

Department of Planning and Community & Economic Development
Community Development Division

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MEMO

TO: CDBG Committee Members
FROM: Michael Miller, CDD Office
DATE: August 23, 2011
SUBJECT: Community Economic Development Initiatives

The Community Development Division since the start of the year has been researching ways to address the changing economic climate in the City of Madison. Below you will see some initiatives that were developed based on conversations from a variety of different sources such as; small businesses owners, economic/workforce development agencies, financial institutions, and economic development service providers. These initiatives address concerns from the community, the Community Development Division, and HUD with respect to job creation.

Community Economic Development, Disadvantaged Business Deferred Payment Loan Program

The City of Madison Community Development Division's approach to job creation is a basic one; engage in creating jobs in the community for individuals that live in the community. Through a deferred payment loan program the Community Development Division is looking to boost job creation by way of entrepreneurship. The Disadvantaged Business Deferred Payment Loan Program will be a pilot program designed to encourage entrepreneurs to create jobs either by opening or expanding small businesses. A major premise for launching this pilot program is the increasing number of individuals seeking employment in the Madison area. The entire program description has been provided to you in your CDBG meeting packet.

Skilled Local Employees Looking For Opportunities Spreadsheet

The Community Development Division is looking to assist city funded agencies in placing graduates from their job training programs into jobs. As we all know in this extremely tough job market placing individuals into jobs has never been more difficult. We're putting together a spreadsheet with the names of individuals that have graduated from employment program(s). Businesses would be able to access this spreadsheet through our website and hopefully others. Individuals will be grouped into "skill categories" to make it easier for businesses to get connected with the right potential employee. The goal is to better connect businesses to individuals that have made the decision to improve their employment skill level. The business owner will not have to put a sign up in their window and hope the "right" person sees it, or take out a costly ad; they will have access to a list of individuals that are serious about employment opportunities.

Office of Community Services

Community Development Block Grant
(CDBG) Office

Senior
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Promotion assistance to WWBIC for their “Seed Loans”

Wisconsin Women’s Business Initiative Corporation (WWBIC) is offering “**Seed Loans**” to business owners or those starting businesses in the City of Madison. Loans are being offered in the range of \$5000 – \$10,000 with a 60 month term at a 5% interest rate. WWBIC will delay all the application fees until the loan has been approved. We are assisting WWBIC with the promotion of this program through agencies this department funds (African American Business Association, Latino Chamber of Commerce, Urban League of Greater Madison, and others) to further encourage entrepreneurship and job creation.

Section 3 Compliance

On the most basic level, Section 3 is a local jobs initiative. Every year the U.S. Department of Housing and Urban Development (HUD) invests billions of federal dollars into distressed communities for projects designed to build and rehabilitate housing, improve roads, develop community centers, and otherwise assist families to achieve the American Dream. The Section 3 regulation recognizes that HUD funding typically results in projects/activities that generate new employment, training, and contracting opportunities. These economic opportunities not only provide “bricks and mortar,” but can also positively impact the lives of local residents who live in the neighborhoods being redeveloped. The City will maintain a list of Section 3 certified individuals and businesses. Contractors will be able to draw from this list of people when hiring for projects involving HUD funding.

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