



City of Madison Meeting Minutes - Final

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

Thursday, July 27, 2006

5:00 PM

210 Martin Luther King, Jr. Blvd.
Room 309 (City-County Building)

ROLL CALL

Present: Ald. Cindy Thomas, Kristina L. Dux, Sophia Angelina Estante, Carl G. Silverman, Justin O. Markofski and Charlie R. Sanders

Excused: Ald. Tim Bruer, Ald. Santiago Rosas, Arthur V. Robinson and Steven C. Bartlett

Staff present: Hickory Hurie, Mary Charnitz, Barb Constans, Audrey Short, Pam Rood, Sue Wallinger

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

WELCOME-CHAIR'S REPORT

Markofski shared information on the Affordable Housing Conference that took place today in Green Bay.

COMMISSION SELECTION PROCESS FOR 2007-2008 FUNDS

Hurie explained the handouts he gave commissioners, which included suggested steps for proceeding with final recommendations as follows:

- 1. Review B Lists;*
- 2. Make funding additions to A List;*
- 3. Make funding additions to B List;*
- 4. Recommend a 3% cut in City funds as requested by the Mayor for submission of the budget and place an additional supplement to restore that cut of \$21,315; and*
- 5. Recommend an additional amount to the Mayor outside of this CD Office process (projects currently funded through the Allied/emerging neighborhood fund).*

Hurie reviewed commissioners' B List rankings as follows with the low number signifying the highest average rank among members:

for CDBG Funds

<i>1.17</i>	<i>Urban League - Single-Family Rent-to-Own</i>	<i>\$51,500</i>
<i>4.4</i>	<i>Project Home - NOAH</i>	<i>\$102,000</i>
<i>4.83</i>	<i>CD Office Economic Development Fund</i>	<i>\$150,000</i>
<i>5 tie</i>	<i>CD Office Acquisition/Rehab Fund</i>	<i>\$250,000</i>
<i>5 tie</i>	<i>WWBIC - Microenterprise Development</i>	<i>\$10,000</i>
<i>5.17</i>	<i>City Concentration Neighborhood Projects</i>	<i>\$20,000</i>
<i>5.5</i>	<i>CD Office Housing Development Fund</i>	<i>\$250,000</i>
<i>7.17</i>	<i>Common Wealth - Public Market</i>	<i>\$150,000</i>
<i>7.25</i>	<i>African American/Black Business Association</i>	<i>\$10,000</i>
<i>7.75</i>	<i>Latino Chamber of Commerce</i>	<i>\$10,000</i>

for HOME funds

<i>1</i>	<i>Madison Area CLT Scattered Site</i>	<i>\$104,400</i>
<i>2</i>	<i>City Housing Development Fund</i>	<i>\$340,000</i>

for City Funds

1.33	Center/gardens cut of 1.3% plus COLA, including \$10,000 restoration to BLW	\$57,526
1.67	Tellurian - ReachOut	\$12,500

Hurie said staff recommended additions to the B List also, which included placing Habitat as item 3 on the HOME B List for \$264,000, placing the Homeless/Access to Services cluster as item 3 on the City B List to restore the funding cut of \$3,451 and add a COLA, and placing the \$18,944 for CORE centers cut by the Community Services Commission on the City B List.

Hurie said that the commission will return to discussion of final funding recommendations after presentations from agencies for new funding requests or changes in current funding.

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

A. Community Action Coalition (CAC), Porchlight, and Tenant Resource Center (2006/08-A)

Hurie said this request comes in response to the State's cutting of ESG funding and proposes taking some of our ESG funds currently set aside for rehab and shifting them to the services category and is aligned with recommendations of the Homeless Services Consortium for caps on use of funds.

Discussion highlights:

- RENT-ABLE provides rental assistance and eviction prevention.

The staff recommendations are for \$6,200 in ESG funds to Community Action Coalition for their RENT-ABLE program, \$5,600 in ESG funds to Porchlight for their Single-Room Occupancy Support Services program, and \$10,000 to Tenant Resource Center for their mediation services for homeless families.

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Approving additional Federal ESG funds to assist CAC, Porchlight, and Tenant Resource Center with activities to prevent homelessness, and authorizing the Mayor and City Clerk to sign agreements to implement the projects.

Sponsors: Cindy Thomas and Santiago Rosas

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

Excused: Bruer, Rosas, Robinson and Bartlett

Aye: Thomas, Dux, Estante, Silverman, Markofski and Sanders

B. Movin' Out, Inc. (MOI) - Section 8 Homeownership (2006/08-B), Jean MacCubbin, Board Member

MacCubbin described MOI's mission to assist disabled persons with homeownership and said that MOI is requesting \$198,554 in EDI and match funds to cover increased administration costs of Section 8 homeownership.

Discussion

- *The majority of MOI's disabled clients are the heads of household.*
- *MOI originated as the result of efforts of parents of adult disabled children to help their children get into homes of their own. Any type of disability qualifies clients for MOI assistance.*
- *If approved, these EDI funds would be in addition to funds recommended by the commission to MOI through the Summer Process.*
- *EDI funds are a subset of HOME funds.*
- *MOI would not be creating housing through this program. They would be getting people into existing homes.*
- *The Community Development Framework allows a maximum of 15% for development fees.*

Silverman moved to approve staff recommendations to fund up to the full amount of funds available in EDI, plus match funds, as a long-term, deferred loan with repayment equal to the capitalized funds plus a share of appreciation under the terms of the 2005-2006 Framework for HOME funds and the City's EDI agreement. Thomas seconded. The motion passed unanimously.

C. Wisconsin Partnership for Housing Development (WPHD) (2006/08-C), Michael Heidkamp

Heidkamp explained WPHD's struggle with increased land and development costs at the Twin Oaks construction site. He said this funding request is part of broad strategy to get the project on track for September/October of this year. Heidkamp said that WPHD is short approximately \$28,900, and HOME funds would allow them to market to a broader base.

Discussion highlights:

- *WPHD purchased its Twin Oaks housing site at end of 2004 and intended to go to construction in Spring of 2005. One of major reasons for delay was that WPHD applied for an interim loan from the CDA, but the CDA couldn't figure out how to fund the project with HOME funds, so it took another year before they could work out refinancing.*
- *Both market units and non-market units will be available through WPHD at the Twin Oaks site.*
- *WPHD is requesting \$28,900 in additional funds to bring the project up to the per-unit limits in the 2005-2006 Framework. The increase would bring the per-unit amount to \$44,400 for nine units and \$50,000 for two accessible units.*
- *Five of the 11 HOME-funded units would go to MOI clients; the other six would go to income-eligible clients at 80% AMI.*
- *The site is a multi-family lot that will accommodate nine, two-unit buildings.*

Markofski moved to approve staff recommendations for an additional \$28,900 in HOME funds under the terms of the 2005-2006 Framework. Silverman seconded. The motion passed unanimously.

D. JCF Properties (2006/08-D)

Hurie said he wanted to present this item as a concept, with which the commission could agree or disagree to move forward. The concept involves an application for Housing Trust Funds (HTF) for further consideration at September's meeting by a private developer (JCF) who wants to convert 32 units of rental properties on the east side into condos. Some vacant units would be rehabbed with HTF. The developer would have

requested \$416,000 in HTF, but no money is left in the fund his year. On recommendation of the commission, however, the HTF could provide that amount in first few years of the program. Hurie suggested funding three or four units at \$15,000 per unit (for a total of \$45,000-\$60,000).

Discussion highlights:

- The project involves a private for-profit developer, not a non-profit agency.
- Funds are in the HTF now in the principle amount and would be paid back into the trust when the unit is sold to an income-eligible household.
- HUD has awarded money to the City in EDI funds for the Housing Trust Fund, but the Comptroller can't count it until we receive the cash from HUD.

Silverman moved to put the proposed item for consideration on the September agenda. Sanders seconded. The motion passed 4-to-1 with Dux, Markofski, Sanders, and Silverman voting aye and Thomas voting nay.

APPROVAL OF MINUTES

Minutes from the following dates were reviewed: June 1, June 26, June 29, July 6, July 10, and July 13.

A motion was made by Ald. Thomas, seconded by Dux, to Approve the Minutes. The motion passed by the following vote:

Excused: Bruer, Rosas, Robinson and Bartlett

Aye: Thomas, Dux, Estante, Silverman, Markofski and Sanders

COMMISSION SELECTION PROCESS FOR 2007-2008 FUNDS (CONTINUED)

The commission returned to discussion of funding recommendations, and members were asked to put issues they preferred to discuss on table.

Markofski said he had three items he wanted to discuss further:

1. Habitat funding for 2008: Markofski said he voted to approve \$0 for 2008 but wishes now that he had not voted for not funding them.
2. Cut in funding to BLW: Markofski said he is not in favor of cutting \$10,000 from BLW. He said funding WYC for \$64,000 doesn't make sense tactically, nor is it not fair. He favors returning \$10,000 to BLW.
3. AABBA and LCC B List rankings: Markofski said he would like to see both AABBA and LCC moved up on the CDBG B List from #7 to #2 or 3.

Sanders said he is fine with current B List recommendations.

Thomas said she disagrees with Markofski's BLW concern and prefers to keep the City B List recommendation for centers as it stands, which is to ask for 1.3% back from City funds and add back a 3% COLA. She said she prefers to keep WYC funded at the level recommended.

Dux said she is concerned with the cut in Habitat's 2008 funding, agrees with Thomas on the BLW issue, and is not sold on the Public Market.

Silverman said he would suggest the commission restore \$10,000 to BLW, obtain \$10,000 to fund WYC by cutting all centers equally, and then ask the Mayor for that \$10,000 back.

Estante asked the commission to discuss the staff recommendations that Hurie handed out at the beginning of the meeting.

Silverman asked for clarification on the recommendation to move \$51,000 in HOME funds from the Housing Development Fund to ULGM. Hurie said ULGM has said they are willing to explore ways to use HOME funds for their Single-Family Rent-to-Own (SFRO) project, so staff recommends moving HOME money on the A List, not the B List, that is sitting in reserve from the Housing Development Fund to ULGM.

Markofski asked whether the same could be done for Habitat in 2008. Hurie said, no because there are no extra funds that could be used in 2008.

Thomas asked how much money was recommended for the Housing Development Fund in 2007 before taking \$51,000 away for ULGM. Hurie said the full amount recommended previously was \$274,000, which would leave \$223,000 after taking money for ULGM.

Thomas moved to approve staff recommendations to decrease the 2007 Housing Development Fund by \$51,000 in HOME funds and add that amount to ULGM's SFRO project on the A List. Silverman seconded. The motion passed unanimously.

Silverman moved to place Habitat on the HOME B List for \$264,000. Markofski seconded. The motion passed unanimously.

Estante asked the commission to consider staff recommendations to place on the City B list the restoration of \$3,451 to the Homeless/Access Service Cluster with addition of a COLA.

Thomas moved to separate the \$3,451 restoration recommendation from the COLA recommendation. No one seconded, so Estante did not accept the motion.

Thomas then moved to discuss separately the two recommendations of restoring \$3,451 to the Homeless/Access Service Cluster and adding the COLA to the City B List. Silverman seconded. The commission voted unanimously to approve the motion for discussion.

Silverman moved to approve restoring \$3,451 in funding cuts to the Homeless/Access Service Cluster on the City B List. Markofski seconded the motion, noting that no stipulation had been made as to the position the recommendation would take on the B List. The motion passed unanimously.

Markofski moved to approve the addition of a 3% percent COLA for the Homeless/Access Service Cluster to the City B List. Thomas seconded. The motion passed unanimously.

Silverman moved to approve placing the restoration of OCS cuts to CORE centers on the City B List. Sanders seconded. The motion passed unanimously.

The commission took a break for dinner at 6:50 PM and reconvened at 7:10 PM.

Estante asked the commission to discuss their preferences for handling the Mayor's request to agencies to cut their City budgets by 3%.

Silverman, Sanders, Markofski said they prefer to cut programs by 3% across the board.

Thomas and Dux both said they were not sure yet.

Estante asked if the general consensus were to cut across the board. Thomas said she doesn't like to cut across the board and prefers to cut gardens by \$21,000. Silverman said he doesn't think the commission has enough data to cut one program for the total 3% reduction.

Thomas moved to cut \$21,315 from gardens. No one seconded, so the motion failed.

Dux asked what was the rationale for staff recommendations to cut Porchlight. Hurie said that staff was giving the commission a choice by asking them to consider projects newly funded with City funds versus a project or projects that we fund for a set of services.

Silverman moved to cut 3% across the board. Sanders seconded. Thomas said that a 3% cut might mean more for one agency than it would to another. Markofski said the commission needs to make sound policy decisions and favors a 3% cut across the board. The motion passed 4-to-1 with Dux, Markofski, Sanders, and Silverman voting aye and Thomas voting nay.

Estante asked the commission next to discuss additional funding recommendations to the Mayor.

Markofski moved to approve staff recommendations to ask the Mayor for additional funding of \$40,000 to WYC and \$13,500 to PH-Prairie Crossing outside of the CD Office funding process through the Allied/emerging neighborhood fund. Thomas seconded. The motion passed unanimously.

Estante said the commission still had issues to consider for B List changes in recommendations after the Public Hearing. The issues include Habitat, BLW, AABBA, LCC, and the Public Market.

Markofski moved to place the AABBA project, the LCC project, and the Public Market to positions 2, 3, and 4 respectively on the CDBG B List for a final order of (1) Urban League of Greater Madison, (2) AABBA, (3) LLC, and (4) Public Market. Sanders seconded the motion with the stipulation of keeping the rest of the projects in position as they are.

Thomas said she wouldn't favor the motion unless the commission has new information, since we already voted on the CDBG B List at the last meeting

Markofski said that for the benefit of the greatest number of low-to-moderate income persons, he would favor AABBA, LCC, and the Public Market over NOAH, which assists only one homeowner and one renter at time.

Silverman noted that the smaller group here tonight would usurp the larger group's decision at the July 24 meeting. Estante said the commission has a quorum tonight, and those who are absent are absent.

The motion failed 2-to-3 with Markofski and Sanders voting aye and Dux, Silverman, and Thomas voting nay.

Thomas moved to accept the CDBG B List ranking as follows: (1) ULGM, (2) Project Home-NOAH, (3) CD Economic Development Fund, (4)-tie between CD Acquisition/Rehab Fund and WWBIC, (5) CD Concentration Neighborhood projects, (6)

CD Housing Development Fund, (7) CWD-Public Market, (8) AABBA, and (9) LCC. Silverman seconded the motion. The motion passed 4-to-1 with Dux, Sanders, Silverman, and Thomas voting aye and Markofski voting nay.

Markofski moved to place projects on the HOME B List in the following order: (1) MACLT for \$104,000, (2) Habitat 2008 for \$264,000, and (3) CD Housing Development Fund for \$340,000. Thomas seconded.

Thomas reconsidered and said she would prefer leaving just MACLT and the Housing Development Fund on the HOME B List to give the commission some flexibility with leaving money in the Housing Development Fund. Markofski said he favored adding Habitat in the #2 position to keep them funded based on their performance.

The motion passed 4-to-1 with Dux, Markofski, Sanders, and Silverman voting aye and Thomas voting nay.

Estante asked commissioners for their preferences for the City B List.

Silverman and Dux said they favor elevating the restoration of OCS cuts to centers to the #1 rank on the City B List.

Thomas asked what happened with OCS's recommendations. Hurie said that OCS is cutting their CORE funding, but probably only from BGC. Charnitz said they will probably cut some CORE funding from both Allied and Taft.

Thomas said that BGC still does very well compared to other centers and will get more money from United Way. She said she would prefer to keep center/gardens as #1 on the City B List, not restoration of OCS CORE funding to centers.

Thomas moved to recommend the City B List be ranked as recommended by staff in the following order: (1) Centers/Gardens - restoration of cuts, plus a COLA, (2) CORE centers - restoration of OCS cuts, (3) Homeless/Access to Services Cluster - restoration of cuts, (4) Homeless/Access to Services Cluster - COLA, and (5) Tellurian - ReachOut. Dux seconded. The motion passed unanimously.

Hurie said the B List addressed funding both Habitat for 2008 and BLW for \$10,000.

Silverman moved that \$10,000 for WYC be obtained from an equal percent coming from each of the other centers, rather than only from BLW (with a net increase of \$10,000 to BLW and a reduction of 2.6% across the board to all centers) and then ask the City to reimburse the reductions. Markofski seconded. The motion failed 2-to-3 with Markofski and Silverman voting aye and Dux, Sanders, and Thomas voting nay.

Thomas moved to accept the entire budget as the commission has voted on and amended it for 2007 and 2008, including B List recommendations. Silverman seconded. Markofski said he would like to discuss funding restrictions for AABBA and LCC more thoroughly. Hurie said the commission could defer that issue and put it on the September agenda. The motion passed unanimously.

STAFF REPORT

Hurie said that staff reorganization issues might come up before next meeting.

ADJOURNMENT

Thomas moved to adjourn. Markofski seconded. The commission voted unanimously to

adjourn at 8:30 PM.

*Respectfully submitted,
Anne Kenny*