



City of Madison

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

Thursday, September 4, 2014

5:00 PM

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

CALL TO ORDER / ROLL CALL

CITY STAFF: Mary Charnitz, Anne Kenny, Susan Morrison, Laura Noel, Jim O'Keefe, Matt Wachter, Lorri Wendorf-Corrigan

CALL TO ORDER / ROLL CALL

Markofski called the meeting to order at 5:13 p.m.

Present: 6 - Maurice S. Cheeks; Lauren Cnare; Matthew J. Phair; Colin A. Bowden; Justin O. Markofski and Daniel A. O'Callaghan

Excused: 2 - Ben M. Van Pelt and Monya A. Choudhury

APPROVAL OF MINUTES

Ald. Cnare moved to approve minutes from July 23, 2014, July 24, 2014, July 29, 2014, and August 14, 2014. Ald. Phair seconded. The motion passed unanimously. Minutes from August 7, 2014 were also included in the packet but were not noticed on the agenda, so they will be voted on at October's meeting.

PUBLIC COMMENT

There was no public comment.

DISCLOSURES AND RECUSALS

There were no disclosures or recusals.

BUSINESS ITEMS

1. [34869](#) CDBG Chair report

Markofski said a new member, Joseph O'Connell, has been appointed to the Committee. O'Connell works as a policy and budget analyst with the Wisconsin Department of Health Services and will be replacing Russ Whitesel as the first alternate member at October's meeting. There are still two seats open, a minority representative and a citizen representative. Markofski asked the Committee to put forth recommendations to the Mayor's Office for other members, if they know of anybody interested in joining the Committee.

Markofski said that this will be his last meeting as Chair of the Committee. He said he was pleased with the increased collaboration within the Community Development Division and between the Division and other City Committees over the past few years thanks to the leadership in the Division. He hopes that collaboration continues to find traction in the Committee's decision making.

He would also like to see the Committee continue to incorporate proactively the various reports it receives to better inform their decision making. Gardens will also be a topic that the Committee will continue to consider in upcoming months. He would also like to encourage the Committee to continue with committee development by having expertise panels do monthly presentations to inform the Committee on various topics.

2. [35349](#)

Funding Process Study: project update from Forward Community Investments

Ben Williams of Forward Community Investments (FCI) handed out a Power Point document outlining his presentation to the Committee and gave some background information on FCI. They've been around for 20 years as a community development financial institution, giving loans to non-profits throughout the state but primarily in Dane County. They are doing the Funding Process Study in response to the Race to Equity Report. The study is split into three different sections: 1) discovery, 2) design, and 3) implementation. They are currently in the discovery phase to gather as many insights as possible from as many invested focus groups as possible. They will publish a report on the common themes they have seen in their focus groups. The three goal priorities of the study include: 1) clarifying CDD's role in community development, 2) determining how that fits with other agencies and how coordination can be enhanced, and 3) determining how to develop a funding process that effectively delivers upon those goals. FCI's goal is to have a new set of goals and priorities in place by March 2015 for the next funding cycle.

3. [35379](#)

Staff presentation on Neighborhood Center Report 2014 and presentation from Neighborhood Center directors.

Laura Noel and Lorri Wendorf-Corrigan presented the Neighborhood Center Report. Noel handed out a Power Point document outlining the presentation. Wendorf-Corrigan said the Neighborhood Center Report process actually started in 2010. There was a desire to look at how the City funds neighborhood centers to get an idea of what is current, what is needed, what the gap is, and how CDD might do things differently in the future. They gathered input from a number of community meetings, talking to residents, neighborhood centers, other City funders, and other City departments. They also did some research about the different center models other municipalities use. The purpose of the report was to put together enough information for policy makers to understand what is happening now in terms of City funding of neighborhood centers and to describe how the City got to the place where it is now. A lot of different data was compiled and aggregated for the report.

Wendorf-Corrigan said that for the most part centers are dedicated to serving low income families with children. The breadth and depth of what each center does varies from center to center. No two centers look alike in terms of their physical space, budgets, service area, and the types of services they provide. In 2013, approximately 48% of the participants served in neighborhood centers were people of color, and 35% of the staff members were also people of color.

Senior centers, cultural centers, and Warner Park were not included in this study.

Noel said that there are five factors and conditions to be considered when placing a new center, including: 1) community need, 2) community support, 3) professional capacity, 4) financial capacity, and 5) opportunity.

O'Keefe said that CDD worked closely with center directors developing a cost allocation method for center support. Both sides generally agreed that a cost allocation model had some promise in terms of its implementation, but there was a fair amount of work that still needed to be done to make it operational. In the interest of advancing that conversation, CDD put forth a budget proposal to the Mayor to begin that process and included funding in the budget request to insulate certain centers from funding reductions that might result from a change in methodology.

[34786](#)

Accepting the report and recommendations of the Housing Strategy Committee - Affordable Housing Market Report.

Wachter presented a Power Point edition of the report to the Committee, saying that this half of the overall report focuses on affordability of housing for households making under \$50,000 in Madison. One-third of growth in Madison has been among very low income households making less than \$25,000 per year. Low income households are likely to be housing cost burdened, paying more than 30% of their income toward housing costs.

Wachter said that they looked at supply and demand as it relates to homeless households, renter households, and owner-occupied households. They also examined best practices across the country to come up with recommendations.

He discussed the numbers among homeless turned away from shelter every night. Shelter capacity is a major issue, with many individuals being turned away each night. The population of unsheltered, chronically homeless individuals is growing, and the reasons for homelessness are very diverse. Their recommendations for homelessness would be to pursue harm reduction and wet housing as related to Housing First, the goal of which is to get persons into housing before addressing their needs and issues such as AODA problems. There are also a number of good rapid re-housing providers in the City. Another recommendation is to be proactive in developing shelters as opposed to repurposing existing buildings to serve as shelters.

Regarding rental housing, building affordable rental housing is nearly impossible in Madison without subsidies. To achieve rents under \$1,000 per month for new units, subsidies are crucial. The city has to add 1,500 to 2,000 new units of rental housing per year to keep up with the population growth. Vacancy rates are dropping, mostly affecting low-income households who are more likely to be pushed out of housing and to be most affected by high housing cost burden. Since the city can't have rent control or inclusionary zoning, it must incentivize by making more funding available for affordable housing. Making exceptions to density and height restrictions in the zoning code would encourage more affordable housing to be built. Another recommendation would be to reduce or waive fees for affordable units. There are over 6,000 new rental units being built in Madison, which is affecting the vacancy rate, causing it to increase. Once that happens, rents should stabilize.

The biggest recommendation of the report is to pursue Section 42 Tax Credits because of the leverage they provide.

Regarding low-income homeownership, growth is slower than in rental. The median assessed home value in Dane County is probably more accurate than average assessed value. The worst of the downturn in the housing market happened in 2012, and the city has come back to 2005-ish assessed values recently. The drop in value and the drop in interest rates created a 20% decrease in monthly housing costs, but an increase in homeownership did not follow that trend. Nine out of 10 of new households in Madison are choosing to rent rather than own. This means something besides price is holding back homeownership.

Matt Phair left

Present: 5 - Maurice S. Cheeks; Lauren Cnare; Colin A. Bowden; Justin O. Markofski and Daniel A. O'Callaghan

Excused: 3 - Matthew J. Phair; Ben M. Van Pelt and Monya A. Choudhury

4. [34786](#)

Accepting the report and recommendations of the Housing Strategy Committee - Affordable Housing Market Report.

There's not a lot of new construction in homeownership, so supply is as low as demand. The trend in increased number of renters is nationwide.

Recommendations include doing longer-term homebuyer education and focusing outreach to underserved neighborhoods and populations of color. A second recommendation is to combine the eight to 10 homeownership programs in the city and streamline them. A third recommendation is to focus on rebranding, marketing, and education.

Ald. Cheeks moved to return the resolution to lead with the recommendation for approval. Bowden seconded with the Recommendation for Approval to the HOUSING STRATEGY COMMITTEE

5. [35271](#)

2015 - 2019 Consolidate Plan Discussion

Morrison reviewed the 2015-2019 Consolidated Plan, noting that the Plan is a condition of funding from HUD. Its purpose is to articulate the goals on which CDD will focus HUD funding. There are five pieces, including the Citizen Participation piece, the Needs Assessment piece, the Market Analysis piece, the Strategic Plan, and the Action Plan. The Committee received in their packets this evening the Needs Assessment and Market Analysis pieces, which Matt Wachter has worked extensively on because they follow his Housing Report. His working on those two pieces of the Con Plan provides consistency between the Plan and his Housing Report. CDD is in the home stretch for completing the Plan. The Goals and Objectives the Committee developed earlier this year were incorporated into the plan.

CDD needs to produce a full draft of the plan by September 19. Right now, there are still parts that staff is filling in. There needs to be a public hearing on the plan in October, so staff was thinking the best scenario would be to combine the regular October CDBG meeting with the public hearing, which would mean pushing the date of the October meeting to the second week of October instead of the customary first week. Staff would ask Committee

members to read the document ahead of time and be ready to take action to approve the document the same night as the public hearing, contingent upon integrating citizen comments that night and Committee member comments as well. After that, the plan would go to BOE and Common Council in time to meet HUD's November 17 deadline for the Consolidated Plan.

6. [35273](#)

CDBG September 2014 Staff Report

Financials
Common Council Updates

Financials

There were no questions about the financials.

Common Council Update

O'Keefe said that the City purchased the Griff's property.

O'Keefe said Common Council approved the Woodlands Apartment rehabilitation project, as well as financial support for the second phase of the Truax redevelopment, specifically the eight units of permanent supportive housing.

O'Keefe said CDD submitted as part of its operating budget recommendations from the B-List for Shine608's County Daytime Resource Center and the Briarpatch shelter for unaccompanied youth. The County Daytime Resource Center has come off track, and it's likely it will not be operational this winter, so CDD will have discussions for an interim plan. The \$50,000 will likely not go forward in the budget in its current form. There is hope that, with City and County funding, the Briarpatch youth shelter will open early next year.

O'Keefe said there are provisions in the operating budget to move forward with the housing consolidation plan. There's also a proposal in the Housing First area to prompt discussion within the City as to how to the City might move forward with getting homeless off the streets and into permanent housing more quickly.

O'Keefe said the operating budget will include some recommendations for funding to support some operations costs around the Griff's facility, but it's fairly tentative because there's a lot of work to do before the City can figure out how it wants to use the facility.

7. [33867](#)

Report from Committees with CDBG Committee representation

1) Gardens Committee

Markofski said there was no Gardens Committee meeting since the last CDBG meeting. He said he will be attending his last Gardens Committee meeting in a couple of weeks, and next month, the Committee will elect a new CDBG liaison to attend the Gardens meetings.

2) Martin Luther King, Jr. Humanitarian Award Committee

Bowden said they hopefully will be having a meeting in the near future.

3) Conference Committee

Markofski said that Conference Committee members received proposals for the EOP funds process and received an orientation from Noel on the process.

8. [35380](#)

Elect a Committee Chair

Markofski reminded the group that they elected O'Callaghan as vice-chair at the last month's meeting and asked for a nomination for a new chair.

Bowden nominated O'Callaghan for chair of the CDBG Committee. Ald. Cheeks seconded. O'Callaghan indicated his willingness to serve in this capacity. The motion passed unanimously.

ADJOURNMENT

Ald. Cnare moved to adjourn at 8:50 p.m. Bowden seconded. The motion passed unanimously.

Anne Kenny, recorder