

Community Development Block Grant R Proposed Model

General – The City of Madison has been awarded **\$534,096** in Community Development Block Grant stimulus funds. The general language associated with the use of CDBG funds is included in the guidelines (“...create suitable living environments, provide affordable housing and create economic opportunities...”). While the usual range of CDBG eligible activities can be funded, HUD would prefer funding be directed towards infrastructure (rehabilitation or retrofitting of existing buildings) and energy efficiency and conservation activities. In keeping with the overall recovery package, these funds are designed to address job retention and creation and, economic development needs as defined in the CDBG regulations, and these outcomes will be used as the measure of success. There is a requirement that 70% of these CDBG-R funds be used to provide benefits to low or moderate income persons. No more than 10% of the funds may be used for program administrative costs. The City is required to submit a substantial action plan amendment to our approved FY 2008 action plan by June 5th. This detailed plan needs to describe the following: the planned activities, dollars budgeted for activities, how the activities will maximize job creation and economic benefits, estimated number of jobs created or retained by the activity, describe activities that promote energy conservation. A breakdown of general uses, descriptions and dedicated dollars are listed below. Fifty percent of funds will need to be committed by August 15th and all funds need to be expended by September of 2012. In keeping with the intent of the Recovery legislation, it is our intention to have expended all funds by December of 2010. All major expenditures will need to be approved by the CDBG Commission and the Council. And action related to the proposal shall be subject to existing policies, procedures, and regulations for administering CDBG funds.

1. **Foreclosure Prevention Services** – There is a high rate of foreclosures across the country that is having an impact on Madison. There is a need for good counsel, specific, useful information and referral to available resources. Often, simply being able to have an informed conversation with a professional can allay unfounded fears, demystify the topic and engage the individual in coming to terms with their unique situation and taking action. The City would commit to a RFP process in order for an organization to hire a qualified individual, on a short-term basis, to triage and interact with the public around this topic. The CDBG Office would closely monitor the contract. **\$37,386**
2. **Employment Services for those facing potential eviction** – One of the biggest reasons an individual may be in danger of being evicted is either the loss of a job or the need for a better paying job. Hundreds of people in Madison will be facing this issue in the coming months. The stimulus funds from HUD associated with preventing homelessness, ironically do not allow funds to be used for employment services. By assisting individuals with job development services we hope to reconnect the person to employment and help prevent homelessness. The City would select a vendor through an RFP process. The potential vendor would need to be voted on by the CDBG Commission and the Council. The CDBG Office will monitor the contract. **\$42,727**

3. **Economic Development** – The most important metric that will be used to measure the success of the Recovery legislation are the number of jobs retained or created. This is an important thread throughout this proposal and is certainly the case in this section. The City would entertain applications that would stimulate the economy and create jobs. These applications may address the new, “green” economy, which are deliberately mentioned in the HUD guidelines, but certainly any application should create immediate job possibilities that are sustainable. The HUD CDBG regulations regarding job creation and job retention standards will apply. No more than \$35,000 will be expended for each Full Time Equivalent (FTE) job created or retained. The effort will be made to link these funds/services to other City efforts as well as collaborations with the business community. **\$154,890**

4. **Housing Rehabilitation/Infrastructure** – Housing rehabilitation, retrofitting and infrastructure is singled out by HUD guidelines as one of the preferred ways CDBG-R funds should be spent in meeting the goals of creation of, or retention of, jobs. HUD guidelines also are very deliberate in connecting housing rehabilitation to energy conservation and thereby linking this funding source to the EECBG. The City of Madison has housing stock, some of which we have invested in over the years, that is aging and in need of repair and rehabilitation. Often residential home weatherization is not possible because the house is first in need of rehabilitation. The combination of rehab funding with EECBG funding would allow more houses to be weatherized. This is also an opportunity to reinvest in affordable housing that the City has financed over the years and in so doing invest in the long-term quality of affordable housing. Due to the Federal Fair Labor Standard requirements expected to be a part of this CDBG-R program, contracts would be required to be over \$25,000 and would need to come before the CDBG Commission and Council for approval. The CDBG Office will monitor applications and projects. **\$299,093**