



City of Madison

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

Thursday, November 1, 2012

5:00 PM

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

CALL TO ORDER / ROLL CALL

STAFF: Charnitz, Kenny

Markofski called the meeting to order at 5:05 p.m.

Markofski introduced Jim O'Keefe who said he will be starting as Director of the Community Development Division on November 19. He said he used to work for the City as lobbyist under Mayor Soglin's second term. He left in 2003 and served as Administrator for the Division of Housing and Community Development of the Wisconsin Department of Commerce. When that department was dismantled in 2008, he became a policy analyst for the newly formed WEDC. He looks forward to returning to the City and serving in the Community Development Division.

Present: 5 -

Robert M. Hunter; Monya A. Choudhury; Liz Dannenbaum; Justin O. Markofski and Russ Whitesel

Absent: 3 -

Tim Bruer; Matthew J. Phair and Daniel A. O'Callaghan

Excused: 2 -

Lauren Cnare and Ben M. Van Pelt

PUBLIC COMMENT

There was no public comment.

DISCLOSURES AND RECUSALS

There were no disclosures or recusals.

APPROVAL OF MINUTES

Choudhury moved to approve minutes from the October, 2012 meeting;
Whitesel seconded.

ROLL CALL

Russ Whitesell left the meeting.

Dan O'Callaghan arrived at the meeting.

Present: 5 -

Robert M. Hunter; Monya A. Choudhury; Liz Dannenbaum; Daniel A. O'Callaghan and Justin O. Markofski

Absent: 3 -

Tim Bruer; Matthew J. Phair and Russ Whitesel

Excused: 2 -

Lauren Cnare and Ben M. Van Pelt

DISCUSSION ITEMS

28043

Authorizing the carry-over of CDBG, HOME and other funds, and the extension of previously authorized projects within the Community Development program budget.

Choudhury moved approval of the resolution; O'Callaghan seconded.

This Resolution was Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES

28042

Neighborhood Center Study Report

Markofski said that Lorri Wendorf-Corrigan was unable to be at tonight's meeting.

Charnitz apologized for the fact that the Committee hadn't yet received the report, saying that it has been delayed. The draft report is still being worked on. She said that Hickory Hurie has met with the Mayor to go through the salient points in the report.

Hurie has now been meeting with some of the alders on some of the related committees and going over highlights of the report. Next week he will be meeting with center directors. Most likely, the CDBG Committee will receive the report at the end of November.

ROLL CALL

Russ Whitesel came back to the meeting.

Present: 6 -

Robert M. Hunter; Monya A. Choudhury; Liz Dannenbaum; Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

Absent: 2 -

Tim Bruer and Matthew J. Phair

Excused: 2 -

Lauren Cnare and Ben M. Van Pelt

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Neighborhood Center Study Report

Markofski asked whether the report would be more of a synthesis of what exists, or if there would be more of a focused strategy to the report.

Charnitz said the intent is to have a more focused strategy that will identify recommendations on how to move forward with funding for center operations and capital for new, rehabbed or expended centers.

O'Callaghan asked what the Committee's role will be with respect to the report.

Charnitz said it hasn't been completely defined yet, but she believes that it will get introduced to the Council, who will then refer it to related committees for review before accepting it.

O'Callaghan said he was anticipating a much more interactive process with respect to the center study on how centers are funded and had hoped that the Committee would be much more involved. He said that the Committee had received regular updates for awhile, and then those updates stopped while other priorities were examined. Now it seems the Committee will receive a completed report, but it hasn't had much input or involvement in the report. He said he wasn't comfortable with the process because the Committee had wanted to examine and analyze things and think strategically on how centers are funded.

Choudhury said she agreed with O'Callaghan and asked how the Committee was going to have a strategic plan for funding centers to put in the Framework.

O'Callaghan said that the Committee was struggling with difficult challenges on how to fund centers with increasing need and dwindling resources. He said he's afraid the train is leaving the station, so to speak, before the report is finished, especially now that the City is considering providing capital funds for a new center when we don't know how we're going to fund operations at existing centers.

Charnitz outlined the timing with respect to the Framework, which is in effect for 2013 and 2014. The Committee has already made its funding decisions for those two years. Later next year, the Committee will start Framework discussions for 2015-2016. Recommendations for the center report will be incorporated into discussions for the 2015-2016 Framework. The report should look at how to fund the operations of existing centers as well as new centers, so it's focused on both the operations and the capital pieces.

Choudhury asked if other resources might be available for funding centers' capital costs.

Charnitz said yes and that the \$2.0 million in the Mayor's capital budget is a huge new resource, which should be dictated by the center report.

Dannenbaum said that the report seems to tie into the Option to Purchase issue that's on the agenda for later.

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CDBG 2012 November Staff Report.

Financials

Charnitz asked for questions about the financial spreadsheet for November, and the Committee had none.

Update on the WPHD/OFS resolution

Charnitz said that the WPHD/OFS Lease Purchase project is still pending on the financial spreadsheet because Hurie decided not to move it forward for approval by the BOE and Council until the issue of the \$120,000 in 2013 City money had been resolved and how that played into the proposal and the recommendation for 2013. She said Hurie wanted to see whether the \$120,000 would be approved in the 2013 budget before the Committee took final action on the current \$214,000.

Whitesel asked what the time table on the budget approval is, and Charnitz said that the budget should be approved during the third week in November. She said there's no change in support for the WPHD/OFS Lease Purchase project, just in how the funding pieces integrate with one another.

Review of the 2013 B-List Recommendations

Charnitz said there were two pages in the Committee's packet pertaining to the committees request to review their recommendations for the 2013 B-List. She explained that one page was for recommendations made by this Committee for federal funds, City funds, and through the Conference Committee. OFS was on all three lists including \$214,000 in federal and City funds and then \$65,000 in City funds from the Conference Committee. The other page was the B-List recommendations for the entire Division in prioritized order. First on this list is the \$120,000 for OFS that the Mayor put in his budget, which is specific to the housing goal area and employment and training through residential rehab. Staff checked with the Mayor's Office who said that the intent of putting that money in the budget was for training as it related to the OFS housing rehab program. That money cannot be used for conservation projects, parks projects, or other things. It has to stay within the context of their program to train young adults and lease or sell completed homes. Whether or not it will be approved by the Council remains to be seen.

ROLL CALL

Alder Bruer arrived at the meeting.

- Present:** 7 -
Tim Bruer; Robert M. Hunter; Monya A. Choudhury; Liz Dannenbaum;
Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel
- Absent:** 1 -
Matthew J. Phair
- Excused:** 2 -
Lauren Cnare and Ben M. Van Pelt

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Report from committees with CDBG Committee representation.

AHTF—RFP Reissued

Charnitz said that staff issued the RFP last week and included an email memo with it that encouraged anyone interested in submitting a proposal to talk to staff even if they felt that the project didn't meet the requirements of the RFP one hundred percent. For ex., if they felt the affordability period, the installment loan, or the income levels were barriers to their project, they are encouraged to come in and talk to staff about possible waivers of requirements.

Choudhury said she was okay with the Trust Fund remaining as it is and having the money not spent.

2013 Budget Amendments

Charnitz reviewed the budget amendments submitted by alders and/or the Mayor and pointed out that amendments related to the Division were highlighted. She said that 1B, which deletes funding for Helping Hands Homeward and puts it toward the day shelter, passed. Number 27, which moves up the implementation date for bus service to the Owl Creek neighborhood from September, 2013 to June, 2013, passed. Number 30 to continue the neighborhood indicators project passed. Number 34, which provides money for a new half-time outreach worker for the Brentwood/Northport Corridor Neighborhood Resource Team area, passed. Number 35, which was for funds for a shared space for north side agencies and passed. Number 38 to expand the Meadowood Library next to the Meadowood Neighborhood Center, passed. The other amendments failed.

2013 CDBG Committee Calendar Schedule

Charnitz went over the monthly meeting schedule for 2013. She said there might be a few more meetings added to the calendar if it is decided to issues a RFP for centers for 2014.

28045 Reports from Committees with CDBG Committee Representation

Conference Committee Report—Status Report of Resolution on Option to Purchase Theresa Terrace

Markofski said that Conference Committee met, but since Whitesel was unable to make it, Markofski served as the CDBG representative along with Ald. Phair. Markofski pointed the Committee to the resolution in tonight's packet to approve the Option to Purchase Agreement for acquisition of a condo duplex on Theresa Terrace. He said the Conference Committee voted to approve the resolution. He said the memo provided by Hurie, summarizing the meeting didn't reflect strongly enough the sense of this being approval of the Option to Purchase to buy time for decisions to be made on issues related to operating and capital expenditure for this project. He said there were many unanswered questions regarding how this project would relate to all the issues the City is reviewing with respect to the focused strategy for neighborhood centers. He

was reassured a purchase forwards that this isn't a decision moving forward; it's just a decision to buy the necessary time to have the lengthy discussion necessary to analyze whether or not this is a direction the City wants to go in.

Dannenbaum asked why one alder voted against it at the Community Services Committee meeting, and Markofski said that he wasn't at that meeting.

Ald. Bruer said he thinks that Ald. Rhodes-Conway felt strongly that this is getting into earmarks based on political whim.

Dannenbaum asked for clarification on what earmarks meant, and Ald. Bruer explained that they are line items in the budget that may be priorities in an alder's district but that don't go through a vetting process. They are often politically and emotionally charged issues.

Ald. Bruer raised questions, such as who would operate the new center and why is the City not waiting until its neighborhood center study is finished to go forward with opening a new center. He said he discussed his concerns with the alder who sits on this Committee. He asked what will happen if the center doesn't have operating dollars. He said that if the City is really committed to a center delivery model, it can't be done inexpensively. Bruer stated the message has to get to the Council that we need to have a plan for supporting centers and this committee is concerned with the approval of a perceived approval. Otherwise, we're functioning inside a vacuum.

O'Callaghan said he agreed with Ald. Bruer's comments. He noted that the Option agreement calls for a non-refundable \$7,500 payment to be made to the seller of this property and said it's an expensive way to buy time for the City. He wondered if the City would just be able to walk away from the option after it had already invested these funds.

Markofski said he thought it would be difficult to walk away.

Choudhury said that the Committee has done so much work in the last ten years to learn about the level of professional services that are offered to people who use neighborhood centers. The current centers offer professional social work services that are integrated with other City-based agencies, like law enforcement. She said she's worried about opening a center without these services.

ROLL CALL

Russ Whitesel left the meeting.

Present: 6 -
Tim Bruer; Robert M. Hunter; Monya A. Choudhury; Liz Dannenbaum;
Daniel A. O'Callaghan and Justin O. Markofski

Absent: 1 -
Matthew J. Phair

Excused: 3 -
Lauren Cnare; Ben M. Van Pelt and Russ Whitesel

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Report from committees with CDBG Committee representation.

Markofski raised specific questions at the conference committee about the rehab costs and received answers of \$60 per square foot up to \$120 per square foot for a 2,000 square foot building, so that the total rehab price tag would be from \$120,000 to \$240,000. This would be in addition to the \$135,000 acquisition cost. That's not even getting into operating costs. He said he asked about who would be operating the building and what the operating costs would be. He also asked if this wasn't putting the cart before the horse with respect to timing of the neighborhood center study and a strategy for funding centers. He said he did feel a confidence from staff and the Alder that there would be a process in which this would be reviewed further.

Ald. Bruer said that the Chair should talk to the Mayor about the concerns and issues relating to this action and about what the Committee thinks the process should be.

Choudhury suggested inviting the Mayor to the meeting where the Committee discusses the neighborhood center report so that he can get caught up on where the Committee is at with respect to the report.

O'Callaghan said that he agreed with the comments so far and that there is clearly a lot of demand for the center in the neighborhood at a grass roots level, but the worst thing is to rush into this and build a neighborhood center that we can't operate.

Dannenbaum said that when this was added to the agenda, it was just meant to be educational for the CDBG Committee and that the it was never intended for the Committee to be involved with the input process on this project. She wondered if the Committee was ever going to be included in this decision.

Hunter said it's already been rubber stamped.

Choudhury said she finds it interesting that the Committee had the same discussion regarding the homeless day center during the Summer Funding Process. She said it's not that this isn't a really appropriate use of CDBG resources, but let's not buy a building that we can't adequately staff over the long term.

Ald. Bruer said that he has come to appreciate process, and it seems that we're funding this center outside of a process.

ROLL CALL

Alder Phair arrived at the meeting.

Present: 7 -

Tim Bruer; Matthew J. Phair; Robert M. Hunter; Monya A. Choudhury; Liz Dannenbaum; Daniel A. O'Callaghan and Justin O. Markofski

Excused: 3 -

Lauren Cnare; Ben M. Van Pelt and Russ Whitesel

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Report from committees with CDBG Committee representation.

Markofski said that the minutes should reflect a robust conversation on the matter and to summarize the comments from this body as follows: there is unanimous concern and a lack of consent for this project going forward in this timing without a much more thorough synthesizing of the strategy and focus of this Committee and the City at large.

Ald. Phair said that this is a small neighborhood and would be a very small neighborhood center. He understands that the questions of whether this is a good use of the City's money. The discussion of a process is frustrating to him because the Committee has been waiting for some clarity on what the process should be. It's also frustrating not to have the neighborhood center study. He said the people in the neighborhood can't wait for the study, and if they don't get the center soon, there will be people moving away from the neighborhood. The center was the neighborhood's idea, so they would have a great sense of empowerment from the start.

Hunter asked why the neighborhood doesn't want to use the school building as the center.

Ald. Phair said that was because of a mistrust of the school district. He said he wished they could put them in the school, but this neighborhood is not there yet, and they're not going to wait.

Choudhury said she had fiscal concerns about not being able to back up the investment in the building with adequate service provision over time and that long-term sustainability become will less obtainable.

O'Callaghan said he understands the urgency for the center in the neighborhood, and they're extremely lucky to have Ald. Phair as a representative and champion who's fighting for them. His concern is what happens after the center is built when there's no money to operate the center. The Committee is really struggling with the issue because we're not really part of the conversation right now. It's only on the agenda for discussion, but the Committee has struggled for years with meeting the increasing needs of existing neighborhood centers while still meeting the needs on new areas that need centers and diminishing dollars, which is why the neighborhood center study was begun. It has been a really slow process, and then it seemed to stop for a while, and now it's coming back. But the neighborhood isn't going to wait.

Ald. Phair said that this item was on the CDBG agenda by accident right now. It would've come later to this Committee after the Option to Purchase was approved. He said he will be making a both a capital amendment to purchase the building and an operating budget amendment proposal to the Council. The neighborhood group wanted to do this on their own at first without City dollars, but if the City gives them seed money, it will help them. The group would like to move toward operating this on their own with private fundraising. They're going to need some operational money to start and a partner to help them build capacity.

Ald. Bruer said that this body thought it would have a bigger role in reviewing center proposals, but there has been a disconnect. There's no due diligence because we're dealing with an earmark.

O'Callaghan said that the Committee understands that this issue isn't really before us for decisions, but the Committee will eventually be boxed in and squeezed between a rock and a hard place once this center is built because we don't have any money to operate it.

Ald. Phair said that last year at this time when the issue of new neighborhood centers came up on the southwest side, it was put on hold because the City was going to be doing a neighborhood center study, which was going to be finished by spring and which was going to give guidance as to how to start and fund a neighborhood center. Without clear guidance from the study, he asked what an alder should do to get a center started.

Ald. Bruer gave examples of the process for starting a center based on his experience in the Broadway-Simpson-Lake Point, Allied, Leopold, and Burr Oaks neighborhoods.

Markofski said that this is a really necessary conversation to be had at this table and at this time. He said his impression at the Conference Committee was that they were approving an Option to Purchase that would then go through a full process of consideration and analysis of what that would mean. He said he was under the impression that the purchase wouldn't take place until the full vetting of the project had occurred. He asked for clarification on the Option to Purchase.

Ald. Phair said the Option has 90 days with a 30-day extension, and so the first the step to get to a purchase would be allocating capital dollars, and then we would be going through the operational part of it, which will be by budget amendment to the City levy operational budget.

Markofski clarified that the CDBG Committee wouldn't see the project before the budget amendments are made, and Ald. Phair said that is correct.

Ald. Phair said that this came to the CDBG Committee tonight because an alder on the floor asked for it to be sent here.

Ald. Bruer said the reason that alder asked for it to come to the CDBG Committee is because this is the appropriate body to discuss it in terms of starting new centers and operational funds.

O'Callaghan said that the real struggle is that a year-and-a-half ago the Committee asked for a study to be done to guide decisions such as this and that not having the study completed is very frustrating.

Ald. Phair said it makes sense that this should have been referred to the CDBG Committee, but he saw the Option to Purchase as just a first step.

Markofski asked if Ald. Phair had the same concerns that the Committee has regarding the idea that the City is at an inadequate point to spend \$350,000 from the capital budget, plus operating costs, on this project, and Ald. Phair said yes.

Markofski asked how the next 90 days would resolve those concerns.

Ald. Phair said the way he saw it was that capital dollars would be approved on November 13, followed by an amendment for operational dollars later that week, and then an RFP, which would come back to this body and the Community Services Committee for approval. If approval is denied, then the City would not execute the Option to Purchase.

O'Callaghan said that it still leaves the Committee in a really difficult position. When the Committee gets the neighborhood center report, he would guess that it would not recommend that decisions on new centers should be made on an ad hoc basis, based on whichever neighborhood is expressing the loudest, most organized need for a center. The Committee will have to consider it along with all the other centers that need our resources.

ROLL CALL

Monya Choudhury left the meeting.

Present: 6 -

Tim Bruer; Matthew J. Phair; Robert M. Hunter; Liz Dannenbaum; Daniel A. O'Callaghan and Justin O. Markofski

Excused: 4 -

Lauren Cnare; Ben M. Van Pelt; Monya A. Choudhury and Russ Whitesel

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Report from committees with CDBG Committee representation.

Hunter analogized the purchase of this building to the purchase of a car. He said it doesn't have to be this building at this time because there will always be another building.

Ald. Bruer suggested trying to get the school silo dismantled. He said that having one or two events at the school will change the whole psyche of the neighborhood where the school is concerned. He asked how much the building acquisition was going to cost.

Ald. Phair said it would cost between \$300,000 and \$350,000 to purchase and renovate.

Ald. Bruer said to think about how much additional money there would be to expand programs at the school versus a new building.

O'Callaghan agreed with Ald. Bruer and said to Ald. Phair that he has a lot of support here on the Committee and said there would be even more support if the neighborhood worked toward a way to accomplish the goal of a neighborhood center that's supportable in the broader context.

Gardens Committee

Markofski said the CDBG Committee needs to appoint a new representative to the Gardens Committee.

O'Callaghan nominated Markofski to the Committee. Hunter seconded.
Unanimous.

Community Development Authority

Ald. Bruer said that CDA wanted him to express their appreciation to the Committee for its support of Mosaic Ridge. There is a provision in the TIF in his district to include provisions to improve workforce housing. The model being proposed will be drawn from a CDBG-funded program that CDA runs. There have been over 300 new jobs in Arbor Gate, mostly medical and medical tech supported.

ADJOURNMENT

Ald. Bruer moved adjournment at 7:30 p.m., and Ald. Phair seconded.
Unanimous.

Anne Kenny, recorder