



# City of Madison

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

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Thursday, June 7, 2012

5:00 PM

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

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### CALL TO ORDER / ROLL CALL

**STAFF:** Charnitz, Dungan, Kenny, Rhodes, Spears

**OTHERS:** Ald. Weier

**Present:** 6 -

Lauren Cnare; Matthew J. Phair; Robert M. Hunter; Monya A. Choudhury;  
Liz Dannenbaum and Daniel A. O'Callaghan

**Absent:** 1 -

Tim Bruer

**Excused:** 2 -

Justin O. Markofski and Russ Whitesel

1. [26623](#) Electing a temporary committee chair for this meeting only.

**Ald. Cnare nominated Ald. Phair as temporary chair. Choudhury seconded.  
Unanimous.**

### APPROVAL OF MINUTES

Choudhury moved to approved the May 3, 2012 minutes. Hunter seconded

### PUBLIC COMMENT

No one registered to speak

2. **Welcome to Alder Cnare**

Members welcomed Ald. Cnare to the Committee. Ald. Cnare said she was delighted to be here and comes from the Community Services Committee, so she has some idea of what the CDBG Committee does.

### DISCLOSURES AND RECUSALS

O'Callaghan recused himself from Item 6, 26485.

Ald. Cnare disclosed that she had received communication from Greg Markle to catch her up to speed on the funding process. The other Committee members acknowledged receipt of letters from Markle as well.

### REPORTS

3. [26477](#) Neighborhood Center Update

**Charnitz said that Wendorf-Corrigan was unable to be at the meeting this evening, but she provided a written update that was in the packet the Committee received tonight.**

#### **BUSINESS ITEMS**

4. [26475](#) Authorizing the allocation of \$154,600 of additional CDBG funds to support the development of the FEED Kitchen Incubator project on Madison's Northside; and authorizing the Mayor and the City Clerk to execute an amended FEED Kitchen Incubator contract with the Northside Planning Council.

**Charnitz asked if this item could be delayed until Nancy Dungan, who is at another meeting, could speak for the project. Charnitz said that Dungan is the staff person for this project.**

**O'Callaghan moved to table this item until Dungan could appear to speak. Choudhury seconded.**

5. [26478](#) Authorizing up to \$139,100 in Reserve and/or Scattered Site Funds to assist Housing Initiatives, Inc. to acquire and rehabilitate rental housing in 2012.

**Dean Loumos explained Housing Initiatives' (HI) request for dollars for acquisition of a four-unit apartment building in foreclosure. The building is in a scattered site area in Alder Palm's district. Two of the four units will be reserved for older veterans. Loumos said that their program has achieved a level of success in sustaining folks in housing. People age in their programs. He said that life expectancy for people with mental illness is significantly lower than the average person's due to several factors, including lifestyle and medications. HI is adapting its program towards its aging long-term clients.**

**He said total acquisition will cost \$201,000, and the building is appraised in the \$248,000 range.**

**Choudhury said it's a really great thing that HI's program has been able to house people for so long.**

**Ald. Cnare said she thinks it's wonderful when people can age in place. She asked if HI had sufficient money to do any mobility or accessibility adaptations. Loumos said they can build those costs in. He said they would see how the need for physical modifications go.**

**Spears said the project will increase the City's affordable housing stock and that it leverages other funding quite well.**

#### **ROLL CALL**

**Ald. Bruer arrived at 5:15 pm.**

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

**26475**

Authorizing the allocation of \$154,600 of additional CDBG funds to support the development of the FEED Kitchen Incubator project on Madison's Northside; and authorizing the Mayor and the City Clerk to execute an amended FEED Kitchen Incubator contract with the Northside Planning Council.

**Terrie Anderson, Chair of the Northside Planning Council, introduced the project. She said she became committed to the FEED concept when she talked with a group of Hmong women about the Dane County Time Bank and about the prospect of their renting kitchen space to make their eggrolls for commercial sale.**

**FEED was spear-headed by Ellen Barnard. A feasibility study was done, the first business plan was drafted, and other kitchen developers consulted. She said that legal experts were tapped and architects engaged. The site was then selected and secured, and a construction loan approved. Fundraising was then started. FEED was delighted to get commitments of funds from various foundations and private individuals. Anderson said they met with Forward Community Investments, and Sally Martiniak suggested FEED start an official capital campaign with a designated coordinator. FEED interviewed and hired Jan Lottig Howick as its Fund Development Coordinator.**

**Lottig Howick introduced herself and said she was hired by the board to get a fund development plan in place. She said that FEED had done a lot of work with grants and family foundations and that it was time to reach out to individuals in the Madison community. She handed out information on the project and the fund development plan. She gave highlights of the plan. She said they developed a clear and concise vision and mission statement. They also developed the Capital Campaign Committee. They have several fundraising events planned throughout the summer, including house parties, two lake cruises, and an online auction. Food Fight is also looking at ways to help FEED. Additionally, REAP Food Group will be one of the end users of the Kitchen Incubator.**

**Peter Robertson, Board President of REAP Food Group, said that a kitchen incubator can offer quite a lot to the community. He said that the whole concept of local food has grown tremendously. He said the FEED kitchen will be able to assist us to process our foods using local farmers' goods. He said he is using his contacts to help fund raise.**

**Ald. Bruer asked Lottig Howick to elaborate on FEED's relationship with Madison College and their culinary program.**

**Lottig Howick said that Madison College currently does not have the space to for their returning students to work in their kitchen, so FEED would be a place where students could start businesses before they graduate and to work on their culinary skills before and after graduation.**

Alder Weier attend the meeting and testified that the kitchen would be located in the district next to hers and that she supports the incubator.

Anderson said that a local group had wanted to hold an eggroll and tamale fundraiser but did not have a kitchen in which to prepare them. There wouldn't have been an issue had the kitchen incubator been available. She also said that she sits on the Dane County Food Coalition, and she has heard from Chris Brockel from CAC that thousands of pounds of produce from local gardens could be used by the kitchen rather than end up on the compost heap.

Dungan noted that there was a correction to her review. She said the kitchen is not a 22,500 square foot facility. It's a 5,400 square foot facility. Also, she said that the representatives here tonight did a great job talking about their program. The additional request for money would help move this along so that they could get going this fall. The project also meets the Committee's Framework objectives and economic development goals.

Choudhury congratulated them on great private fundraising efforts. She noted that previous staff recommendations include the condition that CDBG funds would not be released until 80% of total project financing was committed and asked if that would still be a condition with these funds.

Dungan said yes.

O'Callaghan said he was very supportive of the project but expressed concern regarding the amount of CDBG funds going into the project. He said that the Committee has a responsibility to make sure the investment we make in the incubator will be there for the long term. He asked the FEED representatives to address this concern.

Robertson said that the business plan is very conservative and sustainable based on the number of people he has calling to rent space in his kitchen. The demand is there.

Dungan said that she and other staff members take a close look at pro formas and business plans when doing their staff reviews. She said she feels this is a strong project from a business perspective.

Robertson said he was very confident in this project. Lottig Howick said that the demand for the kitchen is very high.

Hunter moved to approve staff recommendations. Ald. Cnare seconded.

6. [26485](#)

Authorizing up to \$150,000 of CDBG funds to support Access Community Health Center's acquisition of land at The Village on Park to construct a new South Side Clinic to expand services and capacity in its current vicinity.

Tammy Quall said she has been with Access Community Health Centers (ACHC) for over eleven years. In 2004, ACHC received \$150,000 in CDBG funds for their project on East Washington Avenue. She explained the current project and the mission of the clinics. ACHC's mission is to create access to health care. She said ACHC has been operating in Madison since 1982, and last year the clinics served over 25,000 people with medical, dental, behavioral health,

and low-cost pharmacy services. They have five clinic locations. The south side clinic is currently located in the Villager Mall and has been there since 1995. The Villager space encompasses 6,000 square feet of space and will be purchasing the north corner of the Mall parking lot in November to build a new clinic of approximately 21,000 square feet. The site is the neediest of all their clinics. Last year, 42% of their patients were uninsured, and 44% had medical assistance. About 75% had incomes under 200% of the Federal poverty level.

She said they have raised \$6.54 million in a capital campaign. About half of that will be collected over a five-year period of time. They are set to purchase the property in November, and they are in the process of selecting their architect and will be taking plans to the Urban Design Commission. The property purchase price is \$800,000, and they have \$400,000 on hand in cash right now. They also have a line of credit from Johnson Bank. They are requesting a \$150,000 in CDBG funds for acquisition to be paid back over a five-year period. Their \$3.0 million is strictly for construction and can't be used for purchase.

Choudhury said she remembers when the ULGM built their building near the Villager in the parking lot that they added space for a clinic and asked if that was a different clinic. Ald. Bruer said the original intent was to see a collaboration between Wingra Clinic and Access Community Health Care, but Wingra located outside of the whole network of the Villager.

Choudhury said the location would provide convenient access to health care to the seniors who live at the new Burr Oaks housing.

Ald. Bruer asked Quall to speak to ACHC's commitment to hiring from South Madison. He said Madison College is celebrating its presence in the area and its commitment to working with ACHC. He also asked Quall to address outreach efforts to seniors in Burr Oaks.

Quall said they've worked with Madison College, especially in dental assistant training and have had many of their dental assistants come from Madison College both in terms of training and of hiring new employees. The new dental clinic at the Villager will be the biggest area of growth. She said they work really hard to recruit from the communities they serve.

She also said the Villager clinic has been the least successful at serving the elderly population. The general population there is very young, with 40% being children that they serve at that site, but they have many things that would benefit the elderly, particularly their pharmacy program. They are able to purchase brand name pharmaceuticals and pass the savings on to their patients. She also thinks the behavioral health program would be another place to serve the geriatric population and could be useful in outreach. She stated they have a lot to offer seniors and would be very interested in reaching out to them.

Choudhury asked if interest would be paid on the loan. Quall said she is not the best person to answer the question without their CFO present. Charnitz said normally the loans that CDD provides are long-term deferred, but because of the position that ACHC is in CDD saw the opportunity for repayment sooner than usual.

Ald. Bruer moved adoption of staff recommendations. Ald. Cnare seconded.

Unanimous except for O'Callaghan who recused himself from the item.

7. [26476](#)

Authorizing the Community Development Division (CDD) Director and Economic Development Division (EDD) Director to approve requests for short sales and sign off on loan write offs for owner-occupied homes for up to \$50,000.00 per property when there are insufficient funds to cover the repayment.

Rhodes explained the memo that members received in their packets and went over the current procedure for a short sale. She said a short sale is when there is not enough value in the property to pay off all the debt that is owed on the property, so a distress sale is necessary. Currently, homeowners who have a loan through the City but not enough value in their property to cover the loan contact the CDD Office to see if their debt can be written off. However, loans originating in the CDD Office are actually between the City and the homeowner, not the CDD Office and the homeowner, so the CDD Office has no ability to negotiate with the homebuyer to write off any loans. The City Attorney's Office has informed CDD that in order to have the debt written off, the request has to go to the Common Council, and it must have an alder supporting it. So, the current process is that the homeowner would have to contact their alder who will then contact CDD Office. Alders, however, don't feel they have the information to make the recommendation that someone in their district should have their debt written off. There's not consistency across the City with that process, and so alders have asked the CDD and EDD Offices to come up with a citywide policy to handle all the loans in the same way.

Hunter asked if there were any issues with timeliness, and Rhodes said that currently, it takes about four months to go through the City process as it is now, which can adversely affect a sale when the buyer walks away.

Choudhury asked how this policy could be good for both the City and the homeowner.

Rhodes said that it is good customer service on the City's part. Also, if the City has a short sale policy, the City would have the ability to negotiate with the first mortgage lender and possibly get a percentage of the City's investment back in the sale, whereas if a property goes into foreclosure, the City gets nothing back at all.

Ald. Cnare asked what the amount of the average loan is that the City offers.

Rhodes said that the City is about \$21,000. CDD has 1,246 loans covering 988 owner-occupied properties, because a lot of times the City layers its funding on a property. The maximum that the CDD will give in loans is \$54,000 per property.

Dannenbaum asked if there was any downside to people not contacting their alders first.

Rhodes said she couldn't think of any, and Ald. Cnare said it would seem very demeaning for her constituents to have to contact her and explain their personal tragedy. It seems really weird and inappropriate to her that alders would be contacted.

Ald. Phair agreed with Ald. Cnare.

Ald. Bruer said it was one thing to ask alders to weigh in on land use, alcohol licenses, and other such issues, but it's another thing to have them play ward boss where they're divvying out forgiveness on public loans. That's just bad public policy.

Ald. Bruer moved approval of staff recommendations. Hunter seconded. Unanimous.

8. [26484](#) Authorizing the Community Development Division (CDD) and Finance Department to write off \$14,100 of a \$15,000 mortgage loan debt between the City of Madison and Brenda Boylan for the property at 1921 Huxley Street due to borrower hardship.

Rhodes explained that if the short sale policy gets approved by the Council, then this request will just get filed. But just in case the short sale policy does not get approved, she wanted the CDBG Committee to consider this request for a loan write off.

O'Callaghan moved approval. Choudhury seconded. Unanimous.

## REPORTS

9. [26481](#) Neighborhood Indicators

Charnitz introduced Jule Stroick from the Planning Department who was present to give a presentation on the Neighborhood Indicators project and website. Stroick said that Planning would be rolling out training sessions in the next couple months. She said that Ald. Bruer went to the Mayor in 2007 about indicators citywide and at the neighborhood level. The City looked at Charlottesville as an example and then worked with the Applied Population Lab down at the UW-Madison campus to develop indicators of 26 key characteristics for Madison. The indicators give a better idea of neighborhoods and of trends across the city. They allow the City to compare apples to apples and to get an idea of where the first warning signs of trouble may be. The indicator set talks about population and safety data. The indicators allow the City to look at data in different sets, in tabular form, and in spatial layout throughout the city.

The site can be accessed in a number of different ways, such as by different geographies, which include a citywide map, planning districts, census tracts, neighborhood associations, etc. The indicators look at data across several years to show trends from one year to the next starting with 2008.

The indicator data allows the user to map, compare, and chart data. Stroick gave an example of the mapping feature, which gives a spatial outlook. She said the user can also compare data in up to three geographical areas. She gave an example of the comparison capabilities of the indicators data. She said confidentiality comes into play at the neighborhood level, and the indicators will suppress some of that data depending on how many data points there are. She said that users can chart information using the indicators data, and she gave an example of the charting function, which can show trend data based on geography. She showed the potential use of the indicators for an applicant with a rental housing project.

The other thing that the data sets can show is a report that is a compilation of all maps citywide based on every variable and based on every indicator. It can then generate a profile for every neighborhood and planning district by year.

Stroick gave an example of the profiles that could be achieved of a particular neighborhood using the indicators. Users can also compare 2010 census data

## ROLL CALL

O'Callaghan left the meeting at 6:25 pm.

**Present:** 6 -

Tim Bruer; Lauren Cnare; Matthew J. Phair; Robert M. Hunter; Monya A. Choudhury and Liz Dannenbaum

**Excused:** 3 -

Daniel A. O'Callaghan; Justin O. Markofski and Russ Whitesel

10. [26488](#) 2013 - 2014 CDD Funding Process

### Background Binder

Charnitz said that most of the members present have not been through a CDBG funding process, so she wanted to go through the binder that was handed out to members at tonight's meeting to familiarize them with the process. Charnitz went through the binder tab by tab, starting with the calendar, which lists all the meetings for this Committee, for the Conference Committee, and for the public hearing, which will be for both the CDBG and the Community Services Committees together.

The next tab is the timeline, which lists by function the meetings and the dates they will be occurring. The next tab is the list of contacts on this Committee and then the ordinance, which establishes the role of the CDBG Committee and its charge. Charnitz then went over the code of ethics and the last page of that document, which talks about recommended actions where a potential conflict of interest exists. Next in the binder is Roberts Rules of Order, which the Committee follows in general practice. The CDBG Mission Statement is the next tab, followed by the CDBG three-to-five year strategic plan, and then the Annual Action Plan for 2012. The next is the 2013-2014 Framework, which is the heart of what the Committee will be doing this summer. It is the basis for the request for proposals. Proposals should meet the goals, priorities, and conditions outlined in the Framework. Next is a new piece for most Committee members—the Investment Summaries, which staff created for currently funded projects and agencies that were recently funded. The Investment Summaries go back to 1997 and give a program synopsis, goal area, primary customer, and geography of the program. They also give a little bit of history about the agency, benchmarks, funding history, and program development. And finally, the last document is CDBG's CAPER, which shows how agencies did in meeting program goals last year.

### Criteria Sheet

Charnitz then went over the criteria sheet that everyone received in the mail.



She said it's what Committee members should use when evaluating a proposal. The criteria sheet allows for a ranking and a weighting of a project. Staff will collect them after the presentations and aggregate them for the Committee. The criteria sheet is a good starting point for funding recommendations. She said it was really the Committee's document based on their priorities and how they want to evaluate proposals. Charnitz asked that members look over the sheet tonight for any changes that they would like to make to it with regard to the ranking and weighting of the questions.

Ald. Cnare asked if the criteria sheets become public record, and Charnitz said yes, they do. Ald. Cnare then asked if the question of geography was covered under question number one, and Charnitz said yes.

Choudhury said she would like to change the points on questions number 2 (currently at a 20 point value) and number 5 (currently at a 10 point value). She suggested meeting in the middle and changing them both to a 15 point value.

Dannenbaum suggested changing the points on question number 3 from 15 to 20 points to give it more weight. Phair suggested question 2 should come down a bit in point value and question 5 should go up a bit in point value.

Hunter said he would like O'Callaghan's and Whitesel's input before the Committee makes any changes to the sheet. Charnitz checked the calendar for the next meeting that they would both be attending and noted that the Committee wouldn't have the criteria sheets available to them to review proposals they receive on June 29 until after July 5 if they waited for O'Callaghan's and Whitesel's input on the sheet. Choudhury said she would like to have the criteria sheet available for review of proposals.

Ald. Phair said since this isn't an official business item, the Committee doesn't need to vote on it, but he said the Committee should have consensus as to what to do with the criteria sheet. Ald. Phair suggested making all the questions the same point value, but Choudhury said she likes the weighting more points give to question number 1 and she would like to keep it at 20 points.

Ald. Cnare agreed for the fact that sometimes there is a need to defend a decision, and the weighting that question 1 gives for Framework goals and priorities make it that much easier to defend a decision.

Ald. Phair asked for a summary of the changes discussed.

Charnitz said that if we leave question 3 at 15 points, change questions 2 and 5 to 15 points each, and leave question 1 at 20 points, the criteria sheet should be complete with 100 points total from all questions.

Ald. Phair asked when the first set of questions on the proposals was due, and Charnitz said they are due on July 5. Staff sends Committee questions out to agencies for answers before the presentations. She said that the second sheet of the criteria ranking document allows members to keep track of questions as they are reviewing proposals.

Charnitz said that questions can be submitted in whatever format members are most comfortable with.

Dannenbaum asked what sorts of questions are typically asked about the proposals.

Charnitz gave a couple of examples. The Committee discussed how questions help clarify the proposals for members. Charnitz said the CDBG Committee tries to be more flexible in working with the proposals so that we have the best projects to work with in the end.

Ald. Cnare asked what the rules of presentation are.

Charntiz said that typically, the Committee allows five minutes for presentation and ten minutes for members' questions and discussion. She said the Committee can change the parameters to three minutes for presentations and five minutes for questions if it prefers.

Charnitz asked if the Committee preferred five minutes for presentations and ten minutes for questions. The Committee agreed to those time limits, and Ald. Cnare asked that staff bring a timer.

Hunter asked if staff screens the proposals before the Committee gets them so that those that aren't ready for review get left off the table.

Charnitz said no; she said that all proposals, whether they're ready or not, go to the Committee for review because it is a public process.

Hunter asked if staff gives the Committee any indication of how good or relevant the proposals are.

Charnitz said that staff does a review of each proposal for Committee members. She said the staff review isn't a funding recommendation; it's an objective analysis outlining the strengths and weaknesses of the proposals and tells members whether or not the project is eligible for funding. After the Committee hears the presentations, staff will provide them with actual funding recommendations as they discuss their own recommendations. The Committee can either utilize or not utilize the staff's recommendations in their final recommendations for funding.

#### Conflict of Interest

Charnitz went over the conflict of interest form in the packet. She said the Committee should look over the form and then look over the list of agencies that have applied. Staff would then like Committee members to fill out the form and explain any conflicts they or their families have. Choudhury asked if this were the same information on the annual disclosure document Committee members must fill out, and Charnitz said, no, it is very different information.

#### Allocations

Charnitz said that members received in their packet that was handed out tonight a sheet with the allocations for the 2013-2014 funding process by goal area. The allocations for 2011-2012 are on a separate sheet in the packet for comparison. Charnitz said staff made their best estimates for the allocations for 2013-2014, but there might always be changes down the line. Charnitz said

that for CDBG, the CDD should receive 100% of its 2012 allocation. For HOME, 90% of the current allocation should be what CDD receives in 2013, while ESG should be at about 88% of the current allocation. She said CDD won't know the final numbers for City allocations until after the Mayor puts out his budget message. Charnitz explained the funding allocations by goals and objectives. She said the goals as identified in the Framework and the targeted allocation percentages are target goals. They are not hard and fast. She said that staff would be using the figures on this sheet to create a variety of other documents and spreadsheets for the Committee throughout the process.

#### Sample Application

The last piece in tonight's packet is a sample application from Centro Hispano. Charnitz said it was a real application and shows how the applications will look when in the binders. She familiarized the Committee with the various components of the application.

Dannenbaum said she didn't immediately see on the application what Centro Hispano was looking for.

Charnitz said that information could be found under "Service Description," which gives a snapshot of the program.

Choudhury said staff has been extremely accommodating in answering questions when she has read through proposals and had questions.

Charnitz said that all questions should be sent to her and she would get them to the appropriate staff member for answers.

11. [26479](#) CDBG 2012 June Staff Report

Charnitz asked for questions about the financials. Hearing none, the Committee moved on to reports from other committees.

12. [26483](#) Report from committees with CDBG Committee representation.

Ald. Phair said that Gardens are discussing gardens in parks, especially at Brittingham Park.

Ald. Bruer asked Charnitz if she had had a chance to meet with Natalie Erdman of CDA, and Charnitz said yes, she had met with her. They discussed the CDA's reserve funds and what they have available. Charnitz said Erdman would be bringing the topic up at the next CDA meeting to see where their focus and priorities lie. She said a lot of what CDA is doing currently relates to business development.

Ald. Bruer said that the Committees should pay particular attention to TIF policy and how that interfaces with CDBG. He said there are provisions for a pilot façade program in the Lake Point district for property owners. He also said that in the Todd Drive TIF, \$500,000 is written into the plan.

**ADJOURNMENT**

Ald. Bruer moved adjournment at 7:50 p.m.; Ald. Cnare seconded. Unanimous.

Anne Kenny, recorder