

**PROPOSAL REVIEW: Individual Staff Review for 2011-2012
For Community Resources Proposals to be Submitted to the
CDBG Committee**

1. **Program Name:** MBE WBE DBE Contractor Mentoring Program

2. **Agency Name:** Madison Development Corp

3. **Requested Amounts:** 2011: \$66,941
2012: \$68,574 COLA **Prior Year Level:** \$0

4. **Project Type:** New Continuing

5. **Framework Plan Objective Most Directly Addressed by Proposed by Activity:**

- | | |
|--|---|
| <input type="checkbox"/> A. Housing – Owner – occupied housing | <input type="checkbox"/> J. Improvement of services to homeless and special populations |
| <input type="checkbox"/> B. Housing – Housing for homebuyers | <input type="checkbox"/> X. Access to Resources |
| <input type="checkbox"/> D. Housing – Rental housing | <input type="checkbox"/> K. Physical improvement of community service facilities |
| <input checked="" type="checkbox"/> E. Business development and job creation | |
| <input type="checkbox"/> F. Economic development of small businesses | |
| <input type="checkbox"/> L. Revitalization of strategic areas | |

6. **Anticipated Accomplishments (Proposed Service Goals)**

5 new FTE jobs will be created

7. **To what extent does the proposal meet the Objectives of the Community Development Program Goals and Priorities for 2011-2012?**

Staff Comments: The proposal meets the CDBG Objective of “Helping businesses create new employment opportunities for LMI persons...”

8. **To what extent is the proposed program design and work plan sufficiently detailed to demonstrate the ability to result in a positive impact on the need or problem identified?**

Staff Comments: MDC is proposing a new program that targets MBE-WBE-DBE businesses that lack capacity and resources to properly develop their growing business. The proposed program design of linking the small business with an existing business mentor and providing funds for paid professional services will have a positive impact on these small businesses. With this assistance the MBE-WBE-DBE will have the needed resources to grow their business, access publicly funded construction opportunities and create new jobs.

9. **To what extent does the proposal include objectives that are realistic and measurable and are likely to be achieved within the proposed timeline?**

Staff Comments: MDC proposes to assist small businesses to grow their revenues by at least 25% from the prior year and hire 1 new FTE position in the program year. This seems like an aggressive goal however it is mitigated by targeting businesses that are already planning growth and additional hiring. These businesses should be in a position to “almost” expand. With the technical assistance provided by this program the business will be able to meet their expansion goal.

10. **To what extent do the agency, staff and/or Board experience, qualifications, past performance and capacity indicate probable success of the proposal?**

Staff Comments: MDC has 30 years of experience with the financial and business development needs of small businesses. The current staff have years of experience with MDC and/or with business development. MDC has a positive reputation for providing assistance to small businesses, including dozens of MBE-WBEs. MDC has a strong Board with excellent credentials.

11. **To what extent is the agency’s proposed budget reasonable and realistic, able to leverage additional resources, and demonstrate sound fiscal planning and management?**

Staff Comments: MDC’s budget is reasonable and realistic. The proposed program leverages other resources to support the program. MDC proposes to recruit at least 3 large prime contractor firms to assist with training and developing a business plan for expansion. MDC will also recruit pro-bono professional service providers to assist the small business with the technical aspects of developing their businesses.

12. **To what extent does the agency’s proposal demonstrate efforts and success at securing a diverse array of support, including volunteers, in-kind support and securing partnerships with agencies and community groups?**

Staff Comments: In addition to recruiting prime contractors as mentors and pro-bono professional service providers, MDC will partner with the Urban League and other agencies. MDC has a history of partnering with agencies, groups and businesses that they will rely on to support this project.

13. To what extent does the applicant propose services that are accessible and appropriate to the needs of low income individuals, culturally diverse populations and/or populations with specific language barriers and/or physical or mental disabilities?

Staff Comments: This proposal targets MBE-WBE and DBE businesses that traditionally have experienced higher business failure rates. MDC has a history of working with these businesses. Both the targeted businesses and the job hires are proposed to be lower income.

14. To what extent does the proposal meet the technical and regulatory requirements and unit cost limits as applicable? To what extent is there clear and precise proposal information to determine eligibility?

Staff Comments: The proposal meets all the technical and regulatory requirements. MDC will need to target the development of jobs that pay at least the City's living wage and provide training and advancement opportunities.

15. To what extent is the site identified for the proposed project appropriate in terms of minimizing negative environmental issues, relocation and neighborhood or public concerns?

Staff Comments: NA. Not a capital project.

16. Other comments:

Questions:

1. CDBG Framework condition states that projects should target the development of jobs which pay at least the City's living wage and provide training and advancement opportunities. Do the proposed jobs created meet this condition?
2. MDC states that their proposed program is modeled after the LEAP Program which is no longer in operation. What were the reasons the LEAP program went out of business and does the MDC proposed program address these reasons so that it will be sustainable?
3. What is the relationship between MDC's Business Loan Program and this proposed program? Can the existing Business Loan Program address this need with existing funds?

17. Staff Recommendation

Not recommended for consideration

Recommend for consideration

Recommend with Qualifications

Suggested Qualifications: