



City of Madison

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

Thursday, July 30, 2009

5:00 PM

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

SPECIAL MEETING

CALL TO ORDER / ROLL CALL

Present: 6 -

Shiva Bidar-Sielaff; Marsha A. Rummel; Charlie R. Sanders; Arthur V. Robinson; Steven C. Bartlett and Russ Whitesel

Absent: 2 -

Tim Bruer and Justin O. Markofski

Excused: 2 -

Monya A. Choudhury and Daniel A. O'Callaghan

STAFF: Clingan, Constans, Dungan, Kenny, Rood, Short, Wallinger

OTHERS: Mary Watrud, Tobi LeMahieu, Jill Pfeiffer, Sandra Miller, Ellie Maier, Sarah Gillmore, Marcia Hendrickson, Sterling Lynk, Tom Solyst, Megin McDonell, Myrtle Wilhite, Terrie Anderson, Steven Schooler, Zanna Majerle, Carolyn Parham, Ald. Rhodes-Conway, Ald. Michael Schumacher, Ald. Mark Clear, Bill Bauer

CALL TO ORDER: Sanders called the meeting to order at 5:00 pm.

APPROVAL OF MINUTES

Bidar-Sielaff moved to approve the minutes from July 16, 2009/Bartlett seconded. Unanimous approval.

CALL TO ORDER / ROLL CALL

Markofski arrived at the meeting.

Present: 7 -

Shiva Bidar-Sielaff; Marsha A. Rummel; Charlie R. Sanders; Arthur V. Robinson; Steven C. Bartlett; Justin O. Markofski and Russ Whitesel

Absent: 1 -

Tim Bruer

Excused: 2 -

Monya A. Choudhury and Daniel A. O'Callaghan

PUBLIC COMMENT

Mary Watrud - START Program

Watrud, who is with the START Program, thanked the City for funding and noted that the construction industry is slow right now. She said that START worked with the City over the summer months to get six Allied residents into apprenticeships.

Watrud noted her organization is still staring down a worker shortage. She said that the average age of construction workers is 49, and the average age of apprenticeship workers is 29. Watrud went on to say that, on the average, construction workers retire earlier than other workers of similar ages, which, in the future, will afford many opportunities when recovery dollars hit the market.

Watrud emphatically stated that Scenario 1 would not be good for her organization.

Rummel asked what the numbers mean in real terms, and Watrud explained that the money comes out of her salary whenever there is a cut and that at this point her organization is running on fumes.

Bartlett asked which scenario would work best for her. Watrud said that anything but Scenario 1 would work; she said it would be more equitable for the Committee to spread the pain out.

Tobi LeMahieu - Fair Housing Center

LeMahieu, from the Fair Housing Center, said the cuts would mean cutting fair housing outreach. Education service would also decline, and it would also mean they would conduct fewer complaint intakes on protected classes in the City of Madison. LeMahieu noted that 17% of complaints in 2008 were based on City of Madison protected classes.

She said that fewer tests would be conducted and that cuts would also impact the City's ability to affirmatively act on fair housing discrimination.

Rummel asked if random testing would be affected, and LeMahieu said that it would be, as well as systemic testing.

Jill Pfeiffer - Lussier Community Education Center

Jill Pfeiffer, from the Lussier Community Education Center, noted she was grateful for the Committee's help so far and gave statistics regarding services at Lussier Center from the past year. Pfeiffer suggested the Committee take into consideration the increase in growth the Lussier Center has had. She said they are committed to retaining their programs, but to do that, they would need to maintain staff ratios and that the cuts would have to come from somewhere.

Sandra Miller and Ellie Maier - Wisconsin Youth and family Center

Sandra Miller and Ellie Maier, from the Wisconsin Youth Company (WYC), thanked the Committee for support for newer programs and went on to describe the nature of the programs. Miller said that cuts would cause a real hardship.

Maier said that the \$12,000 given to the WYC was geared toward transportation needs, and cuts would affect transportation. Maier noted that without transportation, their numbers could be much lower. She said they serve an average of 150 kids per night who would be affected by cuts to maintenance of vehicles, busses, and vans. She said cuts would also mean fewer hours for us, as well as fewer hours for programs. Maier pointed out that cuts would also affect the revamp of their computer facilities.

Miller said that kids tend to view their center as a home.

Bartlett said that the Committee does have to cut and asked them which scenario they would prefer. Miller and Maier both felt the fairest scenario would be the one with across the board cuts.

Rummel asked Miller or Maier to describe their transportation program. Maier said that during the school year, they pick up kids after school along a route; and they also use vans to take kids to various activities. The biggest issue, however, is getting the kids to the center safely.

CALL TO ORDER / ROLL CALL

Bruer arrived at 5:20 pm.

Present: 8 -

Tim Bruer; Shiva Bidar-Sielaff; Marsha A. Rummel; Charlie R. Sanders; Arthur V. Robinson; Steven C. Bartlett; Justin O. Markofski and Russ Whitesel

Excused: 2 -

Monya A. Choudhury and Daniel A. O'Callaghan

PUBLIC COMMENT

Sarah Gillmore - Salvation Army

Sarah Gillmore, from The Salvation Army, reported that the Overflow Shelter/Warming House turned away 112 people from shelter this year compared to 39 from last year. Gillmore reported that children, families, and infants stayed on "barebones" mattresses on the floor in the hallway; it is a first come, first served basis with no guarantee of shelter. Gilmore stated that even Scenarios 2 and 3 would cut her programs.

Rummel asked what more money would do for The Salvation Army. Gilmore said with more money, it would be easier to recycle through battered and worn mattresses.

Marcia Hendrickson - Boys and Girls Club of Dane County (BGC)

Marcia Hendrickson said that BGC operates two centers, one in the Allied Drive area and another on Taft Street and thanked the Committee for their past support. Hendrickson said both centers have been feeling the strain of the tough economy. She said she supported Scenario 3, which for the BGC and other centers, seems to be the most equitable. Hendrickson pointed out that in order to serve the vulnerable population, they really need basic services to provide for the community.

Rummel asked why they chose Scenario 3, and Hendrickson said because this scenario spreads out the pain across the board. Otherwise, they would have to cut within their own programs directly.

Sterling Lynk - Urban League of Greater Madison (ULGM)

Sterling Lynk from UGLM said that cuts would affect workforce programs, as UGLM administers a number of job placement initiatives. Lynk noted that this would be a bad time to cut such programs because reduction in funding would mean reduction in services.

Bruer asked how their new building was coming along. Lynk said they have floors and walls and that he is touring it tomorrow.

Rummel asked which scenario would be preferred by UGLM. Lynk said whichever one would least impact their workforce programs.

Bruer asked what UGLM's success had been. Lynk reported that they are significantly ahead of schedule and have 50 people in jobs so far this year, which is ahead of their yearly goal.

Tom Solyst - Vera Court Neighborhood Center

Tom Solyst, from Vera Court, thanked the CDBG Committee for their time spent during the past week. He noted that this is a bad time to cut services to needy neighborhoods and thought that CDBG's City levy money should not be touched by the City. Solyst asked the Committee members to look at the budget sheet on page 4. Solyst thought that Scenario 3 would be the fairest and that that although Scenario 1 would benefit Vera Court the most, he would support Scenario 3 as the fairest to all centers.

Rummel asked what impact OCS had on the centers. Solyst described the actions of the OCS Committee from last night's meeting; they voted to cut 6% from all centers, not just a few, which was the fairest for OCS.

Megin McDonell - Tenant Resource Center (TRC)

Megin McDonell from TRC agreed with Solyst regarding cuts of City services. She said that their mediation program provides services to help

prevent eviction and that funding mainly comes from the City, Federal ESG, State of Wisconsin, and Dane County. McDonell felt that Scenario 1 would mean the most cuts to the Tenant Resource Center; and as a result, the program wouldn't survive beyond 2011. With less money, fewer people would be served. McDonell felt that these services are vital to the City and requested that the Committee relay those sentiments to the Mayor and Common Council.

Rummel asked how many people retained their housing. McDonell said she didn't have the numbers at this time, but the results of a sample survey showed that of those who had reached an agreement with their landlords, 83% retained their housing at six months.

Steve Schooler - Porchlight

Steve Schooler from Porchlight said that regardless of which scenario is chosen, his organization is on the chopping block and opposed all cuts. Schooler said that Porchlight would get hammered with Scenarios 2 and 5. Schooler noted that cuts would impact direct services and support services resulting in less outreach.

Rummel asked which scenario would be the best for Porchlight. Schooler said that taking \$2,000 to \$3,000 from the total budget would be the least painful.

Zanna Majerle - Neighborhood House

Zanna Majerle from Neighborhood House noted that the amount suggested for her organization would cut \$1,100, but would put Neighborhood House in a bind. Majerle said that their fundraising budget keeps growing, but was not sure as to how much more they can absorb. She also said the city gets more bang for the buck with their center. Majerle thought that \$500 - \$600 cuts would be the best. Money that would be cut is part of Neighborhood House's general budget.

REFERRED FROM PREVIOUS MEETING

1. [15482](#) CDBG - R - RFP

Dane County Housing Authority (DCHA)

Clingan noted that the Committee had heard testimony from DCHA and subsequent discussion about their RFP at the last CDBG Committee meeting. He said that DCHA has returned with a re-vamp to their plan, and staff has recommended going forth with funding their RFP.

Constans said that per Assistant City Attorney Anne Zellhoefer, the RFP as issued left us some latitude with the product we choose. Constans noted that a compromise was reached where DCHA would create a .75 part-time position rather than 1 FTE, and 50% of the position's time would be spent on

foreclosure prevention task force objectives and 50% of the position's time would be spent on workshops described in their proposal. DCHA said the likelihood of serving 300 households is difficult, so the goal was reduced to 150 households to be served by this contract.

**Bruer moved adoption/Rummel seconded.
Unanimous approval.**

Housing Rehab

Constans said that she had received news from Washington that Davis-Bacon Act (DBA) provisions do not apply for CDBG-R housing rehab projects with seven or fewer units. Constans said that this means Operation Fresh Start (OFS) could then hire their own workers and the City would not need to hire force account employees. She said staff recommends a substitute resolution to provide \$269,184 to OFS and remove the funds originally designated for force account employees from the City.

**Bartlett moved approval/Bidar-Sielaff seconded.
Unanimous approval.**

Bruer asked about the construction trades again. Constans said that Jade Banks of HUD-Washington indicated that Congress agreed that housing rehab of seven or fewer units would be exempt from Davis-Bacon provisions, for the CDBG program. This exemption applies only to HUD and not to the Department of Energy or other departments. Congress, in authorizing the CDBG Program in 1974, had explicitly exempted housing rehab of seven or fewer units from fair labor standards or Davis-Bacon coverage.

Bruer asked if there was any sense of HUD's concern for trades.

Constans said that Lorraine Cooper of Chicago had evinced concern that trades might be concerned, and Constans said that Connie Ferris Bailey from OFS wanted to be very clear that trades have not given her any indication that they've had trouble with OFS's program.

Bruer said that the issue of DBA and the trades is concerning to him as a political question.

Constans noted that OFS would be applying for certification as a pre-apprenticeship program by the Department of Labor.

Bruer asked whether or not staff had started a dialogue with the trades regarding funding for the sake of transparency. Clingan said he had a general conversation with Cavanaugh. Bruer said that Mr. Cavanaugh didn't represent the building trades.

Rummel asked what the differences were among apprenticeships and living and prevailing wages. Rhodes-Conway said that prevailing wage is surveyed county by county, trade by trade and that it reflects the standard of

what people are being paid. She said it is problematic in areas where there's not a lot of work or not a lot of unions. She also said that apprentices make less than journeymen.

Mary Watrud of Construction Training, Inc. noted that apprentice rates vary by trade and the average wage is \$16 per hour and goes up over the course of the apprenticeship. Apprentices must be registered in a state authorized program.

Bruer said that, for the record, he is showing sensitivity to DBA and labor unions.

Watrud explained the differences between different labor unions.

Bruer discussed Carmen Porco's complaint, and Clingan said that Porco's concern is in his reading of the RFP in that the agency has to have worked on past City projects. The RFP does not state this but does require any awardees to work on City-assisted housing units.

Economic Development Higher Ground

Myrtle Wilhite, from Higher Ground Urban Farm, handed out letters of support relative to a proven model that has worked in other cities, in which three permanent jobs will be created in the city of Madison.

Wilhite pointed out that her organization did not incorporate as a non-profit due to Troy Farms, and if the Committee felt more comfortable with it, her organization could incorporate as non-profit; the Higher Ground Urban Farms Board would be in agreement with becoming a non-profit. Bartlett stated that he had no objections with it being a for-profit organization.

Terrie Anderson from the Community Ground Work at Troy Gardens spoke in support of Higher Ground Urban Farm's proposal. Anderson does not believe that Higher Ground would be in competition with Troy Gardens and believes it is a great way to get more food on people's tables.

As the Northside Timebank Coordinator, Anderson is very excited about the time people will serve in service to their community to bank credit to purchase food.

Schumacher noted that he wanted to make his concerns known that private corporations have less oversight. Schumacher said that if we are going to leverage the money to the maximum, one piece is that it must create jobs. Schumacher recommended that the Committee keep everything as is, with 50% a grant and 50% a loan, if the corporation keeps three people hired as FTEs for two years. If they do not keep three FTEs, then the 50% grant would become a loan.

Schumacher said he would be very supportive of agricultural programs, otherwise.

Sanders asked Schumacher why he came to the Committee with this request when it could have been handled at the Council level.

Bruer gave his concerns from the Common Council viewpoint that there is a bias toward business, which is being done in committee rather than at the council level.

Constans said that all funds for this project would be provided as loans with 50% as a contingent loan that reverts to a grant at the end of a two-year period. She said that part one of what Schumacher handed out to the Committee is contained in the standard contract language, and CDBG would track the job creation.

Schumacher handed out other language that he was requesting be substituted in the resolution that says that the conditional loan shall become due and payable beginning January 1, 2015, in quarterly installments, with zero percent interest.

Wilhite requested that the funds remain a grant instead.

Rummel asked for clarification on the original RFP.

Wilhite said the loan repayment would be contingent upon the success of the business.

Bartlett noted that the Committee had never had experience working with a for-profit and hoped it would be a strong partnership.

Clear said that both non-profits and for-profits have different advantages. Clear was concerned that this is a start-up and is concerned with the City getting into the angel capital business, for lack of a better term.

Clingan noted that we do business start-ups with Wisconsin Women's Business Initiatives Corporation (WWBIC) and Madison Development Corporation (MDC).

Clear explained that this was similar to a TIF application.

Rhodes-Conway said that she thought it was a great proposal with great potential using this model and is worth the City's investment since it is exactly the kind of thing the stimulus is meant to support. She said that perhaps an appropriate motion would be to move acceptance of the proposal and direct staff in the contract process to include the first part of Schumacher's statement with language that half of the funding would be contingent on three FTE's for one year. She also suggested making this a condition on all proposals.

Whitesel thought this would deter people from taking a chance, as it would create a very severe standard. The Committee and Alders discussed whether or not this would be a good idea.

Bartlett referenced discussion at the last meeting regarding changes to an RFP and how some Committee members were reluctant to consider changing a proposal once it has been accepted.

Bruer moved reconsideration/Bidar-Sielaff seconded.

Rummel said, however, that we've already had a process and made a decision and pointed out that it would be very problematic to change a business model.

Rhodes-Conway said that we can learn from the CDBG office since the process has been already engaged.

Clingan pointed out that start-up loans do happen with CDBG money already, but they work due to the diligence of organizations like MDC and WWBIC.

Bidar-Sielaff noted the existing standard contract language sets up a higher standard for job creation.

Rood said that if a business funded by WWBIC fails to meet their job creation requirement, they have to repay \$1,000 for each FTE.

Schumacher said the primary concept is to create jobs.

Markofski said that he was ready to vote to maintain the original recommendation. He noted that this proposal was vetted by staff and that the Committee has already spoken. Markofski also said he was appreciative and understood the concerns, but we've already made the decision once.

Wilhite noted that the SBA loans were uncollateralized, and the requirements that are being asked for this loan are almost ridiculous.

Bruer noted that the Common Council members should always feel they can come back to the Committee with concerns and questions and thanked the Committee for its consideration.

Bidar-Sielaff appreciated the alders looking at this carefully and that this brought forth clarification of standard contract language.

A motion was made by Bruer, seconded by Bidar-Sielaff, to Discuss and Finalize. The motion FAILED by the following vote:

- Excused:** 2 -
Monya A. Choudhury and Daniel A. O'Callaghan
- Recused:** 1 -
Charlie R. Sanders
- Ayes:** 1 -
Tim Bruer

Noes: 6 -

Shiva Bidar-Sielaff; Marsha A. Rummel; Arthur V. Robinson; Steven C. Bartlett; Justin O. Markofski and Russ Whitesel

REQUEST FOR FUNDS OR MAJOR CHANGES IN CURRENTLY FUNDED PROJECTS

2. Resolution amending funds for City Parks in the South West neighborhood.

Nancy Dungan of the CDBG Office and Bill Bauer, who is from the Parks Department, discussed the need for extra funding to meet accessibility issues.

Bartlett moved approval/Bidar-Sielaff seconded.

Rummel asked what the issues were.

Bauer explained that the existing path's slope was too steep and was in need of repaving.

Unanimous approval.

15558

SUBSTITUTE - Amending Enactments No. RES 07-01134 and No. RES 08-00818 concerning the allocation of CDBG funds for improvements in the South West Neighborhoods, and amending the 2009 Parks Division Capital Budget.

CALL TO ORDER / ROLL CALL

Rummel, Bruer, and Whitesel left the table.

Present: 5 -

Shiva Bidar-Sielaff; Charlie R. Sanders; Arthur V. Robinson; Steven C. Bartlett and Justin O. Markofski

Absent: 3 -

Tim Bruer; Marsha A. Rummel and Russ Whitesel

Excused: 2 -

Monya A. Choudhury and Daniel A. O'Callaghan

3. Movin' Out Inc. requesting HOME funds.

Howard Mandeville, from Movin' Out, Inc. (MOI) requested additional HOME funds and described MOI's project. Mandeville noted that MOI's loan requirements help keep people in their homes without foreclosure issues, as well as providing deep down payment assistance.

Mandeville said they have had three closings so far this year, with three more scheduled for this summer and have a waiting list. He said that additional resources would allow four others to close this year, as well as

allowing MOI to take advantage of low interest rates and tax credits.

15560

Approving \$180,800 in Federal HOME funds to provide additional down payment assistance to qualified homebuyers through Movin' Out, Inc.

A motion was made to Referred for Introduction. The motion passed by the following vote:

- Absent:** 3 -
Marsha A. Rummel; Tim Bruer and Russ Whitesel
- Excused:** 2 -
Monya A. Choudhury and Daniel A. O'Callaghan
- Recused:** 1 -
Charlie R. Sanders
- Ayes:** 4 -
Shiva Bidar-Sielaff; Arthur V. Robinson; Steven C. Bartlett and Justin O. Markofski

CALL TO ORDER / ROLL CALL

The Committee recessed at 7:25 pm and reconvened at 7:35 pm with Rummel, Bidar-Sielaff, Markofski, Sanders, Whitesel, Bartlett, and Robinson in attendance. Bruer was not in attendance at the time the Committee reconvened.

- Present:** 7 -
Shiva Bidar-Sielaff; Marsha A. Rummel; Charlie R. Sanders; Arthur V. Robinson; Steven C. Bartlett; Justin O. Markofski and Russ Whitesel
- Absent:** 1 -
Tim Bruer
- Excused:** 2 -
Monya A. Choudhury and Daniel A. O'Callaghan

2010 CDBG Discussion

4. **15481** CDBG 2010 Budget

Bartlett moved to approve no budget cuts/Whitesel seconded.

Bartlett said these services are the most basic services.

Bidar-Sielaff asked Clingan to draft a letter to the Mayor outlining the Committee's position.

Whitesel said he appreciated the work of staff regarding the budget scenarios they presented, but preferred the position regarding no cuts.

Unanimous approval with Bruer absent for vote.

Clingan said that in the context of the cuts the City levy for CDBG would be

only about \$53,000 with no staff funding. All City money would go out the door to the providers.

The following scenarios were discussed:

- Scenario #1 Inflates to 6% last fall's cuts (5% & 1%)
- Scenario #2 6% across the board
- Scenario #3 Lumps federal dollars with tax levy and adds them together and treats them as a pool to centers; then takes 6%
- Scenario #4 Takes a look at the money in OCS and tries to look at both CDBG & OCS, figuring for the double impact on centers
- Scenario #5 Hybridizes

Most Committee members said they preferred Scenario #3 and wanted it noted in the minutes.

Rummel moved to direct staff to move OCS's money to centers to CDBG by September/Bidar-Sielaff seconded.

Unanimous approval with Bruer absent for vote.

Bidar-Sielaff noted the Committee would have to turn in two budgets by August 7, 2009, one with numbers maintained as they are and the other with and showing 6% cuts. She said that the Mayor will submit his version in September or October.

Rummel preferred not to vote on another 1% cut.

Clingan said it might be passing off the chance to choose the cuts to the Mayor. He also said that he didn't feel comfortable with CDBG staff choosing which cuts to make instead of the Committee.

Bidar-Sielaff said the letter should say that with cuts, the City is "left with the illusion of services."

Bidar-Sielaff said she heard that funding may get haphazardly cut by someone else, and we may lose our opportunity to weigh in.

Clingan noted that what may come back is a line item with service providers lumped in; we may not get another chance.

CALL TO ORDER / ROLL CALL

Bruer returned at 8:05 pm.

- Present:** 8 -
Tim Bruer; Shiva Bidar-Sielaff; Marsha A. Rummel; Charlie R. Sanders;
Arthur V. Robinson; Steven C. Bartlett; Justin O. Markofski and Russ Whitesel
- Excused:** 2 -
Monya A. Choudhury and Daniel A. O'Callaghan

[15481](#)

CDBG 2010 Budget

Whitesel preferred to leave it as no cuts and meet again if required to do so.

Clingan said that having to reconvene is difficult, and quorum issues will be a problem if another meeting is necessary.

Bidar-Sielaff asked whether or not a Committee has to recommend cuts.

Bruer believed that the Committee has an obligation to make a recommendation, and failing to do so would leave the decision up to the Mayor and Common Council.

Bidar-Sielaff said she was baffled by how the Mayor arrived at the "6%" figure for cuts.

Whitesel moved to go with the Committee's first recommendation of no cuts, but note that the Committee would prefer Scenario #3 if pressed/Bartlett seconded.

Excused: 2 -

Monya A. Choudhury and Daniel A. O'Callaghan

Ayes: 5 -

Steven C. Bartlett; Justin O. Markofski; Russ Whitesel; Tim Bruer and Shiva Bidar-Sielaff

Noes: 2 -

Marsha A. Rummel and Arthur V. Robinson

Abstentions: 1 -

Charlie R. Sanders

5. [15496](#)

STAFF

Clingan presented an update concerning the Personnel Board, saying that the Board of Estimates affirmed our interest in hiring two new positions.

6. [15484](#)

CDBG 5 - Year Plan 2010-2014

Rood explained that the CDBG office is required to do a 5-Year Plan and distributed the timeline for the 5-Year Plan.

Rood noted that scenario #2 would require two additional meetings.

Rood asked that responses to input questions be completed by August 12, 2009.

Rummel asked what happened to the Subcommittee for the 5-Year Plan.

Clingan said that we would bring the Subcommittee in depending on how deeply they wanted to be involved.

Bidar-Sielaff said she would like the Committee to reach out to the Housing

Diversity Planning Ad Hoc Committee in a proactive manner and ask them to weigh in their ideas.

Robinson suggested that a future agenda item should include how to work with for-profits.

Bruer suggested adding labor construction group to a future agenda discussion.

Bartlett asked for an Allied Drive update.

Clingan said that would happen at the joint meeting between CDBG and CDA.

ADJOURNMENT

Whitesel moved adjournment/Bruer seconded. Unanimous approval.

Respectfully submitted,
Anne Kenny, recorder.