Creating a Community Development Corporation for the Brothertown Indians of Wisconsin

Prepared for:

Mark Baldwin and the Brothertown Indians of Wisconsin

May 14, 2003

By

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Harvard University

Under Guidance of
Professor Joseph P. Kalt
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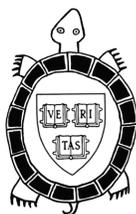# Creating a Community Development Corporation for the Brothertown Indians of Wisconsin

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Executive Summary

Overview

The Brothertown Indians of Wisconsin are currently in the process of pursuing economic development through the provision of affordable housing for the community's elderly. After a thorough Housing Needs Survey in March of 2000, tribal leaders determined that Brothertown members prioritize the development of affordable housing as the ideal means for economic development. The group that stands to benefit initially from the project includes low-income tribal elders as well as low-income elders in the surrounding 7-county region.

In order to achieve the goal of economic development, the Tribe must establish an internal structure that will manage the operations of the affordable housing project by means of a Community Development Corporation (CDC). The purpose of this paper is to assist the Tribe in forming the CDC in order to effectively manage its future pursuits of economic development. The paper will also outline short-term and long-term goals for the CDC, and in subsequent appendices provide examples of successful CDC's and potential funding sources.

Analysis

Currently, the Tribe is operating under a 3-year Administration for Native Americans Grant of $285,000, with an end goal of establishing the CDC. Although there are a number of short-term goals on which they have made progress rather rapidly, other goals need to be advanced to continue the implementation of the grant. The Tribe has already formalized a partnership with a local real estate group, SunStarr Real Estate Group LLC, and has secured a plot of land for the affordable housing units. Having conducted a number of studies and analyses, the Tribe is confident about the feasibility and potential success of an affordable housing program as their initial economic development project.

The next steps for the Tribe include establishing an implementation plan for the legal incorporation of the CDC, as well as securing the necessary predevelopment and operational funding that will allow for sustained growth. We have identified potential obstacles that the Tribe may face while undertaking these steps. Below are a few of the key issues.

I.   Education of the community:

The process of creating a CDC must commence with a well informed Council and Community that can offer support and flesh out the understanding of the community's needs. The council and the community must contribute their thoughts on the Tribe's objectives for economic development. The Tribe's leadership should create and facilitate dialogue with both tribal members and members of the larger community that will be directly affected by the plans of the CDC. Since the success of the CDC relies upon widespread public support by the community, citizen participation and involvement is essential. Before engaging in activities that involve members from outside of the Tribe, tribal leaders must acknowledge the needs of their tribal members. Although membership participation can lengthen the cost and time of the planning process, new and important ideas can provide a diversity of perspectives, skills and resources.

II.   Funding and Tribal Recognition:

The Tribe has dedicated much of its time to applying to government-based programs and grants, and due to a lack of tribal recognition cannot apply to programs that target federally recognized Tribes. The lack of funds has inhibited the Tribe's ability to hire professionals that can offer their expertise in the creation of the CDC. In the future, a sound access to capital will be necessary to ensure capable governance within the CDC. Federal recognition may grant the Tribe greater legitimacy within the investment community and would allow access to other funding sources that are not currently available. The Tribe has undertaken steps to become federally recognized and although it is a concern, there is nothing to be done until the federal government reaches a decision.

III.   Defining the Relationship Between the Board of Directors and the Tribal Council:

One of the main objectives of the tribal council is to create a CDC entirely separated from the political entity of the Tribe. However, the council must remain as a liaison between the general community and the CDC board. For that reason, a structure must be created that allows for dialogue between the two parties, yet permits enough separation to effectively manage the CDC without political interference. In the recruitment of the board and in defining the CDC's mission, the council must serve as a voice for the interests of the community. They must also acknowledge their role as separated overseers of the CDC.

Recommendations

Based on the analysis above regarding the formation of the CDC for the Brothertown Indians, a number of recommendations are possible towards advancing the Tribe's objectives. The recommendations focus on ascertaining the relationship between the council and the community as well as initializing the relationship between the council and the board of the CDC. Below they are listed in what we consider to be a general order of priority, however, they are each distinctly important to the larger goal of creating a successful CDC.

I.   **Educating and Incorporating Tribal Members into Process of CDC Formation:**

The Tribe currently employs a number of methods to communicate the plans for a CDC to the general tribal community. Through a quarterly newsletter, monthly Tribal Council meetings, a website and an annual Tribal Homecoming, the council has informed the membership of the program's scope. Continued efforts on the part of the council and the tribal planner to inform tribal members of the objectives and progress of the plan can take place through the aforementioned mediums as well as through meetings specifically tailored to discuss the CDC. There should also be an effort to inform the larger community of the CDC's goals and how their interests may be represented. A new Needs Analysis, which targets not only the Tribe, but also members within the 7-county region around Fond du Lac, can serve as a direct way to inform the community while eliciting a response from them. In addition, the survey can help to identify potential pools of community resources, such as technical expertise and educational background of individuals. Individuals with such expertise can also exist within the Tribe itself, which is why the creation of a membership database may provide a valuable foundation for tribal involvement. By educating the Tribe and the surrounding community, the council can gain necessary access to a supply of previously unknown resources.

II.   **Avoid Exclusive Use of Government-Based Grants:**

The access to federal grants has been gradually diminishing with the advent of an administration that has found it necessary to cut funding that directly benefits Native American Communities. As an unrecognized Tribe, the Brothertown Indians have found this environment to be increasingly competitive. Having been declined for state-issued tax

credits and unable to access BIA-related services, it is in the Tribe's best interest to pursue other, more private, funding sources, including private foundations, banks, and equity investors. This may diminish the Tribe's reliance on government funding, and introduces a vast array of selective, yet beneficial financial options for the Tribe. In addition, less reliance on the government can serve the Tribe's mission to assert a sense of self-determination and reduce the amount of restrictions tied to their capital.

III.   Recruit Knowledgeable and Resourceful Board that Adheres to Both Tribal and CDC Mission Statements:

According to the stipulations of the ANA grant the board must consist of a minimum of ten individuals, of which a certain number should be low-income residents of the community in addition to tribal officials and non-Brothertown community leaders with technical expertise and experience running a community development program. Since affordable housing will be the initial project of the CDC, a background in housing and development should be favored. Overall, however, all the members should have a stake in upholding the mission of the Tribe and making sure that it coincides with the mission of the board. Whereas the board will be responsible for establishing the strategic goals of the CDC, the council must ensure that those goals do not obstruct the overarching mission of the Brothertown Indians. To do so, the CDC board must report regularly to the Council, and the Council must review the board's progress to provide necessary feedback.

Conclusion

The Brothertown Indians are currently engaging in economic and political reform that will ultimately help establish its sovereignty. The creation of the CDC is the first step in empowering its membership, pursuing long-term business development and creating capable governing institutions. The challenges that lay ahead involve dealing with community education, accessing a diversity of funds, and establishing an effective relationship between the Council and the CDC Board. This paper will hope to address these issues and provide valuable recommendations that will lead the Brothertown Indians towards accessing greater resources and establishing the most efficient CDC possible.

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Introduction

The Brothertown Indians of Wisconsin will begin their initial phase of economic development with the pursuit of an affordable housing program that will be managed by an independently operated, community development corporation (CDC). The CDC will exist under the management of a Board of Directors separate from the Tribal Council yet directly tied to the overall mission of the Brothertown Tribe to "preserve and protect our sovereignty in order to achieve self-determination and self-sufficiency." Economic development is a marker on that path towards self-reliance.

The report is divided into six sections, each of which focuses on a separate aspect of the creation and maintenance of a successful CDC. The first section will discuss the particular assets and liabilities that define the Tribe and must be identified to understand the Tribe's identity and its potential for a successful CDC. Section Two will discuss the advantages of creating a CDC to establish a unique form of organizing economic progress. Section Three will discuss the challenges that the tribe will face when establishing a CDC, particularly as it relates to sustaining its progress. Section Four will offer a rough implementation plan for creating a CDC, including all the necessary steps towards its formation. Section Five will introduce important elements of the structure and design of a CDC that can define its success. And Section Six will finalize all the recommendations that will best suit the Brothertown Indians of Wisconsin as they begin the initial phases of the CDC's incorporation.

The appendices serve as additional material that will provide potentially beneficial information and can provide examples of documents and cases that Brothertown members may find useful Appendix A provides examples of other CDC's that have proven successful. Included are examples of articles of incorporation, by-laws and charters. Appendix B will provide potential funding sources that can be accessed to provide additional financial support for the predevelopment and operational budget of the CDC. Appendix C includes excerpts from "The Guide to Community Planning in Wisconsin" by Brian Ohm. Finally, Appendix D is a copy of the PowerPoint presentation of the report.

Section 1:
Assets and Liabilities of Tribe

Assets of The Brothertown Indians of Wisconsin

The creation of a community development corporation requires a number of important characteristics, and the Brothertown Indians possess certain assets that can provide a solid foundation for the creation of a strong CDC. The presence of a sense of cultural pride, the dedication of a determined community, and the development of regional alliances have all contributed to a positive environment within which a CDC can thrive.

I.   Strong Cultural Pride:

In the December 2002 Issue of the Brothertown Indian's Quarterly Newsletter, a column entitled, *"What being a Brothertown Indian means to me?"* exemplified the type of pride a number of schoolchildren have toward their heritage as Brothertown Indians. The feelings expressed in the article reflect a common attitude throughout the community. A strong affiliation to the name Brothertown by tribal members has created a sense of unity that

> **Assets**
> - **Strong Cultural Pride**
> - **Dedication of Community**
> - **Regional Alliances**

translates into a desire to work hard towards improving the status of the tribe. An understanding of the need for tribal recognition paired with a strong dedication to their history has allowed the Brothertown to trace their lineage and use that information to submit a strong petition for federal recognition. Such personal commitment will be important to harness when creating a CDC, because it has essentially made members of the Tribe stakeholders in the success of the Tribe's economic development. The CDC serves not only the goal of establishing economic independence, but also as a focal point for the community's sense of pride. For that reason, the CDC must be sure to comply with the cultural and social needs of the tribal members.

II.   Dedication of Community:

All of the Tribal Council members at Brothertown are volunteers that have dedicated their time and energy to providing sound and continuous leadership for the Tribe's undertakings.

Section 1:
Assets and Liabilities of Tribe

Although most of them are retired or unemployed, some of them do have employment aside from their duties as Council members. The Brothertown also have a dedicated grant writer that has worked pro bono for the past 20 years to guarantee funds for the Tribe's development. The volunteer base on the Tribe is also very strong, highlighted by the fact that members volunteer in the tribal office on a regular basis and participate in activities such as making traditional arts and crafts for sale at local venues and taking culturally oriented trips. If enough incentives encouraged participation in the creation of a CDC, a consistent volunteer group could serve as a vital resource to the ANA grant objectives the Tribe must meet. Community outreach, subcommittee formation, housing eligibility lists and property management training could not be accomplished without dedication from a core group of volunteers. With the right mobilization, the Tribe can access a loyal supply of community donors.

III. *Regional Alliances:*

The Tribe's connections to members outside of the Brothertown community will play a significant role in the success of the CDC. By being able to access a wide array of external sources, the Tribe can alleviate the problem of not having the necessary internal capacity to initiate the process of managing a CDC. The partnership formed with SunStarr Real Estate Group LLC serves as an example of the collaboration that was needed to commence the affordable housing initiative that will serve as the catalyst for economic development on the Tribe. Individuals in SunStarr have expressed interest in the Tribe's success and may potentially serve on the CDC's board of directors, in light of the expertise they own working within the real estate industry. The Tribe also has a strong relationship with members of the neighboring Tribe, the Oneida Nation, which shares a cultural background with the Brothertown Indians having lived together in Upstate New York and migrating to present-day Wisconsin in the 1800's. The Oneidas have engaged in a number of economic development projects including a successful Casino and Hotel complex as well as a number of other commercial land developments from shopping malls to convenience stores. Their

Section 1:
Assets and Liabilities of Tribe

experience in entrepreneurial ventures can provide technical guidance for the Brothertown Indians who are just beginning their development process.

Liabilities of The Brothertown Indians of Wisconsin

Although there are a number of assets that the Tribe possesses, certain aspects of the Tribe's situation may make it difficult for the creation of a CDC. A lack of expertise amongst the tribal leaders as well as a lack of education on the intricacies of economic development can slow the process for advancing the project's short-term goals. Funding limitations, particularly due to lack of tribal recognition and recent setbacks in acquiring grants, have constrained the potential for acquiring external assistance. Finally, the lack of a successful track record by the Tribe may make it difficult for the recruitment of qualified board members that see the potential of the Tribe for economic success.

I.   *Lack of Expertise:*

Although most of the Brothertown Tribal Council members are dedicated volunteers that have committed both time and energy towards the Tribe's success, they

> **Liabilities**
> - **Lack of Expertise**
> - **Funding Limitations**
> - **No Track Record**

have little to no experience working on projects that involve risk taking and entrepreneurial tasks. Some of the Council Members have worked in the business sector, however that experience has been applied in areas distinct from affordable housing. For that reason, those working on the formation of the CDC will have a more challenging role to play in educating the tribal council and the community at large about the necessary steps that need to be taken.

II.   *Funding Limitations:*

After having been denied WHEDA tax credits in April 2003 as well as a grant from the Ford Foundation and the Public Welfare Foundation, the Brothertown Tribe has found it difficult to access the necessary predevelopment funding needed to proceed with the next phase of building their affordable housing units. Although the land has been guaranteed to the Tribe for their use, access to capital will be necessary for land acquisition, operational

Section 1:
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costs and the potential implementation of a property management-training program. The tribal grant writer is positive about reapplying for WHEDA tax credits this coming year, as well as other funding from the Fannie Mae Foundation and the Department of Housing and Urban Development. In the meantime, the Tribe will have to continue operation with the current funding from the ANA grant. Such funding will remain for three years with the understanding that substantial progress will be made in the implementation of the CDC.

III.   *No Track Record*

The fact that this is the first economic development project that the Brothertown Indians have undertaken and in light of their inexperience within this field, their position to recruit potential board members may be undermined. Similar to the lack of legitimacy they hold within the general investment community, the challenge in finding qualified individuals with strong technical backgrounds will have to be met with a strong business plan, quality alliances with committed partners, and a visible potential for future revenue. It is imperative that such prerequisites are made clear to the necessary parties to ensure the dedication of individuals that do not necessarily identify with the Brothertown community.

Section 2:
Advantages of CDC for Council and Community

Advantage #1: Separation of Economic and Political Interests

Objectives

➢ The CDC can become an entity separate from the political dealings of the Tribal Council

➢ Separate mission statements can allow for a specialization of roles between the Tribal Council and the Board of the CDC

➢ Funds allocated to the development projects of the CDC will be insulated from the direct control of the Tribal Council, thereby preventing conflicts of interest

➢ Tribal Council is free to focus on issues that relate directly to public recognition and federal acknowledgement

Key Points

➢ Establish a Separated Model as seen below, wherein the council appoints and remains in direct contact with members of the board

➢ Ensure that the Council and the Board have established separate mission statements that coincide with one another

➢ Follow chain of command throughout process of hiring, firing, and accountability

➢ Council should define overall goals while the Board uses those to create strategic goals and the CEO implements those goals with the help of the employees.

Structure/Design of CDC

Separation of Powers

- Council sets overall goals
- CEO & Council are separated by Board
- Employees report to CEO
- Board executes management & reports to council

Separated Model

Council
Board
CEO
Employees
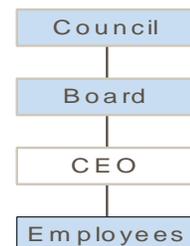
Section 2:
Advantages of CDC for Council and Community

Advantage #2: Establishment of Legitimacy of Tribe Among Investors

Objectives

➢ The attraction of a wider array of investors is important to access greater amounts of capital in the future to pursue land acquisition as well as cover operational expenses

➢ The need for additional funding once the ANA grant expires in August 2005 requires a stronger sense of legitimacy to provide incentives for groups such as the Fannie Mae Foundation, Robert Wood Johnson Foundation, and new Market Tax Credits

➢ The creation of a CDC will allow for the Tribe to create the track record it needs to establish itself as a determined economic agent amongst private equity providers

➢ An established CDC will allow for a consistent access to qualified board of directors that will show interest in continuing the successful progress of the corporation

Key Points

➢ Keep a detailed account of all transactions that investors may potentially analyze when making decisions about the corporation

➢ Establish a structure of accountability that holds the board of directors responsible for the management and the overall success of the CDC

➢ Maintain a separation of powers between the council and the board to prevent any conflicts of interest, but ensure that the council creates a friendly environment for economic development in which investors can be confident

Section 2:
Advantages of CDC for Council and Community

Advantage #3: Access to Specialized Funding Sources

Objectives

➢ With the reduction of federal funding, competition for private funds has amplified thus making it increasingly difficult for start–up not-for-profits to gain access to such funds

➢ Even though the Tribe is not federally recognized, the fact that its economic projects will operate under the management of a CDC will open access to federal funds specifically targeted to those community development organizations

➢ As the Brothertown Indians pursue tribal recognition, it will be important for the Tribe to pursue alternative avenues of funding that a CDC will be able to provide

Key Points

➢ Although CDC's have access to specialized types of funding sources, it is important to realize that the market for CDC funding is gradually becoming more saturated due to an increase in the number of CDC's currently being created across the country

➢ The Brothertown CDC should attempt to distinguish itself from other CDC's by highlighting its influence in contributing to the survival of an Indian Nation while still providing resources to the general population

➢ The fundraising subcommittee of the CDC should focus on applying to specialized funds such as Community Development Block Grants (CDBG), US Department of Health and Human Services and HOME Investment Partnership Program

Section 2:
Advantages of CDC for Council and Community

Advantage #4: Direct and Tangible Benefits to the Community

Objectives

➢ By creating immediate benefits to the tribal and non-tribal community, the CDC will be able to mobilize citizen participation with greater ease and encourage volunteerism

➢ The CDC addresses the needs of the community by providing affordable housing that particularly meets the needs of the elderly within the Brothertown Tribe and the surrounding area

➢ The creation of a board that is formed by low-income residents of the targeted region will allow for greater dialogue between the CDC board and the general population

➢ The provision of property management and employee training will also create tangible benefits to those that directly participate in the program, thereby encouraging participation amongst those citizens that can stand to benefit the most from the CDC

Key Points

➢ The CDC must maintain a board that incorporates members of the general population, particularly those low-income residents that are directly affected by the success of the CDC

➢ The mission of the CDC must continuously refer back to its original goal of providing services to the underprivileged members of its community, even as it pursues other for-profit economic ventures

➢ There must be continuous communication with the community through general meetings, mailings, newsletters and a website which informs individuals of new projects in development

➢ Simultaneously, there must be a mechanism in place to receive feedback from the general population about their satisfaction/dissatisfaction with the objectives upheld

Section 3:
Challenges of CDC for Council and Community

Challenge #1: Recruitment of a Capable and Knowledgeable Board

Objectives

➢ The recruitment of a qualified board is perhaps one of the most crucial steps in the creation of the CDC

➢ The board must represent a balance of individuals that have a degree of experience in working with community development programs and/or non-profits in general as well as those who are from the community itself and can add value to the board's understanding of the needs of the community

➢ The Board of Directors must prevent conflicts of interest with the Tribal Council, however, this should not exclude the possibility of having a council member or two sit on the CDC board; (Any more would be problematic)

➢ The board's role should be to establish the strategic goals of the CDC, particularly which projects to pursue, and to ensure that these projects coincide with a well-defined mission statement establishing the purpose of the CDC from the beginning

Key Points

➢ Every community has a different way of selecting the members that will serve on the board of their CDC and the process should be adapted to the particularities of the community it means to serve

➢ All board members can be democratically elected to the position by members of the Tribal Council and selected members of the community

➢ Certain positions can be left to appointment by the Tribal Council alone

➢ The criteria for board members must be established before the selection of the first group of board members begins

➢ One of the main criterion for board members should be an overwhelming interest in the advancement of the Tribe's economic success

Section 3:
Challenges of CDC for Council and Community

Challenge #2: Understanding of the Community's Role in the CDC

Objectives

- ➢ In order for a CDC to maintain its focus and positive influence within its target area, it must maintain a strong relationship with the community it serves
- ➢ The community is responsible for prioritizing its needs and expressing these needs to the CDC board in direct or indirect means
- ➢ Providing input should be a continuous process for members of the Tribe that come into contact with the CDC on a regular basis
- ➢ The community should not expect quick results and must understand the time that is involved in arriving at decisions on all sides of a particular project
- ➢ Regardless, the community has a duty to remain informed about the proceedings of the CDC and its board by accessing the public information provided by the board

Key Points

- ➢ By conducting a needs analysis that directly targets the tribal members as well as the community outside of Brothertown, the Tribe can gauge the interest of the community in the economic development projects of the CDC as well as understand the priorities of the community
- ➢ Tribal Council leaders can become liaisons between the general target population and the CDC Board to facilitate communication between those that are making the decisions and those that are directly affected by them
- ➢ There must be a greater sense of accountability on the part of the Board if they are to successfully administer the funds that are meant for the community as a whole

Section 4:
Creation of a CDC—Implementation Plan

Step #1: Conduct a Comprehensive Needs Analysis

In March of 2000, the Brothertown Indians conducted a Housing Needs Survey to determine the current housing situation of the Brothertown Indians and the potential for future housing development for the Tribe. In that survey they found that home ownership or assisted living for elders would be the most favored approach for housing development. Unfortunately, due to some bias, the survey was administered under the assumption that housing is a main priority for the Tribe, and respondents answered with this assumption in mind. The survey may not have captured the exact priorities of the Brothertown community, however, it served as a beneficial tool to understand how individuals did feel about housing. The survey also did not focus on community members outside of Brothertown whose needs would be addressed by the CDC's programs.

Currently, the Brothertown tribal planner will be responsible for conducting a Housing Needs Analysis of the community in Year 3 of the ANA Grant plan. However, a more comprehensive needs analysis of the Brothertown and non-Brothertown communities must take place to understand the fundamental economic needs of the potential beneficiaries of the CDC. In collaboration with local authorities, the Tribe can create an unbiased questionnaire that can identify the economic development opportunities in which the community is most interested. The analysis can help to create long-term goals for establishing future revenue opportunities that are in line with the priorities of the people the CDC will directly affect. It can also serve as an educational tool to help inform members of the creation of the CDC and garner the initial input that the Board needs to make informed decisions.

Section 4:
Creation of a CDC—Implementation Plan

Step #2: Create a Steering Committee

A steering committee will be directly responsible for the creation and implementation of the CDC. It will consist of individuals that have taken an active role in laying the groundwork for the initial phases, as well as members of the Tribal Council, the general community and any individuals with the necessary technical expertise to help guide the process. The premise behind the need for a steering committee rests on the idea that the implementation requires a number of different viewpoints and resources that a single individual would not be able to provide on his or her own. The committee would be in charge of informing the trial members as well as individuals in the 7-county region through mailings and newsletters about the CDC. They will also play a strong role in developing the mission, goals, and objectives of the CDC having collected information from the community about their needs. The steering committee should also gather information about other CDC models by meeting with other CDC boards as well as individuals with legal knowledge about CDC incorporation. The subcommittee must look at benchmarks, establish a mission statement, determine the criteria for appointing board members, determine the necessary legal incorporation work to be done (including by-laws and a charter). Finally, the subcommittee must present it to the membership and attain direct approval from the Tribe.

Section 4:
Creation of a CDC—Implementation Plan

Step #3: Analyze Benchmarks & Create Mission Statement

One of the most important resources for the Tribe will be other Tribes and communities that have also pursued the avenue of creating an effective CDC. Successful cases, such as the Ho-Chink, Inc. of Nebraska and the Cochiti Pueblo of New Mexico, as well as unsuccessful cases, can provide valuable insight into the potential consequences of creating a CDC as well as the steps that can be taken to prevent setbacks. The Brothertown Tribe must look at other examples with the understanding that their case is unique, particularly because they are not tribally recognized and that they are pursuing an economic venture that will yield little profit in the short-run. Because the Brothertown are different, the subcommittee must determine for itself what lessons can be learned from the examples provided and how those models can benefit the creation of a CDC for the Brothertown. Looking at other mission statements can also provide important information about the scope and direction that certain CDC's take, and the potential capacity for the Brothertown's own CDC. (See App. A for concrete examples). The development of a mission statement should encompass the core values of the Brothertown Tribe while allowing adequate flexibility to meet the intended goals of the CDC.

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Section 4:
Creation of a CDC—Implementation Plan

Step #4: Assemble a Board of Directors

The subcommittee should determine what skills and backgrounds should be represented within the board in order to effectively advance the goals of the CDC. As mentioned before, community members as well as professionals should be equally favored on the board. Tribal Council members can best serve the interests of the CDC by serving as liaisons rather than active board members. The most important criteria is a dedication to the economic growth of the Brothertown Indians

Step #5: Attain Approval of the Tribe & Legal Incorporation

Before establishing the legally binding by-laws and charter, the steering committee should inform and gain approval of the proposed plan from the general community. A majority of the steering committee members and the community members at large should vote in favor of the plan before getting the charter approved by the necessary agencies. Sample charters are included in Appendix A of this report. In addition, one will find sample summaries of the mission, structure and development plan of a CDC that can be applied to create a similar summary of the Brothertown CDC, which can then be used to inform members of the community of the CDC's general outline.

Section 5:
Structure / Design of a CDC—Important Elements

Element #1: Staggered Terms for Board Members

To assure continuity in leadership throughout the life span of the CDC, board members should be appointed with staggered terms. This will assure that knowledge and familiarity with projects and the intended goals of the CDC will be maintained as new board members become familiarized with the organization. Similar to the election process for the Brothertown Tribal Council, no more than 1/5 of the board members should be up for reappointment in a given year. The relationship with the Tribal Council will remain strong even as board members may leave.

Element #2: Subcommittees With Specialized Focus

With the collaboration of the Tribal Planner, the Project Administrator of the ANA Grant, the CDC Board and volunteers from the community, specific subcommittees should be formed to address the specific concerns that essentially become the CDC's priorities. Currently, the grant writer for the Tribe has identified certain preliminary areas around which subcommittees can be formed, including Affordable Housing, Fundraising/Community Resources, Business Development, Job Training and Employment, and Community Facility Development. Of these five areas, Affordable Housing has become the overall priority of the CDC, with an understanding that Fundraising/Community Resources should be given equal attention. Both of those areas should be lead by individuals that have had experience working within those fields, yet all subcommittees should involve members of the community that have a stake in the advancement of their objectives.

Section 5:
Structure / Design of a CDC—Important Elements

Element #3: Well-defined Decision Making Process

The steering committee must create mechanisms of dispute resolution for the Board to ensure a relatively unobstructed path to decision making. When challenges arise that are met with contention, procedures must be put in place to avoid further conflict that might hinder the progress of the CDC. Board members should agree to adhere to a voting process, for instance, or a universally accepted rule for coming to final decisions. Evaluation of the consequences of the decisions the Board may make should always put best interests of the CDC's beneficiaries first. Personal disagreements should not allow for professional misconduct.

Element #4: Flexibility of Capital

The Board of the CDC should attempt to minimize the amount of stipulations and restrictions attached to operating funds. Doing so would allow for more effective use of revenues that can be targeted to specific projects and expenses. In order for such flexibility to present itself, the fundraisers must focus on identifying non-governmental funding sources, including private foundations, investors, as well as community-based initiatives meant to raise money for the various projects that the CDC may potentially pursue. Having flexibility of capital will allow for greater control of the programs as well as unlimited options in which to lead certain projects. A sense of self-determination will arise from being able to control ones own funding.

Section 5:
Structure / Design of a CDC—Important Elements

Element #5: Strong Relationship With Community Leaders

Formal partnerships with entities such as SunStarr as well as informal relationships with members of local government will help the Brothertown establish a CDC that can meet the growing needs of a population that extends beyond its Tribe. As an entity, the CDC will not be able to function in isolation, particularly because it needs the necessary technical expertise to create and maintain the CDC. Valuable networking opportunities will arise when interacting with other CDC's, other tribal governments, local government agents and individuals in the private sector. In order to take full advantage of these opportunities the Tribe and subsequently, the board must be willing to open its interactions to members outside of the Brothertown community. In light of this, the mission of the CDC should not be sacrificed for external interests or gains. However, as recruitment of board members and expansion of economic development projects progress, increasingly more interaction with community leaders will have to be nurtured.

Element #6: Willingness to Take Risks

The success of the CDC relies upon a Board that is driven to explore opportunities that may not necessarily be apparent at face value. Substantial gains will only be made when significant, yet mediated, risks are taken with the support of the general community. Comprehensive analysis and education can allow for the pursuit of economic prospects that may yield favorable returns for the Tribe. Early setbacks should not serve as a deterrent for continued exploration of potentially fruitful ideas. Although the affordable housing project for the Brothertown Indians is a relatively safe venture for the Tribe, opportunities will arise to follow uncertain avenues for economic development. The Tribe must not be averse to taking certain risks for the advantage of the tribal members.

Section 6:
Recommendations

Recommendation #1: Educate and Incorporate Tribal Members

➢ Continue efforts to inform the community through newsletter, monthly meetings, website and Tribal Homecoming

➢ Conduct specific meetings that focus on the CDC

➢ Enforce continued outreach to the surrounding community via local agents and conduct a new Needs Analysis to determine potential community resources

➢ Utilize the database currently being developed to access individuals that may have professional backgrounds and have an automatic tie to the Brothertown Tribe

Recommendation #2: Diversify Funding Options

➢ Apply to funding sources that directly target the needs of CDC's

➢ Avoid exclusive reliance on government-based grants that may gradually diminish in a increasingly competitive market

➢ Express a willingness to take risks and pursue options that may not necessarily appear viable at first

➢ Pursue funding from private sources such as foundations and equity investors that allow for a sense of flexibility in use

➢ Initiate annual community-based fundraising drives that can allow tribal members the opportunity to contribute to the success of the CDC

Section 6:
Recommendations

Recommendation #3: Recruit a Knowledgeable and Dedicated Board

- ➢ Adhere to the necessary grant stipulations to ensure the proper Board membership that consists of low-income residents of the community as well as experienced individuals with extensive technical expertise
- ➢ Define the necessary skills that will need to be represented on the board to ensure the success of the CDC, including an experienced accountant or business manager, as well as individuals well-acquainted with the affordable housing market
- ➢ Incorporate an entire steering committee in the selection process to guarantee the broad perspectives that must be represented on the CDC Board
- ➢ Ensure that all potential board members have a vested interest in the tribe's success and in contributing to the welfare of the CDC's projects through physical as well as monetary contributions

Recommendation #4: Create a Favorable Environment for CDC

- ➢ Separate interests of the CDC Board from those of the Tribal Council while still upholding the mission of Tribe within the objectives of the CDC Board
- ➢ Maintain constant communication between the general community and the Board via regular updates and feedback through Tribal Council meetings and direct dialogue
- ➢ Create and maintain strong relationships with community leaders that provide valuable resources when internal supply cannot be found
- ➢ Develop strong decision-making processes and focus the development of the CDC within specific areas of need through specialized subcommittees
- ➢ Overall, establish a willingness to take risks within the context of a knowledgeable and well analyzed situation

Bibliography

Kommers, Jay. "Managing Economic Development at the Swinomish Indian Tribal Community," PAE, Kennedy School of Government, April 2, 2002

"Organizing for Economic Development: Municipal and Regional Options," A Handbook about Community Development Corporations by the Massachusetts Department of Housing and Community Development

2000 Honoring Nations*: Tribal Governance Success Stories.* "The People Incorporated: A Successful Tribal Conglomerate" The Harvard Project on American Indian Economic Development, Harvard University, 2000

Websites:

Funding Sources:
http://www.enterprisefoundation.org/resources/Funding/moneynet/dsresults.asp

"Guide to Community Planning in Wisconsin" By Brian Ohm:

http://www.lic.wisc.edu/shapingdane/resources/planning/library/book/chapter01/chap1_2-2-1.htm

http://www.lic.wisc.edu/shapingdane/resources/planning/library/book/chapter01/chap1_2-2-3.htm

http://www.lic.wisc.edu/shapingdane/resources/planning/library/book/chapter12/chap12_2.htm

http://www.lic.wisc.edu/shapingdane/resources/planning/library/book/chapter12/chap12_1-2.htm

http://www.lic.wisc.edu/shapingdane/resources/planning/library/book/chapter13/chap13_2.htm

Brothertown Indians of Wisconsin Website:

http://www.brothertownindians.org

Appendix A:
Case Studies
(INCLUDED ONLY IN PAPER COPY)

Appendix B:
Funding Sources

All Funding Sources in the Subsequent Pages were referenced from:
http://www.enterprisefoundation.org/resources/Funding/moneynet/dsresults.asp

Air Products and Chemicals, Incorporated

Address:	7201 Hamilton Boulevard Allentown, PA 18195-1501
Phone:	610-481-8527
FAX:	610-481-8527
E-mail:	gabrielmb@apcl.com
URL:	http://www.airproducts.com/social_responsibilities/
Contact:	Marta Boulos Gabriel
Contact Title:	Manager, Community Relations & Philanthropy
Focus:	abuse, advocacy, children, community development, economic development, economically disadvantaged, environment, health care, homeless, **housing**, human services, minorities, substance abuse, youth
Geography:	Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, **Wisconsin**
Type of Support:	building or renovation, capital campaigns, continuing support, equipment, general or operating support, in-kind gifts, matching funds, program development, seed money
Total Giving:	$5,800,000
Notes:	Giving primarily in areas of major company operations.
Deadline(s)/Description:	No deadlines.

Duluth-Superior Area Community Foundation

Address:	618 Missabe Building
	227 W. 1st Street Duluth, MN 55802-1921
Phone:	218-726-0232
FAX:	218-726-0257
E-mail:	info@dsacommunityfoundation.com
URL:	http://www.dsacommunityfoundation.com
Contact:	Holly Sampson
Contact Title:	President
Focus:	children, community development, crime prevention, disabled, economically disadvantaged, employment, environment, family services, homeless, **housing**, human services, intergroup relations, minorities, Native Americans, race relations, women, youth
Geography:	Minnesota, **Wisconsin**
Type of Support:	consulting services, general or operating support, program development, program-related investments or loans, seed money, technical assistance
Total Giving:	$977,991
Notes:	Giving primarily in Douglas and Bayfield counties, WI, and Koochiching, Itasca, St. Louis, Lake, Cook, Carlton, and Aitkin counties in northeastern MN. Low priority given to capital and equipment requests. Minnesota Common Grant Application Form required.
Deadline(s)/Description:	2/1, 5/1, 8/1, 10/1

Greater Milwaukee Foundation

Address: 1020 N. Broadway Milwaukee, WI 53202

Phone: 414-272-5805

FAX: 414-272-6235

E-mail: info@mkefdn.org

URL: http://www.greatermilwaukeefoundation.org/

Contact: Douglas M. Jansson

Contact Title: Executive Director

Focus: abuse, advocacy, aging, AIDS, children, community development, crime prevention, disabled, economically disadvantaged, employment, environment, family planning, family services, health care, historic preservation, homeless, **housing**, human services, intergroup relations, legal aid, mental health, minorities, neighborhood development, race relations, social services, substance abuse, urban development, women, youth

Geography: **Wisconsin**

Type of Support: building or renovation, capital campaigns, equipment, matching funds, program development, seed money, technical assistance

Total Giving: $12,328,229

Notes: Preference given to the greater Milwaukee, WI area.

Deadline(s)/Description: 1/2, 4/1, 7/1, 10/1

U.S. Bancorp Foundation

Address: 601 2nd Avenue MPFP 2714 Minneapolis, MN
                                55402

Phone: 612-973-1789

FAX:

E-mail:

URL: http://www.usbank.com/about/community_relatio
                                ns/grant_guidelines.html

Contact: Kathy Toay

Contact Title:

Focus: community development, economic
                                development, economically disadvantaged,
                                housing, human services, immigrants and
                                refugees, minorities, Native Americans

Geography: National, Colorado, Minnesota, Montana, North
                                Dakota, South Dakota, **Wisconsin**

Type of Support: building or renovation, continuing support,
                                general or operating support, matching funds,
                                program development

Total Giving: $1,444,823

Notes: U.S. Bancorp contributes to the strength and
                                vitality of our communities through the U.S.
                                Bancorp Foundation charitable contributions
                                program. They seek to build strong partnerships
                                and lasting value in US Bancorp communities by
                                supporting organizations that improve the
                                educational and economic opportunities of low
                                and moderate-income individuals and families in
                                communities in which we work.

Deadline(s)/Description: Contact funder for deadlines.

Xcel Energy Foundation

Address:	414 Nicollet Mall Minneapolis, MN 55401-1927
Phone:	612-330-7701
FAX:	612-330-6947
E-mail:	outreach@nspco.com
URL:	http://www.xcelenergy.com/XcelFoundation/xcelFdnComms.ASP
Contact:	Gay Melton
Contact Title:	Corporate Contributions
Focus:	community development, economic development, economically disadvantaged, employment, family services, **housing**, neighborhood development, revitalization, special needs
Geography:	Arizona, Colorado, Kansas, Michigan, Minnesota, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, **Wisconsin**, Wyoming
Type of Support:	general or operating support, program development, technical assistance
Average Grant:	$10,000 to $20,000
Notes:	Formed following the merger of Northern State Power Co. and New Century Energies. Submit letter of intent online.
Deadline(s)/Description:	See website for deadlines.

Appendix C:
"Guide to Community Planning in Wisconsin"
By Brian Ohm

Section I: Involving Citizens

A central component to the planning process is the identification of issues. Why is the community interested in planning? What is the planning process supposed to accomplish? The issues identified will be an important factor in the community choosing its planning approach. Citizen input is a sound way in which a community can begin to identify the issues that need to be addressed in the plan.

It is important to confront the issue of citizen participation and involvement early for two main reasons. First, providing numerous opportunities for citizen involvement in the planning process is essential if the plan is to gain widespread public support. Second, providing ample opportunities for citizen input can add to the cost and length of the planning process, and therefore needs to be taken into account before entering into a contract for planning services.

Enlisting the aid of citizens may bring new and important information to the attention of policy makers and provide a different perspective to the planning process. In addition, many citizens have valuable skills to contribute to the planning process.

If citizens can see that their input was considered in the formulation of plans, opposition can be minimized. Participation gives citizens pride of authorship and the knowledge that local priorities and concerns have been addressed.

For these reasons, providing opportunities for citizen involvement and comments is important at all stages of the planning process--not just at the end when preliminary and final plans and recommendations are being presented.

Although citizen participation adds to the expense of producing a plan, there are ways that local governments can limit the costs associated with it--such as by asking county-based, UW-Extension faculty to facilitate the citizen participation process, by making use of donated in-kind services, and/or by seeking the assistance of volunteers.

There are several ways in which communities can engage their citizens in discussions about planning. A number of citizen participation techniques are detailed below. Each technique has advantages and disadvantages. The techniques are not prioritized. Decisions on the proper technique will be driven by the level of financial commitment to involving citizens and by the planning approach that is to be used as a framework for the process. It will be important to use a variety of techniques. Some techniques may be more appropriate for one part of the planning process than for another.

1 The General Survey

A community-wide survey can be an excellent way to gather information and attitudes from citizens. Surveys are not good methods for generating involvement in the process after the

information is gathered, however. For this reason, surveying should be combined with other methods that better maximize participation.

2 The Consensus Model

This technique compares the survey responses of community leaders, elected officials and citizens to see where there is community-wide agreement. The method has the same draw backs as the general survey technique.

3 An "Open House"

This is a community or consultant sponsored event in which the public is invited to review alternative development scenarios or other products of the planning process. It is generally used to get citizen response to the development and/or planning alternatives. It is inexpensive but not as interactive as other approaches.

4 Key Community Contact Interviews

This approach uses informal interviews to get information from citizens about how they view policy issues. Each interview is an individual expression which should not be generalized to the entire community unless enough people are interviewed so that trends emerge. The citizen participation potential of this approach is good if enough people are interviewed.

5 The Focus Group

Focus groups are small groups (seven to eight people) of like background brought together and interviewed in a non-threatening environment to allow them to give perceptions and different points of view. Members can influence each other by responding to comments, a more effective process than will occur in surveys or key informant interviews. Focus groups can be used at all stages of a project. They work best to uncover information on perceptions, feelings and opinions. Limitations include the difficulty of scheduling the groups and analyzing the data that is obtained.

6 Nominal Group Process

Nominal groups are widely used as a means of identifying and prioritizing concerns, goals, or community issues. It works best with groups of eight to twelve people. Quiet brainstorming places peer pressure on others to enlarge their list of concerns about a predetermined question. There is less interaction between respondents than occurs in focus group interviews, but all participants have an equal voice.

7 The Futures Workshop or Retreat

Usually, a fairly large group (25 to 40 people) of diverse community residents are brought together for a day or longer to work on an issue. Futures workshops typically review the

community's history, detail the community's present situation, and determine action plans for the community's future. A variety of group processes may be used during the futures workshop. A futures workshop allows for good citizen participation and a great deal of interaction.

8 The Citizens' Advisory Committee

These committees meet over a period of time to assist planners with specific issues. Such committees can gather information, make recommendations and communicate planning items to a broader group of citizens. The community should plan in advance as to what it expects from such a committee. Key questions are as follows:

What organizations should be represented? What individuals will be able to provide valuable contributions? What different interest groups should participate? How well will the potential committee work together and with planning staff? Citizens' advisory committees are an inexpensive way to involve citizens, and to produce information useful to the planning process.

9 Simulation Games

Computer models and photographic imaging can be used to engage citizens by showing how an area may look after it is developed. However, those methods can be expensive. Other less expensive simulation techniques may involve placing and moving colored dots on a map of the community to help understand different development scenarios. Another approach is to have citizens take photographs of those features which depict what is important for community identity and which features detract from a community sense of place.

10 Design Charettes

Design charettes involve an intensive effort over a short period of time (a day or a week) to develop design-related solutions to particular issues. These efforts need to be facilitated by an experienced design-oriented individual. Because of the intensity of this process, it is not a good vehicle for broad citizen participation.

11 Guided Tours

Tours of community areas that illustrate the planning issues driving the planning process are an important way to educate local officials and citizens about those issues. Successful tours can be difficult to organize. They are most effective early in the planning process.

12 Newsletters and Informational Meetings

Newsletters and informational meetings are an important way to keep citizens informed about the progress of the planning process. A continuous flow of information is crucial for a successful planning process. However, newsletters can be costly to produce.

13 Encourage Citizens by Celebrating Successes

Finally, citizens should be encouraged to get involved by celebrating successes and giving recognition. People are more likely to invest time and effort in planning if they know that past plans have been used and that past planning efforts have produced positive results.

It is easy to overlook the positive effects plans have on communities. Successes due to planning often go unrecognized because the success of a plan is often measured in the things that do not happen, and in problems that do not get worse. Successes also go unrecognized because the benefits of having a plan are often reflected in small and steady improvements, rather than in dramatic leaps forward. People should be aware of how development has been made better by planning, and of how land use has been improved by zoning and subdivision regulations that are consistent with the plan. A simple certificate or awards program is one of many low-cost ways that a community can celebrate success and build support for on-going planning processes.

14 Understanding the Realities of Citizen Participation

Citizen participation slows down the planning process. It requires more work to involve the public and requires additional work to meet requests for information, assistance and substantiation of conclusions. It means communications not solely with people who know something about planning, but also with people who are not as aware of the issues. All of this adds to the expense of the planning process.

Apathy is probable, as well. In all likelihood, there will not be a groundswell of public interest in the task of creating a new plan. Planning often receives little attention because issues are long-term as opposed to immediate.

Citizen consensus is hard to come by. There are very few subjects on which the general citizenry ever has a consensus opinion. This can become a major pitfall if a community is severely divided. Large numbers of participants can come away from input meetings with the feeling that they were not listened to.

Finally, special interests may try to dominate. Special interests in the community are organized and understand the stakes in long-range planning. Such groups often see to it that they are involved in influencing the planning process. Special interest groups are, of course, entitled and encouraged to participate. Their point of view should be heard. They should not, however, be allowed to dominate the process.

Having a plan for engaging citizenry that fits the community's character and budget will help acknowledge the above issues and ensure effective citizen involvement.

Section II: Data Collection and Analysis

Most of the planning approaches discussed above start with the present. An essential component of the planning process is therefore collecting data about the current status of the community and analyzing that data.

The data collected will depend upon (a) the type of plan being prepared; (b) the specific issues or problems being addressed by the plan; and (c) the type of community doing the plan. Generally, the data collected will examine the services and infrastructure provided by the community (roads, sewer, water, schools, libraries, police, fire); the natural features of the community (existing uses of land, floodplains, wetlands, ground water supplies, surface water and watersheds, soils, vegetation); demographic information (current population by age, sex and race, population projections--10 years, 20 years, number of households, employment trends, labor force estimates); economic resources (tax base information, types of industries in the community).

The above information can be obtained from a number of sources such as various local government offices, state agencies, the federal government, and the University of Wisconsin-Extension. A list of information sources is included in Appendix 1. The information may be presented in the form of a map, tables, or written text. The important information should be included in the plan as background information.

Analysis of the data collected should include answers to questions like: How many people, houses, and jobs will the community have 10 years from now? What are the capacities of the public facilities to handle future growth? What is the ability of the community to pay for future public facilities? What will be the impact of growth on important natural resources of the community?

Data collection and analysis may involve using sophisticated tools (e.g., satellite photography, computer analysis) or readily available local resources (e.g., opinion surveys, citizen task forces, general surveys). The studies and discussions that are part of the data collection and analysis step of the planning process have a value in their own right. The planning process need not always produce a final planning document.

Use of GIS, "geographic information system", technology can be very helpful. It combines a computer's capability to print maps with its capacity to organize and retain large amounts of data and quickly perform complex calculations. By efficiently integrating mapping with location-specific data, GIS users are able to generate maps and reports that use a community's own data to answer specific questions such as "Where are the undeveloped parcels that are within one-tenth of a mile of existing water supply and sewer lines?" This technology can help a community assess its current assets and deficits. It can be a very powerful tool in this step of the planning process.

It may also help to examine the development control techniques currently used by the community and assess how these techniques affect development decisions. This examination may also include an analysis of how and why past decisions affecting community development were made. Looking at present conditions, problems and opportunities, and analyzing their implications for the community helps to establish the reasons and rules for future decisions the plan must guide. This data provides the basis for positions taken in the plan.

Section III: Affordable Housing

There is a lack of affordable housing in many places in Wisconsin. Affordable housing is defined in a number of ways. Usually it is defined as being housing that costs no more than 30 percent of a family's income per month. Communities benefit from having affordable housing. People living in low cost housing work at local retail businesses and manufacturing companies. The work they do makes it possible for those establishments to function in the community. If the establishments lack employees, they will go someplace else or choose not to locate in the community in the first place. Without employees, business, the prime generator of property taxes, cannot exist. Many communities therefore need to develop policies for ensuring the availability of affordable housing.

To aid in the implementation of affordable housing policies, the State of Wisconsin provides various affordable housing programs. The Wisconsin Housing and Economic Development Authority (WHEDA), a quasi-public entity, offers several programs to encourage the construction and maintenance of multifamily housing in the state. Following is a synopsis of two of the programs.

WHEDA Programs Encouraging Multifamily Housing (3)

Affordable Housing Tax Credits

Affordable Housing Tax Credits encourage the creation of affordable rental housing by offering a tax incentive to private sector investors. WHEDA allocates the credit and monitors the developments for compliance.

Affordable Housing Tax Credits Can Be Used For...

❑   New construction of residential rental units;
❑   Acquisition of existing residential rental developments;
❑   Rehabilitation of existing residential rental developments.

Benefits To The Community...

❑   Creates quality housing with rents affordable to working families;
❑   Available, reasonably priced housing makes the community more attractive to employers considering relocation;
❑   Developments for elderly and special-needs individuals allow seniors to age in place and stay active in the community;
❑   Tenants who pay affordable rents have more discretionary income to spend in the local economy

Tax-Exempt and Taxable Bond Loans

Tax-Exempt and Taxable Bond Loans provide long-term, fixed-rate financing for the development of multifamily rental housing. Tax-exempt bond loans offer developers below-market interest rates on 30-year mortgages. Taxable bond loans are valuable to developers of Affordable Housing Tax Credit projects because of their 30-year fixed market rates.

Tax-Exempt and Taxable Bond Loans can be used for new construction, acquisition and rehabilitation, or rehabilitation of residential rental units. Eligible projects include one to three-story apartments, high-rise apartments, townhouses, retirement centers, CBRFs, and other housing types permitted by law.

For more information, see the WHEDA contact number in Appendix 1.

The state agency charged with expanding affordable housing options is the Division of Housing (DOH) located in the Department of Administration. (4) The DOH provides housing assistance to benefit low- and moderate-income households. It offers state-funded housing grants or loans to local organizations, coordinates its housing programs with those of other state and local housing agencies, helps develop state housing plans and policies, and provides training and technical assistance. The division channels federal housing funds to local authorities and organizations, and administers federal funds for the homeless. It also administers the federally funded low-income weatherization program, which provides energy conservation services to low-income households. In addition, the division regulates manufactured home dealers and parks.

The following is a list of DOH programs that might be of interest to communities: (5)

Community Development Block Grant-Small Cities Housing (CDBG)

CDBG funds may be used for various housing revitalization efforts. Any Wisconsin city, village, or town with a population of less than 50,000 and not eligible for a direct federal CDBG grant, or any county not defined as "urban" by the U.S. Department of Housing and Urban Development (HUD), may apply.

Home Investment Partnerships Program (HOME)

A variety of affordable housing activities may be supported by federal HOME awards, including down payment assistance for home buyers, rental rehabilitation, weatherization related repairs, accessibility improvements, and rental housing development.

Housing Cost Reduction Initiative (HCRI)

Local sponsors annually compete for $2.6 million in state grants to reduce the housing costs of low-income renters or home buyers. Eligible applicants include local units of government, American Indian tribes or bands in Wisconsin, housing authorities, and nonprofit housing

organizations. Eligible activities are emergency rental aid, home buying down payment assistance, homeless prevention efforts, and related housing initiatives.

Local Housing Organization Grant (LHOG)

State grants are available to enable community-based organizations, tribes, and housing authorities to increase their capacity to provide affordable housing opportunities and services.

For more information call: Division of Housing at (608) 266-0288.

At the federal level, the Department of Housing and Urban Development (HUD) is the primary agency responsible for encouraging the development and maintenance of affordable housing. The Section 8 program is best known of the HUD's initiatives. If communities have questions concerning Section 8 renewals or amendments, they should contact HUD at the local office listed below.

HUD runs a variety of other programs, as well, most of which can be accessed through the state or local government. However, communities may wish to compete for specific HUD grants. For more information on the competitive grant options, access HUD's national homepage (http://www.hud.gov/) or contact HUD's local office in Milwaukee. To contact that office use either this address and phone information:

> U.S. Department of Housing and Urban Development
> 310 W. Wisconsin Avenue - Suite 1380, Milwaukee, WI 53203-2289
> Telephone: (414) 297-3214
> Fax: (414)297-3947
> Or website at: http://www.hud.gov/local/mil/wis.html

The other organization at the federal level that provides resources for affordable housing is USDA. The USDA Rural Housing Service has various programs available to aid in the development of rural America. Rural Housing

programs are divided into three categories: Community Facilities (CF), Single Family Housing (SFH), and Multi-Family Housing (MFH). These programs were formerly operated by the Rural Development Administration and the Farmers Home Administration.

For information on the USDA programs write or telephone using the following:

> Secretary of Agriculture
> U.S. Department of Agriculture
> Washington, D.C. 20250
> (202) 720-7327
> Or see the Rural Housing Service homepage at:
> http://www.rurdev.usda.gov/agency/rhs/rhs.html

(3) Taken from the WHEDA Homepage. See
http://www.state.wi.us/agencies/wheda/multifam.htm

(4) Wis. Stat. § 15.103(2).

(5) Taken from the DOH homepage. See http://www.doa.state.wi.us/doh/doh.htm

Wisconsin Statutes

Section IV: Housing Demand

A community's housing needs can be determined by taking the current supply of housing in the community and relating it to projected changes in the community's population and other factors. Household and employment forecasts will provide a community with insights into population changes and the future age distribution of the population. Based on general home buying characteristics, people ranging in age from 20-24 are generally renters. People aged 25-34 generally fall within the first-time home buyer group. People aged 35-49 are often in the move-up buyers market. As people age beyond 50, many move into a variety of different housing options.

Housing needs must be linked to a community's economic development plans. For example, what type of industry is a community seeking to attract? Is the community's housing stock affordable for the wages that people will receive working there? Where will new businesses locate? How does that location relate to the availability of housing?

Housing needs will be impacted by other community plans and policies. For example, how much land is available in the community for new residential development. What are the current densities for residential development. How do local regulations impact the cost and type of housing in the community. The community needs to ensure that its regulations do not unduly restrict a full range of housing choices to meet the needs of the area.

Section V: Organizing for Economic Development

A common misperception is that economic development is someone else's problem or that it occurs naturally. Communities that are successful in economic development, however, have invariably organized themselves and their resources to address the concerns of economic development and community change. In this section, we will review alternative processes that successful communities pursue in organizing for economic development. This includes 1) individual organizations that assume responsibility for economic development and 2) strategies for these organizations to do work jointly to pursue their common economic aspirations.

Before organizational aspects of community groups are addressed, a discussion of the contextual aspects of economic development is needed.

First, communities are decision-making and implementing units. This means that the end result of any action will lead to some type of change.

Second, communities have multiple interests and objectives that are often perceived to be in conflict. Through the larger planning process, the active engagement of interested parties (institutions, stakeholder groups) oftentimes reduces perceived conflict between competing community goals. These interested parties are often organized according to single-dimensional issues. For example, chambers of commerce are interested in enhancing the profitability of local businesses while the local hunting and fishing club may be more interested in conserving natural resources and managing wildlife habitats. In many smaller communities, membership between the two groups may overlap. Yet, the two separate institutions seldom work together formally.

Third, the larger planning process needs to be inclusive of alternative perspectives and seek to involve the wide range of socioeconomic groups present in a community. The reason for this is the simple fact that at the plan implementation stage, excluded groups can often derail the action called for in the plan.

Successful development planning requires a holistic approach to issues identification and problem solving. The problem with single-dimensional institutions and their sole approach to the development process is their failure to examine all aspects of the community. This means that, for example, the chamber, the industrial development group, the fishing and hunting groups, and environmental groups need to appreciate multiple perspectives on community issues.

While creating jobs and income are often the driving forces behind economic development initiatives, the implications of the development process are broader and more far-reaching. For example, successful expansion of existing businesses often creates increased demands for housing that alters the land use patterns in the community. Agricultural land on the outskirts of communities can be diverted into residential uses as land within communities becomes scarce

and the need for housing increases. This creates questions about the expansion of community services such as sewer, water, and schools. For this reason, it's important to have a broad, diverse group of organizations involved in the planning process.

This also places a priority on more objective assessments of development impacts that extend beyond simply jobs and income. There is a need to evaluate the full impacts of any type of development event. Public education/research agencies, such as the University of Wisconsin-Extension, and other institutions within the University of Wisconsin system can assist with assessment projects that objectively assess a comprehensive array of development impacts. Also, consultants and private research firms can provide assessment and planning services to local communities. [6]

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[6] See also **Creating an Economic Development Action Plan**, by Thomas S. Lyons and Roger E. Hamlin. (Praeger, 1991).

Appendix D:
PowerPoint Presentation of Report
(INCLUDED ONLY IN PAPER COPY)