



## Legislation Text

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**File #:** 06982, **Version:** 1

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### **Fiscal Note**

\$30,000 in Federal CDBG funds is available within the Economic Development Fund to cover the costs for the development project.

### **Title**

Authorizing the provision of CDBG funds to assist Porchlight in the capitalization of a new business and training enterprise in ways that address City, Community and Neighborhood Development Objectives.

### **Body**

#### **AGENCY:**

Porchlight is a local community-based agency established from the merger of two other local organizations, Transitional Housing Inc., and Community Housing and Services (CHAS) in 2004. Porchlight's primary mission is to help homeless individual secure adequate and stable housing, employment, and supportive services. The organization manages a broad array of programs, ranging from a drop-in shelter to permanent housing, and a housing/employment referral center. The organization manages over 237 units of housing and serves over 1800 unduplicated individuals each year.

#### **PROJECT:**

The transition from homelessness and shelter to successful stabilization of housing often requires some form of employment. Porchlight has researched and developed a business-like social enterprise model that would offer training and employment opportunities to its participants, by creating and selling a series of artisan food products to local area restaurants. With sufficient capitalization, including a CDBG grant and private donations, they propose to achieve a break-even point within three years. The initial year would help create four to eight positions. The CDBG funds would help cover some start-up costs for materials and raw product, with Madison Community Foundation funds covering some additional wage and development costs.

#### **ACTION:**

WHEREAS, the CDBG program, as amended, and its implementing regulations located at 24 CFR Part 501, permit the City of Madison to help community agencies to assist businesses that result in job creation;

WHEREAS, CD staff and the CDBG Commission have reviewed this proposal and finds that it furthers the goals expressed in the Five-Year Community and Neighborhood Development Plan;

NOW, THEREFORE BE IT RESOLVED, that the Common Council approve the provision of funds for the following project, and authorize the Mayor and the City Clerk to enter into an agreement with:

Porchlight or a related affiliate for up to \$30,000 in CDBG funds toward capitalization of a business enterprise that

would create at least four new positions for Porchlight participants.

BE IT FURTHER RESOLVED that the assistance be offered as a grant on terms adopted in the 2007-2008 Framework for Community and Neighborhood Development.

NOTE: The Proposal describing the above project and the CD staff and CDBG Commission recommendation are available on file in the Council Office and in the CD Office.