

Memorandum of Understanding
Between Gorman & Company and the Allied Dunn's Marsh Neighborhood Association
July 2005

Introduction

This document represents the distilled content of considerable conversation between Gorman & Company (G&C) and the Allied Dunn's Marsh Neighborhood Association (ADNA). This discussion is a condition of the sale of the current Super Saver site at 4629 Verona Road, Madison to G&C for Avalon Madison Village, a 104-unit development in part financed with competitive Housing Credits that will bring over \$14 million of public and private investment into the community. Both G&C and ADNA have worked in good faith to resolve issues as described in this document.

While this document and the supplemental materials forming its base are an excellent, sensitive start to the employability of Allied residents, more is needed. ADNA's goal is to stabilize, grow, and improve one of the most diverse and unique neighborhoods in Madison. The neighborhood is ripe for redevelopment. The interest of at least three developers and new owners of multifamily housing facilities demonstrates this. ADNA will work to make sure that any changes in its neighborhood will not adversely affect the flavor of the community.

While there are many obvious individual and family needs with unacceptable behavioral traits that need to change, to lose the positive flavor of diversity would be a great loss to the City. It is with this in mind that ADNA will work with G&C and other developers interested in helping its community take a useful and purposeful place in Madison society.

Problems:

A host of issues face this emerging community. From 12-year old children seeing prostitution, drug sales and crime to the loss of an adult's driver's license, Allied residents are faced with dysfunctional family settings, acceptance and respect among diverse cultures, illiteracy, gangs, health issues, lack of education (GED, trade skills, etc.), language barriers, dress and presentation issues and more.

No single developer or group of developers is responsible for the situation in the community, nor are they responsible for the solutions. However, each can be part of the solution rather than pushing downtrodden people and families to the next Allied Drive – worsening the situation for residents and the City alike.

ADNA is working hard to address the lack of expertise and networking skills. It accepts that only a coordinated effort will be effective and is pleased the G&C is willing to be part of that effort.

Jobs for Allied Residents

- G&C will make every effort to extend WHEDA's minority and emerging business participation goal of 25 percent by five percent to 30 percent.
- G&C will give strong preference to minority and emerging (minority, i.e. Individuals of color and women owned businesses) and business subcontractors that will commit to hire and train residents of the neighborhood. G&C will give primary consideration to Madison businesses. Should no such qualified subcontractors be the lowest bidder or a qualified minority contractor who can match or be a competitive bidder, G&C will work with qualified minority contractors from communities nearest to Madison.
- G&C, with the assistance of ADNA, shall conduct a job fair schedule on July 25, 2005 to link successful subcontractors with Allied residents. G&C shall cover the necessary costs for this event, not to exceed \$2,400, including the facility housing the event, a survey instrument to be created to assess resident skill levels, pre-job information, and ensuring that all necessary subcontractors attend the event. G&C is further committed to interviewing and hiring construction laborers. ADNA will provide the resource of time and manpower for planning, development, and information distribution.

Cultural sensitivity training

G&C will provide mandatory cultural sensitivity training to its major subcontractors, **defined as those with whom Gorman & Company will have contracts in excess of \$100,000**, acceptable to the ADNA prior to beginning work on the development. Major subcontractors will be responsible for training their hires.

Resources

G&C recognizes that ADNA lacks many of the resources other neighborhoods have to facilitate effective communication. To that end, G&C will provide the following to enhance ADNA's ability to be more effective:

- Four (4) personal computers, printers, and basic office software at a cost not to exceed \$2,500.
- Broadband internet system of G&C's choice, prepaid for a period of one (1) year at a cost not to exceed \$600.
- Twenty (20) hours of basic computer skills training at a cost not to exceed \$1,000, to be coordinated with the leadership of ADNA.
- Document translation services at a cost not to exceed \$500, as necessary, for Latino and Hmong neighborhood residents.
- G&C as a lead developer in the Allied Drive Community will contract with the Women's Transit Authority and/or Mr. Mom's at a cost not to exceed \$4,000 for transportation for hired Allied community residents to and from G&C work sites or other new employment opportunities resulting from G&C's partnership with the community.

Preference for Residency in Avalon Madison Village to Allied Residents

Though G&C can and plans to market Avalon Madison Village to existing neighborhood residents, establishing a preference would violate fair housing law. G&C therefore cannot commit to such a preference.

Latitude Given to Applicants in Avalon Madison Village with Poor Credit and Criminal Histories

G&C has as its primary consideration the health and safety of its residents to create viable, sound, well-run properties. It is also committed to following Madison's ordinances regarding applicant screening. To both of these ends, G&C will do the following:

- Give consideration to applicants with non-violent felony histories.
- Give consideration to poor credit histories provided the applicant has financial support via a fund or other resource backing him/her. G&C will work with ADNA and the City to provide such a mechanism.
- Give consideration to poor credit and poor housing references and histories provided the applicant is working with a case manager or credit counselor to cure his/her credit history problems.
- G&C may opt to disregard failure to pay phone and utility bills as a credit screening criterion.

Creation of an Endowment Fund

Though G&C will not rule out the possibility of some day making a donation to a just and vital cause that would benefit the neighborhood, it is much more comfortable contributing to tangible, active functions in and adjacent to the neighborhood. To that end, G&C is donating to the City of Madison a significant and prominent portion of its site to provide a daycare center for the neighborhood.

G&C will make a contribution to the MAP program to enhance neighborhood leadership skill sets in an amount not to exceed \$5,000.

Timing of Resources

G&C will commit to release of funds and resources necessary for the job fair prior to its scheduled date of July 25, 2005. All other commitments are contingent on both City of Madison approvals for G&C's plan and certified survey map and its closing with debt and equity providers, scheduled for mid- to late-August 2005. G&C and ADNA recognize the aforementioned contribution amounts are maximum amounts and reasonable efforts should be made to contain these expenditures at or below these limits.

Conclusion

This document is offered in the spirit of hope and cooperation. It serves as a model for other organizations wishing to develop in and with the Allied-Dunn’s Marsh Neighborhood. Both G&C and ADNA are to be commended for their interest, cooperation, and willingness to support each other as they look to a brighter future for the residents of the community and for the City of Madison.

Agreed:

Gary J. Gorman
President, Gorman & Company

Date

Alice Howard
President, Allied Dunns Marsh Neighborhood Association

Date

FINAL DRAFT