

October 31, 2008

TO: CDBG Commissioners

FROM: Mary Charnitz

RE: Reallocation of Southwest Neighborhood Funds

As part of the Southwest Neighborhood Plan, steering committee members recommended, the CDBG Commission and the Common Council approved the allocation of \$70,000 toward a homeowners program and \$10,000 for home security improvements. The Southwest Downpayment Program was developed to promote homeownership in the Bettys Lane/Theresa Terrace/Hammersley area. The Southwest Downpayment Program has been available for 9-months with no one taking advantage of the program. Similarly, the Home Security Program has provided \$464.50 for home security improvements, leaving \$9,535 still to be used.

CDBG monies need to be expended or committed to capital projects by the end of this year. In order to accomplish this we have looked for other opportunities within the plan recommendations to utilize CDBG funds to strengthen the neighborhood. We also contacted previous Steering Committee members to obtain input as to how to use CDBG funds since previously allocated funds were not being effectively used and the end of the year is fast approaching.

Based on Steering Committee input we recommend the following reallocation of the \$79,535 in Southwest Neighborhood funds:

1. The Madison Metropolitan School Board will be making a decision at their November 10 meeting whether to support the operation of the Meadowood Center in the Meadowridge Shopping Center. MSCR would lease the property and operate the center. Approximately \$12,000-\$15,000 in renovation work needs to be done to ready the space for occupancy. Providing up to \$15,000 in CDBG funds for rehab would free up Emerging Neighborhood funds allocated to MSCR for center operations. MSCR could then use Emerging Neighborhood Funds for staffing of the center. Providing funds for this project might *help* this project move forward.

2. Expand the Southwest Downpayment Program to include Russet/Balsam and Park Edge/Park Ridge areas as well as Police Sectors 115, 116, and 117. The boundaries for the program need to be large enough to market the program and still address the need.

3. Seek a nonprofit to purchase a multifamily dwelling with the intention of converting it to owner-occupied units. Applications for these funds would be presented to the CDBG Commission at their December meeting. These funds could be provided in addition to regularly available CDBG/HOME funds.

Utilize the remaining \$64,535 for recommendation #2 and 3 as the need arises.