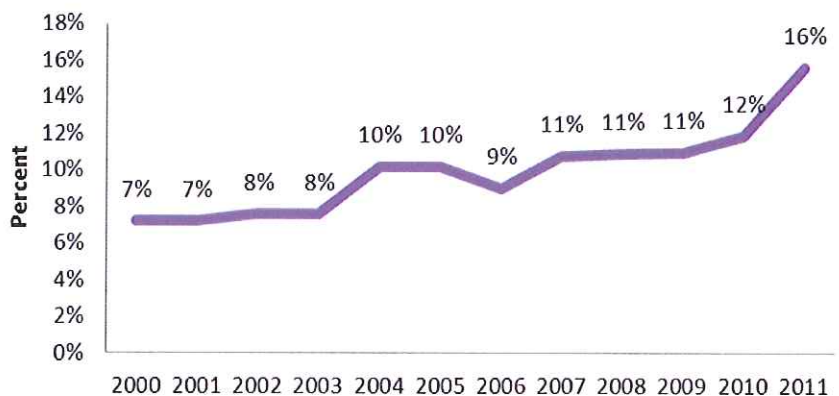
Why it Matters:

Stable Housing Promotes School Success

It is clear that separate even from extreme poverty, homelessness and lack of stable housing presents a formidable set of challenges to an already extremely vulnerable group of children. In addition to the trauma which often accompanies homelessness, children must often endure separations from schools, teachers and friends making achievement in school difficult or impossible.

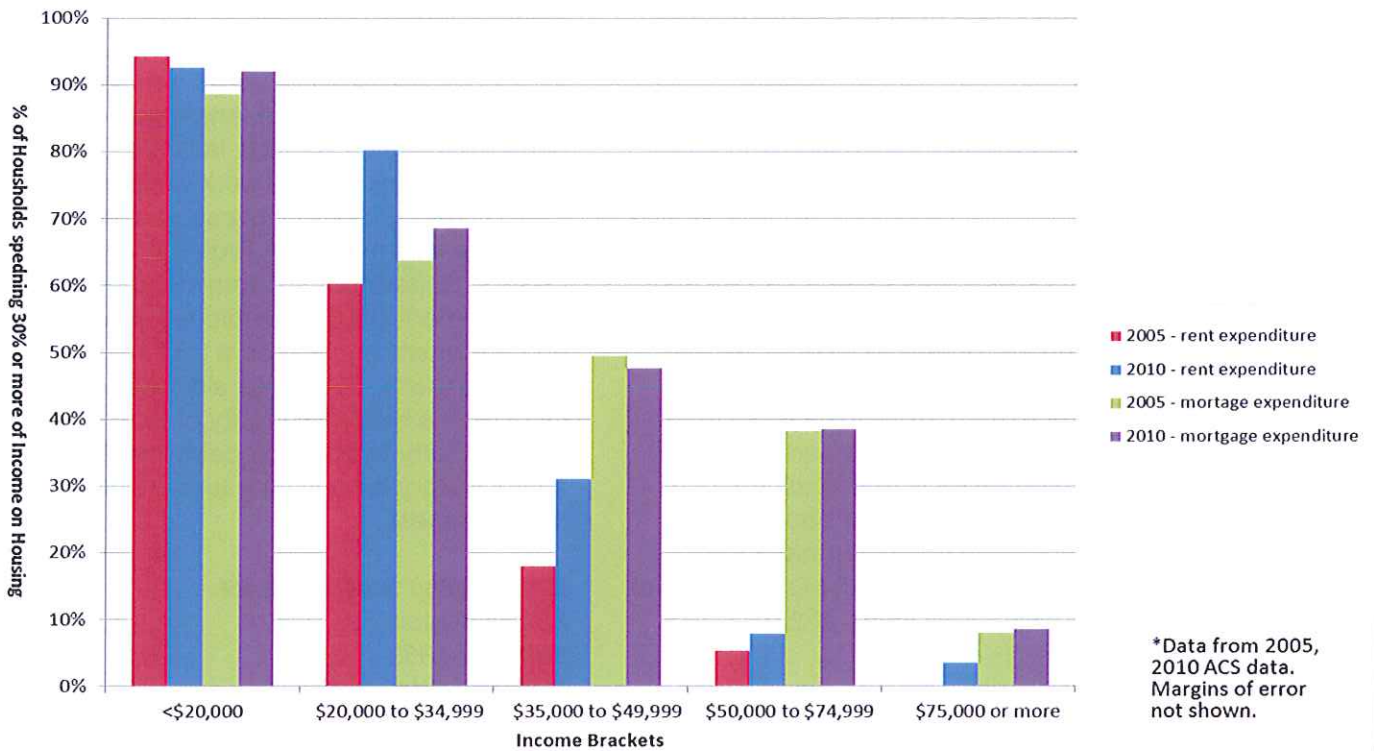
There is a strong correlation between mobility and academic and disciplinary problems for students. Children who change schools

Percent Children in Poverty in Dane County



frequently may have trouble becoming attached to a new school; each new school may present different school and district standards, new children, teachers and playground rules. They are more likely to repeat a grade due to frequent absences caused by mobility and illness. Homeless children have twice as many ear infections, five times more digestion and stomach problems and are four times more likely to have asthma. As a result, children are more likely to fall behind academically and socially and forfeit

Dane County: % of Households Spending more than 30% of Income on Housing by Income Bracket: 2005-2010 (Gross Rent/Mortgage Expenditures)*



the social support systems necessary for success.

Children from low income families are more likely to change schools resulting in lower attendance rates. In the Madison Metropolitan School District, a total of 1,568 students have moved between schools within the district during the past school year. The majority of these moves involve only two different schools. An alarming 269 students have moved between three or more schools. While we know that some of these are planned moves, and may in fact be beneficial moves to better housing, others are clearly unplanned. In 2012, United Way partnered with three agencies to help families avoid eviction with the intention of limiting school mobility for families with school age children. These partnerships extend to the children's schools helping them stay connected to resources to help them succeed academically.

Challenges Ahead:

Rent and Income mismatch

In Dane County, families face many of the same housing affordability crises experienced at the national level. In 2010, 25.4% of renting families in Dane County spent more than 50% of their income on housing costs (more than 20,000 households)¹ while slightly over half of renters spent more than 30% of their income on housing (about 40,000 households)².

Further, county poverty rates among some of our most vulnerable populations have also risen. For example, among female headed households with no male present, the percentage of families living in poverty is trending upwards, from 16.2% in 1999 to 22.5% in 2011³.

Consider that a family of four currently meets the federal measure of poverty when making less than \$23,050 per-year⁴. Since 25% of Dane County renters spend more than 50% of their income on rent, a renting family of four could easily be left with less than \$12,000 per-year to pay for food, medical care, transportation, clothing, and other basic needs. In situations like these, funds are often stretched well past the breaking-point. Unexpected expenses may mean the difference between a home and homelessness.

At the lower end of Dane County's income brackets, families with the least earnings pay the highest percentages of income in rent (and mortgage costs). In 2010, of renting households making less than \$20,000 per-

year, over 92% paid more than 30% of their income in rent. Of 2010 renters making \$20,000 – \$34,999, 80.19% of households spent more than 30% of their income on rent. Above, Figure 4⁵ shows that a high percentage of low and middle income households in Dane County have a significant housing burden; that is, they spent 30% or more of their income on rent or mortgage expenditures in 2005 and 2010⁶.

The changes in our economy as well as state law have significantly affected the housing market for poor children and their families. In recent years, there has been a sizable increase in the number of middle income families forgoing home ownership for renting. This increase in middle income families competing for rental units with low-income families has increased rental rates and created a shortage of rental units. The result is that landlords can charge higher rates and be much choosier about their tenants. While the Madison area has never had high vacancy rates, the rental vacancy rate in the first quarter of 2012 was at its lowest level in many years at 2.0%.

New State Law

An additional factor making it hard for poor families to secure affordable housing is a new state law regarding landlord and tenant rights. Changes in state law which went into effect in March 2012 eliminated many protections for tenants and allow landlords a great deal more leeway in setting lease terms for potential renters. A grave concern of the Housing First case managers is the new practice by many area landlords of requiring that tenants have income equal to three times that of the monthly rent. Most low income families are working in the service industry. Under this practice our families would need to have an income of \$26,820 annually to rent a \$754 per month apartment.

Housing First Families

The sluggish economy has had a negative impact on the children and families we serve in many ways. The Housing First program is serving some of the very poorest families in Dane County. The average household income for these families when they enter the program has decreased over the three and a half-years we have run the program. It is now \$947 per month; that is \$11,491 annually. This income is used to support two or three people, typically a mother with one or two children. The average rent for the apartments our partners help families find is \$745 monthly. With a \$210 average Housing First subsidy, families are paying \$535 per month in rent, 56% of their income.

Conclusion

United Way's four core strategies of landlord/tenant connections, financial counseling, case management, and increasing access to food and Housing First, are making a significant impact on the landscape of homelessness for families in Dane County. However, there is more work to be done. Changing emphasis in investment of public dollars is vital to this strategies success. The Federal Department of Housing and Urban Development (HUD) has placed an emphasis on permanent housing as a real solution to homelessness. Welcome also are recent discussions by both the City of Madison and Dane County to advance permanent housing as necessary for any long term solution to homelessness.

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¹ Source: American Community Survey 2010. "B25070: Gross Rent as a Percentage of Household Income in the Past 12 Months. Universe: Renter-occupied housing units." URL: <http://factfinder2.census.gov>

² Ibid.

³ Based on comparison of "Families with female householder, no husband present" below poverty level in Source: American Community Survey 2010, "DPO-3, Selected Economic Characteristics" and data from the Decennial Census 2000, "DPO-3, Selected Economic Characteristics." URL: <http://factfinder2.census.gov>

⁴ Poverty guidelines information from US Department of Health and Human Services. "2012 HHS Poverty Guidelines." URL: <http://aspe.hhs.gov/poverty/12poverty.shtml/>

⁵ Source: 2005 (B25106) and 2010 (B25106) – 1 year American Community Survey data. URL: <http://factfinder2.census.gov>

⁶ Ibid.

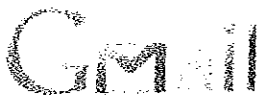
Madison Development Corporation
Business Lending Accomplishments

	2010	2011	2012
# CDBG-Funded Loans	14	11	11
\$ CDBG-Funded Loans	\$625,000	\$760,000	\$605,000
# Venture Debt Loans	5	4	5
\$ Venture Debt Loans	\$1,665,000	\$1,300,000	\$1,350,000
# New Jobs Hired	149	230	127
% Jobs LMI	56%	53%	55%
% "Quality" Jobs	64%	76%	70%
# MBE/WBE Loans	2MBE/4WBE	2MBE/2WBE	1MBE/3WBE

MDC Jobs 2012

<u>Borrower</u>	<u>FT Jobs Created</u>	<u>PT Jobs Created</u>
Idle Free Systems	Sales Coordinator Field service Tech Warehouse Assist Assembly Tech (2) Office Mgr	Warehouse Assistant
Zurex Pharmagra		Exec Assist Director of Quality VP Regulatory Affairs
Salsapants Inc.	Wholesale production manager	
PerBlue	Analyst Quality Assurance Computer prgrammer Exec Assistant	Office Cleaner
NeuWave	Production Associates (7) Sales Account Mgr (4) Clinical Specialist Materials ProductionLeader	
Isthmus Acupuncture Center	Accupunctruist (2) Admin/Retail Mgr	
534 State LLC dbaFull of Bull		Counter (9) Cook (3)
RP's Pasta	Pasta Manufacturer	
Greenleaf Media	Programmer Sales Rep	
Forte Research Systems	Project Manager (4) Product support (2) Software Engineer (4) Analyst(2) Product Training Spec (3) Accountant Office Admin (2)	
Arterro		Shipping Assistant

Applied Tech Solutions	Help Desk Tech (2) Systems Specialist(4) Sr Infrastructure Specialist Outside Sales Business Solutions Specialist Business Information Developer	
Networked Insights	Software Developer (2) QA Manager QA Associate R&D Assoc Data Associate	
Shine Advertising	Art Director Media Director	
iOgenetics		Lab Assistant
Health Innovation Technologies	Software Engineer Sales Customer Support (5)	
Accumium LLC	VP Sales Account Exec Program Manager Marketin Coordinator Internet Marketing Specialist Copywriter	
Be Inspired Hair Salon	Junior Lead Stylist	Sales Service Promoter Front Desk Assistant
Greenway Crossing Montesorri	Teacher (6)	
Stemina Biomarker	Scientist/Analytical Technicians (5)	



Peggy Stonestreet's October 31 message about the CDBG meeting, November 14

PAUL H. Kusuda <phkmail.k@gmail.com>

Sat, Nov 2, 2013 at 5:00 PM

To: mcharnitz@cityofmadison.com

Cc: "Beatty, Christine" <cbeatty@cityofmadison.com>, Tammy Hagan <thcormd@aol.com>

Unfortunately, I had already planned to attend a meeting that begins after the CDBG meeting but not late enough for me to attend both meetings since I have to pick up someone at about 6:00 p.m.

The questions to stimulate discussion provide needed focus on housing concerns in and about the City of Madison. Affordable housing is a growing need that has been a long-felt need. Section 8 effects are good; however, as time moves on, requirements expire, but the need keeps growing, especially for those in the low-income group.

I am not too concerned about promoting homeownership because as our population ages, and that will continue at a faster pace, homes owned by the elderly who move to independent- or assisted-living housing will become available in greater numbers than in the recent past. They, and newly-built homes, will be purchased by middle-income families. The current apartment- and condominium-building programs should suffice to meet the small-family needs of the cadre of middle-income employees attracted to our City environs.

A proposal you may want to consider is one discussed years ago when I was a member of a housing committee led by Sol Levin, whom Mayor Soglin will remember. Sol developed the first-time buyer program of single-dwelling homes. Owners bought homes, but the real estate belonged to the city. When homes were resold, any increase in price had to be minimal, and the new buyer also had to be a first-time home owner. Since the price excluded cost of real property, it was affordably low. I hope that program continues and has been expanded.

My concern is about working families whose incomes are at a low level such that they cannot save sufficient funds to use for security deposits. A minimum security deposit is equivalent to a month's rent; however, it could be two or three times that amount. It's returned minus damage costs when a tenant leaves.

The City of Madison should establish a \$15,000 to \$20,000 revolving fund to be used solely for low-income families to borrow funds for security deposits and no other purpose. Means-testing will be necessary, and an income ceiling will be determined as some multiple of the federally-defined poverty level, obviating need for indexing. Families participating in the program will have to sign a binding contract to repay the borrowed amount within two years on a monthly basis. An already-existing public or non-profit agency or organization could be contracted to administer the program and provide annual reports to CDBG

Because local public funds are not available to underwrite initial costs I suggest they be sought through the federal Department of Housing and Urban Development. An alternative would be to tap other sources such as the Madison Foundation, Kohl Foundation, Ford Foundation, Johnson Wax Foundation, or other funds that may be interested in the idea.

We know that among the homeless are families whose working incomes are such that they cannot afford enough to purchase needed food. Most will not have enough earned income to qualify, but some may get sufficient incentive to develop a savings program to move toward qualifying for the program.

PAUL