



City of Madison

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

Thursday, March 4, 2010

5:00 PM

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

CALL TO ORDER / ROLL CALL

Present: 6 -

Ken W. Pritchard; Monya A. Choudhury; Charlie R. Sanders; Arthur V. Robinson; Justin O. Markofski and Russ Whitesel

Absent: 3 -

Tim Bruer; Shiva Bidar-Sielaff and Daniel A. O'Callaghan

Excused: 2 -

Marsha A. Rummel and Steven C. Bartlett

STAFF: Charnitz, Clingan, Garrison, Kenny, Rood, Wallinger

OTHERS: Steve Schooler (Porchlight, Inc.), Eileen Mershart (YWCA of Madison), Sarah Gillmore (The Salvation Army), Doug Strub (Future Madison Housig Fund, Inc.), Vern Leibbrandt (Hope House Building Corp.), Dave Porterfield (Movin' Out, Inc.), George Riggan (Operation Fresh Start)

CALL TO ORDER: Sanders called the meeting to order at 5:02 pm.

APPROVAL OF MINUTES

Markofski moved to approve the minutes from February 4, 2010. Choudhury seconded. Unanimous approval

CALL TO ORDER / ROLL CALL

Bidar-Sielaff & O'Callaghan arrived.

Present: 8 -

Ken W. Pritchard; Shiva Bidar-Sielaff; Monya A. Choudhury; Charlie R. Sanders; Arthur V. Robinson; Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

Absent: 1 -

Tim Bruer

Excused: 2 -

Marsha A. Rummel and Steven C. Bartlett

1. **17550** Public Hearing: Discussion and Public Comments on the Community Development Program Performance for 2009 as part of its preparation for developing the 2009 Consolidated Annual Performance Evaluation Report.
- No one registered to speak at the Public Hearing.

PRESENTATION

2. **17608** Hope 6 Application

This item was delayed until next month's meeting because Mark Olinger could not make tonight's meeting.

REQUEST FOR FUNDS OR MAJOR CHANGES IN CURRENTLY FUNDED PROJECTS

4. **17500** Porchlight is requesting \$20,000 for a capital need for external insulation and cladding to the building. This project will be at 1021 Spring Street, Veterans Transitional Housing Program. The project will be requested in the form of a deferred loan.
- Steve Schooler, from Porchlight, asked for funds for Spring Street housing for veterans. Schooler noted that there were two issues Porchlight needed to address with this project:
- Raising match money, and
 - Cost overruns.

Ultimately, because of those two issues, cladding and insulation were cut out of the original project.

Schooler asked for \$20,000 in ESG funds and noted that Porchlight would be able to raise the additional \$10,000 for a total of \$30,000 for the project.

Schooler also requested the funds as a forgivable loan instead of a deferred payment loan, as recommended by staff. He said that a deferred loan costs more to maintain over time due to administrative costs. Wallinger noted that staff recommended a deferred loan because of the Framework.

O'Callaghan voiced his approval of Porchlight's request for funds as a forgivable loan.

Choudhury said that she was impressed with Porchlight's performance without a lot of funds.

Bidar-Sielaff moved to accept the staff recommendations to approve Porchlight's request of \$20,000 in the form of a deferred loan/Robinson seconded. Voice vote:

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

5. **17537** Tellurian UCAN, Inc is requesting \$20,000 in Emergency Shelter Grant funds for Tellurian Transitional Housing Program, the program places homeless individuals into a supportive transitional housing situation. The City and Tellurian would enter into a contract to run through December 31, 2010.
- Wallinger clarified that the funds would be used for utilities.
- Choudhury moved to accept the staff recommendations to approve \$8,150 for THP operations in the form of a grant/Bidar-Sielaff seconded. Unanimous approval.**
6. **17538** The Road Home Dane County is requesting \$25,748 in Emergency Shelter Grant funds for the Day Center Operations. The City and The Road Home would enter into a contract to run through December 31, 2010.
- Whitesel asked what they are using the money for.
- Wallinger said the money was for utilities.
- Whitesel moved to accept the staff recommendations to approve \$8,150 for day center operations in the form of a grant/Choudhury seconded. Unanimous approval.**
7. **17531** YWCA of Madison, Inc. is requesting \$23,236 in Emergency Shelter Grant funds to purchase shelter floor furnishings for 12 shelter units to help meet basic need of the shelter floor residents. The City and YWCA of Madison, Inc. would enter into a contract to run through December 31, 2010.
- Eileen Mershart, from the YWCA, said the money would be used for beds, mattresses, dressers, and refrigerators.
- Clingan asked Mershart for an update on the construction project.
- Mershart said that they are opening the shelter floor next week, the first floor in two to three weeks, and the third and fourth floors are still under construction.
- Markofski wondered why the dollar amount was \$20,000 for the YWCA and only \$13,000 for The Salvation Army.
- Wallinger noted that staff are not married to the recommendations but said that if the Committee approved more money for The Salvation Army, the money would have to come from another project source.

Whitesel wondered why this was in the form of a grant and not a loan.

Wallinger said that capital improvements, such as Porchlight's earlier request, were recommended as a deferred loan based on the Framework; but furnishings, as requested by the YWCA, are not a capital improvement, so they were recommended as a grant.

Markofski moved and Bidar-Sielaff second to table this item. Approve by unanimous consent to weigh against The Salvation Army's request.

8. 17499

The Salvation Army is requesting \$25,000 from the Emergency Shelter Grant funds to assist with operations of the Warming Shelter. The funding request will be used for supplies. The Salvation Army and the City would enter into a contract to expend the funds on allowable costs through December 31, 2010.

Sarah Gillmore, from The Salvation Army, said they were trying to get as much funding as possible for their program. She said that they have not had to deny anyone shelter since before November.

Whitesel noted that \$13,000 would allow \$6,000 for staffing and \$7,000 for other items.

Bidar-Sielaff suggested recommending \$18,000 for the YWCA and \$15,000 for The Salvation Army.

O'Callaghan moved to approve the staff recommendations with an increase to \$15,000 in funds in the form of a grant for The Salvation Army/Bidar-Sielaff seconded. Unanimous approval.

17531

YWCA of Madison, Inc. is requesting \$23,236 in Emergency Shelter Grant funds to purchase shelter floor furnishings for 12 shelter units to help meet basic need of the shelter floor residents. The City and YWCA of Madison, Inc. would enter into a contract to run through December 31, 2010.

Moved by Markofski / second by Bidar-Sielaff to Take Off The Table

Markofski moved to approve the staff recommendations in the amount of \$18,000 in the form of a grant/Bidar-Sielaff seconded. Unanimous approval.

9. 17542

Hope House Building Corporation is requesting \$3,950 for security doors at Hope House. The item is being requested in the form of a three year forgivable loan to comply with HUD regulations,.

Wallinger noted that ESG regulations require this to be a three-year forgivable loan because Hope House is a shelter.

Choudhury applauded Hope House for providing shelter to vulnerable people, but asked why they decided to request city funds at this point.

Vern Leibbrandt from Hope House said they are funded by the United Way and thought they'd be able to continue their operations for several more years.

Whitesel moved to accept staff recommendations to approve the request of \$3,950 in the form of a three-year forgivable loan to comply with HUD regulations that state that in return for ESG funds, the space shall be maintained to house homeless persons for not less than a three-year period/Markofski seconded. Unanimous approval.

3. 17569

Authorizing the subordination of a previously approved loan to Future Madison Housing Fund, Inc and authorizing the Mayor and City Clerk to sign agreements to effect such subordination.

Doug Strub thanked the Committee for their support to Future Madison in the past. He said that \$750,000 would be for the Vera Court Neighborhood and \$400,000 would be for Wexford operations.

Bidar-Sielaff moved approval of staff recommendations as is; Robinson seconded. Unanimous approval

10. 17562

Operation Fresh Start, Inc. is requesting to amend the terms of their 2010 contract to allow them to use a portion of their 2010 HOME contract funds for work on up to 4 rental or owner occupied units for other non-profit agencies working within the City of Madison.

George Riffin, from Operation Fresh Start (OFS) and Dave Porterfield, from Movin' Out, Inc. (MOI) discussed changes in the OFS contract.

Markofski asked staff about the monies going into the project.

Short passed out a helpful diagram, which explained how it would work for the Marcy Road rehab project for MOI. OFS would do the work on both units.

Choudhury wondered what other non-profits asked for help.

Riggins said that his organization has been approached by others to do work.

Clingan said that it was a significant change for OFS and they will rehab rental or owner-occupied units for another agency.

Porterfield said the City would hold the mortgage with MOI for the property and OFS would have no mortgage.

Whitesel moved to accept staff recommendations for approval of the request to amend the contract to allow OFS to use their 2010 HOME funds to work on up to four rental or owner-occupied properties that will, after construction, be owned and managed by another non-profit agency and require as a part of the approval that the assisted non-profit agency provide the LURA, promissory note, and mortgage on the assisted unit for the \$22,950 of funds that would in the OFS contract have been passed on to the LMI buyer as a long-term deferred second mortgage loan and require that OFS get CDBG staff approval for each site/unit that will not be developed and sold by them as an LMI owner-occupied unit/Bidar-Sielaff seconded. Unanimous approval.

COMMON COUNCIL REFERRAL

17266

Amending Sec. 4.22 of the Madison General Ordinances to allow the payment of developers' operating costs from the Affordable Housing Trust Fund.

Bidar-Sielaff moved to approve staff recommendations changes to the Ordinance/Choudhury seconded.

The Committee discussed the accessibility component of the recommendations regarding what standard of accessibility to use.

Bidar-Sielaff then moved a friendly amendment to approve only items 1, 2, and 4 of the staff recommendations and with item 3, ask the City Attorney to clarify the term "accessibility" with reference to City, State, and Federal requirements that would apply. She also wanted to make clear that the CDBG Committee supports general accessibility in housing. Choudhury accepted the friendly amendment.

Unanimous approval.

Whitesel said there would be no reason to have Item (7) in the ordinance regarding building standards.

O'Callaghan recommended removal of Item (7) in its entirety/Whitesel seconded. Unanimous approval.

Whitesel moved to change item (6) Term of Affordability (c) to read, "In those cases where an Assisted Unit is sold or transferred, or where an Assisted Unit is no longer Affordable, the initial Recipient of assistance from the Trust Fund shall be obligated to repay to the City the original loan amount, plus any funds as may be required by the CDBG Framework. O'Callaghan seconded - unanimous

Bidar-Sielaff said that regarding 25% disbursement of the fund, it would be good to have someone from the Comptroller's Office come and talk to the Committee with a chart of what's come in and what's gone out and how it's being invested right now.

O'Callaghan suggested the Committee table this part of the discussion until the next meeting and invite the Comptroller to come to the meeting with information. He said we should ask the Housing Committee to send the Ordinance back to this Committee before they take it up.

This Ordinance was Refer to the COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE

DISCUSSION ITEMS

12. 17653 2011-2012 CDBG FRAMEWORK

Clingan said that with regards to anything major or subject to change, he wouldn't want to do a lot of word-smithing at this time; instead, members should send him e-mails with specific comments.

Rood noted that a public hearing will be held in April and that the Framework would receive final approval in May.

Choudhury brought up the subject of shared appreciation and the Committee discussed this issue.

Whitesel said he liked the direction staff has taken, as it simplifies the document; he also liked the educational references. Whitesel said he would like to see references made to labor in the document under paragraph 1.

Whitesel said that the scattered site has changed significantly and said he would talk to staff about the maps.

Choudhury said she needed staff to clarify points for the Gardens Committee with respect to the use of CDBG funds.

This Discussion Item was Discuss and Finalize

13. 17651

Unspent 2009 Funds

Clingan said that two different organizations, Operation Fresh Start (OFS) and Urban League of Greater Madison (ULGM), didn't spend down their money. He said that UGLM didn't use their money because they didn't get state tax credits for their lease purchase program. The unused (OFS) money was a result of the economy and the housing inventory that OFS currently has.

O'Callaghan moved approval of staff recommendations to (1) add \$100,000 to the Acquisition/Rehab Reserve Fund, as a "set-aside" toward funding future potential projects; (2) Add \$100,000 to the Economic Development Reserve Fund, which has a current balance of \$0; and (3) add the remaining \$3,000 to the Housing Development Reserve Fund, thereby making these funds available to other eligible projects that may come in through the year as part of our monthly application process/Choudhury seconded. Unanimous approval.

14. 17552

CDBG March 2010 Staff Report

Garrison reviewed the monthly financial report with the Committee and said that nothing major has changed since February.

Whitesel asked what amount of repayment was shared appreciation.

O'Callaghan asked staff to dig out the shared appreciation report.

Clingan noted that he attend a meeting with concerned constituents on the south west side, which included alders, police and health:

- Police calls are down

- Traffic incidents are down
- Public health is doing a great job
- Meadowood is getting volunteers and donations

This Discussion Item was Discuss and Finalize

15. OTHER REPORTS

Whitesel noted that someone from the Federal Reserve said that Wisconsin is a leader in getting stimulus money out.

ADJOURNMENT

**Bidar-Sielaff moved adjournment at 7:50 pm/O'Callaghan seconded.
Unanimous approval.**

Respectfully submitted,
Anne Kenny