

Memorandum

To: CDBG Committee
From: CDBG Staff
Date: 7/8/2009
Re: CDBG – R Funds: Recommendation for Economic Development

Four (4) proposals were received in response to the request for proposals to provide economic development services tied to new job creation in “green” businesses or those that would be able to create the new jobs through energy efficiency improvements funded by the CDBG-R funds. The goal was to create at least 4 new FTE positions or retain at least 4 existing FTE positions for low or moderate income persons in the City of Madison.

1. Madison Development Corporation. – Requests \$139,400. Plans to incorporate these funds into their existing business loan program focusing on provision of loans to “green” businesses and those which would be able to meet the job creation requirements of these funds. MDC anticipates providing loans to at least one business, and as many as 4 businesses, to meet the 4 FTE jobs created or retained standard.
2. Community GroundWorks at Troy Gardens – Requests \$35,000. Plans to create one FTE position for a person who is currently an LTE in the position managing two new programs at Community GroundWorks related to urban agriculture. Provision of an educational program to assist gardeners to increase production in their home and community gardens and provide a summer job training program in agriculture for area youth.
3. Common Wealth Development – Green Loan Fund. Requests \$139,400 Would provide \$188,550 in loan funds to at least 3 area businesses located in the two incubator facilities that Common Wealth manages. These loans would be tied to the creation or retention of an FTE position for each \$29,637 in funds provided to a business. At least 4 FTE positions would be created or retained.
4. Higher Ground Urban Farm – Requests \$139,400 Provides start up capital to a local “green” business which will be developed on the Northside of Madison. Business will develop an urban farm which will grow and supply fish, greens, herbs, fruit and other food products to local restaurants, stores and consumers. Business will seek to hire and train 4 low income ethnic minorities residing on the Northside as the employees of this start-up business.

Staff Recommendation:

Staff recommends that the Committee approve provision of funding as follows:

\$33,350 to Common Wealth for the provision of one loan/grant to a solar technology business, to enable the retention of a FTE position for a person currently employed by the firm as an LTE, under the terms of the Green Loan fund as described.

\$106,050 to Higher Ground Urban Farm for the provision of a loan/grant for working capital or equipment purchase loan to enable the development of the urban farm business. Require that at least 3 FTE positions be created for LMI residents of Madison. Provide the funds as 50% grant and 50% loan. The loan would begin amortizing in 2015 and be repaid to the City on a quarterly basis, at 0% interest, over 10 years. There would be no prepayment penalty with the loan.

Funding these two programs enables the City to meet the goals of the CDBG-R Economic development funding, , revolve some of the funds through the use of program income and assist in creating or retaining jobs for low or moderate income residents of the City.

Memorandum

To: CDBG Committee

From: CDBG Staff

Date: 7/8/2009

Re: CDBG – R Funds: Recommendation for Employment Services to Prevent Homelessness

Four (4) proposals were received in response to the request for proposals to provide services to assist homeless individuals improve their job seeking skills and overcome barriers to obtain employment, thereby increasing their earned income and retain stable housing. The proposals received:

1. YWCA of Madison, Inc. – Requests \$42,727 Plans to fully implement an existing pilot program that includes job readiness and basic computer skills; structured training and internship; and employment search. Participants will be homeless or those at risk of homelessness receiving services from collaborating agencies and funded other federal stimulus funds.
2. Madison Apprenticeship Program (MAP) – Requests \$42,727 Working with the Allied Consortium Employment (ACE), provide a Lead Assistant to provide 12-week job readiness assistance primarily to those recently released from prison and W2 participants who do not qualify for W2 cash benefits.
3. Freedom, Inc. – Requests \$42,727 Initiate a day labor service for homeless and unemployed that is primarily consumer-run. Participants will be connected to need services, peer support and leadership development. Proposal includes reaching out to potential employers and local community.
4. Literacy Network – Requests \$42,727 Expands on current on-to-one tutoring to provide employable skills mentoring by matching community volunteers and program participants. Program will use trained community volunteers, as well as paid staff, to make literacy one component of a comprehensive strategy that provides support services and employment training.

Staff Recommendation:

Staff recommends that the Committee approve provision of funding \$38,455 of CDBG-R funds to the YWCA as the provider of employment services to prevent homelessness. Note \$42,727 referenced in the RFP included CDBG staff administration funds of \$4,272.

Their proposal most closely matched the program components contained in the RFP. the YWCA has experience in providing both job training and placement, as well a working with the homeless population. This funding will expand on a successful pilot project, and they indicate that they can meet the required outcomes of creating one FTE position to provide services, will place 20 individuals in employment (10 individuals in full-time jobs), and 90% of households connected with employment will retain housing at the 12 month mark.

Memorandum

To: CDBG Committee
From: CDBG Staff
Date: 7/8/2009
Re: CDBG – R Funds: Recommendation for Foreclosure Prevention

One (1) proposal was received in response to the request for proposals to provide foreclosure prevention services tied to a new FTE position which would assist at least 300 individuals seeking assistance in identifying the resources, skills or options necessary to avoid foreclosure if possible

1. Dane County Housing Authority and Green Path jointly requested \$33,648. Would provide 4 workshops on foreclosure prevention over the course of a year for at least 300 households seeking foreclosure information. Would use existing funds to provide one-on one counseling services in addition to the coordination and referral services being requested under the RFP.

Staff Recommendation:

Staff recommends that the Committee not approve funding for this proposal as submitted.

While this proposal did meet the provision of services to 300 households it was through the provision of 4 workshops, not the creation of a FTE position which would provide ongoing referral services and coordination of existing foreclosure prevention services being offered in Madison.

Staff will work with local housing providers to ascertain if the RFP as drafted should be re-issued, if the City should utilize its administrative funds to hire a FTE position to perform the job functions described in the RFP or if the City can meet the foreclosure prevention service needs through a different methodology.

Memorandum

To: CDBG Committee
From: CDBG Staff
Date: 7/9/2009
Re: CDBG – R Funds: Recommendation for Housing Rehabilitation and Preservation Services

Five (5) proposals were received in response to the request for proposals to provide housing rehabilitation and preservation services tied to energy efficiency, or prep work for energy work, for at least 27 housing units in which the City has a financial investment. These services should result in the creation of 7 new FTE positions.

1. Madison Development Corporation. Requested \$164,250 for three rehab projects at the Avenue Apt's on E. Washington Ave. Replace existing boilers with energy efficient furnaces, replace existing windows, repair the concrete pad on which the building air conditioners sit. Would serve 28 affordable housing units. Would create 1 .75 FTE position.
2. Independent Living – Segoe Rd : Requests \$45,000 to replace 3 existing boilers with energy efficient boilers. Would serve 76 affordable housing units, and provide 3 FTE jobs for HVAC contractors laid off workforce for the life of the job (approximately 2 months)
3. Independent Living – Segoe Rd : Requests \$47,000 to replace service elevator and main elevator doors. Rehab is designed to improve safety and service for 76 affordable housing units. No new FTE's created, jobs retained for 3-6 workers for life or project.
4. Independent Living – Segoe Rd : Requests \$41,566 to install a high security door lock and video security system for the Gardens and Assisted Living Facility at 602 N. Segoe Rd. Would result in additional safety and security for elderly residents of the 76 affordable housing units in the building. No new FTE's created, jobs retained for 3 workers for life or project anticipated to be 4-6 months.
5. Operation Fresh Start – Graduate Crew : Requests \$339,070 for development and management of a new crew of graduates from the Operation Fresh Start employment and training program. Creation of 5 new FTE positions, retention of 1 FTE position and rehabilitation of at least 27 housing units identified by the City as needing work. Proposal requires City to hire the workers as force account labor and have OFS supervise the work of the crew.

6. Staff Recommendation:

Staff recommends that the Committee approve funding \$167,059 in CDBG-R funds for Operation Fresh Start for this proposal as submitted, with a reduction in their projected budget to match the funds available. The OFS proposal provides the most assurance that both the job creation and the housing rehabilitation tied to energy efficiency goals of this RFP are met.

OFS and the City will work to assure that the materials costs for units assisted will be paid for by the owners of the units in as much as possible, thereby enabling OFS to meet the budget restriction of this RFP.

Staff recommends that the Committee approve funding \$102,125 in CDBG-R funds for the Dept of Planning and Development to hire 5 FTE hourly positions to work as force account work to the City under the direction of, and subcontract, to Operation Fresh Start as the "Graduate Crew" performing the rehabilitation and preservation work required under our contract with Operation Fresh Start.