

**2017 STAFF REVIEW OF PROPOSALS FOR  
COMMUNITY/NEIGHBORHOOD DEVELOPMENT RESERVE FUNDS**  
(Housing Development Funds, Affordable Housing Trust Funds, Facility Acquisition/Rehab Funds, Futures Funds)

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1. **Project Name/Title:** Allied Drive Family Center Dental Clinic
2. **Agency Name:** Madison Dental Initiative (MDI)
3. **Requested Amount:** \$25,000
4. **Project Type:**  New  Continuing
5. **Framework Plan Objective Most Directly Addressed by Proposed Activity:**  
Acquisition/Rehab Reserve Fund – Capital Improvements for Community Organizations
- Product/Service Description:** MDI will be leasing free space for a free/low cost dental clinic from the Allied Drive Boys and Girls Club (BGC). MDI will be rehabbing the space for the dental clinic at the Allied BGC. Part of the rehab includes the purchase of necessary and expensive equipment to operate as a dental clinic.
6. **Anticipated Accomplishments (Numbers/Type/Outcome):** 1,400 individuals will be served with free or low cost dental care. Approximately 65% of the individuals will live in the City of Madison.
7. **Staff Review:**  
MDI currently operate a dental clinic at the Salvation Army building on E. Washington. Over 70% of the patients are below the federal poverty line. The need is so great that MDI needs to open a second site. MDI and Allied-BGC conducted a survey of the Allied-BGC participants. Over 50% of the participants hadn't seen a dentist in more than one year. 28% reported having dental pain. The Allied-BGC is located in Fitchburg, just across the City limit. HUD asks that City projects be located in the City of Madison but an exception can be made if the program will serve City of Madison residents. The program proposes that 65% of the individuals served will live in the City of Madison. The City utilized HUD funds to assist with the construction of the Allied BGC in the past. MDI accept individuals with incomes up to 200% of the federal poverty income. Individuals are scheduled on a first come, first serve basis. True emergencies (severe pain, ER visit, swelling) will be scheduled an appointment within 1-2 days. Any person meeting the income requirement will be able to schedule an appointment. There will be no preference given to members of the BGC. The total start up costs will be over \$244,000. This cost includes the purchase of equipment and rehab of the space. MDI received a large grant to support these costs but needs to leverage additional funds to meet the total budget. The cost of purchasing equipment is \$130,000 of the \$244,000. The CDBG Office limits available CDBG funds to \$25,000 for projects in leased space. CDBG funds used for the rehab would trigger compliance with the Davis Bacon Act, adding significant cost to the project. CDBG may be used for non-moveable equipment. If funding the project, CDBG staff suggest targeting CDBG funds to non-moveable equipment to avoid increasing the cost of the project and ease of administration. The needed \$25,000+ x-ray machine requires installation, however the Davis Bacon rules do not apply if the installation of equipment is not substantial in relation to the total construction. Total construction is \$114,000. The estimated installation of the x-ray machine is 1.7% of the total rehab budget. MDI has received a quote for the equipment. MDI will be required to get a second estimate if there is another dental equipment supplier. The CDBG Office requires the agency to have a 10-year lease if leasing space. The purpose of the requirement is to ensure long-term benefit for lower income people. The maximum lease term that BGC is willing to offer MDI at this time is 5 years. MDI is willing to accept a 5 year lease due to their high level of confidence in the need for this clinic and the commitment to the program demonstrated by BGC thus far. A waiver to the 10 year term is merited due to the important need this project will fill.
- Total Cost/Total Beneficiaries Equals: \$244,000/1400 participants = \$175**  
**CD Office Funds/CD-Eligible Beneficiaries Equals: \$25,000/1400 = \$17.85**  
**CD Office Funds as Percentage of Total Budget: 10%**
8. **Staff recommendation:** Fund up to \$25,000 to cover the cost of the x-ray machine with approval of a waiver to allow a 5 year lease.