



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Agenda - Approved FINANCE COMMITTEE

*Consider: Who benefits? Who is burdened?
Who does not have a voice at the table?
How can policymakers mitigate unintended consequences?*

Monday, June 1, 2026

4:30 PM

VIRTUAL

Note: A quorum of the Common Council may be present at this meeting.

The City of Madison is holding the Finance Committee meeting in virtual format.

Written Comments: You can send comments on agenda items to financecommittee@cityofmadison.com

Register for Public Comment:

- Register to speak at the meeting
- Register to answer questions
- Register in support or opposition of an agenda item (without speaking)

If you want to speak at this meeting you must register. You can register at <https://www.cityofmadison.com/MeetingRegistration>. When you register to speak, you will be sent an email with the information you will need to join the virtual meeting.

Watch the Meeting: If you would like to join the meeting as an observer, please visit <https://www.cityofmadison.com/watchmeetings>.

Listen by Phone: (877) 853-5257 (Toll Free) Webinar ID: 811 1842 9328

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Hu rau peb ntawm tus xov tooj los sis email hauv qab no yog tias koj xav tau kev txhais lus, kev txhais ntawv, los sis kev pab cuam cuam tshuam txog tsis taus. Cov kev pab no yog pub dawb rau koj.

608-266-4671
financecommittee@cityofmadison.com

Call to Order/Roll Call

Public Comment

1. [93346](#) Public Comment

Disclosures and Recusals

Members of the body should make any required disclosures or recusals under the City's Ethics Code.

Consent Agenda

At this time, a consent agenda may be moved except for items with registrants wishing to speak or items Committee members wish to separate out for discussion or debate purposes.

Items to be Considered

2. [93167](#) Approving an extension of a provisional appointment for Aeiramique Glass from June 8, 2026, until such time as the position of Independent Police Monitor is filled on a permanent basis or March 31, 2027.
3. [93126](#) Authorizing the City's execution of a lease for a 36-month term beginning on the completion of the Lessor's Work defined in the Letter Intent between the City of Madison and 3517 West Beltline LLC for the property at 3517 W Beltline Hwy for Clerks Office storage. (District 10)
4. [93159](#) Authorizing an intergovernmental agreement supporting a renewable diesel pilot program between the City of Madison and the Board of Regents of the University of Wisconsin System

5. [93119](#) Authorizing the Mayor and City Clerk to enter into a competitively selected, 9-month contract with Slipstream, Inc. for building decarbonization assessments and strategic decarbonization planning.
6. [93170](#) Authorizing the Community Development Division to release the 2026 Employment and Career Development Services Request for Proposals (RFP), and directing staff to evaluate responses to the RFP and formulate recommendations regarding the allocation of available funding for review and approval by the Common Council.
7. [93182](#) Adopting the City of Madison's required 2026 Annual Action Plan (AAP) and approving submission of the Plan to the U.S. Department of Housing and Urban Development (HUD). (Citywide)
8. [92931](#) Authorizing the City of Madison, via its Community Development Division (CDD), to accept up to \$50,000 in grant funding from the Bloomberg/Rockefeller Philanthropies to implement the Youth Climate Action Fund (YCAF); authorizing the Mayor to sign a YCAF Program Charter with the Grantor to formally accept these funds; and amending CDD's 2026 Adopted Operating Budget as appropriate to recognize the additional grant revenue and commensurate expenditures.
9. [93162](#) Authorizing the City of Madison to enter into a Purchase of Services contract with TerraVenture Advisors, LLC to provide relocation assistance and services to the tenants occupying the buildings located on the City-owned property at 1812 - 1820 S. Park Street; authorizing the payment of eligible relocation benefits; and authorizing lease negotiations with the current tenants in the interim totaling \$546,650, with funding previously authorized 2026 EDD Capital Budget and in the adopted TID 51 project plan. (District 14)
10. [93163](#) Amending RES-25-00299 (Legistar #87871) authorizing the execution of a development agreement with Starkweather, LLC regarding the development of the former Voit Farm property in Tax Incremental District #55 (Voit). (District 15)
11. [93161](#) Amending the 2026 Economic Development Division Capital Budget by \$4,165,000 and authorizing the execution of a Purchase and Sale Agreement with Starkweather, LLC, or their successors and assigns, for the purchase of four (4) properties addressed as 111 North Walter Street, 31 North Walter Street, 3472 Chicago Ave, and 3470 Canvas Road, Madison, WI 53703 for land banking purposes, and authorizing the expenditure of \$135,000 of in the 2026 adopted EDD Capital Budget for environmental assessment, title work, closing costs, holding costs, and predevelopment costs totaling \$4,300,000 (District 15).

12. [93149](#) Amending the 2026 EDD Capital Budget (TID 57) and authorizing the Mayor and City Clerk to execute a development agreement to fund a \$2,000,000 Tax Incremental Finance Loan to Odana Apartments, LLC, or its assigns to construct approximately 227 units of affordable housing and approximately 132 parking stalls located at 5559 Odana Road & 5542 Medical Circle in a proposed creation to Tax Incremental District (TID) 57 (District 19).
13. [93150](#) Amending the 2026 EDD Capital Budget (TID 56) and authorizing the Mayor and City Clerk to execute a development agreement to fund a \$2,900,000 Tax Incremental Finance Loan to GT Apartments, LLC, or its assigns to construct approximately 302 units of affordable housing and approximately 148 parking stalls located at 6518 & 6526 Grand Teton Plaza in a proposed creation to Tax Incremental District (TID) 56 (District 19).

Closed Session

When the Finance Committee considers the following matter, it may go into closed session pursuant to sec. 19.85(1)(e), Wis. Stats., which reads as follows:

Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.

If the Finance Committee does go into closed session, notice is hereby given pursuant to sec. 19.85(2), Wis. Stats., that it may reconvene in open session without waiting 12 hours as specified in the statute.

14. [92735](#) Amending the 2026 Economic Development Division Capital Budget and authorizing the Mayor and City Clerk to execute a development agreement to fund a \$2,800,000 Tax Incremental Finance Loan to assist in the renovation and development of office, manufacturing, and research and development space for Realta Fusion, Inc. at 910 Mayer Avenue in the Project Plan area of TID 54 (Pennsylvania Ave). (District 12)

Agenda Note: File 92735 will be considered with the regular agenda items above. The notice of a possible closed session is included in the event it is needed for additional discussion.

Staff Presentation

15. [93375](#) 2025 Year End Review and Update on 2027 Budget Outlook

Adjournment



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Master

File Number: 93346

File ID: 93346

File Type: Discussion Item

Status: Items Referred

Version: 1

Reference:

Controlling Body: FINANCE
COMMITTEE

File Created Date : 05/27/2026

File Name: Public Comment

Final Action:

Title: Public Comment

Notes:

Sponsors:

Effective Date:

Attachments:

Enactment Number:

Author:

Hearing Date:

Entered by: abannon@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	FINANCE COMMITTEE	05/27/2026	Refer	FINANCE COMMITTEE			
Action Text: This Discussion Item was Refer to the FINANCE COMMITTEE							

Text of Legislative File 93346

Title
Public Comment



City of Madison

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Madison, WI 53703
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Master

File Number: 93167

File ID: 93167	File Type: Resolution	Status: Items Referred
Version: 1	Reference:	Controlling Body: FINANCE COMMITTEE
		File Created Date : 05/12/2026

File Name: Approving an extension of a provisional appointment for Aeiramique Glass from June 8, 2026, until such time as the position of Independent Police Monitor is filled on a permanent basis or March 31, 2027.

Final Action:

Title: Approving an extension of a provisional appointment for Aeiramique Glass from June 8, 2026, until such time as the position of Independent Police Monitor is filled on a permanent basis or March 31, 2027.

Notes:

Sponsors: Carmella Glenn And Julia Matthews

Effective Date:

Attachments:

Enactment Number:

Author: Erin Hillson, Director of Human Resources

Hearing Date:

Entered by: kklafka@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Human Resources Department	05/12/2026	Referred for Introduction				
	Action Text: This Resolution was Referred for Introduction						
	Notes: Finance Committee (6/1/26), Common Council (6/9/26)						
1	COMMON COUNCIL	05/19/2026	Refer	FINANCE COMMITTEE			Pass
	Action Text: A motion was made by Madison, seconded by Glenn, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.						

Text of Legislative File 93167

Fiscal Note

The proposed resolution approves the extension of a provisional appointment for the Independent Police Monitor position. The incumbent has been filling the position since December 2025, and this resolution extends the appointment from June 8, 2026, until the position is filled on a permanent basis or until March 31, 2027. The Independent Police Monitor position is fully budgeted in the Office of Independent Monitor's 2026 adopted operating budget.

The resolution also authorizes the position to be double filled for up to thirty (30) working days to ensure stability of the Office. The anticipated cost to double fill the position is approximately \$15,000, including benefits. The 2026 portion of the cost associated with the double fill will depend on the time of the hiring process and will be monitored through the year-end budget projection exercise. No additional appropriation required at this time.

Title

Approving an extension of a provisional appointment for Aeiramique Glass from June 8, 2026, until such time as the position of Independent Police Monitor is filled on a permanent basis or March 31, 2027.

Body

WHEREAS, Aeiramique Glass has been fulfilling all duties and responsibilities required in the position of Interim Independent Police Monitor on a provisional basis since December, 2025; and

WHEREAS, it is expected that Aeiramique Glass continues to perform all of the duties on a provisional basis until such time as the position is posted and filled on a competitive basis; and

WHEREAS, City Personnel Rules allow for provisional appointments for six (6) months unless further approval is granted by the Madison Common Council; and

WHEREAS, the Police Civilian Oversight Board anticipates a robust community engagement around the position prior to posting the position, which will occur no earlier than September, 2026, and

WHEREAS, to ensure stability in the Office of the Independent Monitor, the PCOB desires to double fill the position for up to thirty working days after hire of the permanent Independent Monitor, and

WHEREAS, the PCOB retains oversight over the Interim Independent Monitor which includes the ability to end the appointment at any time; and

WHEREAS, the City will apply any wage increase to the Interim Independent Police Monitor that is otherwise provided to other compensation group 21 positions in 2026 and thereafter;

NOW, THEREFORE BE IT RESOLVED, that Aeiramique Glass's provisional appointment be extended with no change to the terms of her current appointment, until such time as the Independent Police Monitor is filled on a permanent basis, and is authorized until March 31, 2027.



City of Madison

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Master

File Number: 93126

File ID: 93126

File Type: Resolution

Status: Items Referred

Version: 1

Reference:

Controlling Body: PLAN
COMMISSION

File Created Date : 05/12/2026

File Name: Nakoma Crossing City Clerk Lease to City Letter of Intent

Final Action:

Title: Authorizing the City's execution of a lease for a 36-month term beginning on the completion of the Lessor's Work defined in the Letter Intent between the City of Madison and 3517 West Beltline LLC for the property at 3517 W Beltline Hwy for Clerks Office storage. (District 10)

Notes:

Sponsors: Yannette Figueroa Cole

Effective Date:

Attachments: 3517 W Beltline Hwy Clerk LOI 5.26.26 DWR signed.pdf

Enactment Number:

Author: Tom Otto, Economic Development Division

Hearing Date:

Entered by: cklawiter@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Economic Development Division	05/12/2026	Referred for Introduction				
	Action Text:		This Resolution was Referred for Introduction				
	Notes:		Finance Committee (6/1/26), Plan Commission (6/1/26), Common Council (6/9/26)				
1	COMMON COUNCIL	05/19/2026	Refer	FINANCE COMMITTEE			
	Action Text:		This Resolution was Refer to the FINANCE COMMITTEE				
	Notes:		Additional referral to Plan Commission.				
1	FINANCE COMMITTEE	05/19/2026	Referred	PLAN COMMISSION			
	Action Text:		This Resolution was Referred to the PLAN COMMISSION				

Text of Legislative File 93126

Fiscal Note

The proposed resolution authorizes the execution of a 36-month triple-net (NNN) lease for the Clerk's Office beginning July 1, 2026. The leased space will be used to store election equipment that is currently stored at 2002 Pankratz Street. The lease is needed because construction will begin at 2002 Pankratz Street for the Dane County Elections Center, and the

Clerk's Office will need to move equipment to a temporary location until the new facility is complete.

Under the terms of the lease, monthly charges are comprised of \$7,197 in base rent, \$2,699 in Common Area Maintenance (CAM) costs, and \$2,075 for the City's pro-rata share of building utilities, repairs, HVAC maintenance, and cleaning. Base rent is subject to an annual 3% escalator. Total estimated costs for the lease are \$438,807 over the 36-month lease term. The estimated cost in 2026 is \$71,800.

The 2026 Adopted Budget for the Clerk's Office did not include funding for this lease, as costs were not known at the time of budget development. The Clerk's Office and Finance Department will monitor the Clerk's operating budget through the budget projection process. If needed, funds may be transferred to the Clerk's office through the mid-year or year-end appropriation resolutions to ensure sufficient funding is available for 2026 costs. Funding for 2027 and 2028 lease costs will be included in the Clerk's operating budget requests. At this time, no additional appropriation is required.

Title

Authorizing the City's execution of a lease for a 36-month term beginning on the completion of the Lessor's Work defined in the Letter Intent between the City of Madison and 3517 West Beltline LLC for the property at 3517 W Beltline Hwy for Clerks Office storage. (District 10)

Body

WHEREAS, the Elections Center / Clerks Office Facility Remodel project located at the Dane County Elections Center at 2002 Pankratz Street will be underway beginning in June 2026 and is expected to be a multi-year project; and

WHEREAS, the City of Madison Clerk's Office is using a portion of 2002 Pankratz Street for storage of election equipment and supplies that must be vacated during the renovation of this building; and

WHEREAS, the City of Madison and 3517 West Beltline LLC desire to enter into a lease (the "Lease") for the premises at 3517 W Beltline Hwy to allow for temporary storage of election equipment and supplies during said remodel project and additional months past the 2028 federal election so the Clerk's operations are not disturbed by a move.

WHEREAS, 3517 West Beltline Hwy is currently zoned Suburban Employment (SE) and will require a Conditional Use for warehouse and storage use.

NOW THEREFORE BE IT RESOLVED that the Mayor and City Clerk are authorized to execute a lease with 3517 West Beltline LLC substantially though not exclusively, on the terms and conditions detailed in the Letter of Intent attached to this resolution as Exhibit I - Letter of Intent for a Lease

BE IT RESOLVED that the Mayor and City Clerk are authorized to execute, deliver and record a Lease and take any other further action required to accomplish the purpose of this resolution in a form approved by the City Attorney.



Department of Planning & Community & Economic Development

Economic Development Division

Matthew Mikolajewski, Director

Madison Municipal Building, Suite 312
215 Martin Luther King, Jr. Boulevard
P.O. Box 2983
Madison, Wisconsin 53701-2983
Phone: (608) 266-4222
Fax: (608) 261-6126
www.cityofmadison.com

Office of Real Estate Services

VIA EMAIL

May 26, 2026

Madison Commercial Real Estate
c/o Ben Filkouski
5609 Medical Circle, Suite 202
Madison, WI 53719

RE: City of Madison Letter of Intent for a Lease
Current Address: 3517 W Beltline Hwy, Madison, Wisconsin 53713
Project 13372

Dear Ben:

The City proposes the following terms and conditions to 3517 West Beltline LLC (the “**Lessor**”), for a proposed lease between the parties at your Property. The purpose of this letter of intent (“**LOI**”) is to memorialize the terms and conditions of a proposed new Lease (the “**Lease**”) so the City can submit a resolution to the Common Council for its approval. No liability or obligation, legal or otherwise, shall be created by this LOI.

The respective sections and paragraphs in the Lease would be, substantially but not exclusively, on the following terms and conditions in a form approved by the City Attorney:

Lessee (City): City of Madison

Lessor: 3517 West Beltline LLC

Property: The legal description of the “**Property**” is defined in Exhibit B of this letter of intent.

There is one (1) building (the “**Building**”) located on the Property as noted below with the corresponding gross square footage for the respective uses in it.. The Leased Premise are located in the industrial/warehouse portion of the Building (the “**Warehouse Area**”).

Office Area: 22,309 gross square footage.

Warehouse Area : 32,860 gross square footage.

The total gross square footage of the Building is 55,169 sf (the **“Building’s Square Footage”**)

Leased Premises:

10,795 total rentable square feet inside the Warehouse Area of the Building (**“Leased Premises”**) located on the Property with a current address of 3517 W Beltline Hwy, Madison, Wisconsin (An Exact Suite Address to be provided by City) as depicted in the floor plan in **Exhibit C as the “Blue Space”**, and the adjacent two exterior loading docks and two levelers (the **“Shared Docks”**), the interior loading area adjacent to the Shared Docks (the **“Shared Interior Dock Area”**), the exterior entrance/exit door (the **“Shared Door”**), the shared two bathrooms (the **“Shared Bathrooms”**), and the shared hallway from the Shared Door to the Shared Interior Dock Area (the **“Shared Hallway”**); all these areas will be shared with a tenant for the **“Pink Space”** (the **“Pink Space Tenant”**) (collectively the **“Shared Access and Loading Areas”**), and the five exclusive City parking stalls **“City’s Exclusive Parking Stalls”** defined below as shown crosshatched on the Site Plan attached as **Exhibit A**, together with the nonexclusive use in common with others entitled thereto of the “Common Areas” set forth below. None of the other tenants or their guests or invitees shall block the Shared Access and Loading Areas and/or the City’s Exclusive Parking Stalls.

The entire interior white shared area shown on Exhibit C, includes the Shared Interior Dock Area, the Shared Bathrooms, and the Shared Hallway and is collectively defined as the **“Shared Interior White Area”**.

The Leased Premises’ total rentable figure is based on the sum of the useable Blue Space, half of the Shared Interior White Area, and a pro rata share of the fire suppression/pump room and utility water main room, both which serve the Buildings.

Parking:

City shall be permitted to use on an exclusive basis the five (5) parking stalls shown in Exhibit A (collectively the **“City’s Exclusive Parking Stalls”**) that will be signed and stripped by the Lessor at its cost.

Lease Term:

The Lessor shall execute the Lease, that is approved by both parties, first and then send it and an approved certificate of insurance to the City so it can then circulate it internally for execution. The Effective Date is the date that the City executes the Lease. The initial term (the **“Initial Term”**) of the Lease shall be for a term of three (3) fiscal lease years (each a “Lease Year”) and any days from the **Completed Lessor’s Work Date** or **“CLWD”** (defined below) to the beginning of the next calendar month (the **“Partial Month**

Period”), subject to early termination pursuant to the terms of the Lease.

The Initial Term and any Renewal Terms (defined below) exercised by the City is collectively defined as the “Lease Term” or “Term”.

**Base Rent and
NNN Expenses
Payment Schedule:**

The City shall pay to the Lessor rent for the Leased Premises in the amount specified in the Base Rent Table below (“Base Rent”) for the Initial Term. The Base Rent is in addition to the City’s pro-rata share of any Taxes, and Common Area Expenses (collectively the “NNN Expenses”) as defined in the below sections.

Base Rent and Estimated NNN Expenses Table for Initial Term

Lease Year	Payment Schedule Commencing	Annual Base Rent/SF	Monthly Base Rent	Estimated Monthly NNN Expenses*	Total Monthly Base Rent + Estimated NNN Expenses
1	30 days after Completed Lessor’s Work Date (the “CLWD”)	\$ 8.00	\$ 7,196.67	\$2,698.75	\$ 9,895.42
2	the 13th month after the CLWD	\$ 8.24	\$ 7,412.57	\$2,698.75	\$ 10,111.32
3	the 25th month after the CLWD	\$ 8.49	\$ 7,637.46	\$2,698.75	\$ 10,336.21

*Estimated share of CAM Expenses and Taxes (collectively the “NNN”) subject to annual reconciliation.

The monthly Base Rent and estimated NNN Expenses shall commence 30 days after the Completed Lessor’s Work Date(defined below) (the “Rent and NNN Payment Commencement Date” to accommodate the City’s installation/completion of the City’s IT Work (defined below). If the City’s IT Work is completed before the Completed Lessor’s Work Date, then the monthly Base Rent and NNN Expenses payment date will incur on the Completed Lessor’s Work Date. The Completed Lessor’s Work Date and Rent and NNN Payment Commencement Date will be documented between the parties. If there is a partial calendar monthly period from the Rent and NNN Payment Commencement Date to the end of the respective calendar month (the “Partial Period”), then the monthly Base Rent and monthly estimated NNN Expenses shall be prorated based on the total days the City occupies the Leased Premises for that month. All payments are to be made payable to the Lessor.

Thereafter, Base Rent and NNN Expenses shall be payable in equal monthly installments on the first day of each calendar month. All

payments are to be made payable to the Lessor.

**Lease Term
Renewal Options:**

If, at the end of the Initial Term of the Lease or at the end of the previous Renewal Option Term, if applicable, the City is not in default under the terms and conditions of the Lease, then the City shall have ~~three~~ two(2) successive options to extend the Lease Term for additional terms of one (1) Fiscal Year each, under the same terms and conditions provided in the Initial Term of the Lease, except that annual “Base Rent” during the Renewal Option Term periods shall be calculated per the below Renewal Option Term Rent Schedule:

Base Rent and Estimated NNN Expenses Table for Renewal Option Terms

Lease Year	Payment Schedule Commencing	Annual Base Rent/SF	Monthly Base Rent	Estimated Monthly NNN Expenses*	Total Monthly Base Rent + Estimated NNN Expenses
4 (Option 1)	the 37st month after the CLWD	\$ 8.74	\$ 7,862.36	\$ 2,698.75	\$ 10,561.11
5 (Option 2)	the 49th month after the CLWD	\$ 9.00	\$ 8,096.25	\$ 2,698.75	\$ 10,795.00

*Estimated share of CAM Expenses and Taxes (collectively the "NNN") subject to annual reconciliation.

If the City desires to renew the Lease, the City must give notice in writing to the Lessor a minimum of ~~ninety~~ one hundred eighty (180) days prior to the expiration of the Initial Term or any exercised Renewal Option Term, by sending a written notice the Lessor.

Use:

City will occupy and use the Leased Premises for the storage of voting and election equipment and activities related thereto, and the general storage of any other personal property owned by the City and for no other purposes without the prior written consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned.

**Lessor’s Access and
City Security:**

After receiving a minimum of 24 hours’ prior written notice thereof, the City shall allow the Lessor or its agents or employees access to the Leased Premises, at all times reasonable for the City and with a City staff person on-site for the duration of the work for the purpose of inspecting the Leased Premises or to make necessary repairs or alterations of the Leased Premises, or at any time in the event of an emergency.

The City will secure the doors to the Leased Premises with its card access equipment (“Physical Access Control”) so only the City Clerk’s staff and authorized Lessor staff (with 24 written notice) may access it.

City IT Improvements:

The City needs to perform the IT work listed below at the Property, in the Building, in the Leased Premises and in the Shared Interior White Area at its cost, for the agency to be able to connect with the City network to fulfill their duties. This work includes but is not limited to the following: (i) connection to the City network, which could include trenching and boring on the Property along with a pathway into the Building and appropriate hardware to support the connection; and (ii) installing Structured Cabling and Physical Access Control system in the Leased Premises. This includes interior cabling, equipment, a technology cabinet to house applicable network equipment, cameras to monitor the Leased Premises and Shared Access and Loading Areas spaces, all with appropriate cooling and power supplies, data connections supported by interior ethernet cabling and wall jacks, cabling for two wireless access points for Wi-Fi service, and physical access controls on the doors (collectively the “**City IT Work**”).

Before the City and/or its contractors start this work they will coordinate their schedule with the Lessor.

The City may install, at its cost, any improvements and equipment into the Leased Premises as City sees necessary to conduct the City’s use during the Term of the Lease. These improvements and equipment may require the installation of conduit in the Common Areas or on the Building’s roof to operate. Without limiting the foregoing, the City acknowledges that Lessor shall have the right to review City’s construction activities to ensure quality control and compliance with any approved plans and specifications. City shall obtain from its contractors a certificate of insurance naming the Lessor as an additional insured before they start any work in the Leased Premises.

**Lessor’s Work
and Delivery Date:**

Lessor, at Lessor’s sole cost, will perform the following collective scope of work (the “**Lessor’s Work**”) outlined below. The cost for these items below should not be included in Common Area Charges or other charges billed to the City:

1. Construct a floor to ceiling demising wall separating the Pink Space and the Blue Space, from the Shared Interior White Area as shown in Exhibit C (the “**Demising Wall**”); and
2. Construct a floor to ceiling demising wall (the “**Green Demising Wall**”) separating the Green Space and the Blue

Space as shown in Exhibit C; and

3. Install any new lighting needed in the Leased Premises that may have been lost due to the installation of the Demising Wall and Green Demising Wall. Likewise, install any new lighting in the Shared Interior Dock and Shared Hallway that may have been lost in said areas.
4. Install a roll up door of roughly 8' by 8' in the area where the Demising Wall abuts the Leased Premises (the "**New Roll Up Door**") so the City can move its inventory from the Shared Interior Dock Area into the Leased Premises and install on the same demising wall a new man door (the "**New City Door**") with an electrical outlet nearby; and
5. Install new HVAC controls/thermostat in the Leased Premises that are only tied to the City's two HVAC units that serve the Leased Premises (RTU nos. 15 and 17 (the "**Leased Premises' HVACs**") as shown in Exhibit D) and allow the City to adjust the temperature in the Leased Premises. ; and
6. Inspect the Leased Premises' HVACs units so they are working and in good condition, and replace all filters ; and
7. Inspect the following equipment and infrastructure (including but not limited to) that serves the Leased Premises so they are working and in good condition: the Shared Docks and the levelers and controls; lighting; Shared Door; roof; the plumbing and sewer systems, the water softener and water heater in the Shared Bathrooms; fire protection and fire alarm systems; exterior window glass and frame; and
8. Sign and stripe the City's Exclusive Parking Stalls per the location on the Site Plan in Exhibit A that shows the new striping of the entire parking lot; and
9. Obtain a Conditional Use approval and permit for warehouse & storage in the SE District for the Property (submitted by the May 18, 2026 deadline to go forth the plan commission and have approval by July 29) and perform any required work relating thereto; and
10. Obtain an occupancy permit for the Leased Premises; and
11. Make the below ADA requirements outlined in the attached City Site Assessment Report (the "Report"). The numbers below correlate to the respective chapters in the 2010 ADA Standards for Accessible Design in the Report.

<https://www.ada.gov/law-and-regs/design-standards/2010->

[stds/#top](#)

- Parking
 - Install parking spacing, striping, and signage compliance with [502](#).
- Shared Door Entrance:
 - There is a 1.5-inch drop at the threshold of the main entrance (install a ramp at least 18 inches long that is compliant with [405](#))
 - Door closure speed is not compliant with 404.2.8 (adjust or replace closer) [404](#)
 - Doorbell will need to be relocated (no higher than 48 inches) [308](#)
- Interior:
 - There are several protruding objects including an eye bath, spotlights, and a large panel at the entrance. (Remove objects or install a permanent partial wall or planter underneath for white cane detection) [307](#)
- Shared Bathrooms:
 - Door weight and closure speed are not complaint with 404.2.8 and 404.2.9 – (adjust or replace closers) [404](#)
 - Base of mirror is higher than 40 inches (install additional full-length mirror in each restroom) [603.3](#)
 - Install ADA compliant soap dispensers [308](#)
 - Install ADA compliant signage [703](#)
 - Install ADA compliant grab bars [609](#)

The date when all of the above Lessor’s Work is completed is defined as the “**Completed Lessor’s Work Date**” or “**CLWD**”.

Lessor’s Work needs to be completed by September 1, 2026.

After Lessor’s Work is completed, the vendor shall clean any areas that were disturbed during construction.

Within 90 days of the CLWD, Lessor shall replace at its cost the cracked glass/hairline fractures in one of the skylights in the Leased Premises and inspect all of the four skylights to ensure they are in good condition and sealed properly.

The City reserves the right to inspect Lessor’s Work to its satisfaction and provide feedback on any deferred maintenance,

repairs or replacement items to be completed by Lessor.

**Access to Shared Docks,
New Roll Up Door and
New City Door:**

City shall have exclusive rights to use one (1) of the two Shared Docks. The adjacent Pink Space Tenant will have an exclusive right to use the other one (1) loading dock. The Pink Space Tenant or the City may use the respective neighboring tenant's dock when not in use by the respective neighboring tenant, by providing a written notice, of at least 48 hours beforehand) of the dates/times of their requested delivery schedules with the neighboring tenant for their approval. If approved, the requesting tenant shall not keep its trucks/trailers at that dock position once loading/unloading is complete. In the event that the parties are not complying with these terms, they may notify the Lessor so it can help enforce these terms. In the event it is not enforced the City this would be considered a default under the Lease.

Neither the City nor the Pink Space Tenant shall store any items in the Shared Interior White Area. Each user shall move any of its materials or equipment it brings into the Shared Interior Dock Area in a timely manner to their respective spaces. The City shall have access to its New Roll Up Door and New City Door at all times.

The City and the Pink Space Tenant shall clean any debris it caused after any delivery into the Shared Interior Dock Area and movement through the Shared Hallway by the Pink Space Tenant, and leave these areas used in broom swept condition. In the event either party is not complying with this cleaning requirement, then they shall contact the Lessor who will provide a notice to the offending tenant of this complaint. If the offending tenant is not complying with this cleaning requirement after the complaint, then the Lessor shall start a cleaning service for these areas and bill the offending tenant until the situation is remedied. .

Common Areas:

The Lessor grants to the City and the City's employees, agents, customers, invitees, vendors, licensees, and contractors the right to use, in common with all others to whom the Lessor has or may hereafter grant rights to use the same, the "**Common Areas**" located on the Property, that are outside the Building. The term "**Common Areas**" shall mean the parking lot area, driveways, grounds, bike racks, and other areas or improvements provided by the Lessor for the common use of all the occupants of the Building.

The Lessor shall be responsible for snow removal, ice removal, cleaning, landscaping, securing, lighting, insuring, maintaining, repairing and replacing any improvements and infrastructure in or serving the Common Areas.

In addition, Lessor shall pay for the separately metered outdoor lighting (the “**Common Area Utilities**”). The Lessor warrants and represents that the **Common Area Utilities** charges are only those associated with the Common Areas.

Utility Metering/Billing: **Electric:**

There are currently three electric meters serving the Property:

1. One for the Warehouse Area and a portion of the Office Area (not included in the meter described in three below) -City will pay monthly its pro-rata share of the actual invoice for the prior month’s usage. The City’s pro-rata share of this Warehouse Area and portion of the Office Area Electric Bill is **32.85%**.

2. One for the Common Area exterior lights- this is part of the Common Area Utilities definition. City will pay monthly its pro-rata share of the actual Common Area exterior electric invoice for the prior month’s usage.. The City’s pro-rata share of this Common Area exterior light bill is 19.57%.

3. One for the Office Area of the Building-the City is not responsible for this meter/cost.

Gas:

There is only one gas meter for the Building. City will pay monthly its pro-rata share of the actual gas invoice for the prior month’s usage. The City’s pro-rata share of the Building’s Gas Bill is 19.57%.

Water:

There are two water meters.

One meter is for the front Office area of the Building-the City is not responsible for these costs.

One meter is for the rest of the Building, which has a 47, 981 sf area. City will pay monthly its pro-rata share of the actual invoice for the prior month’s water usage. The City’s pro rata share of this bill is 22.5%.

Common Area Charge: The City shall pay its pro-rata share of the Common Area costs (defined below are CAM Expenses) or 19.57% (the “**City’s Pro-Rata CAM Share**”), which is calculated as follows:

Numerator=Leased Premises’ square footage of 10,795 s.f.

Denominator is the Building Square Footage, which is 55,169 sf.

The City shall pay its City's Pro-Rata CAM Share of the following costs and expenses paid or incurred by the Lessor in operating and maintaining the Common Areas (collectively the "**CAM Expenses**"). CAM Expenses include: snow removal; ice removal; debris cleaning; landscaping; securing; ; parking lot striping, commercial property liability insurance (except to the extent proceeds of insurance or condemnation awards are available therefor); maintaining, repairing any improvements in or serving the Common Areas; but **excluding**: (i) any costs relating to the repair, replacement and maintenance of the sewer, gas, electrical, water, telephone and other utility mains, lines and facilities that serve the Property and/or Building; and (ii) any costs pertaining to the Property or Building which are not included in the definition of Common Areas; and (iii) any costs to replace any improvements that are located in the Building, Common Areas or serving the Common Areas; and (iv) depreciation expenses; and (v) the amortization of capital expenses.

In addition, the City will pay Lessor a management fee of five (5) percent multiplied by the City's Base Rent for each Lease Year during the Lease Term (the "City Management Fee") as a CAM Expense. The City Management Fee includes all work performed by the property manager and Lessor for the Property, Building and Leased Premises such as: rent collection, day to day operations, maintenance and repair coordination, contracting, inspections, management overhead expenses, record keeping, financial reporting, regulatory compliance, and lease enforcement. The City will not pay any of incremental management costs above the City Management Fee or mark ups by the property manager to the cost of supplies or vendor invoices

:

In addition, the following costs are included in the definition of CAM Expenses because the costs/service/cover all spaces in the Building: the monitoring and inspections of the fire alarm and fire protection systems; any repairs or maintenance of the fire alarm and fire protection systems; commercial property insurance of the Building (excluding any business personal property and theft; business income; business umbrella); third party accounting and book keeping for the Property; bank service charges for the Property's bank account (except for insufficient funds) .

The payments referred to in this Subparagraph shall be referred to as the "**City's Common Area Charge.**" The Lessor will provide the City with an estimate amount of the City's Common Area Charge.

The City's Common Area Charge shall start 30 days after the Completed Lessor's Work Date and be paid in monthly installments

on the first day of each month in an amount to be estimated by the Lessor, prorated for a partial month. Within ninety (90) days following the closure of the Lessor's annual calendar year accounting period, the Lessor shall furnish to the City a statement of the actual amount of the City's Common Area Charge for such period.

When reconciling the CAM Expenses for calendar year 2026, no CAM Expenses that were paid prior to the CLWD shall be included in the reconciliation for the City; only the actual partial year CAM Expenses paid thereafter until the end of calendar year 2026. This partial year actual CAM Expense amount between will be compared/reconciled to the City's estimated City's Common Area Charge paid for the partial 2026 period. If the actual amount of the City's Common Area Charge is less than the total amount theretofore paid by the City for such period, the excess shall be credited against the City's next succeeding payment(s). If the actual amount of the City's Common Area Charge exceeds the total amount theretofore paid by the City for such period, the City shall pay to the Lessor, within thirty (30) days following its receipt of the Lessor's statement, the incremental amount shown as due thereon

The Lessor agrees to maintain at the Lessor's principal office accurate records of Common Area costs and expenses, including all invoices, receipts, and other supporting data relating to the maintenance and repair of the Common Areas (the "Common Area Records"), which Common Area Records shall be kept in accordance with Lessor's customary accounting procedures. Copies of the Common Area Records shall be provided to the City or its representative upon request to enable the City to determine the accuracy and appropriateness of the Common Area Charges billed to the City.

Real Estate Taxes:

The Lessor shall pay in a timely manner all real estate taxes and assessments, both general and special, which may be levied or assessed by the lawful taxing authorities against the Property (the "Taxes").

For purposes of calculating the City's proportionate share of Taxes of the Property the parties agree that 19.57 %, (the "**City's Proportionate Share of Taxes**") is based on the following:

Numerator: 10,795 square feet of the Leased Premises.

Denominator: 55,169 square feet of the Building.

The City shall pay to the Lessor the City's Proportionate Share of Taxes for the Property that are estimated to be paid for each calendar year during the Term. Not included in "Taxes" are any late charges

paid by the Lessor to the City Assessor's office any delinquent water bills for any of the tenants in the Building, and leasehold improvement taxes that are assessed on personal property located in the Common Areas or in the Building; these costs cannot be included in the reconciliation of Taxes for each calendar year. tax bill sent to the City.

The City's Proportionate Share of Taxes shall start 30 days after the Completed Lessor's Work Date and be paid in monthly installments on the first day of each month in an amount to be estimated by the Lessor, prorated for a partial month. Within ninety (90) days following the closure of the Lessor's annual calendar year accounting period, the Lessor shall furnish to the City a statement of the actual amount of the City's Common Area Charge for such period.

When reconciling the CAM Expenses for calendar year 2026, no Taxes that were paid prior to the CLWD shall be included in the reconciliation for the City; only the actual partial year Taxes paid. This partial year Taxes amount will be compared to the City's estimated Tax payments for the partial 2026 period. If the actual amount of the City's Proportionate Share of Taxes is less than the total amount theretofore paid by the City for such period, the excess shall be credited against the City's next succeeding payment(s). If the actual amount of the City's Common Area Charge exceeds the total amount theretofore paid by the City for such period, the City shall pay to the Lessor, within thirty (30) days following its receipt of the Lessor's statement, the incremental amount shown as due thereon.

Copies of the tax bills submitted by the Lessor to the City shall be conclusive evidence of the amount of such real estate taxes and assessments levied or assessed. Lessor shall pay all leasehold improvement taxes that are assessed on personal property located in the Common Areas or in the Building.

**Lessor's Responsibilities
For Leased Premises,
Property, Shared Interior
White Area
and Building:**

a. The Lessor, at its cost, shall at all times keep in good condition and repair, including any required inspections, the following in or serving the Property, the Leased Premises, the Shared Interior White Area and the Building: foundations; roof, gutters and heat tape; interior and exterior lighting; electrical, plumbing and sewer systems; water softener; water heater; fire alarm system and devices and monitoring; fire protection system and devices and monitoring; all utility lines, appurtenances, meters and meter boxes; concrete floors; structural portions of the walls; exterior and interior walls;

exterior window frames and glass; exterior Shared Doors and frames, door locks, door closers, and door operating devices; floor coverings; ; the Shared Docks's frames, seal, operating devices and controls; the Demising Wall; the Roll Up Door; the New City Door, the skylights in the Building and all other structural members, both interior and exterior; the heating venting and air conditioning units/systems and controls-in good order, condition and repair, and shall make any repairs/replacements thereto. The term "repairs" shall include replacements or renewals when necessary and all such "repairs" shall be equal in quality and class to the original work. Notwithstanding the foregoing, the City shall be responsible for the cost and expenses of repairs/replacements required by reason of acts or omissions of the City, the City's employees, agents, invitees, vendors, licensees or contractors.

The City shall give the Lessor written notice of the necessity for maintenance, repairs, or replacements coming to the attention of the City (the "**City Work Notice**"), following which the Lessor shall have fourteen (14) calendar days to complete such maintenance/repairs or 60 days to make any replacements (except in the case of any emergency, which includes but is not limited to the loss of any power, heating or cooling, or any condition in the Leased Premises or Shared Interior White Areas that must be remedied in fewer than three (3) days in order for the City to use the Leased Premises as intended under the Lease).

If the Lessor does not complete maintenance/repairs or respond to the City Work Notice within the fourteen (14) calendar days completion timeline with an updated completion timeline from its' contractor performing the work (a "**Lessor Time Update Work Notice**"), then the City has the right to complete the needed maintenance/repairs and the cost of such maintenance/repairs shall be reimbursed to the City as a credit to City's account, and the City may off-set said maintenance/repair credit from the following calendar month's Base Rent payment due to Lessor regardless of whether the Lessor has commenced such maintenance/repairs. The City shall also provide the Lessor with a copy of the invoice paid for the completed maintenance/repairs.

If the Lessor provides the City with a written Lessor Time Update Work Notice within fourteen (14) days from the City Work Notice , then the City can decide if the updated completion timeline stated therein is reasonable based on its operational needs in the Leased Premises. In its sole discretion, the City may provide a written notice to Lessor within three (3) business days upon receipt of the Lessor Time Update Work Notice stating its concerns and note whether it intends to perform the maintenance/repair work itself; otherwise, it is assumed the City agrees with the new updated completion timeline. If the City decides to perform the maintenance/repair

work, the cost of such maintenance/repairs shall be reimbursed to the City as a credit to City's account, and the City may off-set said maintenance/repair credit from the following calendar month's Base Rent payment due to Lessor regardless of whether the Lessor has commenced such maintenance/repairs. The City shall also provide the Lessor with a copy of the invoice paid for the completed maintenance/repairs

If maintenance/repairs by their nature per industry standards (such as work repairs that require permits, City inspections, site surveying, specialized parts with long lead shipping times, etc.) take more than fourteen (14) calendar days to complete, then the Lessor shall have a reasonable time to complete the maintenance/repairs if Lessor provides a written notice of such delay (including in the notice-the reason for the delay and when the maintenance/repair work will be completed) (the "**Lessor Reason and Time Update Work Notice**") to the City within the fourteen (14) calendar day completion deadline. If the stated industry standard reasoning or the updated delay/completion timeline in the Lessor Reason and Time Update Notice is unreasonable or will impact its operational needs in the Leased Premises, then the City shall send a written notice to Lessor within three business days upon receipt of the Lessor Reason and Time Update Work Notice stating its concerns and note whether it intends to perform the maintenance/repair work itself; otherwise, it is assumed the City agrees with the new updated delay/completion timeline. If the City decides to perform the maintenance/repair work, the cost of such maintenance/repairs shall be reimbursed to the City as a credit to City's account, and the City may off-set said maintenance/repair credit from the following calendar month's Base Rent payment due to Lessor regardless of whether the Lessor has commenced such maintenance/repairs. The City shall also provide the Lessor with a copy of the invoice paid for the completed maintenance/repairs

If the Lessor does not complete any replacements work requests within sixty (60) days of the City's Work Notice, then the City shall have the right to cure the default by completing the needed replacement work and the cost of such replacement shall be reimbursed to the City as a credit to the City's account, and the City may off-set said replacement credit from the following calendar month's Base Rent payment due to Lessor or the City can consider this a default by the Lessor and terminate the Lease per the respective section of the Lease, regardless of whether the Lessor has commenced such replacement-

If the replacement work by its nature per industry standards takes more than sixty (60) days to complete (such as replacement work that requires hiring an architect to draw plans and prepare specifications, obtain plan approvals, obtain permits, require City

inspections, site surveying, specialized parts requiring long lead shipping times, etc.), then the Lessor shall have a reasonable time to complete the replacement if written notice of such delay is given to the City by five (5) days from the receipt of the City's Work Notice. The option to cure a default herein is intended for the City's protection and its existence shall not release the Lessor from the obligation to perform the terms and covenants herein provided to be performed by the Lessor or deprive the City of any legal rights which may arise by reason of any default.

If the Leased Premises is not able to be occupied after 72 hours from the City's Work Notice, then the City may deduct the Base Rent for the period thereafter until the space is habitable by the City.

b. Lessor shall provide the City with 24 hours (~~5~~ days written notice for any non-emergency maintenance, repair or other work that is to be completed on the Building, Property, or within the Leased Premises.

c. Lessor shall use commercially reasonable efforts in performing any maintenance, making any repairs, alterations, and improvements to the Leased Premises, Shared White Interior Areas, Common Areas or the Building to keep the disruption of City's business to a minimum.

Other City NNN Costs:

The City shall reimburse the Lessor for the following costs that are incurred 30 days after the Completed Lessor's Work Date (except as noted); these costs below are collectively defined as the "**Other City NNN Costs**". These costs will not be paid on an estimated basis and then reconciled annually; instead, the Lessor will send the City a copy of the respective invoices and the City's pro-rata share thereof per the respective formulas below or sections above:

a. Utility Metering/Billing:

As noted above in this referenced section of the LOI, the City shall pay monthly its below pro-rata share of the actual invoice for the prior month's respective utility usage billed to the Lessor:

- For the electricity for the Warehouse Area and a portion of the Office Area of the Building-. The City's pro-rata share of the Warehouse Area and portion of the Office Area Electric Bill is 32.85%.
- For the Common Area exterior lights. The City's pro-rata share of this Common Area exterior light bill is 19.57%.
- For the gas meter for the Building. he City's pro-rata share of the Building's Gas Bill is 19.57%.

- For the water meter that serves the Building less the front office section; this area equals roughly 47, 981 sf.. The City's pro rata share of this bill is 22.5%.

b. Starting in spring 2027, the City shall perform a maintenance inspection of each of the Leased Premises' HVACs roof top units (and then in fall 2027, a maintenance inspection of only RTU No. 17). Thereafter, the timing and frequency of the maintenance inspection work during the Term shall include only once per Lease Year for RTU No. 15 in the spring, and twice a year (spring/fall) for RTU No. 17. The maintenance inspection visit will include changing the filters, cleaning the condensate drain and coils (only needed once a Lease Year), lubrication, straightening the coils, checking the wiring and verifying the economizer is properly functioning (collectively the "**HVAC Inspection/Maintenance Work**"). The City shall engage a third party to perform the HVAC Inspection/Maintenance Work for the Leased Premises' HVACs and then send their report to the Lessor.

The City shall be responsible for all minor repairs of the Leased Premises' HVACs units as that are identified during the HVAC Inspection/Maintenance Work report, up the collective Lease Year cap for the Leased Premises' HVACs of \$1,000 for both of the Leased Premises' HVACs (the "**HVAC Repair Cap**"); if the collective repair amount exceeds \$1,000.00 for a Lease Year, , then Lessor shall be responsible for the excess amount. The Lessor shall engage a third party to perform this repair work identified in the HVAC Inspection/Maintenance Work report and bill back the City with paid receipts up to the collective Lease Year HVAC Repair Cap. Lessor shall also send to the City a copy of HVAC Inspection/Maintenance Work report for its records.

c. The following shared expenses pertaining to the Shared Access and Loading Areas that will be split between the City and the Pink Space Tenant. If there is no Pink Space Tenant the City will only be obligated to pay 50% of the actual cost unless the City expands into the Pink Space.

- Cleaning of the Shared Bathrooms and supplies. The City only needs this service one time a week. In the event the Pink Space Tenant requests more cleanings per week then said tenant will pay for the incremental cleanings per week.
- The repairs or maintenance of the water softener and water heater in the Shared Bathrooms.

- The repairs or maintenance of the Shared Docks and its controls, with an annual cap for the City of \$1,000 per Lease Year since the use of the Shared Docks will be infrequent.

City's Responsibilities:

a. The City shall pay for the installation, use and maintenance of all data, computer and telephone services and any other specialized equipment it owns in the Leased Premises.

b. Except as may be covered by the Lessor's insurance policy for the Property, the City, at its cost, shall keep interior of the Leased Premises in good order and condition including cleaning; trash removal, washing all interior windows, fire extinguishers, the maintenance and repair of any personal property it installs in the Leased Premises, and as it may be required-periodic painting or touch up painting.

The City will not be responsible for any repairs caused by other tenants of the Property or related to negligence or damage by the Lessor, its employees, agents, contractors or other tenants of the Property.

Indemnification:

The Lessor shall be liable to and hereby agrees to indemnify, defend and hold harmless the City, and its officers, officials, agents, and employees, against all loss or expense (including liability costs and attorney's fees) by reason of any claim or suit, or of liability imposed by law upon the City or its officials, officers, agents or employees for damages because of bodily injury, including death at any time resulting therefrom, sustained by any person or persons or on account of damages to property, including loss of use thereof, arising from, in connection with, caused by or resulting from the acts or omissions of the Lessor and/or its officials, officers, agents, employees, assigns, guests, invitees, lessees or subcontractors, in the performance of this Lease, whether caused by or contributed to by the negligent acts of the Lessee, its officers, officials, agents, and employees. This paragraph shall survive termination of this Lease.

Insurance:

The Lessor shall maintain throughout the Term of the Lease the following insurance coverages: A policy of comprehensive fire, extended coverage, vandalism, malicious mischief and other endorsements deemed advisable by the Lessor insuring the Property, including the Leased Premises, the Shared White Interior Area and all appurtenances thereto (excluding the City's inventory, trade fixtures, furniture, furnishings, equipment and personal property) for the full insurable replacement value thereof, with such a deductible not to exceed \$10,000 and a waiver of subrogation in favor of the City. The City shall be solely responsible for carrying personal property insurance sufficient to cover the loss or damage

to the City's personal property.

Additionally, the Lessor shall carry commercial general liability insurance, including but not limited to, bodily injury, death, property damage and personal injury products covering as insured the Lessor and naming the City, its officers, officials, agents and employees as additional insureds, with a minimum limit of \$1,000,000 per occurrence. This policy shall also be endorsed for contractual liability in the same amount, apply on a primary and noncontributory basis.

The above-required insurance shall provide the City with thirty (30) days advance written notice of cancellation, non-renewal or material changes to the policy during the Term of the Lease and is to be placed with insurers who have an A.M. Best rating of no less than A- (A minus) and a Financial Category rating of no less than VII. As evidence of this above insurance coverage, the Lessor shall furnish the City with a certificate of insurance on a form approved by the City, and, if requested by City's Risk Manager, the Lessor shall provide copies of additional insured endorsements or policy. If the coverage required above expires while the Lease is in effect, the Lessor shall provide a renewal certificate to the City for approval ten (10) business days before the expiration of the policy.

Compliance.

The Lessor shall observe and promptly and effectively comply with all applicable statutes, rules, orders, ordinances, requirements and regulations of the City of Madison, the County of Dane, the State of Wisconsin, the federal government and any other governmental authority having jurisdiction over the Property and Leased Premises. The Lessor may, if in good faith and on reasonable grounds, dispute the validity of any charge, complaint or action taken pursuant to or under color of any statute, rule, order, ordinance, requirement or regulation, defend against the same, and in good faith diligently conduct any necessary proceedings to prevent and avoid any adverse consequence of the same. The Lessor agrees that any such contest shall be prosecuted to a final conclusion as soon as possible and that it will hold the City harmless with respect to any actions taken by any lawful governmental authority with respect thereto

Termination:

a. Should the City be in default under the terms of the Lease, the City shall have ninety (90) days in which to cure the same after written notice by the Lessor to the City of such default. In the event the City fails to cure such default within ninety (90) days after said notice, Lessor's may elect to terminate the Lease by sending the City a written termination notice and the City will need to vacate the Leased Premises ~~ninety (90)~~ sixty (60) days upon receipt of the termination notice. Notwithstanding the foregoing, if such default is not a health or safety violation and cannot, because of the nature of the default, be cured within said ninety (90) days, then the City shall be deemed to be complying with such notice if, promptly upon

receipt of such notice, the City immediately takes steps to cure the default as soon as reasonably possible and proceeds thereafter continuously with due diligence to cure the default within a period of time which, under all prevailing circumstances, shall be reasonable.

b. Should the Lessor be in default under the terms of the Lease, the Lessor shall have Ninety (90) days in which to cure the same after written notice by the City to the Lessor of such default; unless the default impacts the operation of the City's use in the Leased Premises. In this situation, the Lessor shall cure the default within thirty (30) business days.

In the event the Lessor fails to cure such default within sixty (60) days after said notice, the Lease shall, at the City's written election, terminate the Lease and vacate the Leased Premises within ninety days of sending the Lessor its termination notice. No obligation to pay base rent

Notwithstanding the foregoing, if such default is not a health or safety violation and cannot, because of the nature of the default, be cured within said sixty (60) days, then the Lessor shall be deemed to be complying with such notice if, promptly upon receipt of such notice, the Lessor immediately takes steps to cure the default as soon as reasonably possible and proceeds thereafter continuously with due diligence to cure the default within a period of time which, under all prevailing circumstances, shall be reasonable.

c. In the event of any default under the terms of the Lease by either party, and in lieu of terminating the Lease as herein provided, the Lessor or the City may immediately or at any time thereafter, after having given the other party the requisite written notice to correct the same and the time for such correction having elapsed (or without notice in case of an emergency or a hazardous condition or in case any fine, penalty, interest or cost may otherwise be imposed or incurred), cure such breach for the account and at the expense of the other party.

If the Lessor or the City at any time, by reason of such default, is compelled to or elects to correct such default, the reasonable sum paid or incurred by such party to correct such default shall, if paid or incurred by the Lessor, be deemed to be additional rent hereunder and shall be due to the Lessor on the first day of the month following payment of such respective sum, and, if paid or incurred by the City, shall be deducted from the City's next payment(s) of Base Rent. The option herein given to the parties is intended for their protection and its existence shall not release the parties from the obligation to perform the terms and covenants herein provided to be performed

by the respective parties or deprive either party of any legal rights, which may arise by reason of any default.

d. The Lease may be terminated by mutual written consent of the Lessor and the City

No Waiver:

Failure or delay on the part of either party to enforce any of the terms, covenants, conditions or agreements hereof shall not operate as a waiver thereof nor void or affect the right of the party to enforce the same upon any subsequent default or breach. Except as otherwise provided in the Lease, the rights and remedies herein granted are cumulative and are in addition to any given by statutes, rules of law or otherwise and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

Removal and Disposal of Personal Property:

Upon the expiration or termination of the Lease, the City shall remove all personal property from the Leased Premises and Building. If the City leaves any personal property on the Leased Premises, the Lessor shall have the right to dispose of said property, without liability, thirty (30) days after the City vacates or abandons the Leased Premises.

Hold Over:

In the event the City shall continue to occupy or use the Leased Premises after the expiration of the Lease or any extension thereof, such holding over shall be deemed to constitute a tenancy from month to month, upon the same terms and conditions as herein provided except that Base Rent shall increase to 150% of the last annual Base Rent, and shall be paid monthly in advance, and in no event shall the tenancy be deemed to be year to year.

Definition of Lessor and City:

The terms "Lessor" and "City" when used herein shall mean either singular or plural, as the case may be, and the provisions of the Lease shall bind the parties mutually, their heirs, personal representatives, successors and assigns.

Notices:

All notices to be given under the terms of the Lease shall be signed by the person sending the same, and shall be sent by certified mail, return receipt requested and postage prepaid, to the address of the parties specified below. Electronic mail may be sent to the email address provided below with an active read receipt and shall include a statement that the electronic mail constitutes notice under the terms of the Lease.

For the City:

Tom Otto
City of Madison Economic Development Division
P.O. Box 2983
Madison, WI 53701-2983
(608) 243-0178

totto@cityofmadison.com

copy to:
ORES
P.O. Box 2983
Madison, WI 53701-2983
(608) 267-8719
ores@cityofmadison.com

For the Lessor:

Ben Filkouski, CCIM
3517 West Beltline LLC
923 Applegate Rd
Madison, WI 53713
(608) 333-7734
ben.filkouski@madisoncommercialre.com

Non-Discrimination:

In the performance of the services under the Lease, the Lessor agrees not to discriminate any employee or applicant because of race, religion, marital status, age, color, sex, handicap, national origin or ancestry, income level or source of income, arrest record or conviction record, less than honorable discharge, physical appearance, sexual orientation, gender identity, political beliefs or student status. The Lessor further agrees not to discriminate against any contractor, subcontractor or person who offers to contract or subcontract for services under the Lease because of race, religion, color, age, disability, sex, sexual orientation, gender identity or national origin.

Accessibility:

The Leased Premises, Building and Common Areas shall conform where applicable to Chapter SPS 361.05 of the Wisconsin Administrative Code, Madison General Ordinance Section 39.05, and the Americans with Disabilities Act, regarding accessibility. The Lessor shall be responsible for all costs of compliance for the Leased Premises and the Common Areas.

Severability:

If any term or provision of the Lease or the application thereof to the City or the Lessor or circumstances shall, to any extent, be invalid or unenforceable, the remainder of the Lease, or the application of such terms or provisions to the City or the Lessor or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of the Lease shall be valid and be enforceable to the fullest extent permitted by law.

Entire Agreement:

All terms and conditions and all negotiations, representations and promises with respect to the Lease will be merged into an approved Lease. No alteration, amendment, change, or addition to the Lease shall be binding upon the parties unless in writing and signed by them.

Damage and Destruction: In the event the Leased Premises is damaged by any peril covered by standard policies of fire and extended coverage insurance to an extent which is less than twenty-five percent (25%) of the cost of replacement of the Leased Premises, the damage shall, except as hereinafter provided, promptly be repaired by the Lessor, at the Lessor's expense, but in no event shall the Lessor be required to repair or replace the City's inventory, trade fixtures, furniture, furnishings, equipment or personal property. In the event: (a) the Leased Premises is damaged to the extent of twenty-five percent (25%) or more of the cost of replacement of the Leased Premises; or (b) the Building is damaged to the extent of fifty percent (50%) or more of the cost of replacement, the Lessor may elect either to repair or rebuild the Leased Premises, as the case may be, or to terminate the Lease upon giving notice of such election in writing to the City within ninety (90) days after the event causing the damage. If the casualty, repairing or rebuilding shall render the Leased Premises untenantable, in whole or in part, a proportionate abatement of Base Rent shall be allowed until the date the Lessor completes the repairs or rebuilding, and the Lease Term shall be extended for a period equal to the period of repair.

Quiet Enjoyment: The Lessor hereby covenants and agrees that if the City shall perform all of the covenants and agreements herein to be performed on the City's part, the City shall, at all times during the continuance hereof, have the peaceable and quiet enjoyment and possession of the Leased Premises without any hindrance from the Lessor or any person lawfully claiming the Leased Premises.

Choice of Law: The Lease shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of Wisconsin. The parties agree, for any claim or suit or other dispute relating to the Lease that cannot be mutually resolved, the venue shall be a court of competent jurisdiction within the State of Wisconsin and the parties agree to submit themselves to the jurisdiction of said court, to the exclusion of any other judicial district that may have jurisdiction over such a dispute according to any law.

Brokerage Costs: The City is not responsible for any brokerage costs or fees in connection with the Lease.

Counterparts, Electronic Signature and Delivery: The Lease may be signed in counterparts, each of which shall be taken together as a whole to comprise a single document. Signatures on the Lease may be exchanged between the parties by facsimile, electronic scanned copy (.pdf) or similar technology and shall be as valid as original; and the Lease may be converted into electronic format and signed or given effect with one or more electronic signature(s) if the electronic signature(s) meets all requirements of Wis. Stat. ch. 137 or other applicable Wisconsin or Federal

law. Executed copies or counterparts of the Lease may be delivered by facsimile or email and upon receipt will be deemed original and binding upon the parties hereto, whether or not a hard copy is also delivered. Copies of the Lease, fully executed, shall be as valid as an original.

Public Record: The Lease will be recorded at the office of the Dane County Register of Deeds after it is executed by the parties.

Marketing the Leased Premises: The Lessor agrees to not market the Leased Premises after this letter of intent is signed by both parties.

This proposal is not intended to be a contract but is only an expression of those basic terms and conditions which will be incorporated into a Lease agreement, which will be on City's standard lease form and will contain such content as may be mutually acceptable to Lessor and City, in the sole discretion of each. The Lease is subject to the approval of City Finance and the City of Madison Common Council. Further, any binding agreement must be evidenced by a final Lease agreement executed by both Lessor and City.

Please indicate your acceptance of the above terms and conditions by signing below and returning a copy to us at your earliest convenience.

Regards,

Thomas J Otto

Tom Otto

Cc: Kris Koval
Claire MacLachlan
Lydia McComas
Matt Mikolajewski
Dan Rolfs
Eric Veum

SIGNATURES FOLLOW ON THE NEXT PAGE

RE: City of Madison Letter of Intent for a Lease at the Property for the Leased Premises with a new address to be assigned by the City

Agreed to and accepted this 27th day of May, 2026 by:

City:

By: Dan Rolfs

Its: Real Estate Development Manager

Lessor:

By: _____

Title _____

Date: _____

EXHIBIT A

Site Plan of the Property and the City's Exclusive Parking Stalls"



The City's five (5) exclusive parking stalls are noted below. This site plan is in the process of being approved by the City of Madison.

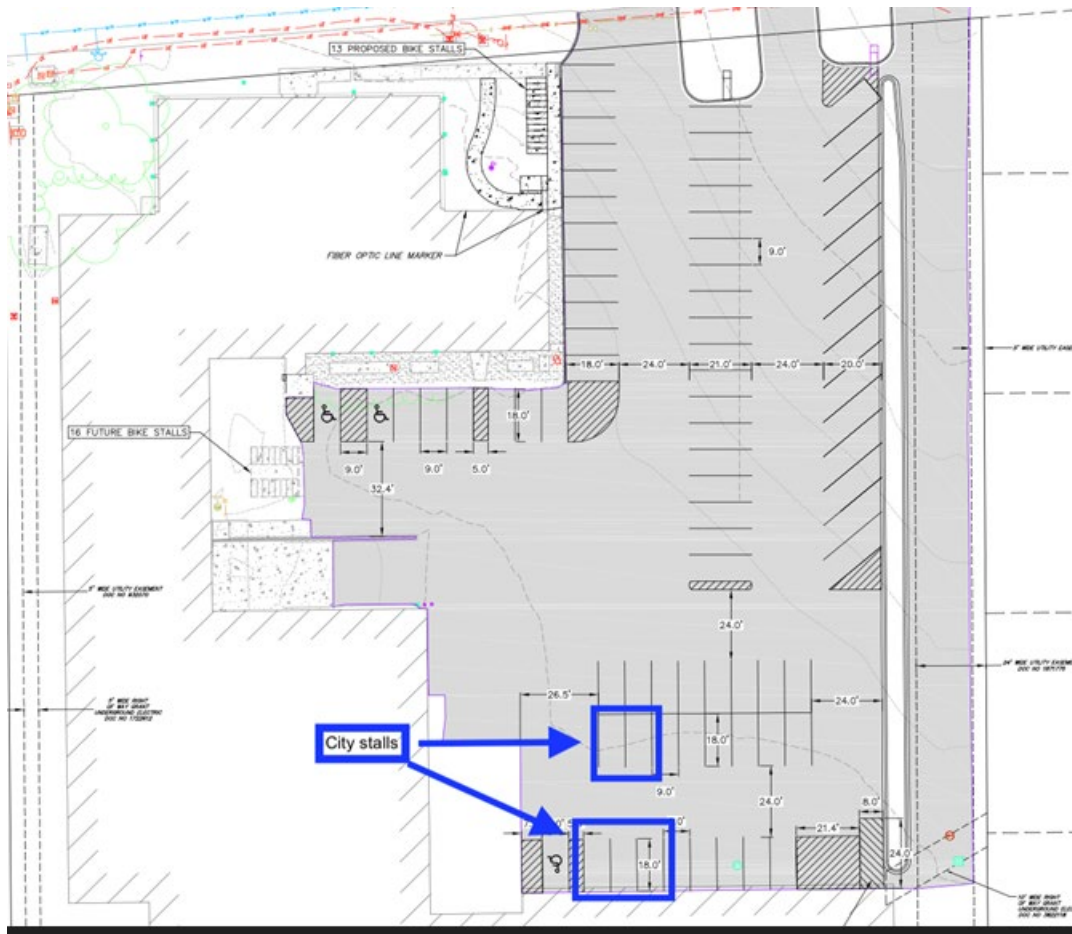


EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

Lot Number: 0

Block: 0

ASSESSORS PLAT 4 OUTLOTS A & B & LOTS 1, 2, 21 &, 22 INCL VAC VILLA BELL LN LYG
BETWN SD LOTS EXC TO, STATE IN R107/10000

Tax Parcel No. 070933308178

EXHIBIT C

LEASED PREMISES FLOOR PLAN

The Leased Premises is the total area below in BLUE SPACE, and its allocated share of the Shared Access and Loading Areas shown below

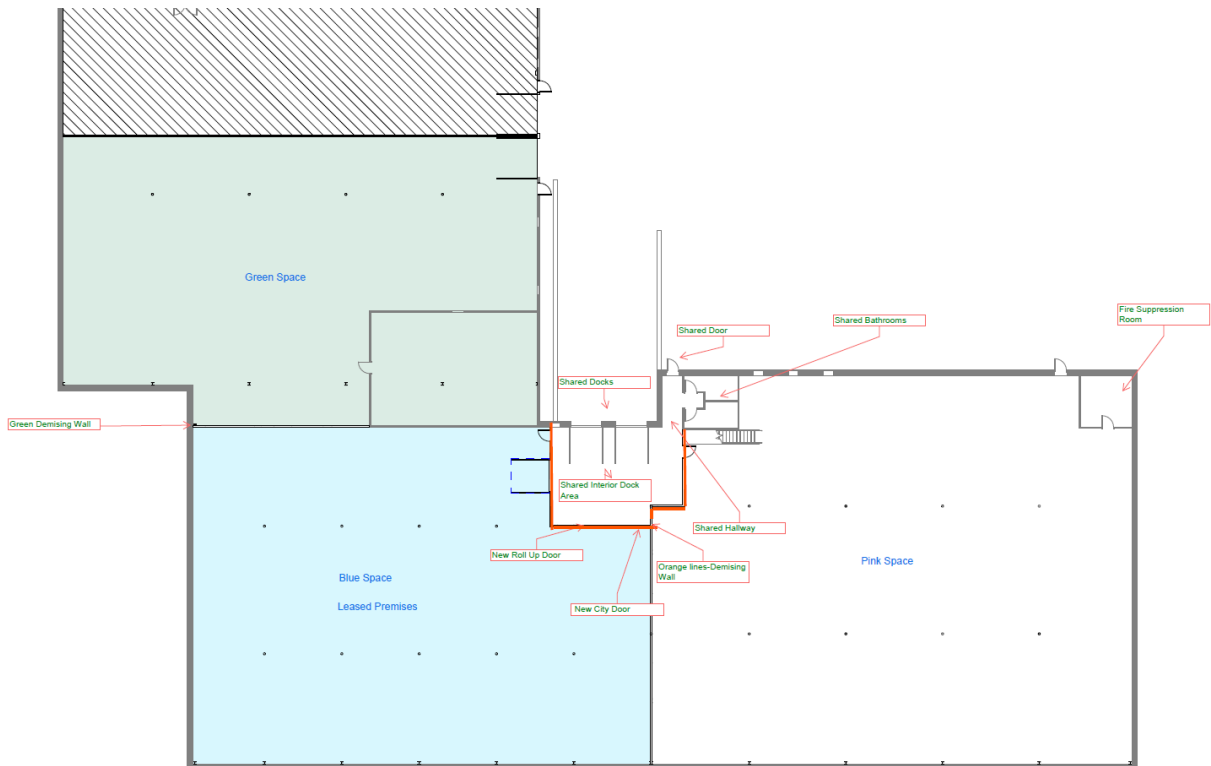


EXHIBIT D

DEPICTION OF THE LOCATION OF THE ROOF TOP UNITS THAT SERVICE THE LEASED PREMISES.





City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Master

File Number: 93159

File ID: 93159

File Type: Resolution

Status: Items Referred

Version: 1

Reference:

Controlling Body: FINANCE
COMMITTEE

File Created Date : 05/12/2026

File Name: Authorizing an intergovernmental agreement supporting a renewable diesel pilot program between the City of Madison and the Board of Regents of the University of Wisconsin System

Final Action:

Title: Authorizing an intergovernmental agreement supporting a renewable diesel pilot program between the City of Madison and the Board of Regents of the University of Wisconsin System

Notes:

Sponsors: Satya V. Rhodes-Conway, Badri Lankella, Sean O'Brien, Noah L. Lieberman And John P. Guequierre

Effective Date:

Attachments:

Enactment Number:

Author: Gregg May

Hearing Date:

Entered by: gmay@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor's Office	05/12/2026	Referred for Introduction				
	Action Text:	This Resolution was Referred for Introduction					
	Notes:	Finance Committee (6/1/26), Common Council (6/9/26)					
1	COMMON COUNCIL	05/19/2026	Refer	FINANCE COMMITTEE			Pass
	Action Text:	A motion was made by Madison, seconded by Glenn, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.					

Text of Legislative File 93159

Fiscal Note

The proposed resolution authorizes an intergovernmental agreement between the City of Madison and the Board of Regents of the University of Wisconsin System to support a renewable diesel pilot program. The agreement would formalize the purchase of renewable diesel fuel blends from the City of Madison to fuel two refuse trucks operated by the University of Wisconsin through the end of 2028. The City will bill the University of Wisconsin for fuel used with a \$0.10 per gallon surcharge. Revenue will be recognized in Fleet Service's Adopted Operating Budget. At this time, usage from the University of Wisconsin and anticipated revenue

from the agreement are unknown. No additional appropriation is required.

Title

Authorizing an intergovernmental agreement supporting a renewable diesel pilot program between the City of Madison and the Board of Regents of the University of Wisconsin System

Body

WHEREAS, the City of Madison has set the goal of reaching 100% renewable energy and net zero carbon emissions for city operations by 2030; and,

WHEREAS, renewable diesel is a clean energy fuel that does not require costly infrastructure improvements to facilitate its use in colder temperatures; and,

WHEREAS, renewable diesel reduces carbon intensity by 65% on average when compared with petroleum diesel according to California's Low Carbon Fuel Standard Certified Carbon Intensities; and,

WHEREAS, the City of Madison Fleet Service Division has tested the use of renewable diesel in their fleet operations since 2024 with positive results and is continuing to expand the use of this fuel; and,

WHEREAS, the University desires to test renewable diesel in its own fleet operations; and,

WHEREAS, Section 66.0301, Wisconsin Statutes, allows the State or any department or agency thereof and municipalities to contract with one another for the receipt or furnishing of services or the joint exercise of any power or duty required or authorized by law, and the sharing of expenses arising therefrom; and,

WHEREAS, the City of Madison and the Board of Regents of the University of Wisconsin both desire to formalize the agreement to purchase renewable diesel fuel blends from the City of Madison to fuel refuse trucks operated by the University of Wisconsin.

NOW, THEREFORE, BE IT RESOLVED, the Common Council hereby authorizes the Mayor and City Clerk to enter into an agreement supporting a renewable diesel pilot program between the City of Madison and the Board of Regents of the University of Wisconsin System on terms acceptable to the Fleet Services Superintendent and in a format approved by the City Attorney.



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Master

File Number: 93119

File ID: 93119

File Type: Resolution

Status: Items Referred

Version: 1

Reference:

Controlling Body: FINANCE
COMMITTEE

File Created Date : 05/11/2026

File Name:

Final Action:

Title: Authorizing the Mayor and City Clerk to enter into a competitively selected, 9-month contract with Slipstream, Inc. for building decarbonization assessments and strategic decarbonization planning.

Notes:

Sponsors: Noah L. Lieberman And John P. Guequierre

Effective Date:

Attachments:

Enactment Number:

Author: Jessica Price

Hearing Date:

Entered by: jprice2@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor's Office	05/11/2026	Referred for Introduction				
	Action Text: This Resolution was Referred for Introduction						
	Notes: Finance Committee (6/1/26), Common Council (6/9/26)						
1	COMMON COUNCIL	05/19/2026	Refer	FINANCE COMMITTEE			Pass
	Action Text: A motion was made by Madison, seconded by Glenn, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.						

Text of Legislative File 93119

Fiscal Note

The proposed resolution authorizes the execution of a contract between the City of Madison and Slipstream Group, Inc. for building decarbonization assessments and decarbonization planning. The contract shall not exceed \$250,000 for the period June 15, 2026 - March 15, 2027, with the option to extend the contract if needed. The 2026 Adopted Capital Budget includes sufficient funding for this contract within the Sustainability Improvements program (MUNIS #10563). No additional appropriation required.

Title

Authorizing the Mayor and City Clerk to enter into a competitively selected, 9-month

contract with Slipstream, Inc. for building decarbonization assessments and strategic decarbonization planning.

Body

WHEREAS, the Common Council adopted RES-19-00267 which set the goal of reaching 100% renewable energy and net zero carbon emissions for City operations by 2030 and community-wide by 2050; and,

WHEREAS, in August 2024, the Common Council adopted RES-24-00518, which adopted the Sustainability Plan Update and directed staff to implement the recommendations in the plan; and,

WHEREAS, Goal 7 in the Sustainability Plan is to reduce greenhouse gas emissions (GHG) from City facilities and buildings 55% by 2030 from 2018 baseline; and,

WHEREAS, GHG emissions from City-owned buildings and facilities were the source of 46,396 metric tons (102,284,622 pounds) of carbon pollution in 2022, which is 52% of all GHG emissions from City operations; and,

WHEREAS, achieving the City's emissions reduction goals requires improvements and retrofits to the City's portfolio of existing buildings to improve energy efficiency and eliminate the use of fossil fuels to the greatest extent possible, a process known as decarbonization; and,

WHEREAS, decarbonization planning helps identify a phased approach for implementing building retrofits and upgrades across a portfolio of buildings, which may be a mix of electrification, energy efficiency, and renewable energy, calculates and emissions savings, and estimates the potential capital and operational costs over a realistic timeline; and,

WHEREAS, the 2026 Adopted Mayor's Office Sustainability Improvements Project capital budget authorizes funding for strategic decarbonization planning; and,

WHEREAS, the City of Madison issued a Request for Qualifications for professional consultant team submissions to complete building decarbonization assessments and strategic decarbonization planning (RFP #15002-0-2026-BP); and,

WHEREAS, City Purchasing facilitated and documented the Request for Qualifications process and results, which received twenty-seven responses; and,

WHEREAS, Slipstream Group, Inc. was competitively selected among the responding vendors to provide the appropriate services; and,

WHEREAS, Slipstream Group, Inc. has been selected through the Request for Qualifications process, and is the final selected candidate in accordance with MGO Section 4.26 of Madison General Ordinances; and,

WHEREAS the proposed contract agreement includes compensation for services including on-site building decarbonization assessments, building energy modeling, and development of strategic plan for implementing building retrofits and upgrades to reduce or eliminate fossil fuel use across the City's portfolio of buildings and shall not exceed \$250,000; and

NOW, THEREFORE BE IT RESOLVED that the Mayor and City Clerk are hereby authorized

to execute a purchase of services contract between the City of Madison and Slipstream Group, Inc. in the amount of \$250,000 for the period June 15, 2026 through March 15, 2027, with the option to extend the duration of the contract if needed.



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Master

File Number: 93170

File ID: 93170

File Type: Resolution

Status: Items Referred

Version: 1

Reference:

Controlling Body: FINANCE
COMMITTEE

File Created Date : 05/13/2026

File Name: Authorizing the Community Development Division to release the 2026 Employment and Career Development Services Request for Proposals (RFP), and directing staff to evaluate responses to the RFP and formulate recommendations regarding the allocation of avail

Final Action:

Title: Authorizing the Community Development Division to release the 2026 Employment and Career Development Services Request for Proposals (RFP), and directing staff to evaluate responses to the RFP and formulate recommendations regarding the allocation of available funding for review and approval by the Common Council.

Notes:

Sponsors: Dina Nina Martinez-Rutherford And Julia Matthews

Effective Date:

Attachments: Service Area Overview - Employment 2026
FINAL.pdf

Enactment Number:

Author: Yolanda Shelton-Morris

Hearing Date:

Entered by: mbohrod@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Community Development Division	05/13/2026	Referred for Introduction				
	Action Text:		This Resolution was Referred for Introduction				
	Notes:	Finance Committee (6/1/26), Community Resources Committee (5/20/26), Common Council (6/9/26)					
1	COMMON COUNCIL	05/19/2026	Refer	FINANCE COMMITTEE			Pass
	Action Text:	A motion was made by Madison, seconded by Glenn, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.					
	Notes:	Additional referral to Community Resources Committee.					
1	Finance Dept/Approval Group	05/19/2026	Refer	COMMUNITY RESOURCES COMMITTEE			
	Action Text:	This Resolution was Refer to the COMMUNITY RESOURCES COMMITTEE					

1 COMMUNITY RESOURCES COMMITTEE 05/20/2026 Return to Lead with the Recommendation for Common Council to Adopt FINANCE COMMITTEE

Action Text: Motion to approve made by Jeffress, 2nd by Collins. The motion passed unanimously. This Resolution was RECOMMEND TO COUNCIL TO ADOPT

Text of Legislative File 93170

Fiscal Note

The proposed resolution authorizes the release of the Community Development Division's (CDD) 2026 Employment and Career Development Services RFP and directs staff to evaluate the proposals and to develop a funding recommendation for community agencies based on the RFPs. The RFP is for the allocation of funding beginning on January 1, 2027. The last RFP for Employment and Career Development Services was in 2022 for contracts beginning on January 1, 2023.

CDD's 2026 Adopted Operating Budget includes approximately \$1.99 million for community agency contracts funded through RFP. The agency expects the same level of funding to continue for 2027; this will be submitted as part of the agency's 2027 Operating Budget request. The availability of the \$1.99 million for this RFP is contingent on the Common Council adopting the same level of funding in 2027. No additional appropriation required at this time.

Title

Authorizing the Community Development Division to release the 2026 Employment and Career Development Services Request for Proposals (RFP), and directing staff to evaluate responses to the RFP and formulate recommendations regarding the allocation of available funding for review and approval by the Common Council.

Body

WHEREAS, the City of Madison Community Development Division (CDD) administers funding authorized by the Common Council to support Employment and Career Development Services designed to assist residents in accessing employment opportunities, including job readiness, career navigation, industry-specific training, and financial literacy-and achieving long-term financial stability; and,

WHEREAS, the City's 2026 Adopted Operating Budget includes up to \$1,988,536 to support Employment and Career Development Services, a commitment expected to continue in 2027 pending Council adoption of the City's 2027 Operating Budget; and,

WHEREAS, CDD has historically funded a continuum of employment services for youth, young adults, and adults, including employment readiness, career exploration, job training, and financial empowerment services; and,

WHEREAS, in 2015, the Urban League of Greater Madison was selected through an RFP process to operate the Southwest Madison Employment Center (SWEC), a role it has continued to this date; and,

WHEREAS, CDD recommends the selection of an operator for the SWEC be again made the subject of an RFP process and that it be incorporated into the 2026 Employment and Career Development Services RFP in order to better align CDD's employment services portfolio under one funding process; and,

WHEREAS, the City continues to experience significant racial and economic disparities in employment, income, and educational attainment, with data demonstrating persistent gaps in outcomes for Black, Indigenous, People of Color (BIPOC), low-income residents, and other populations facing barriers to employment; and,

WHEREAS, CDD has reviewed data from currently funded employment services programs, including participation and completion rates, credential attainment, and employment outcomes to better understand trends, gaps, and opportunities to strengthen service delivery; and,

WHEREAS, CDD has also incorporated community voice and input through local surveys, workforce analyses, focus groups, and partner engagement, which collectively emphasize the need for accessible, culturally responsive employment services that support economic mobility and financial security; and,

WHEREAS, the 2026 Employment and Career Development Services RFP maintains the City's commitment to funding a coordinated continuum of services and organizes investments across four priority areas: Youth Employment Services, Young Adult Employment Services, Adult Employment Services, and the operation of the Southwest Madison Employment Center; and,

WHEREAS, the RFP also includes the City's Wanda Fullmore Youth Internship Program, a key initiative providing paid work experience and career exposure for high school-aged youth facing barriers to employment; and,

WHEREAS, the 2026 RFP places an intentional focus on upward mobility, defined as supporting residents in preparing for, securing, retaining, and advancing in employment that leads to family-sustaining wages and long-term financial stability; and,

WHEREAS, the proposed RFP reflects several targeted enhancements to strengthen outcomes and align services with current needs, including:

- Incorporating existing funding for the Operator of the Southwest Madison Employment Center into the broader Employment and Career Development Services RFP to align CDD's employment portfolio under one funding process;
- Reinforcing the connection between employment services and financial stability through implementation of a Financial Empowerment Center within the Southwest Madison Employment Center;
- Expanding access to youth internship opportunities by strengthening partnerships with community-based organizations and neighborhood-based providers;
- Prioritizing outreach and engagement strategies for residents who are disconnected from education and employment, including youth and young adults;
- Strengthening pathways that connect education, credential attainment, and employment outcomes across the service continuum;
- Clarifying the City's expectations for how funded programs contribute to long-term economic mobility and workforce participation; and
- Expanding the use of the Most Information System database (MIS) to strengthen data collection, reporting, and analysis of program outputs and outcomes; and,

WHEREAS, the 2026 RFP builds on the City's existing employment services portfolio while more clearly articulating how investments support residents in achieving stable employment, increasing earnings, and improving financial well-being.

NOW, THEREFORE, BE IT RESOLVED that the Common Council authorizes the Community

Development Division to release the 2026 Employment and Career Development Services Request for Proposals (RFP), making available up to \$1,988,536 of City funds and incorporating the priorities and enhancements described above; and

BE IT FURTHER RESOLVED that Council directs CDD staff, in consultation with the Community Resources Committee, to evaluate responses to the RFP and develop funding allocation recommendations for review and approval by the Council.

Employment & Career Development Services

Informational Overview

Community Development Division

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Executive Summary

While Madison offers a high quality of life for some residents, it faces significant racial gaps across numerous indicators including those in education and employment. 2024 5-year estimates from the American Community Survey show Madison's extreme income gaps between Black and White residents, with Black median household income at approximately \$49,715 compared to White median household income at \$85,676. These gaps are also seen in local data from the Madison Metropolitan School District's (MMSD) 2023-24 school year which shows that approximately 30% of Black and 20% of Hispanic students do not graduate high school within 4 years as compared to 6% of White students.

Given these inequities, CDD recognizes the importance of funding programs and services focused on lower-income individuals, and those that are Black, Indigenous, People of Color (BIPOC), immigrants, and/or individuals who identify as Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQIA+). Using Census data CDD has additionally identified key geographic equity priority areas in the City based on locations of the City of Madison that have higher proportions of BIPOC adults, low-income adults, and adults that did not graduate high school or college. CDD recognizes that these areas could benefit from expanded services and programming. In the 2026 Employment and Career Development RFP, CDD seeks to fund package of programs and services that, together, strive to address these gaps and provide a continuum of culturally responsive services for youth, young adult and, adult employment.

The 2026 RFP has up to \$1,988,536 available to award to programs and services. While the RFP is made up of four priority areas it has an overarching focus on upward mobility. Upward mobility refers to the ability of individuals to move toward family-sustaining employment, increase earnings over time, advance in their careers, and build long-term financial stability. This includes programs and services that are designed to help individuals prepare for and get a first job, advance beyond a first job, re-enter the workforce, and secure and retain a family-sustaining job. Although CDD has long recognized the importance of upward mobility, this RFP makes that commitment more explicit. This recognizes that although not all services and programs offered on the employment continuum (and funded through this RFP) lead directly to employment, each serves a critical role helping participants to gain skills and experiences needed to prepare for the next step in their employment journey.

Priority areas:

Youth Employment Services supports employment training and opportunities for youth ages 14-21 who face barriers to gaining work experience. This area supports services such as employment readiness training, paid internships, summer employment, career exploration, financial empowerment education, and the City's Wanda Fullmore Internship Program. Within CDD's broader upward mobility strategy, youth employment services focus on **early exposure and first work experiences**, helping young people build foundational skills, explore career pathways, and take initial steps toward future employment. This area also includes the City's Wanda Fullmore Internship.

Young Adult Employment Services provides funding to partner agencies for outreach, reconnection, and employment related support for young adults ages 18-26 who are disconnected from school, employment, or training. This area supports services such as GED/HSED completion, career navigation, occupational training, and other support that leads to upward mobility and stable employment. Within the continuum of upward mobility, young adult employment services focus on **reconnection and**

credentialing, supporting individuals in re-engaging with education, training, and employment pathways that lead to stable, long-term opportunities.

Adult Employment Services provides funding to partner agencies for employment services and support to unemployed or underemployed adults, with priority to parents and residents who face multiple barriers to gaining and retaining employment. This area supports services such as literacy for employment, GED/HSED attainment, job training, reentry employment supports, financial counseling, and connections to or coordination with other services that address barriers to upward mobility and gaining of family-supporting employment. Within this framework, adult employment services focus on **advancement and retention**, supporting individuals in securing, maintaining, and progressing within employment that leads to family-sustaining wages and long-term financial stability.

Southwest Employment Center seeks an agency to operate the Center and coordinate place-based employment services that promote upward mobility by helping residents access stable employment, skill-building opportunities, financial counseling, and career advancement supports. The Center will serve as an **employment hub and will host the City's Financial Empowerment Center**, which will offer free, professional, one-on-one financial counseling. Within CDD's broader upward mobility strategy, the Southwest Employment Center will function as a **centralized access point** that prioritizes residents, employers, and service partnerships in and around southwest Madison. The operator will also be expected to develop a plan for building relationships with partner organizations, such as neighborhood centers, public libraries, and other trusted community locations, to co-locate financial counseling services at critical access points across the city.

Proposed Changes:

The 2026 Employment and Career Development RFP proposes only minor refinements to the 2022 RFP structure while maintaining the core focus on youth, young adult, and adult employment services. These changes include:

- The inclusion of the Southwest Madison Employment Center Operator (which was subject to its own RFP in 2015).
- Strengthening the connection between employment services and financial security through the implementation of a Financial Empowerment Center at the Southwest Madison Employment Center.
- Making the City's commitment to upward mobility more explicit across all priority areas. Upward mobility includes services the City has historically funded, such as: GED/HSED attainment, literacy for employment, and financial education. In making this commitment to upward mobility more explicit CDD is recognizing that not all services and programs offered on the employment continuum (and funded through this RFP) lead directly to employment. Some are a step in that direction, helping participants to gain needed skills to prepare for more direct employment training.

These changes are intended to clarify the purpose and desired impact of the City's employment investments. The 2026 RFP builds on CDD's existing employment services portfolio while more clearly naming the role these services play in helping residents move toward stable employment, family-supporting wages, and financial security.

Community Voice:

CDD reviewed data and feedback from multiple local sources to better understand employment, education, and economic mobility trends in Madison. These sources included a survey done by the City's Economic Development Division (with a final report forthcoming), local surveys done by our community partners, workforce analyses, focus groups, as well as reports covering topics on employment, financial stability, and barriers to opportunity. Together, these sources reaffirm the importance of funding employment and career development services that are accessible to youth, young adults, and adults; responsive to the experiences of BIPOC residents and other communities facing barriers; and focused on helping residents achieve upward mobility, moving them towards stable employment, family-supporting wages, and financial security.

Sources reviewed include:

- City of Madison 2025 Economic Development Department Community Survey (Draft report), developed with Fourth Economy and EQT By Design
- Dane County Youth Assessment
- Kids Forward's *Race to Equity 10-Year Report*
- City of Madison CDD focus group with By Youth For Youth teens
- UW–Madison Extension's *Perspectives on the Madison Labor Market 2026* presented by Matt Kures
- Community Action Coalition for South Central Wisconsin's *2025 Community Needs Assessment*
- Corporation for a Skilled Workforce's *Young Adult Workforce Landscape Analysis*
- High Road Strategy Center's *State of Working Wisconsin 2025*
- the National Youth Employment Coalition's *The Intersections Between Youth Experiencing Homelessness, Youth Supports and Employment*.

Across these sources, several themes emerged:

Specific communities continue to face the greatest barriers and challenges:

- BIPOC respondents report experiencing four times higher financial stress than White residents (2025 City of Madison Economic Development Survey).
- 36% of respondents experience financial anxiety, with BIPOC and Spanish-speaking communities reporting the highest rates of financial instability (2025 City of Madison Economic Development Survey Draft).

Community members seek more economic mobility:

- Survey respondents rank improving economic mobility as their top priority in the 2025 Economic Development Survey (Draft report).
- Residents rank access to available jobs, higher wages, and career preparation and advancement as their most critical needs (2025 Community Action Coalition Report)

Young people need low-barrier youth employment programs that provide first work experiences, career exploration, connection to supportive adults, and exposure to multiple career pathways.

- In a focus group led by CDD with By Youth For Youth (BYFY), teen leaders offered useful insight into how young people understand employment, opportunity, and barriers among their peers. BYFY teens emphasized that meaningful employment opportunities should be paid, flexible, skill-building, and engaging. They also identified transportation, low household income, limited prior

work experience, and disconnection from school as barriers that can prevent youth from accessing employment.

Employment and Career Development Priority Areas:

The priority areas in the 2026 RFP largely mirror those included in the 2022 Employment and Career Development RFP. While there is some overlap in age ranges across the priority areas, these categories reflect distinct service needs, program models, and stages along the employment continuum. The most significant changes are the inclusion of the Southwest Madison Employment Center Operator and a clearer, more intentional emphasis on upward mobility across all priority areas. CDD has historically funded services that support upward mobility, including GED/HSED attainment, literacy for employment, and financial empowerment education. The 2026 RFP makes this commitment more explicit by naming these activities as part of a coordinated employment and economic mobility strategy.

Funding Available

The 2026 RFP anticipates allocating up to \$1,988,536 across the following areas:

Area	Anticipated Funding Allocated in 2026 RFP
Youth, Young Adult, and Adult Employment Programs and Services	\$1,614,536
Wanda Fullmore Internship Program	\$95,000
Southwest Madison Employment Center	\$279,000

Youth Employment Services:

Purpose:

Youth Employment Services provides funding to partner agencies for internship and employment opportunities as well as career exploration for youth (ages 14-21) who face multiple barriers to accessing these opportunities. This area supports services such as employment readiness training, paid internships, summer employment, career exploration, financial empowerment education, and the City’s Wanda Fullmore Internship Program. Within CDD’s broader upward mobility strategy, youth employment services focus on **early exposure and first work experiences**, helping young people build foundational skills, explore career pathways, and take initial steps toward future employment.

Data from CDD-funded youth employment programs shows that approximately 63% of participants are low-income. A demographic breakdown shows participants are approximately 46% Black, 10% Asian, 10% multiracial, 23% White and 30% Hispanic or LatinX.¹

What we have learned:

Below is data from CDD-funded youth employment programs in 2024 and 2025, programs funded through the 2026 RFP will be expected to track similar indicators.

2024	2025	Youth Employment Indicators
564	533	Number of youth participants
417	368	Youth completed programs

¹ Participants may identify across multiple categories; cumulative percentages may exceed 100%

19,022	31,962	Hours of youth programming
224	146	Educational credit / industry recognized certificates earned
\$102,500	\$125,115	Youth wages paid by City funds
275	265	Youth participated in financial empowerment education
225	240	Youth paid by Direct deposit into newly opened account

While youth participation and overall programming hours remain strong, there has been a decline in the number of educational credits and industry-recognized certificates earned from 2024 to 2025. This could be due to programs reaching young people with higher needs, requiring more intensive and longer support to complete educational credits and industry recognized certificates. This suggests that programs are reaching the youth with numerous barriers that could benefit most from programming. Additionally, because educational crediting is optional for students to sign up for during programs, some participants are opting out of this, not understanding the benefits. This suggests an opportunity to strengthen connections between employment experiences and credential attainment including the suggestion that the educational crediting in programs is built-in (and not an opt-in). This ensures youth are not only participating in programs but also gaining skills and qualifications that support long-term upward mobility.

2026 Funding Priorities

- Providing opportunities for youth who are traditionally left out of or unable to access internships, career exploration, leadership development, and other critical aspects of youth employment.
- Providing opportunities to explore local careers through summer programming, internships and after school activities.
- Expanding career exploration programming in STEM, health, and media technology for youth in grades 8- 10 supported by information and recommendations for pre-career advising programming linked to MMSD classes.
- Providing summer programming for youth who may not have a summer plan in place prior to the end of the school year.
- Expanding connections to MMSD and Workforce Development Board of South-Central Wisconsin for the Youth Apprenticeship program for students in 11th and 12th grade.

Wanda Fullmore Internship Program:

Purpose

The City of Madison Wanda Fullmore Youth Internship Program provides high school-age youth facing multiple barriers to employment with work experience and career awareness through internship placements in a City Department agencies or partnering neighborhood center. Youth internship programming provides the opportunity for participants to gain meaningful and relevant experience that will support their educational or career goals and increase future earning potential.

What we have learned

Below is data from the 2024 and 2025 Wanda Fullmore internship, the Operator will be expected to gather data on similar indicators in 2027.

2024	2025	Wanda Fullmore City Internship Indicators
120	128	Number of youth applicants

32	30	Number of youth participants
15	10	Number of City agencies with internship placements
30	30	Number of youth who completed program
\$65,000	\$65,000	Youth wages paid by City contract

While interest in the Wanda Fullmore Internship Program continues to grow, tripling from 50 youth applicants in 2022 to 150 in 2026, placement capacity continues to be constrained. This highlights the need to expand internship opportunities beyond City departments by strengthening partnerships with Neighborhood Centers and other community-based organizations, ensuring more youth can access meaningful, skill-building work experiences.

2026 Funding Priorities

- Recruiting and hiring approximately 25 high school age City of Madison residents, with a preference to youth entering 11th and 12th grade, who face barriers to employment and higher education due to economic or racial inequity.
- Assessing youths’ interests and skills, identifying youth whose interests and skills match the needs identified by placement options.
- Providing Civic Engagement programming and project-based work that allows for youth voice and perspective around community topics.
- Supporting leadership programming along with other educational activities that build on the internship experience and provide life skills that support positive youth development.

Young Adult Employment Services:

Purpose

This priority area was added to the Employment and Career Development RFP in 2022 with a goal of reconnecting the approximately 4000 youth age 18-26 in Dane County that were disconnected from education and employment (Data from Measure of America). Measure of America indicates that this number has likely grown in the years following the aftermath of the COVID-19 pandemic, making programming even more critical today. This area focuses on supportive services that increase opportunities for employment, training, and educational experiences. Services include GED/HSED completion, career navigation, occupational training, and other support that leads to upward mobility and stable employment. Within the continuum of upward mobility, young adult employment services focus on **reconnection and credentialing**, supporting individuals in re-engaging with education, training, and employment pathways that lead to stable, long-term opportunities.

Data from CDD-funded young adult employment programs shows that approximately 89% of participants are low-income. A demographic breakdown shows participants are approximately 44% Black, 10% Asian, 28% multiracial, 16% White and 72% Hispanic or LatinX.²

What we have learned

Below is data from CDD-funded young adult employment programs in 2024 and 2025, programs funded through the 2026 RFP will be expected to track similar indicators.

² Participants may identify across multiple categories; cumulative percentages may exceed 100%.

2024	2025	Young Adult Employment Indicators
623	396	Young adults served
297	349	Young adults that completed the program/service
48%	88%	Percent of young adults that complete program/service
39,536	29,260	Hours of programming
155	119	Industry certificates gained
29	16	GED/HSED completed
81	151	Disconnected youth that were reconnected to education or employment

While completion rates have significantly improved from 48% of participants in 2024 to 88% of participants in 2025, there was a notable decrease in the number of young adults served between 2024 (623 participants) and 2025 (396 participants). Even given this, the young adult programs far exceeded the 154 young adult participants that the City contracts required in 2025. Programs continue to try and reach disconnected youth and are having greater success reaching this specific population growing from 81 disconnected youth served in 2024 up to 151 disconnected youth in 2025. These trends highlight both the high need for programming and the importance of continued outreach, reconnection strategies, and accessible program design to ensure young adults who are disconnected from education and employment are being effectively reached and engaged.

2026 Funding Priorities:

- Facilitating connections to trusted adults/mentors to help connect young adults to education, employment, and social support services.
- Assisting young adults in career navigation to attain good wage jobs in local industries.
- Providing quality paid training and educational options for nontraditional learners.
- Offering participants financial counseling and credit checking.
- Providing programming that aids in upward mobility such as GED/HSED completion, tutoring in general education and specialized certifications to meet job requirements.

Adult Employment Services:

Purpose

The Adult Employment Services priority area seeks to increase employment and training opportunities for adults ages 18 or older, who face barriers to obtaining employment and who are being left behind during a changing local employment economy. Programming seeks to increase the number of residents obtaining and retaining family sustaining jobs. CDD anticipates funding programs at every level of the employment continuum from soft skills to attaining family sustaining wages. Data from CDD-funded adult employment programs shows that approximately 88% of participants are low-income. A demographic breakdown shows participants are approximately 34% Black, 4% Asian, 23% multiracial, 39% White and 42% Hispanic or LatinX.³

What we have learned:

Below is data from CDD-funded adult employment programs in 2024 and 2025, programs funded through the 2026 RFP will be expected to track similar indicators.

³ Participants may identify across multiple categories; cumulative percentages may exceed 100%.

2024	2025	Adult Employment Indicators
1,757	1,652	Participants in programs and services
855	815	Participants that completed programming
20,593	23,344	Hours of programming
388	344	Industry recognized certificates gained
79	48	GED /HSED completed (180+ in process)
294	354	Participants who gained employment post program

While participation and employment outcomes remain relatively consistent, there has been a decrease in GED/HSEs and gaining industry certificates. This could be due to programs reaching higher-needs adult participants that require more intensive and longer supports to complete GED/HSEs and other certificates. GED/HSED attainment can be a 2+ year process and in 2025 there were over 180 participants in the process of attaining a GED/HSED. This data reinforces the need to strengthen pathways that connect foundational education with employment and career advancement opportunities.

2026 Funding Priorities

- Providing programming that aids in upward mobility such as GED/HSED completion linked with career and educational counseling including individual career development plans.
- Introducing financial counseling services that help participants improve financial stability, strengthen credit, reduce debt, increase savings, and address financial barriers to employment and upward mobility.
- Promoting quality training and educational options for non-traditional learners.
- Providing paid employment training opportunities.
- Supporting residents who face barriers to employment, including individuals with limited work history, justice involvement, transportation barriers, limited English proficiency, or other challenges.

Southwest Madison Employment Center Operator:

Purpose

Since 2015, CDD has contracted with an operator for the Southwest Madison Employment Center (SWEC) to provide employment-focused programming for youth and adults, as well as space for community gatherings, partner services, and neighborhood-based supports. The Center serves as a place-based resource for Southwest Madison residents who face barriers to employment, financial stability, and upward mobility.

In the 2026 RFP, CDD seeks an Operator to position SWEC as both an employment and financial empowerment center. The Operator will implement the City’s Financial Empowerment Center model, providing free, professional, one-on-one financial counseling alongside employment services, career navigation, partner referral, and barrier-removal supports. This approach aligns with the CDD’s broader upward mobility strategy by helping residents obtain employment, increase wages, and build long-term financial security.

What we have learned:

Below is data from the Southwest Madison Employment Center in 2025, the Operator funded through the 2026 RFP will be expected to track similar indicators.

2024	2025	Southwest Madison Employment Center Indicators
289	269	Individuals served
482	684	Hours of employment services
176	190	Hours of employment programming by other organizations
313	248	Hours of 1:1 programming
41	40	Total # of people who obtained new or better employment
39	40	Total # of people who attained wages of \$15 or more per hour
32	31	Total # of people who attained wages of \$18 or more per hour

While the Center served a significant number of residents and expanded the hours of employment services from 2024 to 2025, overall reach remains limited relative to community need. This highlights an opportunity to expand visibility, strengthen partnerships, and enhance the Center’s role as a centralized access point for employment, training, financial counseling, and upward mobility services in Southwest Madison.

2026 Funding Priorities:

- Operating SWEC as a welcoming, accessible, place-based employment and financial empowerment center for Southwest Madison residents.
- Overseeing the implementation of the City’s Financial Empowerment Center to provide free, professional, one-on-one financial counseling to help residents reduce debt, improve credit, increase savings, access safe banking products, and strengthen financial stability.
- Providing employment services, career navigation, work readiness training, job search assistance, resume support, interview preparation, and job placement support.
- Connecting residents to industry-specific training, career academies, apprenticeships, internships, and other pathways that lead to family-sustaining wages.
- Building strong partnerships enabling the Center to serve as a connection point for additional agencies that provide on-site or regularly scheduled services that support employment, financial stability, and upward mobility.
- Expanding outreach and visibility so that Southwest Madison residents, community partners, and employers understand the services available through the Center.

Timeline

Tentative RFP Timeline	
Introduction of Service Area Overview to Common Council	5/19/26
Community Resources Committee	5/20/26

Finance Committee	6/1/26
Common Council Approval	6/9/26
RFP Published	Early June
Employment & Career Development workshop (Required)	Week of June 22
Letter of Intent Due (Required)	June 29
Center for Financial Empowerment site visit	Week of July 6
RFP Due	Late July – August
Community Resources Committee – Agency presentations	August – September
Community Resources Committee – Final recommendation	9/23/26
Funding Recommendations Introduction to Common Council	10/20/26
Finance Committee Approval	10/26/26
Common Council Approval	11/24/26



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Master

File Number: 93182

File ID: 93182	File Type: Resolution	Status: Items Referred
Version: 1	Reference:	Controlling Body: COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE
File Created Date : 05/13/2026		

File Name: Adopting the City of Madison's required 2026 Annual Action Plan (AAP) and approving submission of the Plan to the U.S. Department of Housing and Urban Development (HUD). (Citywide)

Final Action:

Title: Adopting the City of Madison's required 2026 Annual Action Plan (AAP) and approving submission of the Plan to the U.S. Department of Housing and Urban Development (HUD). (Citywide)

Notes:

Sponsors: Dina Nina Martinez-Rutherford And Carmella Glenn

Effective Date:

Attachments: for 93182 DRAFT City of Madison 2026 AAP.pdf

Enactment Number:

Author: Linette Rhodes

Hearing Date:

Entered by: mbohrod@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Community Development Division	05/13/2026	Referred for Introduction				
	Action Text:	This Resolution was Referred for Introduction					
	Notes:	Finance Committee (6/15/26), Community Development Block Grant Committee (6/4/26), Common Council (6/23/26)					
1	COMMON COUNCIL	05/19/2026	Refer	FINANCE COMMITTEE			Pass
	Action Text:	A motion was made by Madison, seconded by Glenn, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.					
	Notes:	Additional referral to Community Development Block Grant Committee.					
1	FINANCE COMMITTEE	05/19/2026	Refer	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE			
	Action Text:	This Resolution was Refer to the COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE					

Text of Legislative File 93182

Fiscal Note

The proposed resolution approves the City of Madison's submission of its 2026 Annual Action Plan (AAP) to HUD. The AAP outlines the City's planned activities funded through federal formula grants for the 2026 calendar year. The specific federal funding sources, announced by HUD on April 3, 2026, and outlined in the AAP, total \$3,568,296 and include up to \$2,041,348 in Community Development Block Grant (CDBG) funds, up to \$1,347,208 in HOME Investment Partnerships Program (HOME) funds, and up to \$179,740 in HEARTH/Emergency Solutions Grant (HESG) funds, and are supplemented by program income as well as other State and local funding sources, ESG/HPP/HAP ("EHH") grant funds, and Housing Cost Reduction Initiative (HCRI) grant funds. The Community Development Division's (CDD) 2026 Adopted Operating Budget includes estimates of these funding sources in the Community Development Grants fund, primarily as intergovernmental revenue (\$7,256,051), and authorizes the expenditure of these funds, primarily in Purchased Services.

No additional City appropriation is required. The projected figures the CDD used in its 2026 budget development (Munis Fund 1205, Subfund 12101) were at or above actual allocation levels received from HUD.

Title

Adopting the City of Madison's required 2026 Annual Action Plan (AAP) and approving submission of the Plan to the U.S. Department of Housing and Urban Development (HUD). (Citywide)

Body

Background

The U.S. Department of Housing and Urban Development (HUD), as a condition of awarding federal funding to the City of Madison through the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) and HEARTH/Emergency Solutions Grant (HESG) Programs, requires the City to submit an Annual Action Plan (AAP) describing how the City will use those funds. The AAP must also describe how supplemental funds from State and local sources will be used to further the same or similar goals and objectives. The goals and objectives upon which the AAP is developed are anchored in HUD priorities established for these program funds, including housing, economic development and neighborhood revitalization, and are more specifically articulated within the City's HUD-approved 2025-2029 Consolidated Plan. Each expenditure of these funds is subject to approval by the City's CDBG Committee and the Common Council. The City of Madison's Community Development Division administers the funds.

HUD announced Grantees' final FY26 formula grant allocation figures on April 3, 2026. The final version of the City's 2026 AAP will be submitted to HUD for review and approval, following a period of public comment on the posted draft 2026 AAP.

Action

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires that each Entitlement community Grantee submit an Action Plan annually to receive federal funds; and,

WHEREAS, the City of Madison receives funding from HUD and is obligated to adhere to established rules and regulations regarding its use; and,

WHEREAS, the Community Development Division developed the City's 2026 Annual Action Plan (AAP) consistent with the City's adopted 2025-2029 Consolidated Plan; and,

WHEREAS, the CDBG Committee held public hearings on February 6, 2025, and June 4, 2026, to seek public input and advice from community organizations, service providers and other stakeholders with respect to the City's use of federal funds generally and, more specifically, with regard to the City's published draft 2026 AAP; and,

WHEREAS, the Community Development Division is charged with carrying out the goals and objectives in the Plan to include housing, economic development, and neighborhood revitalization activities;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council hereby adopts and authorizes the submission to HUD of the 2026 AAP in its final form, and authorizes the Mayor and City Clerk to sign any agreements necessary to accept the allocation of 2026 federal funds up to the figures cited herein, and enter into any requisite agreements needed to implement the AAP's articulated goals and objectives.



D R A F T

City of Madison
Satya Rhodes-Conway, Mayor

**Department of Planning and
Community & Economic Development**
Matt Wachter, Director

Community Development Division
Jim O'Keefe, Director



City of Madison, Wisconsin **2026 Action Plan**

for the period **January 1, 2026** through **December 31, 2026**

*Planned investments in community & neighborhood development projects and related efforts
toward achieving the objectives described in Madison's 2025-2029 Consolidated Plan*

Adopted by the Madison Common Council, XXXX 2026
Submitted to the U.S. Department of Housing & Urban Development (HUD), XXXX 2026

photo credit: Cassius Callender

City of Madison Community Development Division

Madison Municipal Building, Suite 300 ♦ 215 Martin Luther King, Jr. Boulevard ♦ PO Box 2627 ♦ Madison, Wisconsin 53701-2627
(608) 266-6520 ♦ cdbg@cityofmadison.com ♦ www.cityofmadison.com/cdd

Executive Summary

AP-05 Executive Summary

24 CFR 91.200(c), 91.220(b)

The City of Madison Community Development Division (CDD) receives federal formula funds annually from the U.S. Department of Housing and Urban Development (HUD). As a condition of receiving these funds, the City is required to develop a one-year Action Plan that articulates the community development goals on which it will focus these funds. This Action Plan covers the period January 1, 2026, through December 31, 2026. During this period, the City anticipates it will receive the following Federal formula funds:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Emergency Solutions Grant (ESG)

In addition to the formula funds listed above, the City expects to administer HUD Continuum of Care (CoC) funds and HUD Youth Homelessness Demonstration Program (YHDP) funds during the Plan period.

These funds will be used to meet goals and objectives established and approved by the Division's CDBG Committee and the City of Madison Common Council. The Plan's goals and objectives were developed in consultation with citizens, nonprofit organizations, developers, businesses, funding partners, schools and other governmental bodies. Their overarching purpose is to support the development of viable communities with decent housing, suitable living environments and economic opportunities for the City's low- to moderate-income households.

The Community Development Division will pursue these goals and objectives by working with the nonprofit community, housing developers, neighborhood groups, associated businesses, stakeholders, labor union representatives, other local government entities, residents and partners. The Division will also work closely with several other City agencies to jointly plan, implement and evaluate the Plan's core activities.

Summary of the objectives and outcomes identified in the Plan

The 2026 Action Plan includes the goals outlined below, targeting community needs related to affordable housing, economic development and employment, and strengthening neighborhoods.

Goal 1 - Housing Development & Financing: Homeownership

- Housing Rehabilitation and Accessibility Improvements
- Owner-Occupied Housing Development (New Units)
- Homebuyer Assistance (Down Payment)

Goal 2 - Housing Development & Financing: Rental

- Rental Housing Acquisition and/or Rehabilitation
- Rental Housing Development (New Units)

Goal 3 - Homeless Services & Housing Stability

- Services for Homeless and Special Needs Populations
- Tenant-Based Rental Assistance (TBRA)
- Housing Resources

Goal 4 - Small Business Assistance

- Technical Assistance to Micro-Enterprises
- Support to Businesses Expanding to Create Jobs

Goal 5 - Neighborhood Asset Building

- Development and Maintenance of Community Facilities
- Neighborhood Revitalization Plans & Projects

Goal 6 - Program Administration

The Plan's goals are based on assumptions about future funding levels. Because funding levels are subject to annual Congressional appropriations and changes in funding distribution formulas, the Plan's accomplishment projections and planned activities may be subject to commensurate changes.

This Action Plan allocates a total of approximately \$30.5 million in anticipated 2026 Community Development Block Grant, HOME and ESG Entitlement¹ funds, City funds, State HCRI and EHH funds, CDBG and HOME program income, and other funds—plus another \$43.8 million in pre-2026 resources—to support the Community Development program. If additional Entitlement funds are made available, the CDD and the CDBG Committee will hold publicly noticed discussion(s) regarding how best to use those funds. Funds in excess of these previously approved allocations will be made available as part of the currently established reserve funds, for agencies to access throughout the year. The City set "target" allocation percentages to distribute the funds, based upon its *Community Development Program Goals and Objectives*.

Evaluation of past performance

The City of Madison continually strives to improve the performance of its operations and that of its funded agencies. During 2025, the first year of the City's current 2025-2029 Consolidated Plan, the Community Development Division invested over \$13.3 million in the community to meet the goals and objectives outlined in the City's 2025 Action Plan.

CDBG, HOME and ESG funds were targeted primarily toward affordable housing, economic development and employment opportunities, and strong and healthy neighborhoods. For a more detailed summary of the City's evaluation of its past performance, previous Consolidated Annual Performance and Evaluation Reports (CAPERs) can be viewed on the City's website at www.cityofmadison.com/dpced/community-development/reports.

Summary of citizen participation process and consultation process

The City's Community Development Division, in coordination with its CDBG Committee, developed this 2026 Action Plan and its 2025-2029 Consolidated Plan ("ConPlan") with consultation from a diverse group of individuals and organizations. A public hearing on the City's 2025-2026 *Community Development Goals and Objectives* was held on February 6, 2025, as part of the development of the City's new ConPlan. An additional public hearing, specifically on this draft version of the City's 2026 Action Plan, will be held on June 4, 2026. The Action Plan flows from the 2025-2029 Consolidated Plan, which was approved by HUD in July of 2025. Activities included in the 2026 Action Plan were approved at publicly noticed meetings of the CDBG Committee and Common Council. Final approval of 2026 funds took place on November 11, 2025, as part of the City of Madison's 2026 Budget approval process. A limited number of other projects were approved subsequently, at publicly noticed meetings of the CDBG Committee and Common Council.

As part of the larger five-year planning process that includes the 2026 Action Plan period, the City conducted seven focus groups to solicit feedback specifically on homeless services from June through October of 2023. The City also conducted eight consultative group meetings between April and September of 2024 to gather input regarding Madison's top community development needs. Citizen participation was also solicited through two electronic surveys, one for residents and one for partner agencies, sent to over 700 email recipients, forwarded through several community listservs, and made available on the City of Madison Community Development Division's website, accessible via

¹ On April 1, 2026, HUD issued Notice CPD-26-05, which instructed formula grantees (including the City of Madison) not to submit their FY 2026 Action Plans until the actual grant awards (for CDBG, HOME and ESG) have been determined and announced by HUD. As of April 1, 2026, Congress has not yet passed appropriations bills for the federal government's FY 2026 budget year. In accordance with the guidance provided in CPD-26-05, this draft of the City's 2026 Action Plan (AAP) uses estimated funding levels for Madison's annual formula grants from HUD (CDBG, HOME and ESG Entitlement funds). Once actual FY26 allocation amounts become known, the City will adjust the estimated figures in this proposed 2026 AAP to reflect both the City's actual allocation figures and the correspondingly adjusted project/activity funding amounts, prior to submitting the final Plan to HUD.

Madison Public Library computers. Paper copies of the survey were distributed and mailed out upon request to individuals and distributed through the City's three community connectors who focus on reaching the LatinX, Chinese and Hmong communities. A total of 619 surveys were completed by City of Madison residents, with 485 responses from resident perspectives and 134 from community partner perspectives.

During its development, the Consolidated Plan was discussed at publicly noticed CDBG Committee meetings where specific opportunity for public comment is always provided. The draft Plan was made available for review via electronic notification to a diverse array of citizens, agencies, developers, other funders and governmental bodies, and also posted on the Community Development Division's website. A public hearing was held on July 11, 2024, to solicit public comment on needs, trends and potential obstacles for 2025-2029. An additional public hearing to solicit input on the Draft 2025-2029 Consolidated Plan was held on February 6, 2025. Finally, the Plan was provided to the Common Council March 11, 2025, where another opportunity for public comment was provided. All meeting locations were accessible to persons with disabilities, and all meeting notices included information about how to request accommodation, such as a translator or signing assistance.

Summary of comments or views not accepted and the reasons for not accepting them

Not applicable.

The Process

PR-05 Lead & Responsible Agencies

24 CFR 91.200(b)

Describe agency/entity responsible for preparing the Action Plan and those responsible for administration of each grant program and funding source.

The following are the agencies/entities responsible for preparing the Action Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	MADISON, WI	Community Development Division
HOME Administrator	MADISON, WI	Community Development Division
ESG Administrator	MADISON, WI	Community Development Division

Table 1 – Responsible Agencies

Lead Agency

The City of Madison has designated its Community Development Division as the lead agency for administration of the CDBG, HOME and ESG programs. The City CDBG Committee serves as the lead policy body overseeing the development of the Consolidated Plan, the Annual Action Plan and related community development programs. The City works with numerous community-based organizations, partners, businesses and funders, as well as other City of Madison departments to plan, develop, implement and evaluate activities outlined in this Plan.

Action Plan Public Contact Information

Linette Rhodes, Community Development Grants Supervisor
 608-261-9240 / lrhodes@cityofmadison.com

This section includes consultation utilized by the City of Madison Community Development Division to reach out to various community partners.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (24 CFR 91.215(l)).

The Community Development Division, in coordination with the CDBG Committee, developed the Action Plan to be consistent with its five-year Consolidated Plan, with consultation from a diverse array of groups and organizations. Throughout the five-year planning process, several themes coalesced, which resulted in the development of the goals and objectives outlined in both the Consolidated Plan and this Action Plan. Affordable housing for both renters and homeowners, economic development and employment, and strong and healthy neighborhoods were each identified as key current and emerging needs. In addition, the need for continued coordination and collaboration with agencies, schools, local governments, and other funders was discussed.

In coordination with the CDBG Committee, CDD staff consulted with a wide range of groups and organizations at various public and accessible locations, as part of both its annual Action Plan process and its related five-year Consolidated Plan process. These included:

- Affordable housing providers
- After school programs
- City/County government
- Community gardens
- Economic development organizations
- Engineering services
- Funding organizations
- Homeless shelters and providers
- Information technology services
- Neighborhood centers
- Persons experiencing homelessness
- Persons with disabilities
- Persons with mental illness
- Residents
- Seniors
- Veterans organizations

Listed below are a few examples of the City's activities intended to enhance this coordination:

- The chairs of the City's Community Development Authority, the Housing Strategy Committee and the CDBG Committee meet regularly to discuss the City's housing and community development programs and to coordinate regarding their implementation.
- CDD staff participate in bi-weekly meetings with the City's Community Development Authority to enhance coordination between the City's housing and community development programs.
- Through membership on the Equity Team, CDD staff participate regularly in the citywide Racial Equity and Social Justice Initiative (RESJI).
- CDD staff engage in a monthly interagency housing team comprised of other City agencies that align with the work CDD does and can impact it, including Building Inspection, Community Development Authority, Planning, Mayor's Office, Zoning, Real Estate Division, Finance, Fire, Public Health, and the Department of Civil Rights.
- CDD staff serve on, and frequently lead, the City's multi-agency Neighborhood Resource Teams, which were established to enhance and improve the provision of City services to neighborhoods.
- CDD staff served as members of the Dane County Housing Advisory Committee and Executive Committee working on a regional housing strategy along with 80+ public, non-profit, and private stakeholders covering different segments of the housing ecosystem.

- CDD staff meet with Wisconsin's regional Workforce Development Board, Dane County, and United Way to improve the alignment and coordination of area nonprofits working in construction employment training programming that is designed to increase the number of women and people of color employed in the construction trades.
- As part of its work to affirmatively further fair housing, CDD coordinates with City Planning staff and local nonprofits to encourage non-traditional housing types; coordinates with the CDA in developing a Comprehensive Housing Strategy; and resists neighborhood opposition to affordable housing. A more comprehensive summary of actions to address identified impediments to fair housing choice is included in **Appendix B**.

The City's Community Development Division regularly participates alongside (and coordinates with) local nonprofits, community service groups and funders. CDD staff meet regularly with several groups, including the Homeless Services Consortium, Third Sector Housing, Home Buyers Round Table and various ad hoc City committees. The goal is to improve delivery methods and initiate systematic improvements. Community Development Division staff also work regularly on housing-related issues with staff of the City's Community Development Authority (CDA).

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City of Madison is an active partner with the Dane County Continuum of Care (CoC), known locally as the Homeless Services Consortium (HSC). Together, they assess the ongoing needs of homeless populations and those at risk of homelessness, and respond with new or expanded services and programs as resources become available. The City of Madison is the collaborative applicant for the annual CoC application to HUD. The City employs the CoC Coordinator using its annual Continuum of Care Planning Grant from HUD. This position staffs the HSC Board of Directors, which meets on a monthly basis to discuss homeless needs.

Through its membership in the Homeless Services Consortium, the City played an active role, including providing funding, for development of *Dane Forward: A Five-Year Plan to Prevent and End Homelessness*. This plan was developed in collaboration with the City, County, HSC and HomeBase, and will serve as a blueprint for ending homelessness in Madison and Dane County.

The City has long supported, and will continue to give preference to, projects that develop supportive housing units that serve special needs populations. Developments that receive Affordable Housing Development Funds from the City must have some units set aside to be filled by the CoC's Coordinated Entry list. Staff at the property work with the local CoC to connect people on the Coordinated Entry list with housing opportunities. The City also uses General Purpose Revenue (GPR) to fund outreach efforts that connect people experiencing homelessness with housing and services provided by CoC agencies.

The services to which people experiencing homelessness are connected include:

- | | |
|---|--------------------------------|
| • Long-term case management and other supportive services such as CCS | • Mediation services |
| • Day and overnight shelter case management services | • Rapid re-housing |
| • Housing navigation services | • Permanent supportive housing |
| • Restorative justice court program and other legal advocacy | • Sober living programs |
| • Eviction prevention financial assistance and services | • Transitional housing |
| | • Fair housing services |

By supporting the Coordinated Entry System, the City is able to support the needs of vulnerable underserved populations such as veterans, youth and families. The City provides a portion of funding for Coordinated Entry in Dane County, the goal of which is to move more individuals from homelessness to stable housing as quickly as possible.

Describe consultation with the Continuum of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS.

Dane County CoC has a Board of Directors that oversees several committees that guide the CoC's objectives, including Shelter Providers, Education & Advocacy, Core (addressing performance, written standards and coordinated entry) and Funders Committees. In its role as partner in the CoC, the City of Madison ensures that City staff leads or has a representative on most of these committees. Through the committees, the CoC has been able to develop a set of written standards the City references when developing proposals for homeless facilities and services, and when awarding or administering ESG and other homeless-related funds. Through an email distribution list, HSC members are notified of key CDBG Committee meetings where input is requested on City plans and performance.

Notifications regarding City funding processes are also sent via e-mail distribution. The City reviews written applications from those who apply for ESG and other homeless-focused funds. Members of the CoC Board of Directors are invited to review applications and make funding recommendations. The CoC Board approves allocation of ESG funding. The allocation and award process includes negotiation with the applicant regarding its performance goals, as well as CDBG Committee approval of the grant award and outcomes. Each written agreement includes a scope of service and standards for assessment of performance. The CoC regularly reviews information from HMIS to determine program effectiveness. The City currently contributes approximately 2% of its annual ESG allocation toward the operation of the HMIS system.

Describe agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities.

Agency/Group/Organization	See Appendix A-2 .
Agency/Group/Organization Type	
What section of the Plan was addressed by Consultation?	
How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting.

As part of the 2026-focused planning processes, the City of Madison undertook significant outreach and consultation with a diverse array of for-profit and nonprofit agencies in an effort to maximize contributions toward developing the Plan's needs, priorities and strategies.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care - <i>Dane Forward: A Five-Year Plan to End Homelessness in Dane County (2024-2029)</i>	City of Madison Community Development Division	<i>Dane Forward: A Five-Year Plan to End Homelessness in Dane County (2024-2029)</i> : The goals of the Strategic Plan are closely coordinated with the goals of the CoC. CDD is an applicant and is the administering agency for CoC and Emergency Solutions Grant, in addition to the City's CDBG and HOME allocations.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
City of Madison Comprehensive Plan – <i>Imagine Madison</i>	City of Madison Planning Division	The City of Madison Comprehensive Plan, <i>Imagine Madison</i> , was updated and adopted in December 2023. Imagine Madison uses data and input from the community to shape the City's long-term land use policies and investments to equitably and sustainably manage Madison's projected future growth. The Plan looks 20 years into the future but prioritizes City strategies and actions for the decade ahead. The Comprehensive Plan is required to be updated every ten years, next scheduled for 2028. Strategies identified in the Comprehensive Plan are incorporated in all of the Plan's goals.
Analysis of Impediments to Fair Housing Choice (2025-2029)	City of Madison	The AI assesses housing disparities and barriers to housing access for groups of residents based on their protected class status. This report provides useful data to guide equitable decision-making about City funding for housing and planning initiatives, helping inform ways to make Madison a more sustainable and equitable City for everyone. Actions to address impediments identified in the AI are incorporated in the Plan. (See Appendix B.)
5-Year Public Housing Agency Plan (DRAFT)	Community Development Authority of the City of Madison	Housing-related issues are addressed as part of the Plan's "Housing Development & Financing: Homeownership," "Housing Development & Financing: Rental" and "Homeless Services & Housing Stability" goals.
City of Madison Housing Strategy Committee's Report (Draft)	City of Madison Housing Strategy Committee	The Committee met regularly from December to July to consider and formulate recommendations based upon three main questions: (1) How can the City support the creation of more ownership housing types? (2) How can the City help scale up the development of new affordable rental units beyond the current 400 per year pipeline? (3) How can the City support the creation of affordable student housing? The Common Council requested that recommendations focus on housing choices for people with the lowest income and expanding housing options in every Madison neighborhood. Housing-related issues are addressed as part of the Plan's "Housing Development & Financing: Homeownership," "Housing Development & Financing: Rental" and "Homeless Services & Housing Stability" goals.
Economic Development Strategy – <i>Connect Madison</i> (2017)	City of Madison Economic Development Division	The <i>Connect Madison</i> Economic Development Strategic Plan combines in-depth economic data analysis with input from hundreds of community members, including youth, public officials, education leaders, and business leaders. The plan addresses economic development issues, strategies, and projects, some of which align with Madison's Consolidated Plan's "Small Business Assistance" goal.
Dane County Regional Housing Strategy Strategic Action Plan – A Road Map to Solving Dane County's Housing Crisis	Dane County Housing Strategy	This plan provides information on regional housing trends and needs, with a focus on affordable housing development and workforce development, regional growth, and individual production targets for each municipality. The 80-member Housing Advisory Committee responsible for the plan included strategies to guide and prioritize investments in housing, tenant protections/stability, and education. The strategies identified in the Dane County Regional Housing Strategy Action Plan are incorporated into the City's Plan.
Area Plans – West Area Plan, Northeast Area Plan, and South Madison Plan	City of Madison Planning Division	The City's Planning Framework divides the City into 12 geographies. Each of these geographies has an area plan put together every 10 years to help guide future growth. City Planning staff conduct multiple engagements with community members to gather their thoughts on the issues and priorities for the geography. Some themes from the West Area Plan included a need for smaller scale "Missing Middle" housing types, a desire for an increase in information on our first-time home buyer programs, property tax assistance programs for seniors, low-cost mortgage and rehabilitation loans, and programs to help grow opportunities for entrepreneurs. The Northeast Area Plan included recommendations to increase support for unhoused population, promote local business growth, increase "Missing Middle" housing types, and increase affordable housing opportunities.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
South Madison Reinvestment Strategy for Equity (RISE) Report (2023)	UW-Madison Population Health Institute and City of Madison	This report focuses on impacts and effects of TIF funding in South Madison and perception of residents of South Madison. The report is representative of the priorities and concerns of members of South Madison in relation to topics of displacement pressures, community wealth-building strategies, affordable housing strategies and civic engagement. Housing-related issues are addressed as part of the Plan's "Housing Development & Financing: Homeownership," "Housing Development & Financing: Rental" and "Homeless Services & Housing Stability" goals. Business development issues are addressed as part of the Plan's "Small Business Assistance" goal.
Older Adults Services and Programming	City of Madison Community Development Division and EQT by Design	The report describes the needs of older adults in Madison, which include bringing programming to where older adults are located and helping to build a stronger connection between agency partners that provide older adult programming and neighborhood centers that can provide space in communities where older adults reside. It additionally describes the need to better serve BIPOC and LGBTQ+ older adults. The information in the report helped inform this Plan's sections NA-45, which identifies the older adult population as one having higher rates of disabilities, and NA-50, which describes the city's public facilities which include neighborhood centers.
Race to Equity 10-Year Report: Dane County	Kids Forward	The report uses a root cause approach to understand how race, class, and in some cases gender, impact Black Dane County residents and help determine why extreme and persistent Black-White racial disparities continue in Dane County. The report focuses specifically on economic well-being, health and education outcomes. The <i>Analysis of Impediments to Fair Housing</i> addresses how race and class impact access to housing. Under-resourced and disconnected neighborhoods are addressed as part of the Plan's "Neighborhood Asset Building" goal. Workforce challenges are addressed as part of the Plan's "Small Business Assistance" goal.
Dane County Early Childhood Zones 2023 Annual Summary	Dane County Department of Health and Human Services	The Dane County Early Childhood Zones (ECZs) are a collaboration of organizations that work together to support and increase the protective factors of families who are pregnant and/or have children under the age of four. Two of the three zones are either all or partially located within the City of Madison. The report describes the importance of wrap-around services to families that include housing, employment, and home visiting programs. The importance of these services to families is addressed in section SP-70 (Anti-Poverty Strategy).
Accessible Housing Plan Goals	Department of Civil Rights	Recommendations on how to best use and sustain accessible housing units. This includes limiting unnecessary waste that can occur when modifications are removed after a tenant who required the accessibility features has left. Keeping the modifications would help increase the availability of such units. Other specific recommendations include developing an incentive program for property owners to rent modified units/units with accessible features to people with mobility impairments; including accessibility features as a requirement of City subsidies for multifamily weatherization and repair programs; and, collaborating with community partners to connect renters who need modifications with property managers that have modified/accessible units available. This information was taken into account when targeting housing rehabilitation and accessibility improvements in Goal 1 of this Consolidated Plan.
Funding Priorities for 2023-24: By Youth for Youth (BYFY) Report	By Youth For Youth	Madison and Dane County youth identified several funding priorities for the BYFY funding process in which youth evaluate proposals from their peers on pre-identified priority areas (set by BYFY youth) and then award small amounts of funding for their peers to carry out the projects. Youth specifically identify climate change, poverty, food insecurity and homelessness as funding priorities. This information was taken into account in sections NA-50 (which describes the City's goal of supporting energy-efficient community facilities), NA-40 (Homeless Needs Assessment), MA-30 (Homeless Facilities and Services), SP-40 (Institutional Delivery System) and SP-60 (Homelessness Strategy).

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Coordinated Community Plan	Madison/Dane CoC - Youth Homelessness Demonstration Program	The Coordinated Community Plan identifies projects and service providers that can meet the needs of youth and young adults experiencing and at-risk of homelessness in Madison/Dane County and support safe and stable housing. The needs and work of the City and Dane County around homelessness is addressed in sections NA-40 (Homeless Needs Assessment), MA-30 (Homeless Facilities and Services), SP-40 (Institutional Delivery System) and SP-60 (Homelessness Strategy).
Public Health Neighborhood Assessments and Violence Prevention Engagement	Public Health of Madison and Dane County	Public Health of Madison and Dane County has taken on numerous projects determined to support violence prevention including neighborhood assessments and engagements, which have included hearing from residents about housing quality concerns. Housing quality problems are explored in many of the Needs Assessment sections as well as in section MA-20 (Condition of Housing).
Hmong Youth: Dane County Youth Assessment (DCYA)	Public Health of Madison and Dane County	This report describes data from the DCYA for Hmong students. Key themes include "establishment of community spaces to provide culturally and linguistically responsive education opportunities for Hmong parents and students" and "cultivating a sense of belonging and inclusion." The report also describes the need for additional data on the Hmong community. City staff worked specifically with the Hmong Community Connector to get feedback via the Consolidated Plan survey. Additionally, this desire for community spaces is addressed in section NA-50 (Non-Homeless Community Development Needs).
Public Health's Housing Quality Plan	Public Health of Madison and Dane County	Public Health conducted a series of interviews with individuals living in the Allied Drive neighborhood in Madison. The results indicate challenging interactions between renters and landlords, as well as health and safety concerns including pests, mold, unsafe stairs, outside doors that don't lock, etc. Housing quality is addressed in section MA-20 (Condition of Housing) as well as in the <i>Analysis of Impediments to Fair Housing</i> .
EQT by Design Older Adult Services and Program Report	EQT by Design	EQT by Design assessed the needs of older adults across the Madison community. Some of the key needs identified included access to reliable transportation and culturally relevant programming close to where they live, as well as a desire to age in place. The City's Property Tax Assistance for Seniors program seeks to help older adults age in place.
Elevate Madison Region: Comprehensive Economic Development Strategy (2024-2028)	MadREP	In Elevate Madison Region, MadREP presents a strategic blueprint for regional economic growth, aiming to increase workforce participation and tackle upcoming challenges. The plan addresses the future of technology, along with the disruptions and new opportunities that have emerged in the wake of the pandemic's impact on the workforce. This Plan incorporates the effects and interconnectedness of housing, health and safety, education onto the livability and viability of the workforce pool in the region. Some of the objectives identified in the Dane County strategies were reviewed to align with our microenterprise and economic development goals.

As part of its ongoing work, the Community Development Division consults with local stakeholders and organizations, as well as state and federal agencies, regarding their planning processes. A diverse array of local, regional, state and federal planning efforts were considered during the development of the Action Plan.

AP-12 Participation

24 CFR 91.105, 91.200(c)

Summarize citizen participation process and how it impacted goal-setting.

On a regular and ongoing basis, the City's CDBG Committee serves as the main citizen participation resource for the community development process. The Committee meets monthly, with additional meetings scheduled as needed, and regularly provides time within each meeting for public comments and presentations. The Committee annually holds at least two public hearings to assess the overall progress of its investment program and to solicit feedback about future

and emerging needs within the community. In addition to the two public hearings held in conjunction with the Action Plan, monthly CDBG Committee meetings were used to solicit input and share information. The CDD's Housing and Community Investments (HCI) Unit staff undertook significant citizen participation efforts as part of the City's larger five-year plan. Among those efforts was an extensive survey, sent to over 700 email recipients and distributed at various public locations, as well as numerous focus groups.

As a policymaking body—with members appointed by the Mayor—the CDBG Committee also serves as a primary mechanism for citizen participation regarding the City's community development program. The Committee includes nine membership slots, designating two for Alders and two for low- to moderate-income individuals. The Committee is the lead policymaking group for the community development program, listening to and acting upon recommendations from citizens, community groups, nonprofit agencies and businesses as it plans, makes funding recommendations for and evaluates the overall program.

In the year leading up to the preparation of the 2026 Action Plan, the Committee regularly held discussions and received public comment regarding the use of HOME, CDBG and ESG funds, as well as other local, State and federal funds. All funding recommendations and/or decisions were made in open, publicly noticed meetings.

The CDBG Committee and CDD initiated and/or participated in a number of outreach and consultation efforts designed to broaden participation from community groups and other stakeholders. These efforts included:

- Providing an extensive website (www.cityofmadison.com/cdd) to report on five-year goals, annual projects and special issues. The site includes a means to directly comment on any aspect of the Plan or the program.
- Providing staff representation on the City's Neighborhood Resource Teams (NRTs), and regularly soliciting comments on emerging community needs and recommended solutions.
- Actively participating in various groups such as the Homeless Services Consortium, the City-County Homeless Issues Committee, Home Buyers Round Table, and other groups related to housing issues.
- Meeting quarterly with area neighborhood center directors to better understand emerging needs in neighborhoods throughout the City, and develop effective strategies to meet these needs.
- Holding meetings with nonprofit service providers and stakeholders in targeted neighborhoods.
- Meeting with an array of service groups that work with underrepresented populations.
- Providing interpreters at meetings, as needed.
- Providing information in alternate formats, as needed.

The Community Development Division initiated several efforts to broaden its outreach and the participation of various community groups. In order to gather additional input, the draft Consolidated Plan was made available for review online via public workstations at an array of Madison Public Library branches and neighborhood centers. CDD used the following processes to receive input on the Consolidated Plan process as the draft report was introduced:

- Posted the draft Plan on the Division website.
- Advertised via specific homeless, housing and business email distribution lists, regarding public hearings on the draft Plan.
- Sent the draft Plan to the Neighborhood Resource Teams as part of a strategy to gather input from underserved communities.
- Continued to solicit feedback from community partners, residents and local organizations, regarding needs the City should be addressing with HUD funding.

Citizen Participation Outreach

The Community Development Division posted all 2026 programs and contracts on the Division's website on January 1, 2026. This contract list is publicly accessible and remains posted on the website to date. The public is also notified of any new projects receiving federal funds throughout 2026 through the City's Committee process. New projects must be listed as an agenda item on Common Council, CDBG Committee and Finance Committee agendas. There is a public notice of each meeting and the opportunity for public comment at each session.

The draft 2026 Action Plan was posted on the Community Development Division's website on May 19, 2026. A notice was sent out via email listservs and also posted publicly to online City calendars on May 19, 2026, listing the website and the location, date and time of the public hearing, as well as where written comment could be submitted. Public comments on the Plan will be accepted through Friday, June 19, 2026 (a total public comment period of 31 days).

Community Development

Housing Children & Youth Neighborhoods Community Resources Contracts & Funding **Reports**

City of Madison Department of Planning & Community & Economic Development Community Development Reports

Reports

City of Madison and Dane County Consolidated Plan

Contact Us

Community Development Office
215 Martin Luther King Jr. Blvd.
Suite 300
Madison, WI 53703

P.O. Box 2627
Madison, WI 53701

Office Hours:
Monday – Friday, 8:00am – 4:30pm

cdd@cityofmadison.com

Phone: 608-266-6520

Public Comment Opportunity

Draft 2026 Annual Action Plan (AAP) PDF is available for public comment. We will accept public comment on this draft **through June 19, 2026**. Comments may be made in-person at the public hearing for the Community Development Block Grant Committee, scheduled for June 4, 2026, or submitted to the Community Development Division in writing by June 19, 2026, via mail – CDD Attn: Public Comment, PO Box 2627, Madison, WI 53701 or email – cdd@cityofmadison.com. Comments will be incorporated into discussions for the final Action Plan.

Draft Posted May 19, 2026

The City of Madison received the following comments from the public during the comment period: (TBD).

The following specific outreach efforts and meetings were conducted regarding the 2026 Action Plan.

Mode of Outreach	Target of Outreach	Summary
Public Hearing	Non-targeted/broad community	<p>A public hearing on the draft Plan was held on June 4, 2026, at the CDBG Committee meeting.</p> <p>A draft of the Plan was posted and made available for review. The public was notified of the meeting through email distribution and publicly posted notices (both physical placement and online) of City meetings. The CDD website also contained information about the meeting. The widely distributed CDBG Committee agenda also included notice and information about the public hearing.</p> <p>Citizens were given the opportunity to attend the meeting, send their comments by mail or email, or contact CDD's HCI Unit.</p>
Internet Outreach	Non-targeted/broad community	Throughout the citizen participation period, the City's draft 2026 Action Plan was posted for public comment on the CDD website, along with a copy of the adopted 2025-2029 Consolidated Plan and information about how to participate in related public processes.
Public Meeting	Non-targeted/broad community	A publicly noticed meeting of the City Finance Committee was held on June 15, 2026. Approval of the 2026 Action Plan was listed on the agenda for action.
Public Meeting	Non-targeted/broad community	A publicly noticed meeting of the Madison Common Council was held on June 23, 2026. Approval of the 2026 Action Plan was listed on the agenda for action.

Table 4 – Citizen Participation Outreach

(The City of Madison's *Citizen Participation Plan* is also attached to this Action Plan as **Appendix A.**)

DRAFT

Annual Action Plan

AP-15 Expected Resources

24 CFR 91.220(c)(1,2)

The anticipated resources articulated in this Action Plan are based on assumptions about 2026 funding levels. Because funding levels are subject to annual Congressional appropriations and changes in funding distribution formulas, the Plan's accomplishment projections and planned activities may be subject to commensurate changes.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of Con Plan	Narrative Description
			Annual Allocation	Program Income	Prior Year Resources	Total		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$ 2,041,348	\$ 1,158,000	\$ 3,526,344	\$ 6,725,692	\$ 5,957,823	Estimated five-year average annual CDBG Entitlement allocation: \$1,981,642
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership Tenant Based Rental Assistance (TBRA)	1,347,207.78	890,000	14,751,868	16,989,075.78	3,710,586	Estimated five-year average annual HOME PJ allocation: \$1,241,745
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	179,740	0	83,417	263,157	505,960	Estimated five-year average annual HESG Entitlement allocation: \$168,231

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of Con Plan	Narrative Description
			Annual Allocation	Program Income	Prior Year Resources	Total		
EHH (ESG, HPP, HAP)	public - state	Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Services Transitional housing Other	625,455	0	0	625,455	1,890,400	Estimated five-year average annual EHH allocation: \$632,600
HCRI	public - state	Homebuyer assistance	161,500	200,000	121,436	482,936	429,999	Estimated average award per 2-year HCRI grant period: \$286,666
City of Madison	public - local	Housing Services	23,970,198	0	25,333,535	49,303,733	64,156,000	Estimated five-year average annual City allocation: \$21,252,000

Table 5 – Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied.

The City developed this Action Plan with the expectation that the Federal government will provide approximately \$3.5 million for the 2026 program year, through such grant programs as CDBG, HOME and HESG. The City expects to leverage these funds with its own housing funds, as well as State of Wisconsin funds for homeless services and homebuyer assistance.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the Plan.

Not applicable.

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Outcome Indicator tied to Federal Funds Only
1	Housing Development & Financing: Homeownership	2026	2026	Affordable Housing	Citywide	Affordable Housing	CDBG: \$1,249,469 HOME: \$5,244,081 HCRI: \$431,436 City of Madison: \$3,743,228	100 units of homeowner housing rehabilitated 2 units of homeowner housing added 60 homebuyers provided with direct financial assistance
2	Housing Development & Financing: Rental	2026	2026	Affordable Housing	Citywide	Affordable Housing	CDBG: \$1,556,249 HOME: \$9,193,653 City of Madison: \$40,654,240	11 units of rental housing constructed 353 units of rental housing rehabilitated
3	Homeless Services & Housing Stability	2026	2026	Affordable Housing Homeless Non-Homeless Special Needs	Citywide	Affordable Housing	CDBG: \$365,000 HOME: \$2,327,621 ESG: \$246,083 EHH (ESG / HPP / HAP): \$617,040 City of Madison: \$2,924,643	2,600 homeless persons assisted with overnight shelter 85 persons assisted through homelessness prevention services 400 persons assisted with other homeless services 30 tenant households provided with TBRA/RRH 2,000 persons assisted with housing resources
4	Small Business Assistance	2026	2026	Non-Housing Community Development	Citywide	Economic Development and Employment	CDBG: \$1,435,266	1,400 businesses assisted
5	Neighborhood Asset Building	2026	2026	Non-Housing Community Development	Citywide	Strong and Healthy Neighborhoods Effective Planning and Program Administration	CDBG: \$1,521,339 City of Madison: \$1,078,067	10,800 persons assisted through the creation or improvement of Public Facilities or Infrastructure 1,200 persons assisted through concentration neighborhood planning efforts and associated revitalization activities

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Outcome Indicator tied to Federal Funds Only
6	Program Administration	2026	2026	Planning / Administration	Citywide	Effective Planning and Program Administration	CDBG: \$598,369 HOME: \$223,720.78 ESG: \$17,0074 (incl. HMIS) EHH (ESG / HPP / HAP): \$8,415 HCRI: \$51,500 City of Madison: \$903,555	100 contracts managed by CDD staff

Table 6 – Goals & Objectives Summary

Objective Descriptions

1	Objective Name	Housing Development & Financing: Homeownership
	Description	Preserve, improve and expand the supply of affordable housing for homeowners.
2	Objective Name	Housing Development & Financing: Rental
	Description	Preserve, improve and expand the supply of affordable housing for renters.
3	Objective Name	Homeless Services & Housing Stability
	Description	Support vulnerable populations in stabilizing their homes and families.
4	Objective Name	Small Business Assistance
	Description	Improve economic opportunities for individuals and business owners.
5	Objective Name	Neighborhood Asset Building
	Description	Develop, maintain and support community facilities; support the development of revitalization plans and implementation of associated projects.
6	Objective Name	Program Administration
	Description	Implement a well-managed Community Development Program with effective progress toward five-year goals.

Table 7 – Objective Descriptions

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 24 CFR 91.215(b):

Approximately 15 low- and moderate-income families will be provided affordable housing, as defined by HOME 24 CFR 91.215(b). These activities include Habitat for Humanity's and Movin' Out's Homeownership Programs.

The City of Madison's Community Development Division, through CDD-staffed citizen committees, makes its funding allocation decisions based on a Request for Proposals (RFP) process. Through this process, funds are awarded to eligible activities that support the goals (and address the priority needs) articulated as part of the Action Plan. Expected resources cited in RFPs are based on assumptions about future funding levels, and the allocations awarded to activities are contingent upon the City's receipt of sufficient funds for the period covered by the RFP.

As required by HUD regulations at 24 CFR 92, the City plans to use at least 15% of its annual HOME allocation for eligible housing development activities to be undertaken by locally certified Community Housing Development Organizations (CHDOs), a roster which presently includes Madison-Area Community Land Trust (MACLT) and Movin' Out.

As required by HUD regulations at 24 CFR 576, the City plans to use no more than 60% of its annual ESG allocation for homeless outreach and emergency shelter activities. It will also comply with applicable ESG Match requirements, as well as the 7.5% cap on administration.

Projects

#	Project Name
1	Housing Rehab and Accessibility
2	Owner-Occupied Housing Development
3	Homebuyer Assistance
4	Rental Housing
5	Homeless and Special Needs Populations
6	Tenant-Based Rental Assistance (TBRA)
7	Housing Resources
8	Micro-Enterprise Development
9	Job Creation and Business Expansion
10	Capital Improvements for Community Organizations
11	Neighborhood Revitalization Plans and Projects
12	Overall Program Administration
13	ESG26 Madison

Table 8 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs.

The allocation of funds for the activities listed in this Action Plan are closely aligned with the top housing and community development needs identified in the needs assessment and housing market analysis articulated in the City's 2025-2029 Strategic Plan, and through input contributed by stakeholders and citizens who participated in its development.

The primary obstacle to addressing underserved needs continues to be the diminishing availability of funds vis-à-vis the increasing funding needs of the nonprofit agencies with whom the City contracts for services. To illustrate this point, during its RFP processes, the City routinely receives funding proposals requesting funds far in excess (often up to 160% or more) of the total projected funds available.

AP-38 Project Summary

Project Summary Information

1	Project Name	Housing Rehab and Accessibility		
	Target Area	(See Appendices C and D.)		
	Objectives Supported	Housing Rehabilitation and Accessibility Improvements		
	Goals Supported / Needs Addressed	Housing Development & Financing: Homeownership / Affordable Housing		
	Funding	CDBG: \$1,163,469		
	Description	Preserve and improve the supply of affordable housing for homeowners and landlords		
	Target Date	12/30/2026		
	Expected Beneficiaries Tied to Federal Funding	Approximately 100 LMI households will benefit from the activities proposed within this Project.		
	Location Description	Citywide.		
	Planned Activities	PH Minor Home Repair Program PH Major Home Rehab Loan Program	Habitat Home Repair Program MACLT Housing Maintenance Fund	
2	Project Name	Owner-Occupied Housing Development		
	Target Area	(See Appendices C and D.)		
	Objectives Supported	Owner-Occupied Housing Development (New Units)		
	Goals Supported / Needs Addressed	Housing Development & Financing: Homeownership / Affordable Housing		
	Funding	HOME: \$3,578,857 City: \$2,990,000		
	Description	Expand the supply of affordable housing for homeowners		
	Target Date	12/30/2026		
	Expected Beneficiaries Tied to Federal Funding	At least 2 LMI households will benefit from the activities in this project tied to federal funding. An additional 6 LMI households are expected to benefit from City-funded investments associated with the Plan activities below.		
	Location Description	Citywide.		
	Planned Activities	Anchorhaus Owl Creek Homeownership Development Ho-Chunk Owl Creek Homeownership Development Kaba Baal Owl Creek Homeownership Development	TSCC Owl Creek Homeownership Development WPHD Owl Creek Homeownership Development Housing Development Reserve Fund activities TBD	
3	Project Name	Homebuyer Assistance		
	Target Area	(See Appendices C and D.)		
	Objectives Supported	Homebuyer Assistance (Down Payment)		
	Goals Supported / Needs Addressed	Housing Development & Financing: Homeownership / Affordable Housing		
	Funding	CDBG: \$86,000 HOME: \$1,665,224 HCRI: \$431,436 City of Madison: \$753,228		
	Description	Improve housing stability for homebuyers		
	Target Date	12/30/2026		
	Expected Beneficiaries Tied to Federal Funding	At least 60 LMI households will benefit from the activities proposed within this project that are funded by federal dollars. An additional 22 LMI households are expected to benefit from City- and state-funded investments associated with the Plan activities below.		
	Location Description	Citywide.		
	Planned Activities	Habitat Affordable Homeownership for Families Ho-Chunk Homebuyer Assistance Home-Buy The American Dream (HBAD) Program	MO Homeownership Program ULGM Homebuyer Assistance	

4	Project Name	Rental Housing	
	Target Area	(See Appendices C and D.)	
	Objectives Supported	Rental Housing Acquisition and/or Rehabilitation Rental Housing Development (New Units)	
	Goals Supported / Needs Addressed	Housing Development & Financing: Rental / Affordable Housing	
	Funding	CDBG: \$1,556,249 HOME: \$9,193,653 City of Madison: \$40,654,240	
	Description	Preserve, improve and expand the supply of affordable housing for renters	
	Target Date	12/30/2026	
	Expected Beneficiaries Tied to Federal Funding	Approximately 364 LMI households will benefit from the activities proposed within this project through federal funds. An additional 240 LMI households are expected to benefit from City-funded investments associated with the Plan activities below.	
	Location Description	Citywide.	
	Planned Activities	Small-Scale Rental Rehab Loan Program Capital Improvements for Non-profit Housing (CINH) Program C4C Milwaukee Street Rehab and ADU CDA/MRCDC Phase 4 Scattered Site Preservation CDA/MRCDC Theresa Terrace Redevelopment CDA/MRCDC Triangle Phase 1 Redevelopment Ellis Potter Apts. Rental Housing Development HI Roth Street PSH Development Kelly Station Rental Housing Development	Merchant Place Apts. Rental Housing Development Merchant Place Senior Apts. Rental Housing Development MSP Yellowstone Apts. Rental Housing Development Parker Place Apts. Rental Housing Rehab The Point on Washington Apts. Rehab Red Pine Housing Cooperative Acquisition and Rehab ReJenerate Rental Housing Cooperative Development SSD/MACHA Zapata Housing Cooperative United Residences Rental Housing Development Affordable Housing Initiative activities TBD Housing Development Reserve Fund activities TBD
5	Project Name	Homeless and Special Needs Populations <i>[also see Project #13]</i>	
	Target Area	(See Appendices C and D.)	
	Objectives Supported	Services for Homeless and Special Needs Populations	
	Goals Supported / Needs Addressed	Homeless Services & Housing Stability / Affordable Housing	
	Funding	CDBG: \$200,000 HOME: \$1,104,300 City of Madison: \$2,464,000 EHH (ESG / HPP / HAP): \$617,040	
	Description	Improve housing stability for renters, homeless and special needs populations	
	Target Date	12/30/2026	
	Expected Beneficiaries Tied to Federal Funding	Approximately 5,115 homeless persons or persons at-risk of homelessness will benefit from the shelter, street outreach and homelessness prevention activities proposed within this Project. <i>(Figure includes anticipated beneficiaries from certain ESG-funded activities under Project #13, ESG25 Madison.)</i>	
	Location Description	Citywide.	
	Planned Activities	CFC Severe Weather Emergency Hotel Program CFC Street Outreach & Mediation DCHS The Beacon Support HI Roth Street PSH Supportive Services ICA Dane CoC Coordinated Entry MSM Housing-Focused (aka HIH) Street Outreach Porchlight Men's Shelter Operations	Porchlight Permanent Housing Case Management TSA Diversion Services TSA Family Shelter TSA Single Women's Shelter YWCA Family Shelter Rent subsidy, shelter and homelessness prevention activities TBD through 2026-2027 state RFP process (EHH)

6	Project Name	Tenant-Based Rental Assistance (TBRA) / Rapid Re-Housing (RRH)	
	Target Area	(See Appendices C and D.)	
	Objectives Supported	Tenant-Based Rental Assistance (TBRA) / Rapid Re-Housing (RRH)	
	Goals Supported / Needs Addressed	Homeless Services & Housing Stability / Affordable Housing	
	Funding	CDBG: \$105,000 HOME: \$300,000 City of Madison: \$ 66,000	
	Description	Rental assistance payments to eligible households	
	Target Date	12/30/2026	
	Expected Beneficiaries Tied to Federal Funding	Approximately 30 LMI tenant households will be assisted by the activities proposed within this Project.	
	Location Description	Citywide.	
	Planned Activities	LSS Welcome Home Madison (RRH) MSM Singles Rapid Rehousing (RRH) MSM Singles Rapid Rehousing (RRH) TBRA	Porchlight Men's Shelter TBRA TSA Family Shelter TBRA TSA Single Women's Shelter TBRA
7	Project Name	Housing Resources	
	Target Area	(See Appendices C and D.)	
	Objectives Supported	Housing Resources	
	Goals Supported / Needs Addressed	Homeless Services & Housing Stability / Affordable Housing	
	Funding	CDBG: \$60,000 HOME-ARP: \$923,321 City of Madison: \$394,643	
	Description	Provide information or other non-monetary resources to LMI persons, and support access to affordable housing opportunities	
	Target Date	12/30/2025	
		Approximately 2000 LMI households will benefit from the public services activities proposed within this Project.	
	Location Description	Citywide, with some activities targeted to Madison's Southside and Owl Creek neighborhoods	
	Planned Activities	TRC Tenant Services TRC Eviction Prevention & Defense Partnership (EDDP)	ULGM Homebuyer Education / UEE Center
8	Project Name	Micro-Enterprise Development	
	Target Area	(See Appendices C and D.)	
	Objectives Supported	Technical Assistance to Micro-Enterprises	
	Goals Supported / Needs Addressed	Small Business Assistance / Economic Development and Employment	
	Funding	CDBG: \$553,306	
	Description	Assist entrepreneurs, particularly those from populations that are under-represented, seeking to start or grow small businesses and micro-enterprises (as defined by HUD) that create jobs	
	Target Date	12/30/2025	
	Expected Beneficiaries Tied to Federal Funding	Approximately 560 entrepreneurs/micro-enterprises will be assisted via the activities proposed within this Project.	
	Location Description	Citywide.	
	Planned Activities	MBCC Smarter Black Businesses WVWIC Business Development Loans	Economic Development Reserve Fund activities TBD

9	Project Name	Job Creation and Business Expansion		
	Target Area	(See Appendices C and D.)		
	Objectives Supported	Support to Businesses Expanding to Create Jobs		
	Goals Supported / Needs Addressed	Small Business Assistance / Economic Development and Employment		
	Funding	CDBG: \$881,960		
	Description	Create jobs, especially for under-represented individuals, by supporting new or expanding businesses		
	Target Date	12/30/2025		
	Expected Beneficiaries Tied to Federal Funding	Approximately 15 jobs for LMI persons will be created or retained across an estimated 5 assisted small businesses as a result of the activities proposed within this Project.		
	Location Description	Citywide.		
	Planned Activities	MDC Business Loan Program	Economic Development Reserve Fund activities TBD	
10	Project Name	Capital Improvements for Community Organizations		
	Target Area	(See Appendices C and D.)		
	Objectives Supported	Development and Maintenance of Community Facilities		
	Goals Supported / Needs Addressed	Neighborhood Asset Building / Strong and Healthy Neighborhoods		
	Funding	CDBG: \$933,466	City of Madison: \$1,078,067	
	Description	Create or improve safe, accessible, energy-efficient and well-maintained community and neighborhood facilities		
	Target Date	12/30/2025		
	Expected Beneficiaries Tied to Federal Funding	Approximately 10,800 LMI persons will benefit from the activities proposed within this Project.		
	Location Description	Citywide.		
	Planned Activities	Chrysalis CFL Atwood Avenue Acquisition Solace Friends CFL Exterior Facility Improvements Tellurian CFL Main Street Leasehold Improvements YWCA CFL Empowerment Center Rehab	River Food Pantry Darwin Road Acquisition Community Facilities Loan (CFL) Program Acquisition/Rehab Reserve Fund activities TBD	
11	Project Name	Neighborhood Revitalization Plans and Projects		
	Target Area	(See Appendices C and D.)		
	Objectives Supported	Neighborhood Revitalization Plans & Projects		
	Goals Supported / Needs Addressed	Neighborhood Asset Building / Strong and Healthy Neighborhoods	Program Administration / Effective Planning and Program Administration	
	Funding	CDBG: \$587,873		
	Description	Help residents within designated neighborhoods identify, plan for and implement projects and activities that promise to enhance the quality of life for neighborhood residents		
	Target Date	12/30/2025		
	Expected Beneficiaries	Approximately 1,200 LMI persons will benefit from neighborhood revitalization activities proposed within this Project.		
	Location Description	Concentration neighborhood planning efforts for 2026 are focused on the Northeast neighborhood areas. Ongoing revitalization projects/activities arising from prior Plans include those focused on the South Madison and Hawthorne-Truax neighborhood areas.		
	Planned Activities	Concentration Neighborhood Planning Hawthorne-Truax Neighborhood Revitalization Projects TBD	Northeast/NEAP Neighborhood Revitalization Projects TBD South Madison Neighborhood Revitalization Projects TBD	

12	Project Name	Overall Program Administration	
	Target Area	(See Appendices C and D.)	
	Objectives Supported	Program Administration	
	Goals Supported / Needs Addressed	Program Administration / Effective Planning and Program Administration	
	Funding	CDBG: \$598,369 HOME: \$223,720.78 City of Madison: \$903,555 EHH (ESG / HPP / HAP): \$8,415 HCRI: \$51,500	
	Description	Provides staffing for the City's Community Development Program development, staffing of CDD Committees, contract development and monitoring and general program management; also provides support services including affirmative action, public information, historic preservation, administrative and bid services	
	Target Date	12/30/2025	
	Expected Beneficiaries	Not applicable; these are planning/administrative and fair housing activities. CDD anticipates that its CDBG Unit staff will administer or manage approximately 100 contracts during 2025.	
	Location Description	Citywide..	
	Planned Activities	Direct Administration and Support Services	FHC Fair Housing Services
13	Project Name	ESG26 Madison	[also see Project #5]
	Target Area	(See Appendices C and D.)	
	Objectives Supported	Services for Homeless and Special Needs Populations	
	Goals Supported / Needs Addressed	Homeless Services & Housing Stability / Affordable Housing	
	Funding	ESG: \$263,157 (includes \$19,023 from ESG24 and \$64,394 from ESG25)	
	Description	Improve housing stability for homeless	
	Target Date	12/30/2025	
	Expected Beneficiaries	Anticipated beneficiaries of activities funded within this Project are included in the figures reported under Project 5 (Homeless and Special Needs Populations) and are not listed here to prevent double counting. Actual numbers served by ESG-funded activities will be reported via HMIS (not via IDIS/eConPlan).	
	Location Description	Citywide.	
	Planned Activities	ESG26 Street Outreach, including: - CFC State Street Outreach & Mediation - MSM Housing-Focused Street Outreach ESG26 HMIS Services	ESG26 Rapid Re-Housing, including: - LSS Welcome Home Madison ESG26 Administration

Table 9 – Project Summary

AP-50 Geographic Distribution

24 CFR 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed.

The City of Madison, part of a dynamic and growing region, is the seat of both State of Wisconsin and Dane County government, and has more than 100 very active neighborhood, business and community organizations. Madison is also home to the University of Wisconsin, a nationally recognized research institution, known for a tradition of academic excellence. The City includes portions of three lakes, and is located upon an isthmus, which gives the City its defining geographical characteristics.

The City has chosen to describe its community development goals and objectives primarily in terms of the functional components of a well-developed community: providing affordable housing; expanding employment opportunities and enhancing neighborhood vitality by supporting new and existing businesses; and strengthening neighborhoods by providing opportunities that expand neighborhood cohesion and stability. The City has identified, within each goal, a geographic priority to stabilize or improve areas of high priority to the City, including Neighborhood Resource Team focus areas. These areas are comprised of neighborhoods with poverty.

The City also intends to prioritize and allocate a small portion of its funds annually (approximately 4% of CDBG entitlement funds) to activities that seek to improve neighborhoods and provide a low/moderate area (LMA) benefit. These efforts will focus on the Neighborhood Resources and Stabilization objective within the Plan.

The City's Neighborhood Revitalization Program targets neighborhoods with high concentrations of low- and moderate-income persons for a special planning and project development process. The CDBG Committee and Common Council select target neighborhoods for this process by analyzing census tract data, such as number of LMI individuals, race, ethnicity, age and housing tenure. The process involves a three-year period for each neighborhood, with the first year involving intensive work with a neighborhood association and a steering committee comprised of representatives of the area. This steering committee works closely with a CDBG-supported City planner to identify the neighborhood's needs and develop a neighborhood plan. The City's Planning Division and CDD are currently working with the Northeast Madison and Southeast Madison areas to develop the next two neighborhood plans.

Target Area	Percentage of Funds
<i>(See this section's narrative. Also see SP-10 narrative and Appendices C and D.)</i>	

Table 10 – Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City identifies, as target areas for investment, Census Tracts where 51% of the individuals meet HUD's low/moderate-income standards (80% or less of the area median income).

(Refer to www.cityofmadison.com/dpced/community-development/documents/targets_map.pdf for a map of census tracts identified by the City as target areas for the five-year period covered by the current Strategic Plan; see appendix C.)

The City also considers, as target areas for investment, any Neighborhood Resource Team (NRT) area with high concentrations of poverty.

(Refer to www.cityofmadison.com/mayor/nrt/ for a map of NRT areas identified by the City as high priority, as well as related information; see appendix D.)

AP-55 Affordable Housing 24 CFR 91.220(g)

One-Year Goals for the Number of Households to be Supported	
Homeless	12
Non-Homeless	297
Special-Needs	0
Total	309

Table 11 - One-Year Goals for Affordable Housing by Support Requirement

One-Year Goals for the Number of Households Supported Through	
Rental Assistance	12
The Production of New Units	85
Rehab of Existing Units	167
Acquisition of Existing Units	45
Total	309

Table 12 - One-Year Goals for Affordable Housing by Support Type

Actions planned during the next year to address the needs to public housing

The City's Community Development Authority (CDA) is in the process of a major redevelopment plan for an area of the City commonly known as the Triangle. This neighborhood is the City's largest public housing and Project-Based Section 8 housing site, currently containing over 300 combined units of public and Section 8 housing. Now that the community engagement and master plan are complete, the City will use it as a guide for the redevelopment of existing units, as well as the development of additional units under HUD guidance, potentially bringing hundreds of new mixed-income housing units to the site. The City is collectively leveraging its Affordable Housing Funds to support at least two CDA sponsored housing developments annually, one focused on preservation of units and another on new construction.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The CDD and CDA continue to work through implementation steps to engage with public housing residents interested in homeownership. Through the CDA's Self-Sufficiency program, and through the use of down payment assistance programs, some Section 8 Voucher holders have been able to transition to homeownership. In 2026, the CDD and CDA plan to create more educational opportunities for residents to learn about homeownership opportunities. The CDA is in the early stages of exploring additional homeownership options for residents of public housing, which may include other federal programs that can leverage ownership opportunities for residents.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable.

The City of Madison is dedicated to preventing and ending homelessness in our community. As we set goals and prioritize activities within our homeless services, we are committed to addressing systemic racism, ensuring equitable access, and amplifying the voices of people of color and people with lived experience within the homelessness system.

Describe the jurisdiction's one-year goals and actions for:

- ***Reducing and ending homelessness, including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs.***

To effectively support individuals experiencing homelessness — especially those who are unsheltered — it's crucial to reach out and assess their unique needs. Resources for those facing homelessness, particularly housing assistance, are often scarce. However, a well-designed Coordinated Entry (CE) system can significantly enhance access to and navigation of these resources. Implementing a trauma-informed assessment process at the right time will help individuals connect with appropriate services. The Dane County Continuum of Care (CoC) has recently revamped the CE system, with active involvement from the City of Madison, service providers, advocates, and, most importantly, individuals with lived experiences of homelessness. This new system, implemented in 2024, undergoes regular evaluations to ensure it meets community needs, focusing on ease of access and minimizing unnecessary assessments.

Additionally, multiple street outreach programs work to connect with individuals experiencing unsheltered homelessness living on the streets, in cars, or in other unsuitable conditions. To streamline these efforts, the Dane CoC has established a centralized Street Outreach Services (SOS) line with the HUD Unsheltered NOFO grant, which includes both a dedicated phone number and a webform. This allows unsheltered individuals to

refer themselves for services, or for concerned community members to share information about someone in need. Upon receiving a referral, the CoC Outreach Coordinator will assign it to the appropriate outreach program based on its target population and availability, utilizing the Homeless Management Information System (HMIS) for efficient coordination.

- ***Addressing the emergency shelter and rapid rehousing needs of homeless persons.***

Since the onset of the COVID-19 pandemic, the City has significantly enhanced its support for emergency shelter needs within the community. Before the pandemic, nonprofit agencies operated shelters in church basements and outdated school buildings, which lacked the capacity to accommodate necessary social distancing. In response, the City adapted by converting newly acquired properties and existing municipal facilities into temporary emergency shelters, creating safer environments for those in need.

In partnership with the Dane County, the City is developing Madison’s first purpose-built shelter for individuals identifying as male, with an expected opening in 2025. This initiative reflects our commitment to providing dedicated, supportive spaces for vulnerable populations.

The City will continue to support family shelters and shelters for single women, collaborating with all shelter providers to enhance safety, reduce barriers to access, and improve housing outcomes. Our performance measures for these shelters include tracking the number of households served, the average length of stay, and the rate of exits to permanent housing solutions.

- ***Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.***

The City believes that housing is the solution to homelessness and is committed to assisting people experiencing homelessness—especially chronically homeless individuals, families with children, veterans and their families, and unaccompanied youth—in transitioning to permanent housing and independent living. Our goal is to shorten the duration of homelessness, facilitate access to affordable housing, and prevent recent transitions from homelessness back into it.

To achieve this, the City will continue investing in effective housing solutions, including Rapid Rehousing (RRH), Permanent Supportive Housing (PSH), and other permanent housing programs. These initiatives are designed to quickly move households who are not likely to be able to find housing on their own out of homelessness and into stable, permanent housing.

Our revamped Coordinated Entry system will streamline the process by reducing unnecessary assessments and reallocating staff resources toward housing search and placement, ensuring quicker access to housing.

The City will actively monitor key performance indicators, including the length of time from Coordinated Entry referral to housing move-in dates and the rate of return to homelessness at 6, 12, and 24 months.

- ***Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.***

In order to reduce the inflow into the homeless services system, we must work with other systems of care such as health, mental health, foster care, and criminal legal institutions. The City works with the Dane CoC's Core Committee in developing and maintaining ongoing relationships with those systems and creating opportunities to meaningfully collaborate. The CoC is planning to review the discharge planning with those entities and provide up to date information about homeless services.

In addition, the City and CoC partners work closely with the employment, education, and other social services agencies.

To help low-income individuals and families—particularly those with extremely low incomes—avoid homelessness, the City is focused on addressing the needs of those being discharged from publicly funded institutions and systems of care, such as healthcare facilities, mental health facilities, foster care, and correctional programs. We also aim to support individuals receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

To reduce the inflow into the homeless services system, the City collaborates with various care systems, including health, mental health, foster care, and the criminal justice system. We actively participate in the Dane County Continuum of Care (CoC) Core Committee to foster ongoing relationships with these systems and create meaningful collaboration opportunities and participate in the State's Interagency Council.

The CoC is currently reviewing discharge planning processes with these entities to ensure that they are equipped with up-to-date information about available homeless services.

Additionally, the City and CoC partners maintain close ties with employment, education, and other social service agencies to create a comprehensive support network for those at risk of homelessness. Through these coordinated efforts, we aim to build a stronger safety net that prevents individuals and families from falling into homelessness.

AP-75 Barriers to Affordable Housing

24 CFR 91.220(j)

The cost of developing, maintaining and improving affordable housing in the City of Madison is affected by several key factors. Among the most important of these are the time it takes developers to take a project from start to finish; the clarity and ease of use of zoning codes; and property tax policies. The City has identified these as barriers to affordable housing, and continues to proactively implement strategies to remove their negative effects.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City has a policy that exempts developers of affordable housing from the normally required park impact fees. This policy has already begun to produce significant cost savings for affordable housing projects, thus helping to facilitate their development. In 2026, City Community Development Division staff will continue to work closely with other key City departments to ensure successful implementation of the park fee waiver policy.

Because the City zoning code is one of the primary tools used to regulate development, staff from the City's Department of Planning and Community & Economic Development (DPCED) actively monitors its use. Careful attention is paid to address any issues that may impact the development of affordable housing.

Due to concerns that the code was sometimes confusing and especially challenging for developers to navigate, the City undertook, and completed in 2013, a major rewrite of its zoning code (Chapter 28, Madison General Ordinances). The

result was a much-improved code that is easier for affordable housing developers to use and understand. The previous code was originally adopted in 1966. Until the new code was adopted, nearly every housing project — whether market-rate or affordable — required a rezoning to a unique Planned Development District in order to accommodate it.

Through its updated zoning code, the City now allows several additional housing types that it believes will encourage the development of additional affordable housing units:

- The updated comprehensive plan and newly adopted areas plans recommend greater or expanded density across most residential and mixed-use zoning districts throughout the City.
- Accessory dwelling units (ADUs, sometimes called "granny flats") are now allowable as a permitted use on up to 8-unit lots, which can provide new small-scale affordable housing opportunities.
- Cooperative housing is more broadly allowed.
- In some zoning districts, housing projects with up to eight units are allowable as a permitted use. Under the previous code, any building with over two units required conditional use review. This was often onerous for small-scale projects or conversions.
- In many zoning districts, the code allows for (and encourages) residential units in mixed-use buildings. Previously, this was allowable only with unique Planned Development zoning.

Since 2021, the Plan Commission has been entertaining discussions about another revision to the zoning code that would expand the definition of what is considered a "permitted use" in certain residential and mixed-use zones, the goal of which is to further lower barriers to developers of low-income housing by reducing costs associated with applying for conditional use permits, while also decreasing the amount of time spent pursuing additional land use approvals.

Discussion

The City's DPCED has established (and continues to work to refine) a Development Services Center (DSC) model that provides a central location for information on development, review, permitting and inspection processes for all City agencies. Under this model, department staff works to streamline the development process with the goal of improving timeliness, thus reducing developer costs associated with developing a variety of projects including affordable housing. Department staff leads weekly Development Assistance Team meetings that include staff from an array of stakeholder agencies, with a focus on proactive problem solving and guidance to developers as projects move forward. The Community Development Division staff will participate in these weekly meetings whenever its issues or projects are the subject of discussion. The Division will also continue to review and evaluate its efforts to fund affordable housing, and where possible, seek Council action to remove non-financial obstacles to the construction of affordable housing within the City.

Property tax exemption is another issue that impacts the ability to develop affordable housing. With the implementation of relatively recent State legislation, property owned by nonprofit benevolent associations can be developed as low-income housing and be exempt from local property taxes. Without this provision, owners of these kinds of low-income housing projects would pay property tax, resulting in increased expenses that would almost certainly be passed on to tenants in the form of higher rents.

Community Development Division staff will continue to meet periodically with Third Sector Housing, a group of nonprofit housing development agencies. An important goal of these meetings will be to enhance coordination and collaboration associated with the development of affordable housing. The CDD will work with Third Sector representatives to identify ways to improve the capacity of nonprofit housing development organizations and streamline the City's funding and contracting processes.

In addition to the efforts listed above, **Appendix B** lists specific additional work that will be taken to alleviate impediments to fair housing in 2026.

Proposed actions associated with the City's 2026 Action Plan are described primarily in the specific related sections of the Plan. In addition to descriptions found in those sections, the following actions are planned for 2025.

Any other actions planned to:

- **Address obstacles to meeting underserved needs**

In 2026, the City of Madison will continue to focus on the following three primary areas as it addresses obstacles to meeting underserved needs: (1) affordable housing; (2) economic development and employment; and (3) strong and healthy neighborhoods.

The obstacles to meeting **housing needs** in the City of Madison revolve primarily around the high cost of housing and need for additional affordable housing. While housing quality, race and non-housing factors play a role in the city's housing needs, housing cost burden is by far the leading challenge in the market. Moreover, the limited supply and rising cost of housing makes challenges like homelessness and racial inequity in housing even more difficult to address. Begun in 2025, and continuing through the remainder of the 2024-2029 Consolidated Plan, the City intends to prioritize homeless services and housing stability as the primary focus of its annual CDBG funds for Public Services.

The obstacles related to **economic development and employment needs** specifically targeted by the City of Madison relate most often to the need to enhance neighborhood vitality. In 2026, this need will continue to be addressed through support for employment opportunities for low- and moderate-income people, as well as support for new and existing micro-enterprises and small businesses. Most of the City's support in this goal area will go to community-based nonprofit organizations that support job creation and community business development, as well as those that support small business development through assistance to entrepreneurs.

Neighborhood needs associated with the City's 2026 Action Plan relate primarily to strengthening and enhancing the health of neighborhoods with a focus on support for low- and moderate-income persons. Needs will continue to be addressed through support for strategic investments in community assets and amenities, as well as other planning and revitalization efforts. Neighborhood plans in low- to moderate-income neighborhoods and improvements to community facilities and other assets in those neighborhoods will be the City's highest priority in this area for 2026.

- **Foster and maintain affordable housing**

Among the strategies the City of Madison will continue to use in 2026 to foster and maintain affordable housing are the following:

- For new multifamily developments pursuing Section 42 tax credits, align City funding programs to maximize the likelihood of tax credits being awarded. Coordinating these programs leverages City subsidy, making subsidy go farther or reach deeper down the income spectrum.
- Coordinate funding timelines to maximize opportunities for projects to have City awards in place in time for the December Section 42 tax credits deadline.
- Coordinate funding award criteria and processes so that projects that meet a common set of criteria that is in-line with City and WHEDA priorities (access to transportation, number of 3-bedroom units, walkability, etc.) get funded by the City and therefore score higher on their tax credit applications.
- Actively recruit developers to apply for Section 42 tax credits in the City of Madison.

- Provide financing to demonstration projects to test the viability of alternative housing forms (Accessory Dwelling Units, Micro Housing, Cottage Housing, Condominiums, Cohousing, etc.).
- Consider exceptions to existing funding programs and zoning rules to allow for demonstration projects.

- ***Reduce lead-based paint hazards***

The City will continue to work to reduce lead-based paint hazards by requiring subrecipients and developers to comply with the lead-based paint requirements set forth in 24 CFR Part 35. These include meeting requirements for notification, identification and stabilization of deteriorated paint; identification and control of lead-based paint hazards; and identification and abatement of lead-based paint hazards. The *Protect Your Family from Lead in Your Home* pamphlet, developed by the EPA, HUD and the U.S. Consumer Product Safety Commission, will be distributed. The City-administered down payment assistance programs will also be required to comply with the lead-based paint requirements.

The City and County Board of Health's Environmental Health Division will continue to provide community education programs related to lead-based paint hazards. Information about lead is currently incorporated into the nutritional counseling conducted at the WIC (Women, Infants and Children) Clinics held throughout the City and County. Evaluation of homes of children found to have elevated blood lead levels, as well as consultation for renovation and remodeling, are provided through this program. The City-County Public Health Department and City Building Inspection staff will continue to coordinate implementation of a local ordinance designed to reduce lead paint removal and dust hazards to neighbors.

Division staff will also continue to educate realtors and lenders that utilize mortgage reduction assistance about the dangers of lead paint in City of Madison housing stock. Lead-based paint remediation policies and procedures are included in each housing development contract provided through the Division. Contractors are required to follow Division Rehabilitation Standards, which include local, state and federal requirements on the proper implementation of lead-based paint mitigation. The City will also continue to allow a higher per-unit subsidy for rehabilitation projects that involve lead paint reduction, due to the increased costs of mitigation.

- ***Reduce the number of poverty-level families***

To reduce the number of poverty-level families in Madison, the City will continue to support the availability and accessibility of employment, education, transportation, health care and family support services to low- and moderate-income households. In each case, the focus will be help individuals and families attain greater independence and promote neighborhood involvement.

The City will also continue to implement the following major strategies to achieve the goal of reducing family poverty:

1. Market information about resources to poverty-level households;
2. Refine housing assistance programs to better link housing assistance with related resources, such as neighborhood centers and employment resources;
3. Improve City service delivery systems so that they are more responsive to neighborhoods where poverty-level families reside in greater numbers, and encourage goals, policies and practices that involve these neighborhoods in City's decision-making processes and revitalization efforts;
4. Increase the quantity of safe, quality, affordable rental housing throughout the City—particularly in locations that are well served by transit and are proximate to places of employment, schools, parks, health care and other basic amenities;

5. Increase economic development and employment and training opportunities; and,
6. Improve collaboration between local governments, nonprofits, schools and businesses.

In addition, the City will continue its poverty reduction strategies and efforts in geographically defined Neighborhood Resource Team (NRT) areas. This work will include working more closely with residents, owners and community groups to address emerging issues and needs and bringing additional services and opportunities to residents who may have been previously underserved or isolated. Key NRT strategies include those listed below.

- Improve public infrastructure within target areas.
- Support NRTs, which include representatives from Civil Rights, Building Inspection, Public Health, Police, Community Development Division, Fire and Parks, in each of the designated NRT areas.
- Increase effectiveness of law enforcement efforts to reduce criminal activity.
- Stabilize the management of rental housing in transitioning and challenged neighborhoods.
- Support efforts of owners and residents to reduce energy consumption.
- Assess and refine the City's efforts to support resident involvement and empowerment in the community.
- Coordinate City-funded programs and services with other funders, agencies, businesses and neighborhood organizations.

- ***Develop institutional structure***

In its efforts to develop institutional structure during 2026, the City of Madison will continue to undertake the following activities:

- Participate in the City's Performance Excellence/Results Madison Initiatives. The key element of these Initiatives is to create outcome-based budgeting, streamline City services and create transparency for City residents.
- Support and coordinate with the Dane County Continuum of Care (CoC) to help ensure the best possible system of supports for people who are homeless or at risk of homelessness. The addition of a full-time CoC Coordinator located in a CDD office has allowed this coordination to be simpler and more effective.
- Consider roles and responsibilities within the Division's various lending programs and continue to work toward developing a revised system structure that best addresses stated goals and objectives.
- Implement revised internal Division outcome reporting structures to optimize efficiency and accuracy associated with annual performance reporting.
- Review internal and external policies and procedures and create technical assistance trainings for subrecipients.

- ***Enhance coordination between public and private housing and social service agencies***

The City of Madison will continue its ongoing efforts to increase coordination and collaboration with and between public and private housing and social service agencies engaged in related activities, especially where there are clear opportunities to enhance local initiatives. The City's Community Development Division will work with local service providers, public and private housing organizations, businesses, labor union representatives, City of Madison departments, Dane County, the State of Wisconsin and other funders to more effectively deliver the City of Madison's community development program.

Historically, the City's community development program has been used primarily to fund nonprofit agencies that provide direct services to City of Madison residents. Over the five years covered by the current 2025-2029 Consolidated Plan, the CDBG Committee is continuing that emphasis, but will also consider the role that for-profit businesses might play in achieving stated goals and objectives, especially in its affordable housing goal area.

AP-90 Program Specific Requirements 24 CFR 91.220(l)(1,2,4)

The City uses CDBG program funds to ensure decent affordable housing, to provide services to the most vulnerable in our communities, to create jobs through the expansion and retention of businesses and to support strong and healthy neighborhoods. A minimum of 70 percent of CDBG funds are used for activities that benefit low- and moderate-income persons, and each funded activity meets at least one of the following national CDBG objectives:

- to benefit low- and moderate-income persons;
- to prevent or eliminate slums or blight; or,
- to address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, for which other funding is not available.

Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

<i>1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed</i>	\$ 404,849
<i>2. The amount of proceeds from Section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.</i>	\$ 0
<i>3. The amount of surplus funds from urban renewal settlements</i>	\$ 0
<i>4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan</i>	\$ 0
<i>5. The amount of income from float-funded activities</i>	\$ 0
Total Program Income:	\$ 404,849

Other CDBG Requirements

<i>1. The amount of urgent need activities</i>	\$ 0
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HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(l)(2)

1. *A description of other forms of investment being used beyond those identified in Section 24 CFR 92.205 is as follows:*

Not applicable.

2. *A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 24 CFR 92.254, is as follows:*

The Community Development Division will use recapture provisions for all assistance provided as direct subsidies allowable in homebuyer activities per 92.254. Direct subsidies will be provided in the form of a 0% interest-bearing loan with shared appreciation due upon the sale, transfer of title or the unit no longer remaining owner-occupied. CDD will recoup the amount invested in the property, plus shared appreciation. The recapture amount is based on the net proceeds available from the sale, rather than the entire amount of the HOME investment. "Net proceeds" is defined as the sales price, minus superior loan repayment and any closing costs incurred by the borrower(s). CDD will record with the Register of Deeds a mortgage and a written agreement with the City of Madison to enforce the recapture provisions and period of affordability requirements of 92.254 on each property.

3. *A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds [see 24 CFR 92.254(a)(4)] are as follows:*

The City of Madison will implement HUD-required recapture provisions per Notice CPD 12-003 to recoup all or a portion of the assistance provided to homebuyers, if housing funded at least in part with City-administered HOME funds does not continue to be the principal residence of the family for the duration of the period of affordability. When the recapture requirement is triggered by a sale (voluntary or involuntary) of the housing unit and the net proceeds are not sufficient to recapture the full HOME investment, then the City of Madison will recapture the net proceeds (if any). Recapture will be implemented in conformance with 24 CFR 92.25(a)(4) to ensure the affordability of units acquired with HOME funds. The City's loan portfolio is reviewed annually to determine whether each home remains the borrower's primary residence. This process is undertaken using tax assessment information and through verification sent by U.S. Postal Service requesting that households complete and return a survey that is reviewed by City staff.

CDD's full Recapture Policy is attached as **Appendix F**.

4. *Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:*

The CDD does not plan to use HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds.

5. *If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).*

Not applicable.

6. *If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).*

Not applicable.

7. *If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).*

Not applicable.

Emergency Solutions Grant (ESG)

Reference 24 CFR 91.220(l)(4)

1. *Include written standards for providing ESG assistance. (May include as attachment.)*

See **Appendix E1**, *City of Madison ESG Policies and Procedures Manual* and **Appendix E2**, *Dane County Written Standards*.

2. *If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.*

The Dane CoC is responsible for operating and overseeing a Coordinated Entry (CE) system, which is supported by the City of Madison through matching funds and participation in system design and evaluation processes. In addition, a City staff member has been co-chairing the Reimagine CE workgroup since 2022, which plans to launch new assessment and prioritization systems in the fourth quarter of 2024. The current CE system descriptions follow.

Access:

The Institute for Community Alliances (ICA) is the lead agency for the Dane CoC Coordinated Entry (CE) system. ICA receives the CoC's CE grant and establishes subcontracts or Memorandum of Understandings with other agencies that serve as access points for the CE system. Individuals seeking assistance through the Dane CoC CE can access services through several access points, including:

- The Tenant Resource Center for prevention resources.
- Emergency shelters such as The Salvation Army Women Shelter and Family shelter, Porchlight Men's shelter, The Beacon Day Resource Center, and Domestic Abuse Intervention Services.
- Street outreach programs that serve as mobile CE hubs.
- The Coordinated Entry office located at The Beacon Day Resource Center.
- The Coordinated Entry phone line.
- The CE contact form available on the Dane CoC website.

Assessment:

- Individuals seeking assistance through the coordinated entry system must have experienced literal homelessness for at least 7 days.
- The Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT) is used as the assessment tool for single adults, households with children, and transition age youth (ages 18-24).
- Formal diversion is provided by TSA (The Salvation Army) for single women and families.
- Assessors follow up with individuals every 30-45 days to assess their current need and update information.

Prioritization:

- Individuals must be experiencing Category 1 (Literally Homeless) or Category 4 (Fleeing Domestic Violence) as defined by HUD to be prioritized for assistance.
- There is a priority list for single adults and for households with minor children.

- Individuals are prioritized based on their chronic homeless status, length of time homeless (capped at 36 months), and VI-SPDAT score.
- Permanent Supportive Housing (PSH) serves individuals whose situation meets the chronic definition, have been homeless the longest, and have the highest VI-SPDAT score.
- Rapid Re-housing (RRH) serves individuals whose situation has not yet met the chronic definition.

Individuals may receive a lesser intervention than their score suggests based on available resources and other factors.

3. *Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).*

Emergency Solutions Grant (ESG) funds are combined with other federal (HOME and CDBG) and City funds as part of the homeless service-focused funding Request for Proposals (RFP) processes. After reviewing proposals and receiving feedback from the public, funding recommendations are made at the CDBG Committee and submitted to the Common Council for approval, as part of the annual operating budget process. Funded agencies then enter into contracts with the City and start providing housing/services at the beginning of the following calendar year. During 2021, a homeless services funding RFP process was held to determine the use of 2022-2025 homeless service resources. The next homeless services funding RFP process will take place during 2025 to determine the use of those resources for 2026-2029.

4. *If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.*

To ensure homeless individuals' voices are heard, Madison's Dane CoC has established a Lived Experience Council (LEC), which consists of people with personal experience of homelessness. The LEC advises the CoC Board on significant policy matters and participates in the funding process, such as serving as review team members for the State ESG. Additionally, Madison's CoC Youth Action Board (YAB) has participation from youth with lived experience and advises the board on youth-related policy matters and participates in funding review processes. Furthermore, the CoC has designated seats for appointed members of the LEC and YAB on the board. The City of Madison actively engages LEC and YAB to inform the City's policies and program designs funded with ESG.

The City of Madison also invites currently and formerly homeless individuals and families to provide feedback and participate in city planning and evaluation activities. We do this by organizing specific listening sessions or focus groups to hear their feedback for planning and evaluation purposes. In addition, the City-County Homeless Issues Committee (CCHIC) provides feedback to the City of Madison. Committee structure requires that two members are homeless or formerly homeless individuals. Overall, the City of Madison's approach ensures that people with lived experience of homelessness have meaningful input in decision-making processes that affect them, as required by 24 CFR 576.405(a).

5. *Describe performance standards for evaluating ESG.*

The CoC created a list of criteria for evaluating both ESG- and CoC-funded programs. Each agency's performance on a specific outcome is awarded a point value, determined by the CoC's Board of Directors, outside of a specific funding process. The points are totaled, and agency programs are ranked from highest to lowest. The agency is only ranked on those criteria that are applicable to its program. The score is a percentage of the number of possible points and is used by the agencies to determine which programs are funded.

The following criteria are used specifically for proposals seeking ESG funds:

- Agency is on course to spend 100% of its awarded funds by the end of the contract;

- Agency meets the HMIS data quality standards;
- Agency submits requested reports to the City in a timely manner;
- Agency meets percentage goal for participants who remain or leave for stable housing;
- Agency meets percentage goal for participants who did not enter shelter within 12 months;
- Agency meets percentage goal for participants who maintain housing at six months; and
- Agency meets percentage goal for unsheltered participants who move into housing.

DRAFT

APPENDICES

2025-2029 City of Madison CITIZEN PARTICIPATION PLAN

PURPOSE

The City of Madison's Community Development Division welcomes the participation of Madison citizens in the development, implementation, and evaluation of its HUD-funded Community Development Program ("Program"). The goal of this Plan is to outline the opportunities for Madison residents, especially low- and moderate-income residents; residents living in low- and moderate- income neighborhoods or participating institutions; businesses; and community organizations to help shape the activities of the Program. This Plan is in conformance with Section 103(a)(3) of the Housing and Community Development Act of 1974 and 24 CFR 91.105, which are the federal regulations governing citizen participation in the Consolidated Planning process. This Plan provides for and encourages public participation in the development of the Consolidated Plan, any substantial amendments to the Consolidated Plan, and the annual performance report (CAPER).

The Community Development Division ("CDD"), through its CDBG Unit, will have lead responsibility for developing and implementing the Consolidated Plan. Policy oversight will be the responsibility of the Madison Community Development Block Grant (CDBG) Committee, which is composed of two alders and seven appointed citizen members.

Since 1986, the City of Madison has actively sought the involvement of Madison citizens in its community needs assessment and planning. Community Development staff have analyzed information, trends, citizen survey and focus group responses, and input from public hearings to develop recommendations for each area. As the program progressed, the City included more public funding bodies in the process to develop a more comprehensive look at community needs. While still adhering to this comprehensive approach, CDD also uses real-time data gathered through its operation of publicly funded projects.

While the structure of CDD allows for ongoing participation of residents and groups, the Citizen Participation Plan applies to six areas that CDD's CDBG Unit oversees:

- (1) CDBG Committee meetings and regular public hearings;
- (2) the Five-Year Consolidated (Strategic) Plan;
- (3) the One-Year Annual Action Plan;
- (4) substantial amendments to the Consolidated and/or Action Plans;
- (5) the Consolidated Annual Performance and Evaluation Report (CAPER); and
- (6) amendments to the Citizen Participation Plan itself.

HUD requires that citizens have an opportunity to review and comment on the development and drafts of the aforementioned documents to allocate funding to the jurisdiction. This document outlines how Madison residents may participate in these six key areas.

CITIZEN PARTICIPATION PLAN

CDBG Committee Meetings and Public Hearings

The City has a nine-member CDBG Committee that is comprised of citizens and elected officials. The Committee discusses ongoing issues of the Program's operations, recommends funding for projects and oversees the development of all HUD projects funded through the City of Madison. Additionally, the Committee provides an

opportunity for continuous citizen and organizational participation through regular meetings and public hearings.

The Committee holds at least one meeting each month, as long as there is at least one item on the agenda and quorum is met. All Committee meetings are publicly-noticed open meetings, and are operated in a manner that permits citizen comments. These meetings follow the public meeting notice requirements outlined under the "Notifications" section of this document. The Committee maintains written and public minutes of its meetings, including associated documents such as reports or proposals, which are publicly accessible via the City's Legislative Information System (Legistar).

In addition to its monthly meetings, the Committee holds a minimum of two public hearings each year.

Generally, the hearings are held to obtain citizens' views on housing and community development needs, development of proposed activities, and review of program performance. However, the agenda for the hearings may be specifically targeted if it is a funding or consolidated planning year. The first hearing is typically held in late summer and the second hearing in late fall, although this may be subject to change based on the scheduling of other decision-making bodies' meetings, including those of the Finance Committee and Common Council. The hearings follow the requirements outlined in the "Notifications" section of this document.

CDD staff participate in community-based meetings and task forces to continuously explore and obtain feedback on issues involved in implementing a sound community development program. Staff, as well as some Committee members, are involved in such meetings with the Homeless Services Consortium of Dane County, the Third Sector Group, Home Buyers Round Table of Dane County, Neighborhood Resource Teams, and ad hoc groups like the Housing Strategy Committee. These meetings serve as important sources of information about working with members of the target population.

Development of the Five-Year Consolidated (Strategic) Plan

The Consolidated Plan is developed through a collaborative process to establish a longer-term vision for Madison's community development goals and objectives. Participation from citizens, community agencies and other interested stakeholders is an important part of the process. Individual consultations, public meetings and hearings, occasional public surveys and written comments are incorporated into the participation strategy. CDD staff make a special effort to reach out to the citizens residing in CDBG-funded or targeted neighborhoods for their ongoing input into the Consolidated Plan. Additionally, CDD encourages the participation of all residents, including Persons of Color, Limited English Proficiency populations, and persons with a disability. This section outlines the steps for public participation in the Five-Year Consolidated Plan.

Individual Consultations

Before drafting the Five-Year Plan, the City receives input from various community institutions. Many of these agencies have continuous and frequent contact with CDD, the Program and Committee. However, during the spring and summer, CDD staff meets with public and private, non-profit and for-profit agencies and community organizations to specifically discuss the Five-Year Plan. These consultations may be through individual meetings, task force or neighborhood meetings, or other means. The purpose is to gain input and data that will guide the development of the goals and objectives articulated in the Five-Year Plan.

Citizen Input: Public Hearings and 30-Day Comment Period

Citizens are encouraged to provide input into the Five-Year Plan through public hearings and the comment period. In addition to an opportunity to indicate community needs that should be reflected in the objectives of the Plan, citizens may comment on the draft Plan before it is finalized. Any comments received through public hearings or the comment period will be recorded, summarized and addressed in the final Plan.

Public Hearings: CDD holds at least two public hearings to provide an opportunity for input by Madison residents, especially residents living in low-income or in targeted neighborhoods, to the Five-Year Plan. The first hearing is held to gather information on community needs from citizens. The second hearing is to receive oral comments on the draft Consolidated Plan, prepared by CDD staff. The public hearing is advertised to citizens following the requirements outlined in the "Notifications" section of this document. The publication includes an executive summary of the Consolidated Plan that includes the contents and purpose of the Plan.

Comment Period: Citizens are given a 30-day period to submit comments on the draft Plan. The comment period starts when the draft is published, two weeks before the public hearing. It is available to citizens at various locations, including public libraries, specified neighborhood centers, the CDD website and office, along with other public gathering spots. Notification of the draft Plan and the designated locations will be published in the main newspaper and circulated electronically to numerous stakeholders and agencies that specifically seek to support Persons of Color, special needs, or targeted neighborhood populations. Additionally, CDD will provide, upon request, a reasonable number of free copies of the Plan to citizens and interested stakeholders.

Final Consolidated Plan

The Plan includes a summary of all written and oral testimony that will be considered in the final Consolidated Plan. Additionally, the Plan will provide reasons for any comments or views not accepted. The final Plan is reviewed and approved by the City's CDBG Committee, Finance Committee and Common Council. The Plan is submitted to HUD no later than 45 days after HUD announces formula grant allocation figures for Year 1 of the period covered by the Plan.

One-Year Annual Action Plan

Each year, an Annual Action Plan (AAP) and a Consolidated Annual Performance & Evaluation Report (CAPER) are submitted to HUD. The AAP outlines the funding allocations that will be used to achieve the objectives outlined in the Consolidated Plan. During the development of the AAP for the City of Madison, there is a public hearing held in conjunction with a CDBG Committee meeting. The public hearing follows the publication requirements outlined in the "Notifications" section of this document. In addition to the public hearing, the AAP is published for at least 30 days for written public comment. The final AAP is approved by the City's CDBG Committee, Finance Committee and Common Council, and is subsequently submitted to HUD no later than 45 days after HUD announces formula grant allocation figures for the program year covered by the AAP.

Substantial Amendments

The Citizen Participation Plan allows for substantial amendments to the AAP and/or Five-Year Consolidated Plan. Per federal regulations, the triggering criteria for a substantial amendment is determined by the local grantee. For the City of Madison, unless one is explicitly required or requested by HUD for another purpose, a substantial amendment only applies to the changes in the City's use of CDBG funds, from one eligible activity to another. More specifically, a substantial amendment is locally triggered by:

"Any change in the allocation or distribution of funds, activity or recipient, and the dollar amount of that change is equal to or greater than 25% of the current fiscal year federal allocation."

If there is a proposed substantial amendment to the Consolidated Plan or Action Plan, CDD staff will draft the amendment. A brief summary of the change will be published, identifying where the full document can be reviewed. Once noticed, the public may review the document for at least 30 days and provide written comment to the CDD office. During the 30-day comment period, a public hearing will be held at a CDBG Committee meeting to allow for oral citizen input. The hearing will follow the requirements outlined in the "Notifications"

section of this document. The 30-day comment period requirement may be waived or modified by HUD in certain cases when warranted, such as for special allocations of supplemental emergency grant funds.

The final amendment includes a summary of and response to all citizen comments that were received. The amendment must be approved by the City's CDBG Committee, Finance Committee and Common Council.

Consolidated Annual Performance and Evaluation Report (CAPER)

CDD encourages citizen participation and input in the Consolidated Annual Performance and Evaluation Report (CAPER). There is one public hearing on the CAPER held near the time of its submission by the City. The meeting is publicly noticed, held as part of a regularly scheduled CDBG Committee meeting, and encourages citizen comment about the Program. The hearing follows the requirements outlined in the "Notifications" section of this document.

The draft CAPER is published for at least 15 days to receive comments on the performance report before it is submitted to HUD. The final report includes a summary of and response to all citizen comments received orally or in writing. Notification of the draft CAPER will be circulated electronically to numerous stakeholders and agencies that specifically seek to support Persons of Color, special needs, or targeted neighborhood populations. The draft is available to citizens at the CDD website and disseminated through various channels including our email lists.

The final CAPER is approved by the City's CDBG Committee, Finance Committee and Common Council before it is submitted to HUD.

Substantial Amendments to the Citizen Participation Plan

If changes to the Citizen Participation Plan are necessary, the changes will be drafted by CDD staff and reviewed by the CDBG Committee. The CDBG Committee meeting held to review the changes will incorporate a public hearing to afford citizens the opportunity for oral comment. This meeting will follow the procedure outlined in the "Notifications" section of this document. After reasonable notice, the draft will also be available to the public for a minimum of 30 days for written comment. The updated Citizen Participation Plan considers all the written or oral comments received before it is adopted.

GENERAL REQUIREMENTS

Public Hearings

At least two (2) public hearings are held each year to obtain feedback and input from Madison citizens, public agencies, and other interested parties on the housing and community development needs for the City. Generally, one public hearing is held in the first quarter of the year. All public hearings before the CDBG Committee or other appropriate organizations or groups are advertised as outlined in the "Notifications" section below.

Public Meetings

All CDBG Committee and Subcommittee meetings are public and open meetings. Any open meetings must meet the requirements outlined in the "Notifications" section of this document.

Notifications

Advance notice of all public meetings and hearings is provided to residents in compliance with governing regulations.

Public notice of **open meetings** shall be given at least 24 hours prior notice and set forth the time, date, place and subject matter of the meeting as required by Madison General Ordinances. The notice, agenda and minutes of all open meetings are submitted to the City Clerk and posted on the City website. Additionally, citizens may obtain specific information pertaining to federally assisted housing and community development programs on the CDD website.

At least two weeks' notice is provided for any **public hearing**, as required by HUD. Notice is provided by posting on the City website through the City Clerk. Citizens may also view this information on the CDD website.

In addition to posting on the City website, citizens receive additional notice for public hearings related to the Consolidated Plan, Action Plan or substantial amendments. Advertisements are published in local newspapers for general circulation, and appear in English, Spanish and/or Hmong, if more appropriate. These advertisements appear for at least two weeks prior to any public hearing or comment period. The advertisements include a notice of the hearing, a summary of the relevant documents to be discussed, the process for public comment and a list of locations where relevant documents may be reviewed.

Accommodation

All public meetings and hearings are held in locations that are accessible to persons with disabilities. Upon request, translation for non-English speaking residents and/or those who are hearing impaired will be provided. These or other provisions necessary to accommodate residents may be available if requested at least five business days prior to a public hearing or meeting.

Document Access

Upon request, copies of all Plan documents are available to the public. The Consolidated Plan, Action Plan, CAPER, Citizen Participation Plan and other documents are posted on the CDD website. The public has the opportunity to review these documents while in draft form to incorporate citizen comments and contribute feedback to the final document. Citizens may also contact the CDD office to obtain a paper copy of any document made electronically available through the website. Upon request, the documents may be obtained in a form accessible to persons with disabilities.

Access to Records

Upon request, citizens, public agencies, and other interested parties will be provided reasonable and timely access to information and records relating to the Consolidated Plan, Citizen Participation Plan, performance reports, and the City's use of federal assistance awarded under grant programs.

Technical Assistance

Technical assistance may be provided to neighborhoods targeted by CDBG funds or other low-income areas that need assistance preparing funding proposals or participating in the consolidated planning process. Assistance may be limited to the extent that staff or other resources are available, or if prohibited by federal, State, County or City rules or regulations. This provision does not involve the use of City equipment, reassignment of City staff to the proposed group or project, or guarantee an award of funds.

Complaints

CDD staff is responsible for receiving and responding in writing to citizen complaints regarding any HUD-funded program or activity, including Consolidated Plan activities. Staff will provide a substantive, written response to the complainant within 15 business days, where practicable. If the response cannot be prepared within 15 business days, the complainant will be notified of the delay and the approximate date that the response will be provided.

Complaints should be addressed to:

City of Madison Community Development Division

Suite 300, Madison Municipal Building

215 Martin Luther King, Jr. Boulevard / PO Box 2627

Madison, Wisconsin 53701-2627

cdbg@cityofmadison.com

The following table lists the agencies consulted during the development of the 2025-2029 Consolidated Plan.

Describe agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities.

1	Agency/Group/Organization	Public Health Madison & Dane County
	Agency/Group/Organization Type	Health Agency Other Government - Local
	What section of the Plan was addressed by Consultation?	Lead-Based Paint Strategy Anti-Poverty Strategy Non-Housing Community Development Strategy Non-Homeless Special Needs Assessment
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with the agency as part of regular meetings of the City's Housing Strategy Team to collect comments on needs, trends and priorities for the City of Madison. Met to discuss data and the characteristics of non-homeless special needs populations and the housing and support services needed to serve the populations. Will forward Consolidated Plan to agency to continue discussion for improved performance.
2	Agency/Group/Organization	African Center for Community Development
	Agency/Group/Organization Type	Civic Leaders Services – Employment Services – Education Services - Youth Housing
	What section of the Plan was addressed by Consultation?	Anti-Poverty Strategy Non-Housing Community Development Strategy
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with the agency 09/06/2024 to collect comments on needs, trends and priorities for the City of Madison. Will forward Consolidated Plan to agency to continue discussion for improved performance.
3	Agency/Group/Organization	Neighborhood Center Directors
	Agency/Group/Organization Type	Civic Leaders
	What section of the Plan was addressed by Consultation?	Anti-poverty strategy Non-Housing Community Development Strategy
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with 15 directors of City-funded neighborhood centers on 4/22/24 to advertise the Consolidated Plan Survey and to collect their comments on needs, trends and priorities for the City of Madison. City staff continue to meet with the center directors quarterly.

4	Agency/Group/Organization	City of Madison Department of Civil Rights
	Agency/Group/Organization Type	Services - Employment Services - Fair Housing Other Government - Local
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Anti-Poverty Strategy Non-Housing Community Development Strategy Non-Homeless Special Needs Assessment
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with the agency as part of regular meetings of the City's Housing Strategy Team to collect comments on needs, trends and priorities for the City of Madison. Met with Community Connectors to discuss Citizen Participation Plan for Chinese-, Hmong-, and Spanish-speaking communities. Lastly, met with Disability Rights Coordinator to discuss needs of residents of the City of Madison who have disabilities. Will forward Consolidated Plan to agency to continue discussion for improved performance.
5	Agency/Group/Organization	MadREP – BizReady Program
	Agency/Group/Organization Type	Civic Leaders Services – Business Development
	What section of the Plan was addressed by Consultation?	Anti-Poverty Strategy Non-Housing Community Development Assets
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with the agency 9/23/24 to collect comments on needs, trends and priorities for City of Madison microenterprises and small businesses. Will forward Consolidated Plan to agency to continue discussion for improved performance.
6	Agency/Group/Organization	Madison/Dane County Continuum of Care
	Agency/Group/Organization Type	Housing Services - Homeless Other Government - Local Planning Organization
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Homelessness Strategy Anti-Poverty Strategy Non-Housing Community Development Strategy
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with the agency as part of numerous group consultations to collect comments on needs, trends and priorities for the City of Madison. Will forward Consolidated Plan to agency to continue discussion for improved performance.

7	Agency/Group/Organization	City of Madison Economic Development Division
	Agency/Group/Organization Type	Other Government - Local
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Anti-Poverty Strategy Non-Housing Community Development Strategy Economic Development Market Analysis
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with the agency as part of regular meetings of the City's Housing Strategy Team to collect comments on needs, trends and priorities for the City of Madison. Met with Office of Business Resources Manager on 8/13/2024 to discuss needs of the microenterprise community that is also part of our target low- to moderate-income demographic. Will forward Consolidated Plan to agency to continue discussion for improved performance.
8	Agency/Group/Organization	City of Madison Mayor's Office
	Agency/Group/Organization Type	Other Government - Local
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Homelessness Strategy Anti-Poverty Strategy Non-Housing Community Development Strategy
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with the agency as part of regular meetings of the City's Housing Strategy Team to collect comments on needs, trends and priorities for the City of Madison. Will forward Consolidated Plan to agency to continue discussion for improved performance.
9	Agency/Group/Organization	City of Madison Building Inspection Division
	Agency/Group/Organization Type	Other Government - Local
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Non-Housing Community Development Strategy
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with the agency as part of regular meetings of the City's Housing Strategy Team to collect comments on needs, trends and priorities for the City of Madison. Will forward Consolidated Plan to agency to continue discussion for improved performance.
10	Agency/Group/Organization	Dane County Department of Human Services: Housing Access and Affordability
	Agency/Group/Organization Type	Other Government - County
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Homelessness Strategy Anti-Poverty Strategy Non-Housing Community Development Strategy
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with the agency as part of the development and sharing of public comment received on needs, trends and priorities for the City of Madison. Will forward Consolidated Plan to agency to continue discussion for improved performance.

11	Agency/Group/Organization	City of Madison Department of Planning and Community & Economic Development
	Agency/Group/Organization Type	Other Government - Local
	What section of the Plan was addressed by Consultation?	Non-Housing Community Development Strategy
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with the agency as part of regular meetings of the City's Housing Strategy Team to collect comments on needs, trends and priorities for the City of Madison. Will forward Consolidated Plan to agency to continue discussion for improved performance.
12	Agency/Group/Organization	City of Madison Community Development Authority
	Agency/Group/Organization Type	Housing PHA Other Government - Local
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Public Housing Needs
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with the agency as part of regular meetings of the City's Housing Strategy Team to collect comments on needs, trends and priorities for the City of Madison. Will forward Consolidated Plan to agency to continue discussion for improved performance.
13	Agency/Group/Organization	Tenant Resource Center
	Agency/Group/Organization Type	Civic Leaders Housing
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Market Analysis
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with the agency as one part of numerous consultation groups on 09/05/2024 to collect comments on needs, trends and priorities for the City of Madison. This agency engages with households facing housing instability – an underrepresented demographic in the survey and public hearings that disproportionately reflects other marginalized identities (i.e., race, gender, ethnicity, citizenship status). The agency also maintains an Eviction Map that combines eviction data from court records with demographic data from the U.S. Census to provide an up-to-date, historical view of where evictions are (and aren't) happening in Dane County, Wisconsin. Will forward Consolidated Plan to agency to continue discussion for improved performance.
14	Agency/Group/Organization	Neighborhood Resource Team (NRT) Leaders
	Agency/Group/Organization Type	Civic Leaders Other Government - Local
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Non-Housing Community Development Strategy Anti-poverty strategy
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with group on 08/07/2024 as one part of numerous consultation groups to collect comments on needs, trends and priorities for the City of Madison. NRT leaders facilitate monthly meetings with neighborhoods that tend to have lower household incomes than the rest of Madison. Collected comments can be found in Appendix A . Will forward Consolidated Plan to agency to continue discussion for improved performance.

15	Agency/Group/Organization	ECCHO: Engaging Communities to Change Health Outcomes
	Agency/Group/Organization Type	Civic Leaders
	What section of the Plan was addressed by Consultation?	Anti-poverty strategy Housing Non-Housing Community Development Strategy
	How was the Agency, Group or Organization consulted, and what are the anticipated outcomes of the consultation or areas for improved coordination?	Met with group on 05/22/2024 as one part of numerous consultation groups to collect comments on needs, trends and priorities for the City of Madison. Group-collected comments can be found in Appendix A . Will continue communication with group on the Consolidated Plan as it moves forward.

Agencies, groups, organizations who participated

Strategies & Actions to Alleviate Impediments to Fair Housing Choice

Meeting our local need for affordable housing is only possible if many stakeholders work together towards common goals. While these recommendations focus on ways the City of Madison can continue to support housing initiatives, it acknowledges reliance on investment from and collaboration with private and non-profit partners. While recommendations were discussed with the specific goal to increase student housing, affordable multi-family rental and homeownership supply, some recommendations could be applicable to all three.

Sustain, and build on, the City's Affordable Housing Initiative which focuses primarily on the production and preservation of affordable rental housing by leveraging federal low-income housing tax credits.	Status	Focus
Within the structure of WHEDA's tax credit program, prioritize City Affordable Housing Fund (AHF) support to developments most responsive to areas of acute need in the Madison market – housing for households with very low incomes (30% CMI), larger (3- and 4-bedroom) units, or those that face higher barriers to housing (permanent supportive housing).	Ongoing	Rental
Steer developments to amenity-rich areas of the city – close to public transit corridors, parks, employment and retail centers, etc.	Ongoing	Rental
Strengthen efforts to acquire desirable properties and make them available for affordable housing development.	Ongoing	Rental
Use City financial support to leverage longer periods of affordability.	Ongoing	Rental
Continue efforts to support a variety of affordable housing development types and scales, acknowledging that the amount of City subsidy per home may be far greater than when leveraging federal low-income tax credits.	Status	Focus
Continue to dedicate a portion of City AHF funds for smaller scale developments.	Ongoing	Rental/ Homeowner
Prioritize efforts of mission-driven, non-profit housing developers, particularly those that serve lower-income households and/or offer longer-term, or permanent, affordability.	Ongoing	Rental
Conduct a systematic review of all City-owned properties to identify sites that might be suitable for affordable housing development, and where appropriate, make those sites available for development.	Ongoing	Rental
Use land banking funds to acquire properties suitable for a variety of development types and sizes including duplexes, fourplexes and similar small-scale projects.	Ongoing	Rental/ Homeowner
Maximize the redevelopment potential of CDA-owned public housing sites for a variety of new affordable housing options.	Ongoing	Rental
Pursue a regulatory framework that ensures high quality development outcomes without imposing unnecessary burdens on developers.	Status	Focus
Establish performance and accountability measures around review processes.	New	Rental/ Homeowner
Explore ways for the City to streamline the scheduling and review of affordable housing development proposals.	New	Rental/ Homeowner
Create pre-approved building plans for very small-scale developments that could be used by developers/property owners to help expedite the permitting process.	New	Rental/ Homeowner
Explore opportunities to improve communications and alignment between City agencies involved in the review of housing development.	Ongoing	Rental/ Homeowner

Explore and leverage partnerships with community technical colleges and trade programs to promote and encourage careers in construction trades.	Status	Focus
Advocate for State/Federal funding for technical school recruitment and training for careers in the trades	New	Rental/ Homeowner

Expand efforts to support development community in Madison and regionally.	Status	Focus
Leverage federal infrastructure funding, such as the Inflation Reduction Act (IRA), for the production, preservation, and improvement of local housing supply by aligning housing, infrastructure and climate resilience planning.	Ongoing	Rental
Technical Assistance: Beyond one-on-one technical assistance provided now, establish an annual or biennial workshop to inform new developers about opportunities to finance projects and details of the development review and permitting processes. Record all or portions of this workshop so that it can be viewed on-demand.	New	Rental/ Homeowner
Review Tax Incremental Financing (TIF) policy to more aggressively support affordable housing development	Starting	Rental
Explore policies that could relieve a portion of public infrastructure improvement costs from affordable housing developers	Starting	Rental
Consider policies to reduce the risk of pre-development costs for non-profit and BIPOC developers	New	Rental

Engage local developers, real estate professionals, residential homebuilders and community members to refine local housing supply goals.	Status	Focus
Annual Public Hearing by Housing Policy Committee, invite developers to discuss City process that relates to approval processes for plans, funding and operations to gather feedback on challenges to increasing, preserving and improving housing.	New	Rental/ Homeowner
Capacity building for new ownership models, such as co-housing	New	Homeowner
Play an active role in regional efforts to promote affordable housing development outside of Madison	Ongoing	Rental/ Homeowner
Explore what can be done to encourage “overhoused” homeowners to downsize and, in turn, free up existing housing stock in the Madison market.	New	Homeowner
Explore infill opportunities for low density residential, that results in net gain of units. Including lot sub-division, single lot re-development and allowing 2 family dwelling units or Accessible Dwelling Units.	New	Homeowner
Explore partnerships for manufactured and modular housing to be created in Madison.	New	Homeowner
Explore tools to curb the net loss of units as a result of new single-family home construction/replacements	New	Homeowner

Make a concerted effort to address current market barriers to residential condominiums	Status	Focus
Work with Wisconsin Realtors Association to revise State law affecting condominium conversions.	New	Homeowner
Advocate to WHEDA to provide financial support for condominium developments	New	Homeowner
Encourage local lenders to ease financing restrictions (pre-sale requirements) for condominium developments Explore development of a local pipeline of interested condominium buyers	New	Homeowner
Consider Affordable Housing Fund initiative for expansion of affordable owner-occupied opportunities.	Ongoing	Homeowner

PRELIMINARY STUDENT HOUSING RECOMMENDATIONS	Status	Focus
Entitlement process changes		
Speed up pre and post entitlement processes	Starting	Student
Comprehensive Plan and zoning changes by eliminating any height limits more restrictive than the State Capitol view preservation	New	Student
Comprehensive Plan and zoning changes by eliminating subjective approvals	New	Student
Prioritize new area plans; while adding more density to plans	Ongoing	Student
Prioritize new area plans; encourage City of Madison grant/small-cap TIF funding for smaller housing projects.	Ongoing	Student
Allow a developer to pay for an outside consultant to lead an amendment to an existing neighborhood plan so that higher-density housing can be approved before a new area plan is adopted	New	Student
Encourage flexibility of use in new housing developments – workforce housing (City). High priority and high feasibility. <ul style="list-style-type: none"> • Product that serves the entire market. • Focus on all populations; not just one subpopulation 	New	Student
Encourage additional comprehensive market analysis in greater downtown area, in particular rigorously identify the actual inventory of student housing.	New	Student
Identify development fees and regulations, which if altered would contribute to housing affordability.	New	Student
Encourage a comprehensive market analysis for Madison College students.	New	Student
Encourage the City of Madison to work with UW on housing education programs with students	New	Student

CONSTRAINTS

There are many other factors that impact the local housing market, some of which impede the ability to expand the supply of affordable housing. These include, for example, limitations on primary sources of funding, labor shortages, rising costs of construction and access to first mortgage financing.

FUNDING

The City's commitment of local tax dollars to affordable housing development since 2014 has done much to increase the level of development activity. The Committee recognizes that impact and encourages the City to sustain its commitment. However, these funds have been used primarily to attract and leverage other financing. Most notably, for multifamily projects, that other financing has included low-income housing tax credits (LIHTC). While a powerful resource, the availability of these

credits in any year is limited as they are allocated to projects across the state of Wisconsin. Moreover, the tax credits heavily influence the profiles of the developments including, for example, the rent levels and household incomes that are served.

LABOR

The construction and preservation of housing requires a specialized workforce. As with many parts of the country, the supply of skilled workers in the trades is declining, making it more difficult for developers to secure needed labor, and raising wage rates. The local market needs more individuals working in the construction trades. Training that workforce should be a priority.




COST OF CONSTRUCTION

One of the enduring effects of the pandemic has been the disruption in the nation's supply chains and resultant volatility in materials' costs, which have led to project delays or cancellations. While it is difficult to predict cost of materials with much precision, it is reasonable to expect that cost pressures and volatility in supply chains will persist during the next ten years. In addition, land costs in Madison have steadily increased, further exacerbating development costs and increasing financing gaps that developers turn to local, state, or federal funding sources to close.

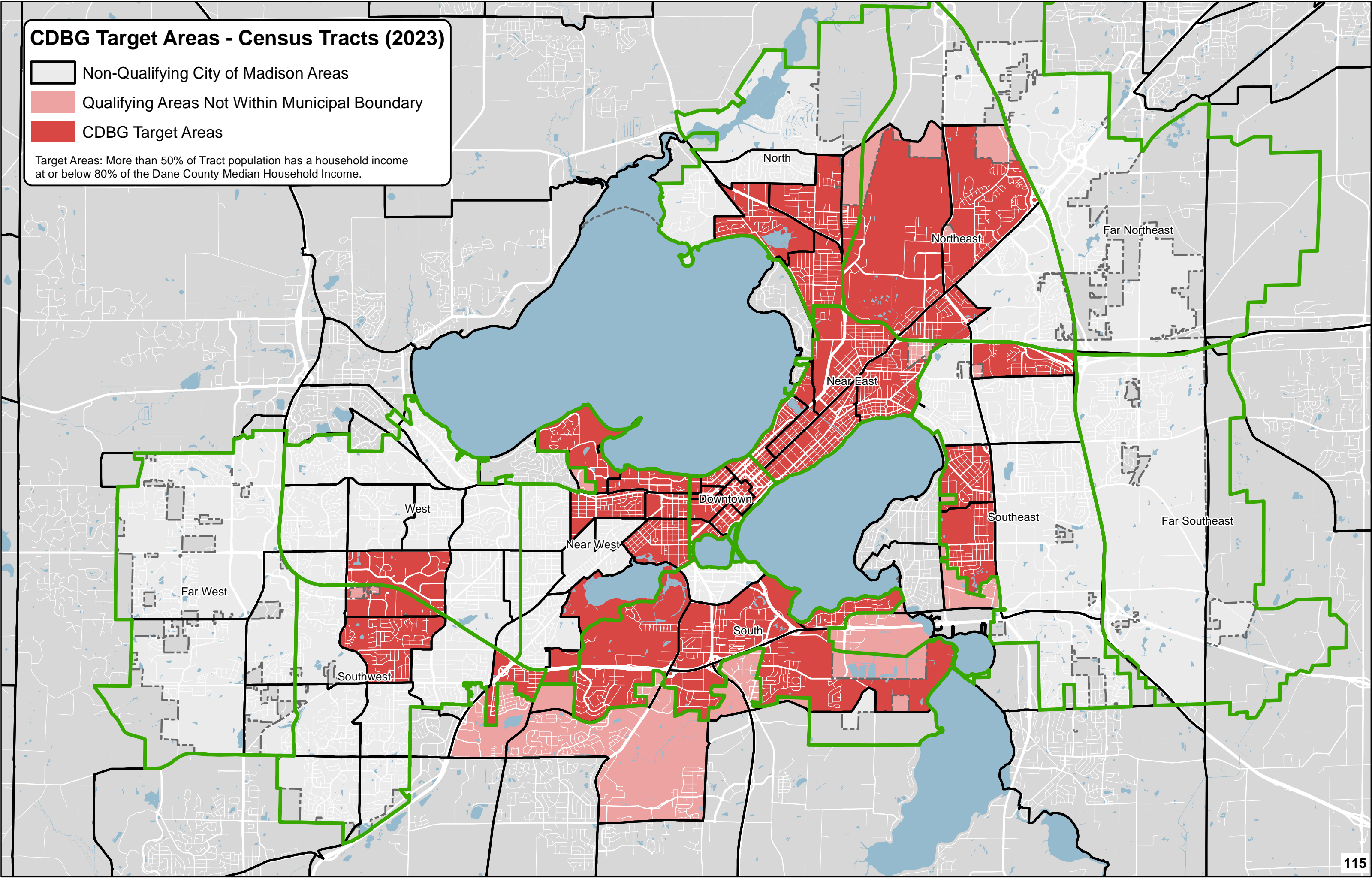
PRIVATE MORTGAGE FINANCING FOR HOUSEHOLDS EARNING LESS THAN 80% AMI:

Anyone who has purchased a home knows that the process itself can be challenging. Buyers must first determine how much mortgage financing they can secure and then find a home to suit their budget. For lower-income households that process is even more difficult. While programs like Madison's Home Buy-the American Dream can offer assistance for households with incomes below 80% AMI, it is still difficult for them to qualify for a first mortgage or to find a home that they can afford.

CDBG Target Areas - Census Tracts (2023)

-  Non-Qualifying City of Madison Areas
-  Qualifying Areas Not Within Municipal Boundary
-  CDBG Target Areas

Target Areas: More than 50% of Tract population has a household income at or below 80% of the Dane County Median Household Income.

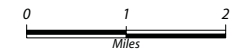
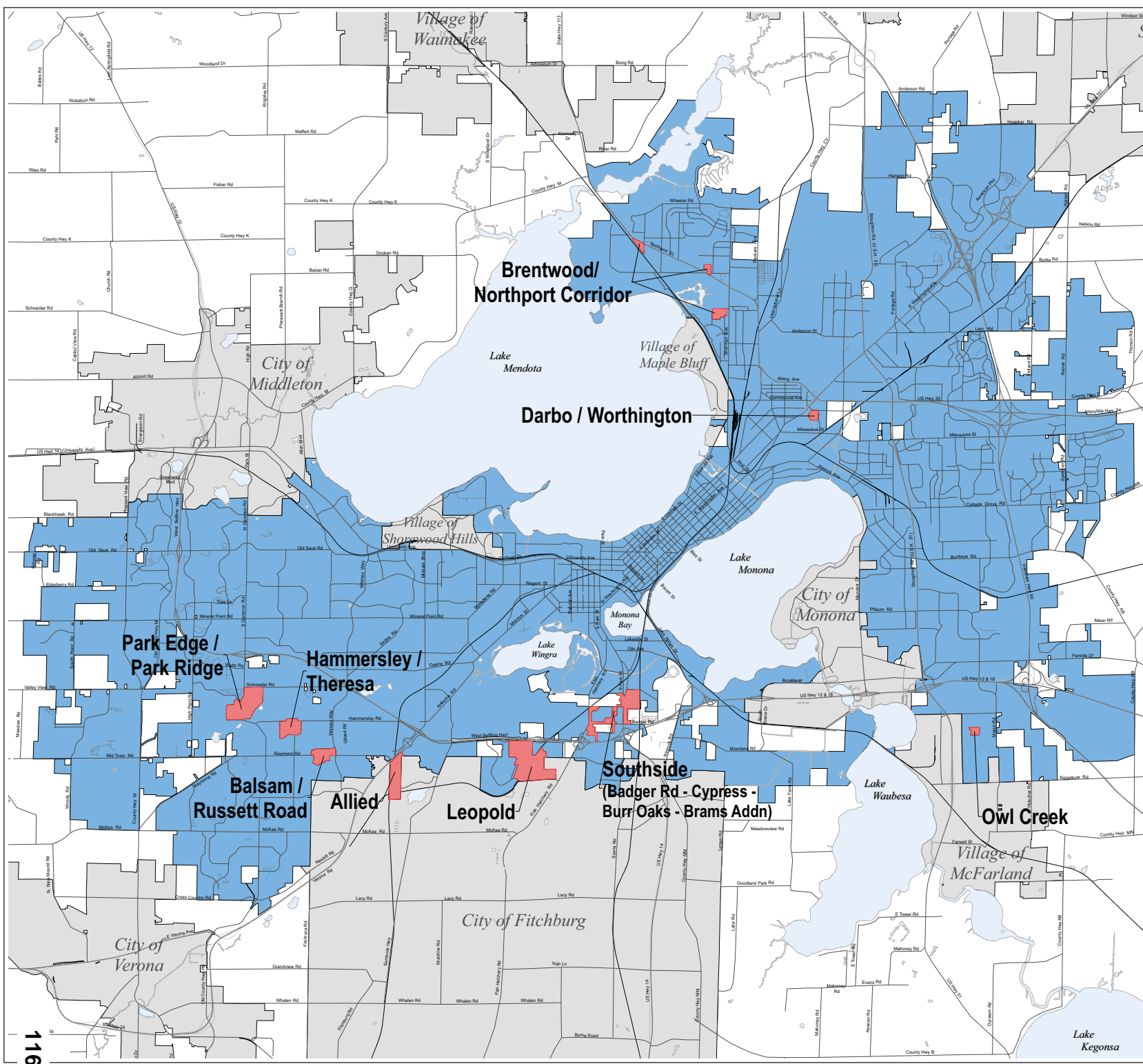


Neighborhood Resource Team Focus Areas

- NRT Focus Areas**
- City of Madison**
- Other Cities and Villages**

Neighborhood Resource Teams Allied

- Balsam / Russett**
- Brentwood / Northport Corridor**
- Darbo / Worthington**
- Hammersley / Theresa**
- Leopold**
- Owl Creek**
- Park Edge / Park Ridge**
- Southside**



City of Madison

Community Development Division



Emergency Solutions Grant (ESG) Policies and Procedures Manual

Last updated March 2022

Chapter 1: General Information

The City of Madison is a Recipient of federal Emergency Solutions Grant (ESG). The City's Community Development Division (CDD) contracts with local homeless services agencies (sub-recipients) to deliver services in the City of Madison. ESG sub-recipients are required to follow all federal requirements, policies, and procedures. Sub-recipients may only operate the types of programs that have been included in their written contract agreement with the city. In the event of a conflict between the language specified in the contract and this manual or other supporting documents, the provisions in the contract shall take precedence.

Applicable Regulations

HUD ESG Interim Rule (for ESG funds)

<https://www.govinfo.gov/content/pkg/CFR-2018-title24-vol3/xml/CFR-2018-title24-vol3-part576.xml#seqnum576.100>

Dane County CoC Written Standards

All EHH funded projects must comply with applicable sections of the local Written Standards. Submission of the applicable Written Standards Checklists will be required for this RFP. Dane County CoC Written Standards can be found on the Homeless Services Consortium of Dane County website: <https://www.danecountyhomeless.org/governance>.

Consultation with Continuum of Care

The HEARTH Act amendments to the McKinney-Vento Act contain provisions requiring coordination, collaboration, and consultation between Continuums of Care and ESG state and local government recipients. The McKinney-Vento Act requires “collaborative applicants” under the Continuum of Care program to participate in the Consolidated Plan for the geographic areas they serve and analyze patterns of use and evaluate outcomes for ESG projects in those areas. ESG recipients in turn must consult with these collaborative applicants on the allocation of ESG funds and participate in HMIS, which the collaborative applicants are required to establish.

Program Overview

ESG is federally administered by the United States Department of Housing and Urban Development (HUD). HUD awards ESG funding to the City of Madison to distribute to eligible applicants.

Program	Authorized By	Project Types
Emergency Solutions Grant (ESG)	1991 McKinney-Vento Homeless Assistance Act. Amended in 2009 by Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 200924 CFR 576	Rapid Re-Housing
		Homelessness Prevention
		Emergency Shelter
		Street Outreach
		Data Collection (HMIS)
		Administrative Costs – City of Madison Only

Chapter 2: Application Process

Eligible Applicants

Eligible applicant agencies must have current, direct experience in delivering services to people experiencing homelessness and meet the following eligibility criteria:

- Applicant agencies must be incorporated as private non-profit organizations in the State of Wisconsin and have been granted 501(c)(3) tax-exempt status by the United States Internal Revenue Service; and
- The applicant's 501(c)(3) status must be in good standing and not have been revoked in the previous calendar year; and
- The applicant, its officers, and employees are not currently debarred or suspended from doing business with the Federal Government, State of Wisconsin or a local government; and
- The applicant does not have unresolved current or past contract non-compliance, nonperformance, suspension, termination, or other adverse audit finding with one or more funders in the past five (5) years.

Request for Proposal (RFP)

CDD will issue a Request for Proposal for homeless services, including ESG funds, every four to five years. The RFP will be developed in consultation of CoC.

Environmental Review

All sub-recipients must complete either an Environmental Review Determination Exemption form or Environmental Review Questions as appropriate. Agencies are not required to complete either form if they are exclusively receiving Administration and/orHMIS funding.

- **Environmental Review Determination of Exemption Form:** Typically, sub-recipients for non-rehab emergency shelter, rapid re-housing, homelessness prevention, and streetoutreach projects will use this form to satisfy their environmental review requirements.
- **Environmental Review Questions:** Typically, sub-recipients receiving funding for emergencyshelter rehabilitation must use this form. Agencies wishing to apply for extensive emergency shelter rehabilitation costs that will change the use, size, capacity, or character of a structure must contact the ESG Program Manager for guidance prior to submitting an application.

Sub-recipient or any contractor thereof may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for an ESG funded project until HUD and/or CDD have performed an environmental review under 24 CFR part 50 and approved the property. This is necessary even if ESG funds are not used to fund the work done to the property.

Minimum Standards for Emergency Shelters

All sub-recipients receiving emergency shelter funds (not including motel voucher programs) must submit a completed Minimum Standards for Emergency Shelters form.

Match

ESG requires a one hundred percent match commitment. Matching funds are provided based on the total grant amount and do not have to be provided on a component-by-component basis. For example, if a recipient is spending \$10,000 on HMIS, they do not need to find \$10,000 in data collection funds from another source to use as match.

Match Categories

Match categories include:

- Other Non-ESG HUD Funds
- Other Federal Funds
- State Government
- Local Government
- Private Funds
- Other
- Fees
- Program Income (Returned Utility or Security Deposits)

Eligible Match Sources

- Cash contributions which are expended for ESG-allowable costs
- Noncash contributions – the value of any real property, equipment, goods, or services contributed to the ESG program, provided that, if they were to have been procured using grant funds, they would have been an allowable expense
- The value of any donated material or building received during the grant cycle. The agency may count either depreciation of the building and fair rental charges for the land for each year the building is used for the recipient's ESG program or, if the building is donated for long-term use in the recipients ESG program, the fair market value of the capital assets, as specified in 2 CFR 200.306(h)(2), (i), and (j). To qualify as a donation for long-term use, the donation must be evidenced by a recorded deed or use restriction that is effective for at least 10 years after the donation date.
- The value of any lease on a building
- Any salary paid to staff to carry out the program of the sub-recipient
- The value of the time and services contributed by volunteers to carry out the program
 - The value of volunteer time may be determined by each agency; the value must be reasonable and appropriate for the services provided
 - For services provided by a professional, the value can be the hourly rate charged by that professional
- Program income in the form of returned utility or security deposits
- Donations and/or grants

Match Requirements

- Match must be used in accordance with all requirements that apply to ESG grant funds except the expenditure limits in 24 CFR 576.100.
- If the matching funds are from another state or federal program, they must also be used in accordance with that program's requirements.

- If an agency uses City of Madison General Purpose Revenue (GPR) funds as match to its ESG allocation, all ESG rules and requirements apply to clients served with the matching funds.
- Match must be spent by the expenditure deadline which applies to the ESG funds being matched.
- HUD federal funds may not be used to match State ESG.
- Match spent on ESG may not be used to match any other federal program's funds.
- Matching funds may not be used to match more than one ESG grant.

Match Documentation

All proposed match must be documented at the time of application, and all documentation must be submitted with the application. Documentation requirements for different kinds of match are as follows:

- For funds provided by units of local or state government, churches, foundations, or the United Way which will be used to match ESG funds: copies of the funding award and/or commitment letter from these sources on their official letterhead and signed by an authorized signatory of the funding organization.
- For donated volunteer hours, donations from businesses or individuals, client rent/boarding fees, or client program service fees which will be used to match ESG funds: a letter on applicant's letterhead signed by an authorized signatory describing how the applicant will maintain records of these match sources, the total amount of the match expected to be received, and, in the case of volunteer hours, the number of hours expected to be donated.
- For the value of a donated building or any lease: documentation of the fair market value of the building or lease.
- For staff salaries: a letter on applicant's official letterhead signed by an authorized signatory describing the funding source of the salaries and the exact amount of match to be provided.

Chapter 3: Program Requirements

Written Standards

Sub-recipients of ESG funding must adhere to Dane County Continuum of Care (CoC)'s written standards for each program type (rapid re-housing, homelessness prevention, emergency shelter, and street outreach).

At a minimum, written standards must include the following:

- i. Standard policies and procedures for evaluating eligibility for assistance;
- ii. Standards for targeting and providing essential services related to street outreach;
- iii. Policies and procedures for admission, diversion, referral, and discharge by emergency shelters, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, e.g., victims of domestic violence; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;
- iv. Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter;
- v. Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers; other homeless assistance providers; and mainstream service and housing providers;
- vi. Policies and procedures for determining and prioritizing which eligible households will receive homelessness prevention assistance and which eligible households will receive rapid re-housing assistance (*must include an emergency transfer priority*);
- vii. Standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re-housing assistance;
- viii. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time; and
- ix. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive assistance; or the maximum number of times the program participant may receive assistance.

Participation of People with Lived Experience

To the maximum extent possible, sub-recipients must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted with ESG.

To the maximum extent practicable, sub-recipients must have representation of a person who is homeless or was formerly homeless on either:

- The Board of Directors; or

- An equivalent policymaking entity directly responsible for making policy for the project(s) for which funding is being requested.

Involuntary Family Separation & Nondiscrimination

All individuals or groups of individuals regardless of age, gender identification, sexual orientation, and marriage status identifying as a family at must be served as a family by any project which serves families. There can be no involuntary separation.

- (1) Any emergency shelter that serves families must serve all eligible families regardless of their gender composition – e.g. emergency shelters which serve families may not serve exclusively women and children.

There can be no documentation requirement or need for “proof” of family, gender identification, and/or sexual orientation. Examples of prohibited inquiry and documentation include but are not limited to parentage, birth certificates, and marriage certificates.

Families with children under age 18 must not be denied admission to any family shelter based on the age of any child under age 18. An example of a prohibited admission policy would be denying a family admission because there is a 16-year-old in the family.

Conflict of Interest

ESG regulations require compliance with organizational, individual, and procurement conflict of interest provisions. Sub-recipients will be required to repay any ESG funds disbursed for persons with whom there is an identified conflict of interest unless an exception is granted from HUD.

Organizational Conflicts of Interest

1. Sub-recipients must not condition ESG assistance on a participant’s acceptance of housing or emergency shelter owned by the sub-recipient or a parent or subsidiary of the sub-recipient.
2. Sub-recipients must not conduct an initial evaluation or provide homelessness prevention assistance to persons living in property owned by the sub-recipient or a parent or subsidiary of the sub-recipient.

Individual Conflicts of Interest

The individual conflict of interest regulations prohibit financial gain for self, family, or those with business ties.

1. No person who exercises responsibility over ESG funded projects or who is in a position to participate in a decision-making process or gain inside information with regard to ESG funded projects may:
 - a. Obtain a financial interest or benefit from an assisted activity
 - b. Have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity
 - c. Benefit from an assisted activity, either for themselves or for those with whom they have family or business ties, during their tenure or during the one-year period following their tenure

Individual Conflict of Interest Exception Process

Upon written request of the sub-recipient, HUD may grant an exception to the provisions above on a case-by-case basis. The most common situation where an exception is requested is when a family member of an employee needs ESG assistance (e.g., the family member of an employee experiences homelessness and applies for rapid re-housing assistance). Follow the steps below if a conflict of interest is identified when providing ESG funded assistance.

1. Submit a request for an exception in writing to CDD. The request must contain the following items:
 - a. A narrative of the situation, which must contain the name and title of the person for whom the exception is requested, and a brief description of the person's position as it relates to the HUD-assisted project or contract award. The narrative must also address all applicable factors below.
 - i. Whether the person is a member of a group or class of persons intended to be the beneficiaries of the HUD-assisted activity, and if so, whether the exception would permit the person to receive generally the same interests or benefits being made available or provided to the group or class.
 - ii. Whether the affected person has withdrawn from his or her functions or responsibilities or the decision-making process with respect to the specific assisted activity in question.
 - iii. If the agency requesting an exemption is a government, they must also provide an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made.
 - iv. Any other relevant considerations.
2. CDD will review the request for exception based on the above factors and any other applicable information. In determining whether to grant the requested exception, CDD shall consider whether an exception will serve to further the purposes of the ESG program and the effective and efficient administration of the organization's project. If the request is deemed appropriate, CDD will seek a legal opinion from the City of Madison Attorney's Office stating whether there would be a violation of local, state, or federal law if the exception were granted.
 - a. If the legal opinion obtained from City of Madison Attorney's Office is not favorable to the request, no exception will be granted.
 - b. If the legal opinion obtained from City of Madison Attorney's Office is favorable to the request, CDD will send a recommendation, along with the original request, seeking HUD's determination.
3. When HUD responds to the request for an exception, CDD will notify the sub-recipient of the decision. At any point, CDD reserves the right to refuse a request for an exception. If this occurs, a written response will be provided.

Procurement Conflicts of Interest

In the procurement of property and services, the conflict-of-interest provisions at 24 CFR 85.36 and 24 CFR 84.42 apply. These regulations require sub-recipients to maintain written standards governing the performance of their employees engaged in administering contracts.

Confidentiality

Sub-recipients must develop and implement written confidentiality procedures to ensure:

1. All records containing personally identifying information of any person or family who applies for and/or receives ESG assistance will be kept secure and confidential.
2. The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public except with written authorization of the person responsible for the operation of the shelter.
3. The address or location of any housing of a program participant will not be made public except as provided under a preexisting privacy policy of sub-recipient and consistent with all applicable state and local laws regarding privacy and obligations of confidentiality.
4. Sub-recipients must develop and implement procedures to ensure the confidentiality of records pertaining to any person provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

Violence Against Women Act (VAWA)

VAWA prohibits denial or termination of assistance or eviction solely because a person is a victim of domestic violence, dating violence, sexual assault, or stalking. This protection applies to all eligibility and termination decisions that are made with respect to ESG rental assistance.

Sub-recipients that determine eligibility for or administers ESG rental assistance are responsible for ensuring that a notice of VAWA protections (HUD forms 5380 and 5382) are provided to each applicant for ESG rental assistance and each program participant receiving ESG rental assistance at each of the following times:

- (1) When an individual or family is denied ESG rental assistance
- (2) When a program participant begins receiving ESG rental assistance
- (3) When a program participant is notified of termination of ESG rental assistance
- (4) When a program participant receives notification of eviction

The VAWA Lease Addendum (HUD form 91067) must also be included with every lease.

Emergency Transfer Plan

Sub-recipients must develop and implement an emergency transfer plan compliant with 24 CFR 5.2005(e).

Coordinated Entry

Each HUD COC is required to develop and operate a coordinated entry system. ESG sub-recipients must participate in coordinated entry for Dane County CoC. Program participation in coordinated entry will be reviewed during annual monitoring. Victim service providers may choose not to use the CoC's coordinated assessment system.

Coordinated entry refers to a single place or process for people to access homelessness prevention, housing, and related services within a given CoC. It includes the following core components:

- Information so people will know where or how to access coordinated entry.
- A place or way to request assistance, such as a walk-in center or a 2-1-1 call center.
- A screening and assessment process and tools to gather information about the person, their housing and service needs, and program eligibility and priority.
- Information about programs and agencies which provide housing or services.
- A process and tools for referral to appropriate programs or agencies.

Faith-Based Activities

All ESG-funded activities must be administered in a manner that is free from religious influences and in accordance with the following principles.

- Sub-recipients must not discriminate against any employee or applicant for employment and must not limit employment or give preference in employment to persons on the basis of religion.
- Sub-recipients must not discriminate against any person applying for shelter or services and must not limit shelter or services or give preference to persons on the basis of religion.
- Sub-recipients must provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing and exert no other religious influence in the provision of programs or services funded under ESG.
 - If a sub-recipient conducts these activities, the activities must be offered separately in time or location from the programs or services funded under ESG, and participation must be voluntary for ESG program participants.

Recordkeeping and Retention

Sub-recipients must have written policies and procedures in place to ensure all recordkeeping requirements are met. CDD must also maintain a copy of any executed contract with any sub-recipient which relates to project activities funded under their ESG contract.

Program and financial records for sub-recipients must be maintained for a minimum of five years after the final expenditure under their ESG contract. Emergency shelter conversion records must be maintained for a minimum of ten years from initial obligation if the costs are greater than 75% of the post-conversion value.

Participation in HMIS, HIC, PIT

Homeless Management Information System (HMIS)

All sub-recipients must participate in HMIS and comply with participation requirements.

Victim service providers cannot participate in HMIS and Legal Services Organizations may choose to not participate in HMIS. Providers which do not participate in HMIS must use a comparable database that produces unduplicated, aggregate reports. The comparable database

must be capable of producing all ESG-required reports.

Housing Inventory Chart

Each COC must complete a census for the fourth Wednesday of the month for all emergency shelters (including motel voucher programs), rapid re-housing programs, permanent housing, safe haven, and transitional housing programs. This information is reported on the Housing Inventory Chart (HIC) maintained by the HUD CoCs. The data is required of all agencies with the above-referenced program types regardless of whether they participate in HMIS or a comparable system.

Point-in-Time

All sub-recipients receiving ESG funds must actively participate in the overnight Point-in-Time (PIT) unsheltered count conducted CoC wide during the last ten days of January.

Participation in Continuum of Care

Sup-recipients must participate in Dane County CoC. Participation can take many forms, including:

- Attend CoC membership meetings
- Participate in a CoC committee
- Participate in advocacy efforts organized by the CoC
- Use CoC data when talking about homelessness in your community
- Attend CoC sponsored training
- Participate in coordinated entry

Monitoring and Enforcement

Purpose for Monitoring

HUD requires that ESG recipients should establish policies and procedures for monitoring sub-recipients and ensuring that ESG requirements are being implemented appropriately. Monitoring provides information to assure that recipients are using ESG funds efficiently and effectively in accordance with federal law, HUD federal guidelines and standards established by the CoC. Monitoring is also used to provide assistance on performance and technical areas in the delivery of services to the homeless population in their communities.

Definitions

Concern - A deficiency in program performance not based on a statutory, regulatory or other program requirement. Sanctions or corrective actions are not authorized for concerns. However, CDD will bring the concern to the agency's attention and, if appropriate, may *recommend* (but cannot require) actions to address concerns and/or provide technical assistance.

Finding - A deficiency in program performance based on a statutory, regulatory or program requirement for which sanctions or other corrective actions are authorized.

On-site monitoring - Monitoring that is conducted at the agency location. This monitoring includes review of forms and supporting documentation along with staff interviews. Unit inspections and participant interviews are also conducted during an on-site monitoring.

Desk monitoring – Monitoring that is conducted remotely, typically at the office of the Monitoring and Compliance Coordinator. All forms and supporting documentation will be submitted via electronic mail, or postal service if requested.

Approach to Monitoring

The monitoring process is intended to provide guidance and assistance along with observing progress and quality of services. The monitoring process should have open communication and on-going evaluation to make the process successful.

The overriding goal of monitoring is to determine compliance, prevent/identify deficiencies and design corrective actions to improve or reinforce project performance. We also want to acknowledge the efforts and good practices that agencies have and share with other agencies in the City to increase success for all agencies and communities in the continuum.

Monitoring Timeline

It is the intent of CDD to conduct monitoring for every agency that has an ESG funded project at least every other year.

This does not preclude a monitoring to be triggered to occur more frequently. In the event CDD has reason to believe a monitoring should occur sooner than the two year cycle, monitoring staff will give notice to that agency. Events that would lead to a monitoring include: complaints or grievances filed with CDD or CoC regarding ESG funded project, poor system performance measures, annual funds being relinquished to HUD or any reason to believe there is misuse of federal funds. CDD will communicate with the agency the concerns leading up to the monitoring and the monitoring could be focused on those activities and/or area(s) of concern or could lead to a full monitoring.

When a monitoring will occur, the WI BOSCOG will issue a notice to the agency at least 30 days prior. The notice will be addressed to the Executive Director and will also include the Program Manager and sent via electronic mail. The notice and monitoring packet are sent to the agency in order to prepare for the monitoring. The agency is responsible to submit all required documents based on the following timeline:

- On-site Monitoring - The WI BOS Monitoring Form must be submitted to the Monitoring and Compliance Coordinator no later than seven (7) days prior to an on-site visit. All supporting documents need to be prepared and ready at the start of the on-site monitoring. Unless requested, supporting documents should not be submitted via electronic mail. In the event that an agency has multiple COC projects being monitored, a monitoring form MUST be filled out for each project as each project is monitored separately. Any documents submitted after the deadline will result in a finding.
- Desk Monitoring – All documents, including supporting documentation must be submitted by the timeline indicated in the monitoring notice. Submission can occur through electronic mail or by postal mail. Please note that postal mail must be post-marked by the due date in the monitoring notice.

On the day of the on-site monitoring, all paperwork must be prepared and presented to the Monitoring and Compliance Coordinator upon their arrival. If all paperwork is not presented, this will result in a finding. All documents should be labeled and presented in the order asked on the monitoring form.

During the monitoring program staff should be available to answer questions. Program staff includes: program directors, case managers and any direct line staff. Staff from the finance department should also be available to answer additional questions that may arise during review of the financial portion of the monitoring. On-site monitoring will also include unit visits as well as meeting with project participants.

Notification of Monitoring

CDD will monitor the performance of ESG sub-recipients at least every other year. In conducting performance reviews, information will be obtained from the records and reports from onsite or desk monitoring, audit reports, and information from HMIS. Monitoring reviews to determine compliance with specific program requirements will be conducted as necessary.

Components of a Monitoring

During CDD's sub-recipient monitoring, several different components may be reviewed, including:

- Personnel policies and procedures, such as conflict of interest and confidentiality policies
- Fiscal policies and procedures, including those related to the value of volunteer time
- Funding-specific requirements, such as homeless participation
- Client files
- Backup documentation (e.g. invoices, timesheet, payroll reports) supporting reimbursement requests
- Performance
- Participation in HMIS or HMIS-comparable database
- Compliance with coordinated entry and CoC written standards
- Participation in the January Point-in-Time (PIT) count
- Completion of monthly Housing Inventory Chart (HIC) report
- Compliance with the ESG CAPER

Expectations for CDD

CDD is expected of the following in addition to those listed above:

- Issue agreements or contracts with each sub-recipient laying out expectations regarding matters such as the use of grant funds, monitoring expectations, payment requests, and eligible activities
- Collect and review invoices from sub-recipients to ensure proper payment requests
 - Backup documentation should be collected at least once per grant cycle to ensure proper usage of funds

- Ensure timely payment disbursement to sub-recipients
 - Sub-recipients must be reimbursed within 21 days of submitting an invoice with no issues
- Ensure that each sub-recipient meets HMIS compliance standards, if applicable
- Ensure that information such as new rules or income/rent limits is promptly passed along to sub-recipients
- Facilitate communication for sub-recipients
- Ensure that the process for allocating ESG funds locally is fair and transparent

Expectations for Sub-Recipients

Sub-recipients of ESG are expected of the following:

- Comply with all funding requirements
- Submit invoices and reports on a timely basis
- Undergo and complete a monitoring review as requested
- Notify CDD of any concerns related to the performance
- Ensure all funds are spent in an appropriate manner within the agreed-upon budget
- Request budget adjustments to CDD as needed to fully spend out all funds
- Meet all HMIS compliance standards, if applicable

Chapter 4: Project Types

Rapid Re-housing

Rapid re-housing assistance aims to help homeless households move as quickly as possible into permanent housing and achieve stability in that housing through a combination of rental assistance and supportive services. Funds used to provide rapid re-housing assistance must be used to provide assistance in permanent housing. Living in a motel or hotel is not considered to be permanent housing and therefore is not an eligible expense under this program.

Overview of Eligible Activities

- a) **Housing Payments** (short-term and medium-term rental assistance, *24 CFR §576.106*):
 - a. Rental *application fees* which are charged by the owner to all applicants
 - b. *Security deposits* which are equal to no more than two months' rent
 - c. *Rent payments*: Short- (up to 3 months) and medium-term (4-24 months) rental assistance. The total length of assistance may not exceed 24 months during any 3-year period, including any payment of arrearages
 - d. *Utility deposits and payments* (gas, electric, water, sewer)
 - i. Utility deposits are only eligible if they are required by the utility company for all customers
 - ii. Utility payment assistance can be provided for up to 24 months, including up to 6 months for payments in arrears
 - e. *Moving costs* (e.g. truck rental, moving company, up to 3 months of storage)
 - i. The payment of temporary storage fees in arrears is an ineligible expense
 - f. *Arrearages*: A one-time payment of up to 6 months of rent in arrears, including any late fees on those arrears, provided this assistance will allow the client to retain their current permanent housing or to obtain new permanent housing
- b) **Housing Services** (housing relocation and stabilization services, *24 CFR §576.105*):
 - a. *Housing search and placement* necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing.
 - b. *Housing stability case management* to pay the cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing.
 - i. *Note for ESG funds*: Housing stability case management assistance may not exceed 30 days during the period in which the program participant is seeking permanent housing and may not exceed 24 months during the period in which the client is living in permanent housing. If it takes longer than 30 days to locate permanent housing, continued case management must be charged to street outreach or emergency shelter case management, depending upon where the client is residing
 - c. *Mediation* between the program participant and the owner or persons(s) with whom the participant is living, providing that the mediation is necessary to prevent the participant from losing permanent housing in which they currently reside.

- d. *Legal services* as set forth in subsection 576.102 (a) (1) (vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem which prohibits the program participant from obtaining or maintaining permanent housing.
 - i. Note: Retainer fee arrangements and contingency fee arrangements, as well as legal services for immigration and citizenship matters and issues relating to mortgages, are ineligible costs.

Note: the combination of rent payments and arrearages assistance may not exceed 24 months in a three-year period. No financial assistance may be provided to a household for a purpose and time period supported by another public source.

Agencies may tailor their rapid re-housing rental assistance by specifying in their written standards:

- The maximum amount or percentage of rental assistance that a program participant may receive.
- The maximum number of months that a program participant may receive rental assistance (not to exceed 24 months in a three-year period).
- The maximum number of times that a program participant may receive rental assistance.
- The extent to which a program participant must share the cost of rent.

Homelessness Prevention

Homelessness prevention programs include housing relocation and stabilization services and rental assistance as necessary to prevent households from moving to an emergency shelter, a place not meant for human habitation, or another place described in paragraph (1) of the homeless definition.

The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in their current housing or move into other permanent housing and achieve stability in that housing.

Funds used to provide homelessness prevention assistance must be used to provide assistance in permanent housing. Living in a motel or hotel is not considered to be permanent housing and therefore is not an eligible expense under this program.

Overview of Eligible Activities

- a) **Housing Payments** (short-term and medium-term rental assistance, 24 CFR §576.106):
 - a. *Rental application fees* which are charged by the owner to all applicants
 - b. *Security deposits* which are equal to no more than two months' rent
 - c. *Rent payments*: Short- (up to 3 months) and medium-term (4-24 months) rental assistance. The total length of assistance may not exceed 24 months during any 3-year period, including any payment of arrearages.
 - d. *Utility deposits and payments* (gas, electric, water, sewer)
 - i. Utility deposits are only eligible if they are required by the utility company for all customers.
 - ii. Utility payment assistance can be provided for up to 24 months, including up to 6 months for payments in arrears
 - e. *Moving costs* (e.g. truck rental, moving company, up to 3 months of storage)

- i. The payment of temporary storage fees in arrears is ineligible.
 - f. *Arrearages*: A one-time payment of up to 6 months of rent in arrears, including any late fees on those arrears, provided this assistance will allow the client to retain their current permanent housing or to obtain new permanent housing.
- b) **Housing Services** (housing relocation and stabilization services, 24 CFR §576.105):
 - a. *Housing search and placement* necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing.
 - b. *Housing stability case management* to pay the cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing.
 - c. *Mediation* between the program participant and the owner or persons(s) with whom the participant is living, providing that the mediation is necessary to prevent the participant from losing permanent housing in which they currently reside.
 - e. *Legal services* as set forth in subsection 576.102 (a) (1) (vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem which prohibits the program participant from obtaining or maintaining permanent housing.
 - i. Note: Retainer fee arrangements and contingency fee arrangements, as well as legal services for immigration and citizenship matters and issues relating to mortgages, are ineligible costs.

Note: the combination of rent payments and arrearages assistance may not exceed 24 months in a three-year period. No ESG financial assistance may be provided to a household for a purpose and time period supported by another public source.

Street Outreach

ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless households; connecting them with emergency shelter, housing, or critical services; and providing urgent non-facility-based care to unsheltered homeless households who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.

Overview of Eligible Activities

- a) *Engagement*. The costs to locate, identify, and build relationships with unsheltered homeless people and engage them for the purposes of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs.
- b) *Case Management*. Includes the costs of assessing housing and service needs; arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participants.
- c) *Emergency Health Services*: Includes costs for direct outpatient treatment of medical conditions provided by licensed medical professionals operating in community-based settings. Funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.

- d) *Emergency Mental Health Services*: Includes costs for direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings. Funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the community.
- e) *Transportation*: Includes transportation costs of outreach workers, social workers, medical professionals, or other service providers provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible.

Emergency Shelter

Emergency shelter is defined as any appropriate facility that has the primary use of providing temporary or transitional shelter for the homeless in general or for specific populations of the homeless and the use of which does not require occupants to sign leases or occupancy agreements. ESG funds may be used to provide essential services to persons in emergency shelters, renovating buildings to be used as emergency shelters, and operating emergency shelters. Staff costs related to carrying out emergency shelter activities are also eligible.

Overview of Eligible Activities

- a) **Essential Services:**
 - a. *Case Management*: The cost of assessing, arranging, coordinating and monitoring the delivery of individualized services to meet the needs of the program participant.
 - b. *Child Care*: The cost of childcare for program participants is eligible. Children must be under the age of 13 unless they have a disability. Children with a disability must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates.
 - c. *Education Services*: When necessary for program participants to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible.
 - d. *Employment Assistance and Job Training*: The costs of employment assistance and job training programs are eligible.
 - e. *Outpatient Health Services*: Costs for direct outpatient treatment of medical conditions provided by licensed medical professionals. Funds may be used for these services only to the extent that other appropriate health services are unavailable within a community.
 - f. *Legal services* as set forth in subsection 576.102 (a) (1) (vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem which prohibits the program participant from obtaining or maintaining permanent housing.
 - g. *Life Skills Training*: Costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance abuse, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community.
 - h. *Mental Health Services*: Costs include direct outpatient treatment provided by licensed professionals of mental health conditions. Funds may only be used for

these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.

- i. *Substance Abuse Treatment Service*: Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. Funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within a community. Note: Inpatient detoxification and other inpatient drug or alcohol treatments are ineligible.
- j. *Transportation*: Costs consist of the transportation costs of a program participant's travel to and from medical care, employment, childcare, or other eligible essential services facilities.

b) Shelter Operations

- a. *Rent*
- b. *Security*
- c. *Insurance*
- d. *Utilities*
- e. *Food*
- f. *Furnishings & Supplies*
- g. *Maintenance*, including minor or routine repairs

Motel Vouchers

Where no appropriate emergency shelter is available for a homeless individual or family, eligible costs may include a hotel or motel voucher.

Renovation

For costs of rehabilitation, conversion or renovation to be eligible for payment with ESG funds, the building must be used for an emergency shelter for homeless families/individuals. A government entity or private non-profit organization must own the emergency shelter building before and after the renovation or rehabilitation. Buildings renovated with ESG funds as a shelter for homeless people are required to function as a shelter for a minimum period of time, depending on the type of renovation and the value of the building. See the table below. An agency may not rehabilitate, convert, or renovate a shelter or prospective shelter until HUD has performed an environmental review under 24 CFR part 50 and the agency has received HUD approval to continue. Please contact the ESG Program Manager if your program is considering this option.

Eligible costs include labor; materials; tools; and other costs for renovation, including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter.

Minimum Period of Use (*Regulatory Citation: 24 CFR § 576.102(i) Major rehabilitation*)

Rehabilitation and Renovation Minimum Period of Use		
	Use Requirement	Determining Criteria
Major Rehabilitation	10 years*	Rehab costs exceed 75% of the value of the building before rehabilitation.

Conversion	10 years*	Conversion costs exceed 75% of the value of the building after conversion.
Renovation, including rehab and conversion costs that do not meet 10 Year criteria.	3 years	Renovation costs are 75% or less of the value of the building before renovation.
*Recorded deed or use restriction required.		

Homelessness Management Information Systems (HMIS)

The HEARTH Act makes HMIS participation a statutory requirement for ESG-funded service providers. If the agency is a Victim Services Provider or Legal Services Provider, ESG funds may be used to establish and operate a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.

Eligible Costs:

- a) Equipment & software
- b) Training & overhead
- c) HMIS participation fees
- d) Staffing

Activities funded under this section must comply with HUD’s standards on participation, data collection, and reporting under HMIS.

Chapter 5: Client File Requirements

The requirements in this section must be followed and documented in client files.

Client Eligibility

Each client file must contain documentation that the household provided with assistance meets the eligibility requirements for the project type for which they are applying. For Rapid Re-Housing and Homelessness Prevention programs, verifications of homelessness and income verifications should be accompanied by third-party documentation. Self-certification of homelessness is sufficient for Street Outreach and Emergency Shelter services.

Component	Eligible Categories
Street Outreach	<ul style="list-style-type: none"> • Category 1 homeless – Literally Homeless • Must be living on the streets (or other places not meant for human habitation) and be unwilling or unable to access services in emergency shelter
Emergency Shelter	<ul style="list-style-type: none"> • Category 1 homeless – Literally Homeless • Category 2 homeless – Imminent Risk of Homeless • Category 3 homeless – Homeless Under Other Federal Statues • Category 4 homeless – Fleeing/Attempting to Flee Domestic Violence
Homelessness Prevention	<ul style="list-style-type: none"> • Category 2 homeless – Imminent Risk of Homeless • Category 3 homeless – Homeless Under Other Federal Statues • Category 4 homeless – Fleeing/Attempting to Flee Domestic Violence • At-Risk of Homelessness • Must have an annual income below 30% (ESG) or 60% (HPP) of county median income for the area at program entry
Rapid Re-Housing	<ul style="list-style-type: none"> • Category 1 homeless – Literally Homeless

Additional Requirements

- Funds cannot be targeted to clients from a specific agency.
- Assistance is limited to clients who meet the appropriate part of the homeless definition at program entry and where there is documentation of their homelessness.
- In the absence of source documentation or third-party documentation for rapid re-housing and homelessness prevention programs, the agency must certify that efforts were made to obtain the documentation.

Homeless Definitions	
Category 1: Literally Homeless	Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: (1) Has a primary nighttime residence that is a public or private place not meant for human habitation; OR (2) Is living in a shelter designated to provide temporary living arrangements (including transitional housing and hotels/motels paid for by charitable or government organizations); OR (3) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
Category 2: Imminent Risk of Homelessness	Individual or family who will imminently lose their primary nighttime residence, provided that: (1) Primary residence will be lost within 14 days of the date of application for assistance; (2) No subsequent residence has been identified; AND (3) Household lacks the resources or support networks needed to obtain other permanent housing.
Category 3: Homeless under other Federal Statutes	Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who: (1) Are defined as homeless under one of the following: i. Section 387 of the Runaway and Homeless Youth Act; ii. Section 637 of the Head Start Act; iii. Section 41403 of the Violence Against Women Act of 1994; iv. Section 330(h) of the Public Health Service Act; v. Section 3 of the Food and Nutrition Act of 2008; vi. Section 17(b) of the Child Nutrition Act of 1966; vii. Section 725 of the McKinney-Vento Homeless Assistance Act; (2) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the assistance application; (3) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; AND (4) Can be expected to continue in such status for an extended period of time due to special needs or barriers
Category 4: Fleeing/Attempting to Flee Domestic Violence	Any individual or family who: (1) Is fleeing, or is attempting to flee, domestic violence; (2) Has no other residence; AND (3) Lacks the resources or support networks to obtain other permanent housing

At-Risk of Homelessness Definition

- | |
|--|
| <p>(1) An individual or family who:</p> <ul style="list-style-type: none">i. Has an annual income below 30% of median family income for the area; andii. Does not have sufficient resources or support networks immediately available to prevent them from becoming homeless; ANDiii. Meets one of the following conditions:<ul style="list-style-type: none">i) Has moved due to economic reasons 2 or more times during the 60 days immediately preceding the application for assistanceii) Is living in the home of another because of economic hardship;iii) Has been notified in writing that their current living situation will be terminated within 21 days;iv) Lives in a hotel/motel and is self-paying;v) Lives in a housing unit in which more than 1.5 persons reside per room;vi) Is exiting a publicly funded institution or system of care (such as a health-care facility, foster care, or correction institution); ORvii) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness. |
| <p>(2) A child or youth who qualifies as “homeless” under one of the following:</p> <ul style="list-style-type: none">i. Section 387(3) of the Runaway and Homeless Youth Actii. Section 637(11) of the Head Start Actiii. Section 41403(6) of the Violence Against Women Act of 1994iv. Section 330(h)(5)(A) of the Public Health Service Actv. Section 3(m) of the Food and Nutrition Act of 2008vi. Section 17(b)(15) of the Child Nutrition Act of 1966 |
| <p>(3) A child youth who qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) of that child or youth living with her or him</p> |

Homelessness Documentation Requirements	
Category 1: Literally Homeless	<ul style="list-style-type: none"> • Written observation by outreach worker or written referral by another service provider; <u>OR</u> • Self-certification by individual or head of household seeking assistance; <u>OR</u> • For individuals exiting an institution – one of the above <u>AND</u>: <ul style="list-style-type: none"> ○ Discharge paperwork <u>or</u> written/oral referral <u>OR</u> ○ Written record of intake worker’s due diligence to obtain above evidence <u>and</u> certification by individual that they exited institution.
Category 2: Imminent Risk of Homelessness	<ul style="list-style-type: none"> • A court order resulting from an eviction notice notifying the individual or family that they must leave; <u>OR</u> • For individuals and families leaving a hotel/motel – evidence they lack the financial resources to stay; <u>OR</u> • A documented and verified oral statement. <u>AND</u> • Certification that no subsequent residence has been identified and self-certification that the individual lacks the financial resources and support necessary to obtain permanent housing
Category 3: Homeless under other Federal Statutes	<ul style="list-style-type: none"> • Certification by a nonprofit or state/local government that the individual or head of household seeking assistance met the criteria of homelessness under another federal statute <u>AND</u> • Certification of no permanent housing in last 60 days <u>AND</u> • Certification by the individual or head of household and any available supporting documentation that (s)he has moved two or more times in the past 60 days <u>AND</u> • Documentation of special needs <u>or</u> 2+ barriers
Category 4: Fleeing/Attempting to Flee Domestic Violence	<ul style="list-style-type: none"> • Statement by the individual or head of household seeking assistance stating: <ul style="list-style-type: none"> ○ They are fleeing; ○ No subsequent residence has been identified; <u>AND</u> ○ They lack the financial resources and support networks to obtain other permanent housing. • Statement must be documented by a self-certification or a certification by an intake worker.
At-Risk of Homelessness	<ul style="list-style-type: none"> • Self-certification or other written documentation that the individual lacks the financial resources and support necessary to obtain permanent housing <u>AND</u> • Documentation of one of the eligibility conditions <u>OR</u> • Certification by a nonprofit or state/local government that the individual or head of household seeking assistance met the criteria of homelessness under another federal statute

Evaluation of Need and Case Management

Any household provided with assistance must have at least an initial consultation with a case manager or other authorized representative who can determine the appropriate type of assistance to meet their needs. Any household provided with assistance for Homelessness Prevention or Rapid Re-Housing must comply with re-evaluation and case management requirements.

Initial Evaluation

- There must be an initial evaluation of all applicants to determine:
 - Eligibility for ESG assistance
 - Amount and type of assistance necessary for the household to regain stability in permanent housing

Homelessness Prevention and Rapid Re-housing

Re-Evaluations

- Re-evaluations are required for program participants receiving:
 - Homeless Prevention assistance (not less than once every 3 months)
 - Rapid Re-Housing assistance (not less than once per year)
- Re-evaluations are required to determine:
 - Program participants' continued eligibility for assistance
 - The amount and type of assistance needed by a household to retain stability in permanent housing
- To continue to be eligible for Rapid Re-Housing or Homelessness Prevention assistance, a household must:
 - Have an annual income at or below 30% of CMI
 - Lack sufficient resources and support networks to retain housing without ESG assistance

Case Management

- ESG-funded case management must comply with the applicable written standards and coordinated entry system.
- Program participants receiving ESG-funded case management must have contact with a case manager at least once a month.
- For program participants receiving ESG-funded case management, there must be a plan to assist the program participant in retaining permanent housing after the assistance ends.

Coordination with Homeless Services and Mainstream Resources

Sub-recipients must assist homeless individuals in obtaining permanent housing, appropriate supportive services, and other Federal, state, local, and private assistance available for such persons.

Sub-recipients should coordinate ESG-funded activities with other programs targeted to serving homeless households.

Habitability

The ESG Program establishes different habitability standards for emergency shelters and for permanent housing (rapid re-housing and homelessness prevention components). Sub-recipients must document compliance with the applicable standards.

1. Emergency Shelter Standards
 - a. Emergency shelters which receive ESG funds for renovation or shelter operations must meet the minimum standards for safety, sanitation, and privacy provided in §576.403(b)
 - b. In addition, emergency shelters which receive ESG funds for renovation (conversion, major rehabilitation, or other renovation) also must meet state or local government safety and sanitation standards, as applicable
2. Permanent Housing Standards.
 - a. Sub-recipient cannot use ESG funds to help a program participant remain in or move into housing which does not meet the minimum habitability standards under §576.403(c); this restriction applies to all activities under the Homelessness Prevention and Rapid Re-housing components

Rent Reasonableness and Fair Market Rent

Sub-recipients providing rental assistance must create policies and procedures in compliance with HUD regulations to ensure that all units meet fair market rent and rent reasonableness standards.

To calculate rent under this section, the unit's rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees), and, if the tenant pays separately for utilities, the monthly allowance for utilities established by the public housing authority for the area in which the housing is located.

Fair Market Rent

To establish whether a client's unit meets fair market rent standards, its rent must be compared to the fair market rent value for the unit's size and location. A unit's rent and utility allowance must together be at or below the fair market rent value for the area.

Fair market rent values are published annually by HUD. They may be found here:

<https://www.huduser.gov/portal/datasets/fmr.html>

Rent Reasonableness

Agencies must determine whether a unit's rent is reasonable in comparison to rent for other comparable unassisted units. To make this determination, the agency must consider:

- (1) The location, quality, size, unit type, and age of the contract unit; and
- (2) Any amenities, housing services, maintenance, and utilities to be provided by the owner per the lease.

To establish whether a unit meets rent reasonableness standards, it must be compared to at least two comparable units. Documentation of comparable units for a city or region must be updated at least annually. A sample "Rent Reasonableness Checklist and Certification" form is available at: <https://www.hudexchange.info/resource/2098/home-rent-reasonableness-checklist-and-certification/>.

Agencies must establish their own written policies and procedures for documenting comparable rents and ensure that they are followed when documenting rent reasonableness in case files. Policies must include a process for exceptional circumstances in the event the rent reasonableness standard cannot be met (accessibility, unit size, etc.).

See <https://www.hudexchange.info/resource/3070/esg-rent-reasonableness-and-fmr/> for additional guidance.

Lead Safety

Renovation: Any renovation carried out with ESG assistance shall be sufficient to ensure the building involved is lead-safe and sanitary. The requirements of rehabilitation differ according to the level of federal support.

Shelter: The facility must be free from lead-based paint contamination wherein clients may potentially stay for more than 100 days unless the facility is such that it is statutorily exempted.

Homelessness Prevention and Rapid Re-Housing: Every assisted unit must be free from lead-based paint contamination wherein that assistance lasts 100 days or more AND a child less than 6 years of age and/or a pregnant woman is expected to reside there. If these conditions are met and the unit was built before 1978, a visual inspection is necessary before assisting the unit in question.

Rent Assistance and Lease Standards

Standard Operating Procedure

1. Compliance with **Rent Reasonableness** and HUD **Fair Market Rent** as described above.
2. **Habitability Standards** apply for all units assisted with ESG monies.
3. **Lead-Based Paint** standards apply to all ESG funds in that a visual assessment is required for all units receiving assistance if the unit was constructed before 1978 and a child under 6 or a pregnant woman will live there.
4. There must be a **legally binding written lease** between tenant and landlord to receive ESG rental assistance.
 - a. Note that “master-leasing” is not allowed in ESG-funded programs, meaning that sub-recipients may not sign a lease and sublet the unit to a program participant.
5. There must be a **rental assistance agreement** between sub-recipient agencies and landlords. This can be between a property manager or owner and a sub-recipient. In ESG-funded programs, the agreement must contain VAWA protection requirements as provided under 24 CFR part 5, subpart L.
6. No ESG financial assistance can be provided to households receiving the same type of financial assistance from another *public* source for the same time period besides arrears. *Example: Persons living in public housing units, using housing choice vouchers,*

or residing in project-based assisted units cannot receive monthly rental assistance under ESG.

7. Late Payments
 - The rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease
 - Sub-recipient must make timely payments to owners per the rental assistance agreement
 - Sub-recipient is solely responsible for paying with non-ESG funds any late payment penalties that it incurs
8. The total period for which any program participant may receive ESG services cannot exceed 24 months during any 3-year period. This includes arrearages.
9. Sub-recipients may set a maximum dollar amount and maximum period for which a program participant may receive any of the types of assistance or services based on program design and funding capacity, not to exceed 24 months.

Lease Requirements

The following rules apply whenever a client receives rental assistance under any project type.

1. Clients must have a legally binding, written lease for the rental unit unless the assistance is solely for rental arrears. The lease must be between the unit owner and the client.
2. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the client an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks.
3. Leases must include a provision or incorporate a lease addendum that includes all requirements that apply to tenants, landlords, and leases under 24 CFR Part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking) and 24 CFR § 576.409.
4. Leases are encouraged to have an initial term of one year. Leases may be renewed or extended as needed for as long as a client remains eligible. However, leases may never commit ESG funds beyond the current ESG contract's expenditure deadline or for ESG funds under a contract that has not yet been awarded.

Terminating Assistance

To terminate assistance to a program participant, the sub-recipient must establish and follow their formal process which meets all statutory requirements.

1. Sub-recipients may terminate ESG assistance if a participant violates the rules of the program.
 - a. Sub-recipients must establish and follow a formal process that recognizes individual rights.
2. This rule allows termination in only the most severe cases.
3. The termination process for rental assistance or housing relocation and stabilization services must include:

- a. Written notice to the program participant with a clear statement of the reasons for termination.
- b. Review of the decision to terminate with an opportunity for the program participant to present written or oral objections to a third-party.
- c. Prompt written notice to the program participant of the final decision.
4. Assistance to a program participant who has been terminated from a program may resume at a later date.
5. Only HUD may grant exceptions for ESG funds.
6. CDD may grant exceptions for HPP funds.

Housing Stability Plan

Sub-recipients which provide rapid re-housing, prevention, and emergency shelter services with a case management component must provide each household with a plan to either help them find and secure or maintain safe and stable housing. Program participants must be assisted in creating a plan which will help them obtain and retain permanent housing after the ESG assistance ends, taking into account all relevant considerations.

Housing Stability Case Management

ESG funds may be used to pay costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing. Component services and activities consist of:

- Using the centralized or coordinated assessment system to evaluate individuals and families applying for or receiving homelessness prevention or rapid rehousing assistance
- Conducting an initial evaluation, including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid rehousing assistance
- Counseling
- Developing, securing, and coordinating services and obtaining Federal, State, and local benefits
- Monitoring and evaluating program participant progress
- Providing information and referrals to other providers
- Developing an individualized housing and service plan, including planning a path to permanent housing stability
- Conducting re-evaluations

ESG Documentation Requirements

Sub-recipients will be responsible for demonstrating how each requirement for documentation is met, maintained, and monitored. Regardless of how the documentation is maintained, it must be consistent for each client within the project.

1. **Demonstration of intake** and basic assessment of needs and program eligibility.

2. **Homeless status or at-risk-of-homelessness status** which documents which part of the definition of homelessness a participant meets, and which has all the corresponding pieces of documentation.
3. **Annual income for homelessness prevention or rapid re-housing assistance** wherein there must be an income evaluation form and source documentation. In the absence of source documentation, there may be third-party verification and in the absence of third-party verification, there must be at least certification from the client.
 - a. Participants' income must be calculated according to HUD's Part 5 income definition
 - b. Income Limits and Verification Requirements
 - i. Income limits are established by household size and revised annually by HUD. Sub-recipients may charge households up to but not more than the maximum allowable rent.
 - ii. Income Limit at Admission (for Homelessness Prevention programs): Household Gross Annual Income must be at or below 30% (ESG) or 60% (HPP) of the median family income for the area, as determined by HUD.
4. **Re-evaluation** of income, other resources and support networks for homelessness prevention or rapid re-housing assistance which is documentation which occurs not less than once every three months for prevention and once annually for rapid re-housing. This is a re-evaluation showing whether annual income is still at an eligible level and whether the participant still lacks other resources or support networks to sustain housing without assistance.
 - a. Income Limit at Recertification (for Rapid Re-housing and Homelessness Prevention programs): Assistance must be terminated if a household's gross annual income exceeds 30% (ESG) or 60% (HPP) of the median family income for the area *at income recertification*. The beneficiary and property owner must receive thirty (30) days' written notice of termination.
5. **Type of service** refers to the amount and type of assistance provided to that program participant, including, as applicable, the security deposit, rental assistance, and utility payments made on behalf of the program participant.
6. **Termination procedure** documentation that demonstrates clients have been informed of their rights and of the procedure, and any correspondence related to a termination proceeding, if applicable.
7. Demonstration of **referral and connection** to homeless and mainstream services.
8. **Case-management** for prevention and re-housing participants which includes both demonstration of a monthly meeting and a housing stability plan.
9. **Rental assistance agreements and payments** which must include copies of all leases and rental assistance agreements for the provision of rental assistance, documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by program participants and/or lease.
10. Documentation of compliance with **Fair Market Rent** and **Rent Reasonableness**.
11. **Housing standards** for homelessness prevention or rapid re-housing assistance must include documentation of compliance with housing standards in §576.403, including inspection reports. This requirement is met by the completed and signed Habitability Standards Checklist.

Chapter 6: Method of Payment

ESG Payment Request Forms

Sub-recipients may draw on ESG funds as reimbursement of actual reported expenditures. To initiate each payment, sub-recipients must complete and submit an invoice in the City's Contract URL invoicing system with completed Exhibit 2 (expenditure report) and Exhibit 3 (performance report). Payment requests must be made at least quarterly.

If corrections need to be made to the expenses reported in past months, do not edit the expenses which have already been submitted and reimbursed. Past omissions in reimbursable expenses or match can be added to the current month's column on the payment request. If previously reported expenses or match funds were reported incorrectly and need to be removed from the request, this correction can be made in the current month's column on the payment request. Those funds should be subtracted from any requested funds in the current month so all totals update accordingly. If a budget category would turn negative if the correction were to be entered in a single month's column, spread the negative funds across multiple payment requests.

Reporting Match

When entering match expenses on the payment request form, ensure all expenses fall into the proper category.

Budget Adjustments

If a sub-recipient's needs are different than anticipated and more funds need to be allocated to a different budget category, sub-recipients will need to complete a budget adjustment. Changes to the approved cost categories must be requested in writing to the contract manager. Adjustments cannot put an agency over its cap for administrative, outreach, or emergency shelter spending or below its minimum for rapid re-housing spending. Budget adjustments must be approved by the CDD Supervisor and must be approved prior to reimbursement of expenditures. Once an adjustment is approved, CDD will send a revised payment request form to sub-recipient.

ESG Program Income

Program income includes any amount of a security or utility deposit returned to a sub-recipient. No other program income is allowed to be derived from ESG. Sub-recipients are prohibited from requiring or suggesting repayment of any service or financial assistance except for security and utility deposits.

Program income must be used as ESG match and must be documented on the ESG Payment Request form. This means that the program income must be used for ESG-eligible expenses (e.g. expenses the agency may request reimbursement for on the ESG Payment Request Form). There must be an auditable trail that details how the program income was spent. Documentation of program income expenditures may be requested during monitoring visits.



DANE COUNTY
WRITTEN STANDARDS
2026

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INTRODUCTION

The Continuum of Care (CoC) plans and coordinates a system of homeless housing and services in order to meet the needs of the population and subpopulations experiencing homelessness within the geographic area of the Continuum. The local CoC encompasses Madison and Dane County and is called the Homeless Services Consortium (HSC). These standards are intended to guide all operations that align with the HSC Community Plan to Prevent and End Homelessness

The Continuum of Care (CoC) and Emergency Solutions Grant (ESG) Program Interim Rules require recipients of ESG funds and CoCs to develop, in coordination with each other, written standards for administering assistance. All programs that receive CoC, ESG, and State of Wisconsin Emergency Solutions Grant/Housing Assistance Program/Homeless Prevention Program (EHH) must abide by the applicable sections of the standards in full. Programs funded through other sources are highly encouraged to follow these standards and may be required by the funders to comply with the standards. These standards do not replace policies and procedures created by homeless services providers, but rather they provide an overall context for programs funded with federal, state and local funding. The HSC acknowledges that the Written Standards are a HUD requirement and may be unintentionally exclusionary and welcomes feedback to explore how to standardize and improve the process of implementing the Community Plan to Prevent and End Homelessness. Feedback may be sent to hsc@cityofmadison.com.

The written standards will:

- Establish community-wide expectations on the operations of projects within the community;
- Ensure the system is transparent to users and operators; and
- Establish a minimum set of standards and expectations in terms of the quality expected of projects.

The first version of the written standards was developed by the HSC Written Standards Committee and approved by the HSC Board of Directors (Board) in consultation with ESG recipients in 2016. The standards are reviewed annually by the HSC Core Committee and recommended changes are approved by the Board.

In reviewing and updating the standards, the Core Committee uses the HSC listserv to invite HSC members to join the process. Recommendations for changes to the standards go out to the HSC for feedback and are presented to the HSC Board. The Board reviews and approves the standards. The Board meeting is open to the public and the agenda is publicly noticed, allowing opportunities for the public to provide input.

Changes made in the standards go into effect within 90 days of the Board approval of the changes, unless specified otherwise by the Board. The Board or the CoC Coordinator as designated by the Board is responsible for notifying the agencies receiving CoC, ESG, EHH, or other public funds that require compliance with the standards in writing.

The Board uses the written standards when evaluating program applications for the CoC, ESG and EHH funds. Programs that fail to abide by the standards may not be approved for future CoC, ESG, or EHH funding.

- CoC and ESG funded programs will complete the written standards checklist as a self-monitoring tool and submit to CoC Coordinator annually. CoC Coordinator will pass them onto the Board and appropriate funders.
- The Board designee for ESG, EHH, and CoC funds will use the written standards checklist to review compliance with the standards during monitoring. Programs found not in compliance with the standards must work with the funder or funding administrator to address the compliance issue within timeframe designated by the funder. Results of the written standards compliance monitoring and approved plans of correction will be shared with the Board upon funder's approval of plan of correction. In limited circumstances, a waiver may be requested to the Board if an agency cannot reasonably comply with the standards. The Board may grant or deny a waiver or choose to revise the standards.

If an agency disagrees with non-compliance finding with the standards, the agency may submit a written notice of appeal to the entity issuing the non-compliance finding within 30 days. The Board will make the final determination if the agency is in compliance with the standards.

The Board will use the agency self-monitoring and funder monitoring results regarding written standards compliance to inform strategy development (e.g. training, peer support, shared tool, etc.) to move the CoC towards increased compliance with the standards. The Board will facilitate training for any major changes in the standards.

If someone believes a project is in violation of the Written Standards, they are encouraged to first talk to the provider directly about the violation. If the situation is not resolved, they may reach out to the CoC Coordinator or the CoC Board of Directors to report the violation. The below process will be followed in response to a complaint:

1. The CoC Coordinator will document the complaint and conduct an initial investigation. The CoC Coordinator will communicate with both the person submitting the complaint and the agency to determine next steps.
2. The CoC Coordinator will notify the CoC Board and other funders of the program about the complaint and next steps. The Board will go into a closed session to discuss the complaint.
3. If warranted, the CoC Coordinator will further investigate the concern. At least one CoC Board Member will participate in the investigation. Additional stakeholders may be brought into the investigation as necessary and may include the HMIS lead, funders, etc. The CoC Coordinator and Board Member will determine whether or not the program is in violation of the Written Standards. If a violation has occurred, they will work with the agency to develop a plan and timeline for correction. The plan may include technical assistance, updates to policies and procedures, additional staff training, etc. The Board of Directors will be notified of the plan within 90 days.

4. Unresolved violations of the Written Standards will become a matter of record and may have bearing on funding decisions in future competitions as determined by the Board of Directors. The Board will go into closed session for discussions affecting funding.
5. Any further appeals will be made to the project funder.
6. The CoC Coordinator will keep records of concerns of Written Standards compliance, investigations, findings and correction plans to be shared with the CoC Board of Directors and relevant funding Review Committees.

In keeping with the goals and objectives of the Dane County “Community Plan to Prevent and End Homelessness,” all activities provided through the agencies of the Homeless Services Consortium should further the mission of preventing or ending homelessness for households in need.

In addition to the services provided by each agency, each program will play an active role in connecting participants to mainstream services, which are services not specifically designated for homeless households. All Consortium agencies agree to coordinate their services with other providers for the benefit of their participants. Examples of these programs include the Department of Housing and Urban Development (HUD) public housing programs, Section 8 tenant assistance, Supportive Housing for Persons with Disabilities, HOME, Temporary Assistance for Needy Families, Medicaid, Badger Care, public school districts, Head Start, Social Security, Social Security Disability, Social Security Disability Insurance, and Food Share.

SECTION I: GENERAL REQUIREMENTS

1. PROGRAM STANDARDS

1. In providing or arranging for housing, shelter or services, the program considers the needs of the household experiencing or at-risk of homelessness taking into account client choice.
2. The program provides assistance in accessing suitable housing.
3. The program is aligned with the community goals to prevent and end homelessness.
4. The Vulnerability Index & Service Prioritization Decision Assistance Tool (VI-SPDAT), Vulnerability Index & Family Service Prioritization Decision Assistance Tool (VI-F-SPDAT), or Transition Age Youth-Vulnerability Index & Service Prioritization Decision Assistance Tool (TAY-VI-SPDAT) will be used when screening households for Permanent Supportive Housing and Rapid Re-housing programs. The latest version will be posted on the Homeless Services Consortium website.
5. Each shelter and housing case management program serving households with children must be aware of and inform households of the educational rights of children and unaccompanied youth in their programs, under the McKinney Vento Act. Program staff will facilitate the connection of households with their school's homeless liaisons, such as the MMSD Transition Education Program, to ensure seamless school enrollment and transportation arrangements. Program staff will highly encourage school attendance and will work with households and school staff to address any barriers to achieving academic success.
6. Each program in the CoC will provide accurate and up-to-date information on eligibility criteria ; e.g. – gender specific, individuals/families. Each agency will provide this information to the Coordinated Entry Manager.
7. Each housing and housing case management program in the CoC will use the Mainstream Benefits Checklist. This checklist should be kept in the file for each household and updated annually.
8. Each program will make language translation service available for clients when needed by utilizing available services, such as a language line.
9. All ES, TH, PSH, RRH, and other PH providers must provide information for Housing Inventory Chart (HIC) and Point in Time (PIT) as requested by the CoC or its designee.

2. CASE MANAGEMENT SERVICES

Core Principles

Case management is a necessary and important component in the work to prevent and end homelessness. Case managers are expected to have a strong philosophical base that informs their day-to-day interactions with participants. The Madison/Dane CoC requires projects to incorporate the following principles into their overall case management philosophy and maintain continued professional development in these competencies:

- **Housing First:** An approach to quickly connect households to permanent housing without preconditions and barriers to entry. Supportive services are offered to maximize housing stability and prevent returns to homelessness (see Housing First section).

- **Harm Reduction:** A set of practical strategies and ideas aimed at reducing negative consequences of substance use, mental and physical health issues, and risky behaviors. Focus on meeting people where they are at, avoiding judgment or ultimatums. Prioritize safety and well-being, while acknowledging individual choices and respecting autonomy.
- **Trauma-Informed Care:** An organizational structure and treatment framework that involves understanding, recognizing, and responding to the effects of all types of trauma. Staff approach interactions with sensitivity and understanding, recognizing the impact of trauma on a person's behavior and decision-making. There is an emphasis on physical, psychological, and emotional safety for participants and providers.
- **Client-Centered Approach:** All individuals are treated with dignity and respect. Empower individuals to define their own goals and take ownership of their journey. The case manager and participant work collaboratively to develop a personalized plan that addresses their unique needs and strengths.
- **Housing-Focused:** A service delivery approach that centers on securing and maintaining stable housing. This approach integrates intensive, personalized support to address barriers to housing and promote long-term stability. This includes developing self-advocacy and life skills, referral and connection to long-term supports, identification of support networks and resources and service coordination.
- **Progressive Engagement:** Monitor progress and adjust services as needed in collaboration with the participant. There will be times when a participant needs intense services and other times where they may need light-touch services.
- **Social Justice & Anti-Oppression:** Recognizes the systemic factors that contribute to homelessness, such as poverty, discrimination, and lack of affordable housing. Develop awareness of your own biases and intentionally work on unlearning harmful thoughts and behaviors. Be aware of and make referrals to culturally specific agencies and resources as appropriate. Acknowledge and address any barriers or challenges that may limit a participant's access or engagement, such as language, literacy, disability, stigma, or discrimination. Advocate for policies and practices that promote housing stability and social justice within organizations, communities, and society.

RISE Framework

Informed by the Lived Experience Council, the RISE framework offers actionable strategies that can help new case managers build meaningful connections and achieve positive outcomes in their work, even if they lack prior experience in homeless services. Integrating RISE into case management practices can enhance the effectiveness of support provided to individuals and families facing homelessness. **RISE:**

Respect, Inclusion, Support, and Empowerment

- **Respect:** Actively listen to clients' stories and validate their experiences. Acknowledge clients' autonomy by involving them in decision-making processes regarding their care and support.
- **Inclusion:** Create a welcoming environment that reflects the diversity of the community served, and ensure that services are accessible to all clients, regardless of background or circumstances.
- **Support:** Provide resources and tools tailored to the individual needs of clients, such as job training, mental health services, or financial literacy programs, while also providing consistent check-ins and follow-ups to encourage ongoing engagement and progress.
- **Empowerment:** Facilitate skill-building workshops that help clients gain confidence and independence, and encourage clients to set their own goals and celebrate their achievements, no matter how small.

Professional development should extend beyond orientation and include:

- **Supervision:** Regular, structured feedback from a supervisor, including performance reviews
- **Continuing Education:** Attending meetings and trainings on topics and resources relevant to case management and homeless issues, earning certifications as appropriate
- **Networking:** Participating in the work of the Homeless Services Consortium, attending meetings or events with organizations that intersect with homeless services, building partnerships

Participant Engagement & Support

Effective case management relies on trust and collaboration. Participants may not initially be interested in services, but consistent, respectful engagement can build relationships and open the door to support.

Engagement

- Use a non-judgmental and empathetic approach.
- Engage participants in familiar and safe locations when initiating contact.
- Use assertive engagement. This is an active approach that is persistent and friendly. Staff should work to find creative ways to engage with the participant.
- Communicate in a variety of ways: phone, mail, text, email, in-person meetings in home or community, etc.
- Build trust through consistent and respectful interactions.
- Set realistic expectations, only commit to what can be delivered, and ensure consistent follow-through on commitments.
- Listen actively to understand the participant's story and priorities.
- Use motivational interviewing to increase engagement with the program.
- Establish clear boundaries and expectations for services. Ensure that participants understand expectations.
- Acknowledge and validate participants' feelings and experiences.
- Empower participants to make informed decisions about their care.

Ongoing Support

- Maintain regular, predictable contact based on the participant's preferences. Appointment-based work may not work for everyone.
- Staff must continue to engage with participants and have conversations to determine what support the participant has interest in.
- Provide a menu of services so participants know what services are available.
- Use progressive engagement. Monitor progress and adjust services as needed in collaboration with the participant. There will be times when a participant needs intense services and other times where they may need light-touch services.
- Offer advocacy to help participants navigate system barriers.

Assessment & Goal Planning

Assessment and evaluation of a participant's needs, strengths and challenges is an ongoing process that occurs both formally and informally. Case managers will be assessing a participant's well-being, housing stability, and progress toward identified goals in every interaction.

- Conduct an initial assessment within 30 days of enrollment to identify needs, strengths, and barriers.
- Collaboratively develop an individualized housing and service plan based on the initial assessment, with meaningful goals broken down into manageable steps.
- Review and update the plan regularly based on progress and changing circumstances.

The Individual Housing and Service Plan should incorporate:

- **Housing Consultation:** Reduce barriers, identify housing options, assist with applications, and advocate for participant needs.
- **Unit Affordability & Income:** Ensure housing is sustainable based on income. Support participants in increasing income through work, alternative opportunities (e.g., babysitting, lawn mowing), or mainstream benefits.
- **Exit Planning:** For time-limited programs, begin planning for exit early, with goals focused on long-term stability and warm handoffs to ongoing support.
- **Maintaining Housing:** Help participants develop skills in budgeting, lease compliance, and conflict resolution, and connect them to ongoing housing stability services.
- **Safety & Crisis Planning:** Identify risks, develop harm reduction strategies, and connect participants to appropriate resources to ensure safety in housing or unsheltered situations.

By prioritizing empowerment and self-advocacy in the assessment and goal planning process, case managers help participants feel more engaged, motivated, and confident in working toward their goals. This inclusive, respectful approach honors each individual’s lived experience and supports their long-term growth and stability. Examples of assessment and goal planning tools are available on the [HSC website](#).

Service Coordination

Service coordination is essential in case management as it ensures that participants receive comprehensive and personalized support. Staff should collaborate with all service providers that the participant is working with in order to address the needs of the participant and avoid duplication of services.

Service providers will develop a thorough understanding and gain knowledge about community resources by actively researching local guides and participating in HSC meetings. Providers are highly encouraged to seek out knowledge from other colleagues, case managers, and those with lived experience to become more familiar with the homeless system of care.

Service coordination is particularly important when engaging in a warm handoff. When a participant moves from one service provider to another, the minimum expectation is for the providers to communicate about the participant’s individualized service plan and progress on goals. Best practice includes a meeting with both providers and the participant to discuss their service plan.

Staff who attend case conferencing meetings must sign and adhere to the [Homeless Services Consortium of Dane County Case Conferencing Agreement](#).

Provider directories and resources are available on the [HSC website](#).

Property Owner & Manager Engagement

It is important for housing program staff to understand both the needs of program participants and the needs of property owners and managers. Building relationships with property owners/managers fosters regular dialogue about participants and their tenancy.

Case managers can support property owners/managers by maintaining consistent, responsive communication, which builds collaboration, strengthens trust, and helps identify interventions to support participants' housing stability.

Engagement with property owners and managers should incorporate:

- **Defined Roles:** Be clear, concise, and put into writing the roles and expectations for all parties. There should be understanding regarding the needs of the rental business, housing program, and tenant/program participant. Be clear about what case management can and cannot do.
- **Communication:** Open, consistent communication builds trust and fosters ongoing partnerships with property owners/managers.
 - Establish regular monthly check-ins by phone, virtual, or in-person, even when no issues arise.
 - Respond promptly to property owner/manager contacts.
 - Proactively reach out as soon as concerns emerge, before tenancy is at risk.
 - Document all communication and share with relevant parties.
 - Designate a primary and backup contact to ensure timely responses.
- **Support:** Become familiar with third-party mediation services to help resolve conflicts between tenants and property managers.

Documentation

Upon program entry, the case manager must create a hard copy and/or electronic participant file that includes all of the following at minimum:

- Enrollment in HMIS or equivalent database
- Any required eligibility documentation
- Needs assessment
- Documentation of services provided/case notes

Files must also include all required documentation specific to their program type or funding source, which may include:

- Release of Information (ROI) forms
- Mainstream resource checklist
- Housing stability/service plan
- Status updates and annual assessments
- Housing documents (e.g., lease, rental assistance agreement, VAWA, FMR, rent reasonableness, inspections, lead paint disclosure, etc.)
- Documentation of other assistance provided (e.g., rental assistance, transportation assistance, etc.)
- Grievance/appeal procedure
- Termination procedure
- Discharge Summary

Case managers are responsible for knowing what documentation is required for their individual program type and/or funding source, and ensuring that documentation is included in each participant file. Program staff are encouraged to utilize existing participant file checklists that are specific to their program type or funding source, or to create a file checklist that includes all required documentation.

Data must be recorded in HMIS on a consistent and timely basis and staff should strive for real-time, or close to real-time data entry. Staff are required to complete data entry within six (6) calendar days of seeing a participant, but encouraged to enter data immediately. Real-time data entry allows for accurate program and system reporting, as well as collaboration between providers.

Participant files should be stored, shared, and destroyed in accordance with CoC Recordkeeping Requirements (see Section 1:8).

Case Notes

- Case notes create a record of interactions with and services provided to program participants, as well as unsuccessful attempts to engage.
- Effective case notes are objective, concise, and include both progress and next steps for working with participants.
- Case notes should include only relevant information and be clear enough to be read and understood by colleagues, supervisors, funders, and program participants themselves.
- Case notes can be used in legal proceedings.
- Case notes should be fact-based and include the reason for the meeting, reports from the participant, objective observations by staff, progress made toward goals, resources or services provided, and next steps to be completed by staff and/or the participant.
- Staff should use professional language and avoid making assumptions, sharing opinions, or using acronyms, slang, or jargon.

Professional Development

To effectively serve households experiencing homelessness, case managers are expected to be trained in several core competencies, as well as evolving best practices. Recommended core competencies include:

- **Understanding Homelessness:** Causes, impacts, systems, and policies related to homelessness
- **Trauma-Informed Care:** Prevalence of trauma, implementing trauma-informed approaches
- **Crisis Intervention:** Identifying and responding to crisis, de-escalation, resources and referrals
- **Housing First:** Understanding the principles and benefits of housing first and harm reduction practices
- **Community Resources:** Identifying relevant resources, collaborating with partners, advocacy
- **Cultural Competency:** Understanding diverse cultural backgrounds, communicating effectively, addressing barriers to service access
- **Case Management Skills:** Assessments, individualized housing and service plans, motivational interviewing
- **Ethical Considerations:** Professional standards, confidentiality, boundaries, conflicts of interest

Ending Case Management Services

Whenever possible, case management services should end in a way that supports the participant's well-being and long-term stability. Ending case management services may look different depending on

project type, length of engagement, or circumstances of discharge. In all cases, it is staff's responsibility to end services with as much communication and transition support as the situation allows.

Criteria for Ending Services

- **Service Completion:** Participant has secured stable housing and demonstrated the ability to maintain it with minimal or no ongoing case management support and/or has met the goals outlined in their individualized housing and service plan.
- **Participant-Driven Exit:** Participant chooses to disengage from services or expresses that they no longer need or want case management support.
- **Transition to Other Supports:** Participant is connected to alternative, long-term support services (e.g., behavioral health services, disability services, employment programs) that better meet their ongoing needs.
- **Program Eligibility Ends:** Participant is no longer eligible for the program due to funding restrictions, time limits, change in household composition, or other programmatic constraints. A transition plan should be developed proactively in such cases.
- **Lack of Engagement After Due Diligence:** Participant has not engaged with services despite multiple documented outreach attempts (e.g., phone calls, texts, emails, home visits). A formal closure notice should be provided whenever possible.
- **Program Discharge:** Participant is automatically exited from a shelter or outreach program after 60 days with no contact. If the participant re-enrolls, services may resume.

Due Diligence in Ending Services

- **Clear Communication:** Explain the reason for closure in a supportive, transparent way.
- **Warm Handoff:** Whenever possible, connect the participant to ongoing supports.
- **Exit Planning:** Offer a final meeting to review housing stability, resources, and emergency contacts.
- **Documentation:** Record the reason for closure, outreach attempts, and referrals provided.

3. PERSONNEL

All programs shall be adequately staffed by qualified personnel to ensure quality service delivery, effective program management, and the safety of program participants.

MINIMUM STANDARDS

1. The agency selects, for its service staff, only those employees and/or volunteers with appropriate knowledge, or experience, for working with individuals and families experiencing homelessness and/or other issues that put individuals or families at risk of housing instability.
2. The program provides training to all paid and volunteer staff on both the policies and procedures employed by the program and on specific skill areas as determined by the program.
3. All paid and volunteer service staff participates in ongoing and/or external training and development to further enhance their knowledge and ability to work with individuals and families experiencing homelessness and/or other issues that put individuals or families at risk of housing instability. Examples of training topics include, but are not limited to, harm reduction, trauma informed care, housing first and racial justice.

4. For programs that use HMIS, all HMIS users must abide by the standard operating procedures found in the HMIS Policies and Procedures manual. Additionally, users must adhere to the privacy and confidentiality terms set forth in the User Agreement.
5. Agency staff with responsibilities for supervision of the casework, counseling, and/or case management components have, at a minimum, a bachelor's degree in a human service-related field and/or experience working with individuals and families experiencing homelessness and/or other issues that put individuals or families at risk of housing instability.
6. Staff with supervisory responsibilities for overall program operations shall have, at a minimum, a bachelor's degree in a human service-related field and/or demonstrated ability and experience that qualifies them to assume such responsibility.
7. All staff has a written job description that, at a minimum, addresses the major tasks to be performed and the qualifications required for the position.
8. The program operates under affirmative action and civil rights compliance plans or letters of assurance.
9. Case supervisors review current cases and individual service plans on a regular and consistent basis to ensure quality, coordinated services.

4. HOUSING FIRST

Housing First is a proven method of ending all types of homelessness, and is the most effective approach to ending chronic homelessness. Housing First offers individuals and families experiencing homelessness immediate access to permanent affordable or supportive housing, without clinical prerequisites like completion of a course of treatment or evidence of sobriety and with a low-threshold for entry. Housing First permanent supportive housing models are typically designed for individuals or families who have complex service needs, who are often turned away from other affordable housing settings, and/or who are the least likely to be able to proactively seek and obtain housing on their own. Housing First approaches for rapid re-housing provide quick access to permanent housing through interim rental assistance and supportive services on a time-limited basis. Rapid re-housing programs are designed to have low barriers for program admission, and to serve individuals and families without consideration of past rental, credit or financial history. The Housing First approach has also evolved to encompass a community-level orientation to ending homelessness in which barriers to housing entry are removed and efforts are in place to prioritize the most vulnerable and high-need people for housing assistance.

SYSTEM-WIDE HOUSING FIRST ORIENTATION FOR THE HOMELESS SERVICES CONSORTIUM

- Emergency shelter, street outreach providers, and other parts of crisis response system are aligned with Housing First and recognize their roles to encompass housing advocacy and rapid connection to permanent housing. Staff in crisis response system services operate under the philosophy that all people experiencing homelessness are housing ready.
- Strong and direct referral linkages and relationships exist between crisis response system (emergency shelters, street outreach, etc.) and rapid re-housing and permanent supportive housing. Crisis response providers are aware and trained in how to assist people experiencing homelessness to apply for and obtain permanent housing.

- The HSC has a streamlined and user-friendly community-wide process for applying for rapid re-housing, permanent supportive housing and/or other housing interventions. The process includes the use of standardized eligibility forms.
- The HSC has a coordinated entry system for matching people experiencing homelessness to the most appropriate housing and services based on participant choices.
- The HSC has a data-driven approach to prioritizing highest need cases for housing assistance whether through analysis of lengths of stay in Homeless Management Information Systems, vulnerability indices, or data on utilization of crisis services.
- Policymakers, funders, and providers collaboratively conduct planning and raise and align resources to increase the availability of affordable and supportive housing and to ensure that a range of affordable and supportive housing options and models are available to maximize housing choice among people experiencing homelessness.
- Policies and regulations related to permanent supportive housing, social and health services, benefit and entitlement programs, and other essential services, support and do not inhibit the implementation of the Housing First approach. For instance, eligibility and screening policies for benefit and entitlement programs or housing do not require the completion of treatment or achievement of sobriety as a prerequisite.

MINIMUM STANDARDS

1. Program admission/tenant screening and selection practices promote the acceptance of applicants regardless of their sobriety or use of substances, completion of treatment, and participation in services.
2. Applicants are not rejected on the basis of poor credit or financial history, poor or lack of rental history, minor criminal convictions, or behaviors that indicate a lack of “housing readiness.” Although applicants may be rejected due to convictions for violent criminal activity, agencies will make all effort possible to remove barriers to program enrollment. A rejection is only appropriate when an applicant presents a direct threat to the health and safety of program staff and residents and that threat cannot be ameliorated.
3. Supportive services emphasize engagement and problem-solving over therapeutic goals. Services plans are highly tenant-driven without predetermined goals. Participation in services or program compliance is not a condition of permanent supportive housing tenancy. Rapid re-housing programs may require case management as condition of receiving rental assistance as required by state or federal funding.
4. Use of alcohol or drugs in and of itself (without other lease violations) is not considered a reason for eviction. Services are informed by a harm reduction philosophy that recognizes that drug and alcohol use and addiction are a part of tenants’ lives, where tenants are engaged in non-judgmental communication regarding drug and alcohol use, and where tenants are offered education regarding how to avoid risky behaviors and engage in safer practices.
5. If a participant’s tenancy is in jeopardy, every effort is made to offer a transfer to a tenant from one housing situation to another. Whenever possible, eviction back into homelessness is avoided. If unavoidable, every effort is made to connect the participant with outreach or other housing support services.

6. Tenant selection plan for permanent housing includes a prioritization of eligible tenants based on criteria other than “first come/first serve” such as duration/chronicity of homelessness, vulnerability, or high utilization of crisis services.
7. Tenants in permanent housing are given reasonable flexibility in paying their tenant share of rent (after subsidy) on time and are offered special payment arrangements (e.g. a payment plan) for rent arrears and/or assistance with financial management including representative payee arrangements.

RECOMMENDED PROGRAM PRACTICES

1. Tenants are not required to have income for program eligibility.
2. Case managers/service coordinators are trained in and actively employ evidence-based and best practices for client/tenant engagement such as Motivational Interviewing (MI), Critical Time Intervention (CTI), client-centered care, and trauma-informed care. Agencies are recommended to participate in any trainings provided by the HSC.
3. Building and apartment units may include special physical features that accommodate disabilities, reduce harm, and promote health among tenants. These may include elevators, stovetops with automatic shut-offs, wall-mounted emergency pull-cords, ADA wheelchair compliant showers, soundproofing cushions, etc.
4. In the event a provider seeks to terminate services and/or evict a program participant, a notice of termination shall include information of local legal services providers.

PROGRAM EVALUATION FOR HOUSING FIRST¹

In an effort to move to a system-wide orientation to ending homelessness through the use of Housing First principles, the HSC has included the following section to review agency and program adoption of Housing First. Agencies and programs should follow the guidelines below. The guidelines have been created to minimize as many barriers to housing as possible, recognizing that this may not be feasible under all circumstances. In some cases, there may be other entities, including, but not limited to, private landlords, the criminal justice system, and funders, that place additional tenant requirements upon program participants. The HSC Board will conduct an annual Housing First evaluation to inform funding decisions.

The guidelines set forth under this section have been created by the HSC in an effort to promote agency-to-agency review and technical assistance within the HSC for all community programs. All review conducted under this section will be conducted internally by the HSC.

1. Does the project provide and explain the written eligibility criteria, which are in line with the Housing First philosophy, to participants?
2. Does the project have admission/tenant screening and selection practices that promote the acceptance of applicants regardless of their sobriety, use of substances, completion of treatment, or participation in services?
3. Does the project accept participants who are diagnosed with or show symptoms of a mental illness?

¹ Program Evaluation taken from:

<http://www.allchicago.org/sites/allchicago.org/files/2015%20Project%20Component%20-%20FINAL.pdf>

4. Does the project have and follow a written policy for the following:
 - a. Stating that taking psychiatric medication and/or treatment compliance for mental illness is not a requirement for entry into or continued participation in the project?
 - b. Not rejecting participants based on previous criminal history that is not relevant to participation in the program, and accepting participants regardless of minor criminal convictions to the project?
 - c. Not rejecting participants based on prior rental history or past evictions to the project?
 - d. Accepting participants regardless of lack of financial resources to the project, unless program operation is dependent upon participant income?
 - e. Accepting participants regardless of past non-violent rule infractions within the agency's own program and/or in other previous housing programs to the project?
5. Upon entry to the project, the project agrees to allow participants to remain in the project even if they *require* an absence of 90 days or less due to the reasons outlined below, unless otherwise prohibited by law or funder policy:
 - a. Substance use treatment intervention
 - b. Mental health treatment intervention
 - c. Hospitalization and short-term rehabilitation
 - d. Incarceration
 - e. Or other reason approved by the program supervisor

5. EMERGENCY TRANSFER PLAN

The Continuum of Care is required to have an Emergency Transfer Plan in place in cases of domestic violence, dating violence, sexual assault, or stalking where a household deems their current unit an unsafe living situation. A victim may request an emergency transfer from their current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation. Providers shall make their plan available upon request and publicly post the Emergency Transfer Plan on its website and in a conspicuous location on its premises 24 CFR 5.2005 (e)(11).

ELIGIBILITY CRITERIA

- A victim of domestic violence, dating violence, sexual assault, or stalking qualifies for an emergency transfer if: 24 CFR 5.2005(e)(2)
 - The tenant requests the transfer; and
 - The tenant believes there is a threat of imminent harm from further violence if the tenant remains within the same dwelling unit that the tenant is currently occupying; or
 - In cases of sexual assault when:
 - the tenant reasonably believes there is a threat of imminent harm from further violence if the tenant remains in their current unit, or
 - the sexual assault occurred on the premises during the 90-calendar-day period preceding the date of the request for transfer.
- Requests for an emergency transfer can be either written or verbal. If a verbal request is made, staff shall document the request in writing.
- In cases of two-adult households where the participant asked to leave was the eligible participant for the housing program, the remaining participant(s) who were not already eligible will have a period of 90 calendar days from the date of the eligible participant leaving to:

- Establish eligibility for the housing program
- Establish eligibility for another housing program
- If not eligible for a housing program, a provider or agency will assist with finding alternative housing.

Agencies may extend this period up to an additional 60 calendar days if needed. Case management staff will help to obtain documentation. The provider shall give written notice to the remaining participant of the remaining participant's rights under this section, including the right to an extension. Denials of extensions shall be subject to the provider's grievance process. 24 CFR 5.2009

- For permanent supportive housing projects, members of any household who were living in an assisted unit at the time of a qualifying member's eviction from the unit because the qualifying member was found to have engaged in criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking, have the right to rental assistance until the expiration of the lease in effect at the time of the qualifying member's eviction. 24 CFR 578.75(j)
- Although every effort will be made to keep the person requesting the emergency transfer in the program, there is no guarantee that continued assistance will be available in the current program or in other program housing.

MINIMUM STANDARDS

1. Persons may not be denied assistance, terminated from assistance or evicted as a result directly related to experiencing domestic violence, dating violence, sexual assault, or stalking, regardless of sex, gender identity, gender expression or actual or perceived sexual orientation, if the person otherwise qualifies for the project. 24 CFR 5.2005(b)(1)
2. Program participants may not be denied tenancy or occupancy rights solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking if:
 - a. The criminal activity is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, and
 - b. The tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault or stalking. (24 CFR 5.2005(b)(2)
3. The Notice of Occupancy Rights under the Violence Against Women Act (HUD Form 5380) and Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation (HUD Form 5382) must be provided to program applicants/participants (in the language they request) when they are accepted or denied transitional or permanent housing, served an eviction notice or terminated from assistance. CoC and ESG program grantees must document that participants were informed of their rights and provided copies of the notices. A signed copy of acknowledgement must be maintained in client files. If person refuses or is unable to sign, provider will document provision of forms and attempt to get signature. For applicants who do not become participants, providers must keep files of signed documents for three years. 24 CFR 5.2005 (a)(1)(2)(3)
4. When a housing provider is entering into a lease agreement with a participant, they must include the VAWA Lease Addendum (HUD Form 91067) which is to be signed by both the tenant and the housing provider.
5. CoC and ESG-funded programs using funds for rental assistance are required to include VAWA notification and confidentiality requirements in a contract with the owner or manager of the housing unit(s). The program must ensure that the owner or manager of the housing provides

HUD forms 5380 and 5382 to the program participant with any notification of eviction. (24 CFR 578.99(j) (4)(5))

6. All information regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is or has experienced such violence or staking, must be kept confidential. This includes keeping confidential the new location of the unit of the program participant. Confidentiality also means that providers and/or property owners or managers may not:
 - a. Enter the information into any shared database except the authorized DV comparable database;
 - b. Allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work; or
 - c. Provide the information to any other entity or individual, except to the extent that the disclosure is:
 - i. Requested or consented by the individual, in writing stating permission to release the information on a time-limited basis;
 - ii. Required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program; or
 - iii. Otherwise required by applicable law
 - d. If program disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the program will inform the victim before disclosure occurs so that safety risks can be identified and addressed. 24 CFR 5.2005 (e)(4)
7. Upon request for an emergency transfer, the housing provider must establish an individualized plan with the tenant and provide a copy of the plan to the tenant in writing. The housing provider will offer to assist participants in contacting local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking.
8. Program staff must complete an immediate initial emergency transfer if a safe unit can be identified. The participant will move to the new unit without having to undergo an application process. Program staff will assist participants in planning for the move and establishing residency in new location. 24 CFR 5.2005(e)(5)(6)
9. If a participant must move outside of the current project to locate a safe unit, the program staff must communicate with the Coordinated Entry Manager to complete an external emergency transfer. The participant will move to another unit as soon as a unit is identified as available, and on its face, it appears that the tenant is eligible. The applicant will subsequently undergo an application process in order to establish permanent residency in the new unit. 24 CFR 5.2005 (e)(7)
10. Program participants requesting an emergency transfer will be prioritized above any other households for open units. 24 CFR 5.2005 (e)(3)
11. The program participant will make a decision on whether or not a unit qualifies as a safe unit.
12. Program participants may request an external emergency transfer. Participants may also request both an internal and external transfer at the same time in order to speed up the process of identifying a new unit. 24 CFR 5.2005(e)(7)(8)
13. Agencies participating in Coordinated Entry must accept emergency transfers as they have available units that are deemed safe. 24 CFR 5.2005(e)(7)
14. Program staff will work together to ensure a timely transfer to a new safe unit, ideally within 60 days. If needed, the participant may seek shelter while a permanent safe unit is being secured.

15. For families receiving tenant-based rental assistance, if the family separates in order to affect an emergency transfer, the housing provider must work with the members requesting a transfer to locate new housing *and* with the family members exiting from the program on housing stability. This may include working with the landlord so the family can stay in the unit or work towards a mutual lease termination. The housing provider will conduct a housing search with the family members for 90 days and if not housed, connect to another provider for ongoing assistance. 24 CFR 5.2005(e)(9)
16. **Housing providers are not required to request documentation.** However, the housing provider, at its discretion, may make a written request for documentation from the tenant of the occurrence of domestic violence, dating violence, sexual assault, or stalking for which the emergency transfer is requested. Housing provider's policies must include their policy for requesting documentation, if they choose to request documentation. The policy must be consistent with these standards and equally applied to all participants. Should the housing provider exercise its discretion to request documentation, it shall do so in writing. The written request shall inform the tenant of the types of additional documentation that may be provided, any one of which would be acceptable, and the period of time by which the documentation is to be provided. The period of time shall be no less than 14 days and may be extended by the provider. This documentation may include:
 - a. Certification Form (see Appendix)
 - b. A document:
 - i. Signed by an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional from whom the victim has sought assistance relating to domestic violence, dating violence, sexual assault, or stalking or the effects of abuse;
 - ii. Signed by the applicant or tenant; and
 - iii. That specifies, under penalty of perjury, that the professional believes in the occurrence of the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection and that the incident meets the applicable definition of domestic violence, dating violence, sexual assault, or stalking (see glossary); or
 - c. A record of a Federal, State, tribal or territorial or local law enforcement agency, court or administrative agency; or
 - d. A statement or other evidence provided by the applicant or tenant.

If the housing provider receives documentation that contains conflicting information, the housing provider may require third-party documentation be obtained within thirty days of the request for third-party documentation. Conflicting information cannot be the result of the housing provider's own personal biases or stereotypes about survivors. The housing provider may deny the emergency transfer request if documentation has not been provided. Participants are entitled to written notice of denials of emergency transfer requests that include specific grounds for denial, information on their right to grieve the denial, and a copy of the grievance process. 24 CFR 5.2007

17. Housing providers cannot place a limit on the number of emergency transfer requests made by a participant.
18. Housing providers must keep a record of all emergency transfers requested under this plan and the outcomes of such requests, and retain these records for a period of three years, or for a

period of time specified in program regulations. Requests and outcomes of such requests must be reported to HUD and the CoC Board of Directors annually. 24 CFR 5.2005(e)(12)

6. TERMINATION AND GRIEVANCE PROCEDURES

MINIMUM STANDARDS

1. Programs should terminate assistance only in the most severe cases, utilizing the housing first philosophy.
2. All agencies providing services with CoC and ESG funds shall be required to have a termination and grievance policy. Policies must allow an applicant to formally dispute an agency decision on eligibility to receive assistance. The policy must include the method an applicant would be made aware of the agency's grievance procedure and the formal process for review and resolution of the grievance.
3. All agencies must have policies that allow a program participant to formally dispute an agency decision to *terminate assistance*. The policy must include the method that a written notice would be provided containing clear statement of reason(s) for termination, which shall include a detailed statement of facts, the source of the information upon which it was based, and the participant's right to advance review of the agency's file and all evidence upon which the decision was based; a review of the decision in which the program participant is given the opportunity to present evidence (written or orally) before a person other than the person who made or approved the termination decision; and a prompt written notice of the final decision to the program participant. The agency has the burden to prove the basis for their decision by a preponderance of the evidence. The decision shall not be based solely on hearsay.
4. If an agency has a website, they must publicly post their termination and grievance procedures.
5. See the Emergency Shelter section for details on how these programs should handle termination and grievances.
6. Nothing in this section shall prevent an agency from reinstating services pursuant to applicable law.

7. PROGRAM TRANSFER

MINIMUM STANDARDS

1. Permanent Supportive Housing and Rapid Rehousing programs may consider transferring a program participant to another program for the reasons listed below. Approved transfer requests will be prioritized for program openings using the following order of prioritization:
 - i. Emergency transfer requests (VAWA)
 - ii. ADA requests for an accessible unit
 - iii. Changes in household composition
 - iv. Within 60 days of program termination (participant closest to program termination will be prioritized within this category)
2. Transfers are not guaranteed. Transfers may be limited by the availability of permanent housing placement options and the funding and program eligibility requirements of the program accepting the transfer request. For example, evidence of chronic homelessness prior to enrollment in the transferring housing program may be required for eligibility into the accepting housing program. Additionally, not all RRH programs are allowed to accept transfer requests per the limitations of the program funding requirements.

3. To initiate a program transfer, housing program staff must complete a Transfer Request Form (Appendix E) and submit it to the Coordinated Entry Manager. If applicable, chronic homeless documentation must also be submitted. Requests will be reviewed to determine if they fall under one of the allowable reasons listed above.
4. Approved transfer requests will be added to a list maintained by the Coordinated Entry Manager. Requests will remain active on the Transfer Request List for a period of 90 days, at which time the transferring housing program must submit a new Transfer Request Form to the Coordinated Entry Manager. If a new form is not received, the participant will be removed from the Transfer Request List and will no longer be considered for a program transfer.

8. RECORD KEEPING REQUIREMENTS

Agencies are responsible for knowing the reporting requirements for each funder and program. Documentation for the effective delivery and tracking of service will be kept up to date and the confidentiality of program participants will be maintained.

MINIMUM STANDARDS

1. Each participant file should contain, at a minimum, information required by funders, participation agreements and/or signed lease agreements, service plans, case notes, information on services provided both directly and through referral and any follow-up and evaluation data that are compiled.
2. When required by funders, client information must be entered into HMIS in accordance with the data quality, timeliness and additional requirements found in the HMIS Policies and Procedures manual. At a minimum, programs must record the date the client enters and exits the program, and update the client's information as changes occur.
3. Financial recordkeeping requirements include documentation of: all costs charged to the grant, funds being spent on allowable costs, the receipt and use of program income, compliance with expenditure limits and deadlines and match contributions.
4. The program will maintain each participant file in a secure place and shall not disclose information from the file without the written permission of the participant as appropriate except to project staff and other agencies as required by law. Participants must give informed consent to release any client identifying data to be utilized for research, teaching and public interpretation.
5. Files must be saved for a minimum of six years after program discharge. It should be noted that different funders may have different record keeping requirements.

9. USE OF SOCIAL MEDIA

Case managers should exercise caution when using social media for personal or professional purposes. In addition to the guidelines below, case managers should be aware of and adhere to their own agency's policies regarding use of personal and professional social media accounts.

Personal Use

- Keep personal and professional accounts separate.

- Do not connect with participants on personal accounts.
- Never post information that could identify participants.
- Maintain boundaries to protect confidentiality and professionalism.

Professional Use

- Organizations may authorize professional accounts for outreach or engagement.
- Maintain strict confidentiality: never share names, locations, or identifiable details.
- Obtain explicit, documented consent before sharing any participant stories or images.
- Use professional accounts only as a supplement to – not a replacement for – direct engagement methods.

SECTION II: PROGRAM REQUIREMENTS

1. PREVENTION

Homelessness prevention assistance includes rental assistance and housing relocation and stabilization services necessary to prevent an individual or family from moving into an emergency shelter, the streets, or a place not meant for human habitation.

ELIGIBILITY CRITERIA

- Participants must meet one of the following categories of HUD’s Homeless Definition under CFR §576.2, AND have an annual income at or below 30% of the county median income:
 - Category 2* (Imminent Risk of Homelessness)
 - Category 3 (Homeless Under Other Federal Statutes)
 - Category 4* (Fleeing/Attempting to Flee Violence, and not living in a place described in Category 1)

*Category 2 and category 4 participants must have no other residence AND lack the resources and support networks to obtain other permanent housing.

OR

Individuals and families who do not meet the definition of "homeless" under any of the categories established in the HUD Homeless Definition final rule, and are "at risk of homelessness" under the McKinney-Vento Act, may receive homeless prevention assistance.

- Participants must meet one of the three categories of HUD’s At Risk of Homelessness Definition under CFR §576.2, AND have an annual income at or below 30% of county median income:
 - Category 1: An individual or family who:
 - Has an annual income below 30% of median family income for the area; AND
 - Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the “homeless” definition; AND
 - Meets one of the following conditions:
 - Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; OR
 - Is living in the home of another because of economic hardship; OR
 - Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; OR
 - Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; OR
 - Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; OR
 - Is exiting a publicly funded institution or system of care; OR

- Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient’s approved Con Plan
 - Category 2 (Children/youth who do not qualify as homeless under the homeless definition in §576.2 but qualify as homeless under another Federal statute)
 - Category 3 (Children/youth and their families who do not qualify as homeless under the homeless definition in §576.2, but who do qualify as homeless under Section 725(2) of the McKinney-Vento Homeless Assistance Act)

PARTICIPANT PRIORITIZATION REQUIREMENTS FOR FINANCIAL ASSISTANCE

- All individuals and families must meet the minimum HUD requirements for eligibility for homeless prevention. Further, all participants must have experienced homelessness in an emergency shelter, safe haven or place not meant for human habitation at some point in their lives.

The HSC will use a shared prioritization scoring tool (see Appendix C) that will target participants with the most barriers to housing. This tool will be used for individuals and households that meet the initial eligibility requirements listed above. Participants with the highest score at the end of an agency’s intake period will be prioritized to receive financial assistance.

Program participants requesting an emergency transfer will be prioritized above any other households for open units. 24 CFR 5.2005(e)(3)

PARTICIPANT PRIORITIZATION REQUIREMENTS FOR PREVENTION SERVICES

- Agencies providing ESG or HPP-funded prevention services not tied to financial assistance must take referrals of eligible households from the Coordinated Entry prevention hub. Agencies may also take direct referrals from eligible households.
- If services cannot be provided to all eligible households requesting the services, the agency offering the services must administer the shared prioritization scoring tool (Appendix C) used for prevention financial assistance in order to determine who should be prioritized to receive services.
- Entities that conduct program monitoring must have protocols to review the referral and prioritization process to ensure agencies are either able to provide services to all eligible households or using the prioritization scoring tool to determine service priority.
- Program participants requesting an emergency transfer will be prioritized above any other households for open units. 24 CFR 5.2005(e)(3)
- Nothing in these standards shall be interpreted to require a legal services provider to act contrary to the Rules of Professional Conduct for Attorneys, as codified in Wisconsin Statutes and Supreme Court Rules.

MINIMUM STANDARDS FOR FINANCIAL ASSISTANCE

1. Financial assistance includes the following: one-time payment for up to 6 months of rent in arrears including any late fees, short-term rental assistance up to 3 months, medium-term rental assistance up to 24 months, rental application fees, security deposits equal to no more than 2 months’ rent, last month’s rent, utility deposits, utility payments up to 24 months, and moving costs (or otherwise directed by the funder). Agencies may set maximum length of financial assistance based on program design and funding capacity, not to exceed 24 months.

2. Households can only receive assistance once in a three-year period or otherwise directed by the funder.
3. Households in CoC –funded Permanent Supportive Housing (PSH) can receive financial assistance if the program receives rental assistance funding, where the tenant has a lease directly with the landlord. If the PSH program is leasing or operation, the household is not eligible for financial prevention assistance.
4. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into other permanent housing and achieve stability in that housing for at least 30 days. Prevention funds may be provided for 6 months of rental arrears not to exceed two months of Fair Market Rent for the unit type.
 - a. All clients are assessed to determine initial need and create a budget to outline planned need for assistance, including establishing a plan for housing stability for the next 30 days.
 - b. The HSC expects that agencies will use progressive engagement and households receive the minimum amount of assistance necessary to stabilize in housing.
5. If providing short-term rental assistance (more than a one-time payment of rental arrears), eligibility and types/amounts of assistance must be re-evaluated not less than once every 3 months. At a minimum, each re-evaluation must establish and document:
 - a. The program participant does not have an annual income that exceeds 30% of county median income.
 - b. The program participant lacks sufficient resources and support networks necessary to retain housing without prevention assistance.
 - c. Programs may require program participants receiving assistance or services to provide notification regarding changes to household income, household composition, or other circumstances that may impact need for assistance.
6. Financial assistance will be distributed in a way to ensure that programs have funds available throughout the grant period.
7. If providing ongoing rental assistance, projects will work with individual households to progress towards paying full rent. Rent includes the cost of rent and utilities as calculated using the utility allowance schedule. This may involve a scheduled tiering process where the household pays an increasing percentage of their income towards rent and the program pays less, a monthly household budget review to determine how much the household can pay or any other method that works for both the participant and the project. Financial assistance is available for households with zero income.
8. Projects must have written policies regarding the amount and duration of financial assistance which must be communicated to participants upon project entry.

MINIMUM STANDARDS FOR HOUSING RELOCATION AND STABILIZATION SERVICES

1. Housing Relocation and Stabilization Services include the following: housing search and placement, housing stability case management, mediation, legal services, and credit repair.
2. The total period for which program participants may receive the services must not exceed 24 months during any three-year period.

3. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing and achieve stability in that housing.
4. Eligibility and types/amounts of assistance must be re-evaluated not less than once every 3 months. At a minimum, each re-evaluation must establish and document:
 - a. The program participant does not have an annual income that exceeds 30% of county median income.
 - b. The program participant lacks sufficient resources and support networks necessary to retain housing without prevention assistance.
5. Programs may require program participants receiving assistance or services to provide notification regarding changes to household income, household composition, or other circumstances that may impact need for assistance.
6. Homeless prevention participants receiving housing stability case management will be offered a meeting with a case manager not less than once per month to assist in ensuring long-term housing stability. Case managers and program managers are encouraged to provide more than the minimum required services through case management.

2. YOUTH SPECIFIC SYSTEM NAVIGATION (SUPPORTIVE SERVICES ONLY)

System Navigation (SSO) staff support youth from initial contact with the homelessness system through location of permanent housing and connection to ongoing services. System Navigation staff will work intensively with individuals to learn about their service needs and life goals, assist in developing an individualized plan for meeting their goals, remove barriers to accessing services and meet the specific needs of individuals seeking support, including connection to housing. These services will be low-barrier in order to provide the greatest amount of access and work towards eliminating disparities in our community.

ELIGIBILITY CRITERIA

- Participants must meet categories 1- Literally Homeless, 2- Imminent Risk of Homelessness, or 4- Fleeing Domestic Violence as outlined by the HUD definition of homelessness.
- Participants must be no older than 24 at the time of project entry. Once a participant is enrolled, there is no age limit and the participant will continue to be enrolled for up to the maximum allowed amount of time based on the project and participant's choice. For example, if someone enters the project at the age of 24, they can continue to receive services for up to the maximum allowed amount of time based on the project and participant's choice.
- *Serving Households Who Lack 3rd Party Documentation or Live in Unsafe Situations.* Youth aged 24 and under are not required to provide third-party documentation that they meet the homeless definition in 24 CFR 578.3 as a condition for receiving services funded under the YHDP NOFO. Additionally, any youth-serving provider funded under the YHDP NOFO may serve unaccompanied youth aged 24 and under (or families headed by youth aged 24 and under) who are living in unsafe situations. HUD interprets "youth-serving provider" as a private nonprofit organization whose primary mission is to provide services to youth aged 24 and under and families headed by youth aged 24 and under. HUD interprets "living in unsafe situations" as

having an unsafe primary nighttime residence and no safe alternative to that residence. This requirement supersedes any conflicting requirements under the YHDP NOFO, this appendix, the Act, or the CoC Program rule.

- Youth and young adult (YYA) referrals are generated through the CoC Coordinated Entry process to be piloted for youth-specific projects.

MINIMUM STANDARDS

1. Immediate Connection to System Navigation Staff: When a household is deemed eligible for supportive services, a system navigation staff member connects with the household to start housing planning for both immediate and permanent housing. Staff should connect with the household as quickly as possible, however specific guidance on the time frame can be found in the YYA-specific Coordinated Entry policy.
2. The maximum period of assistance for Supportive Services is 24 months, beginning once the participant is enrolled in the project.
3. System Navigation staff will walk alongside and support project participants from initial contact with the system to location of permanent housing and connection to ongoing services.
4. Peer Mentors and Navigators will work as a System Navigation team, and work intensively with project participants to learn about their service needs and life goals, prioritize immediate needs for housing stability and secure services.
5. Services will include: Peer Mentors that are paired with Navigators to work as a team, transportation, and intensive case management to help the project participant connect with housing, services, and community support.
6. System Navigation Staff may continue working with and providing support for up to six months after the project participant exits homelessness.
7. Trauma Informed Care: The six key principles of trauma informed care are safety; trustworthiness and transparency; peer support; collaboration and mutuality; empowerment, voice and choice; and responsiveness to the impact of cultural, historical, and gender discrimination and oppression. Staff will use a trauma-informed approach in all aspects of working with the clients, from initial connection, to creating plans, and partnering with the young person. Staff and organizational partners will be trained and retrained on a regular basis in trauma-informed practices. Locations where young people are accessing Navigation Services should be trauma-informed physical spaces.
8. Positive Youth Development: Focuses on identifying and developing young people's resiliencies and assets, rather than concentrating on their risks and deficits. It centralizes the role of guidance and support from caring adults and their roles in helping youth to grow up healthy, happy, and safe and to make positive contributions to their (chosen) families, schools, and

communities. Community systems and programs that embrace PYD are **strengths-based, forward-looking, protective, preventive, and empowering**. The project will partner with young people to identify their own goals, explore options, and walk alongside the young person to connect to services and housing. Staff and partners will be trained in Positive Youth Development practices.

9. Housing First: The key to the Housing First philosophy is that individuals and families are not required to first demonstrate that they are “ready” for housing. Housing First for young people involves providing young people with assistance to obtain safe, secure, and permanent housing that meets their needs as quickly as possible, without preconditions. A right to housing with no preconditions means that housing and support are separated, therefore access to housing cannot be defined by conditions such as participation in programming where non-compliance leads to a loss of, or a denial of, access to housing.

3. STREET OUTREACH

Street outreach is a strategy aimed at engaging individuals experiencing unsheltered homelessness who may not be accessing community resources. The primary goal is to connect them with emergency shelter, housing, and other critical services. The essence of street outreach lies in its mobile, non-facility-based approach, enabling outreach staff to reach out to individuals where they are, dismantling barriers to access.

ELIGIBILITY CRITERIA

The following are the federal ESG grant-specific requirements regarding participant eligibility. If the program receives funding from other sources, please refer to the grant contract for specific regulations. Complying with additional requirements or flexibilities specified by other funding sources will not be regarded as a violation of the CoC’s written standards.

- Participants must be experiencing unsheltered homelessness, meaning an individual or family’s primary nighttime residence is a public or private place not designed for or ordinarily used as a regular sleeping accommodation, including a car, park, abandoned building, bus or train station, airport, or camping ground (CFR 576.2 (1)(i)).

Exceptions to Eligibility Criteria:

- In some cases, determining participant eligibility for street outreach may not be immediately feasible during the initial encounter with new individuals. As part of the engagement process, street outreach staff can offer services until eligibility (i.e. unsheltered homelessness) can be verified. It is important to note that individuals who are determined not to be experiencing unsheltered homelessness during the initial engagement period are no longer eligible for street outreach services.

- Recognizing that participants' place of residence may change frequently and that the nature of effective street outreach is on creating meaningful relationship between the street outreach staff and the unsheltered participant, HUD specifies that street outreach case management can continue while participant is not unsheltered in the limited circumstances identified below:
 - Program participant is already enrolled in the Street Outreach program; AND
 - Program participant is not expected to remain in shelter, housing, or an institution for an extended period; AND
- It would be reasonably expected that the participant will end up sleeping outside or in a place not suitable for human habitation upon exit of the shelter, housing, or an institution.

MINIMUM STANDARDS

1. Client-Centered Approach: Street outreach services embrace individual needs and choices. This entails:
 - a. Conducting individualized needs assessments
 - b. Informing participants about emergency shelters, temporary housing, and permanent housing options
 - c. Ensuring answers for Coordinated Entry questions are answered in HMIS and updating as necessary
 - d. Completing the full Coordinated Entry assessment with identified participants
Facilitating connections to preferred permanent housing solutions
 - e. Addressing immediate physical requirements (meals, clothing, etc.)
 - f. Assisting participants in accessing eligible mainstream benefits and resources.
2. Mobile Outreach Focus: Outreach efforts prioritize mobility, reaching participants on their terms, rather than expecting them to visit facilities.
3. Engagement: The engagement process is vital in street outreach, especially when individuals are initially unwilling or uncertain about seeking assistance. Building trust and rapport through persistent follow-ups and check-ins is essential, while respecting individual autonomy and choice. Coordination with other outreach teams should be explored if a person refuses engagement.
4. Long-Term Engagement and Participant Exit: Generally, outreach staff will remain committed to supporting individuals until they obtain permanent housing. Participants will be exited from the street outreach program when they have:
 - a. Secured permanent housing; or
 - b. Enrolled in other supportive services, such as CCS, CSP, and shelter case management services, and expressed no further desire to receive street outreach services. (Street outreach staff can continue to work with participants enrolled in other case management services if they meet the street outreach eligibility and wish to continue to work with street outreach.); or

- c. Had no contact with outreach staff for a continuous period of 90 days, despite staff's efforts to connect.
- 5. Coordinated Entry Hub: Street outreach staff who use HMIS may become mobile hubs in the CoC's Coordinated Entry (CE) system. Initial certification and ongoing training is required to ensure competency in conducting CE assessments.
- 6. Collaboration and Service Coordination: To enhance effectiveness and avoid duplication, street outreach teams actively participate in CoC's outreach case conferencing meetings and ensure timely HMIS entries. Refer to the most up-to-date [HUD ESG Program HMIS Manual](#), specifically the Street Outreach section.
- 7. Documentation and Eligibility: Prior to referral to a PSH program that requires chronic homelessness verification, the following documentation must be completed and submitted to the Coordinated Entry Manager within 60 days of Tier 2 prioritization:
 - a. Documentation of disability
 - b. Homelessness documentation: evidence of the length and frequency of homelessness consistent with HUD's chronic homeless definition

For participants enrolled in multiple programs, the program designated to complete the Tier 2 assessment will take the lead on collecting documentation and providers will collaborate to ensure documentation is completed.

4. DIVERSION

Diversion² is a strategy that prevents homelessness for people seeking shelter by helping them identify immediate alternate housing arrangements and, if necessary, connecting them with services and financial assistance to help them return to permanent housing. Diversion specialists connect with people as they are requesting shelter or within 7-10 days of shelter entry. Diversion is not about keeping people out of the shelter system. It is about supporting self-resolution and should always be safe and appropriate according to the participant. Diversion services may include: short term case management; limited financial assistance; conflict mediation; connection to mainstream services/benefits; and housing search.

ELIGIBILITY CRITERIA

- A standard assessment tool is used to screen for diversion. See Appendix D for the Diversion Assessment Tool.

MINIMUM STANDARDS

1. Immediate Connection to Case Management: When a household is deemed eligible for diversion services, a case manager connects with the household to start housing planning for both immediate and permanent housing.

² Diversion section taken from: National Alliance to End Homelessness, "Closing the Front Door: Creating a Successful Diversion Program for Homeless Families"

2. **Resourceful Staff Members:** Staff should be familiar with the intake and assessment processes, have experience with landlord mediation and conflict resolution, and be knowledgeable about rental subsidies and financial literacy programs.
3. **Screening Tool and Process:** All households requesting shelter are screened for diversion eligibility using the Diversion Assessment Tool.
4. **Flexible Funding:** Funds should ensure households obtain housing, allow them to stay longer in a doubled up situation or unify them with family members.
5. **Participant safety must be considered first.** Participants decide what is safe and appropriate for themselves.
6. If a participant requests funds to relocate to another community, service providers must confirm they have housing in that community.
7. All participants who enter a diversion program must be entered into HMIS.

5. EMERGENCY SHELTER

Emergency shelter is any facility whose primary purpose is to provide a temporary shelter for the homeless in general or for specific populations of people experiencing homelessness. Emergency shelters do not require occupants to sign leases or occupancy agreements.

ELIGIBILITY CRITERIA

Individuals and families defined as homeless under the following categories are eligible for assistance:

- Category 1: Literally Homeless
- Category 2: Imminent Risk of Homelessness
- Category 3: Homeless Under Other Federal Statutes
- Category 4: Fleeing/Attempting to Flee Domestic Violence

MINIMUM STANDARDS

1. Shelter staff and volunteers will treat guests with respect and dignity. Shelter policies and procedures will promote a welcoming, safe and non-intimidating environment for shelter guests and staff. These policies and procedures must be explained to applicants prior to entering shelter. In addition, they must be posted in the shelter and on the agency's website.
2. Shelters must conduct an initial evaluation to determine the eligibility of each household for shelter and the essential services the household needs to regain stability in permanent housing, such as case management, life skills training, child care, mental health services, education services, transportation, employment assistance and job training, legal services, and health services. Essential service needs must be regularly reassessed.
3. Shelters must provide risk assessment and safety planning with shelter guests who identify as victims of domestic violence, dating violence, sexual assault, and stalking. Referrals will be made to domestic violence resources as needed.

4. Supportive services are available to assist persons in obtaining housing either on-site or through a daytime resource center. All shelter guests are notified of the availability of support services and how to access these services.
5. Shelters in the CoC will assess eligibility for mainstream resources and refer guests to applicable resources. Shelters will document referrals using the Dane CoC Mainstream Benefits Checklist and/or case notes. Documentation must be kept in the file for each household.
6. Shelter operates every day of the year. In the event of a temporary shelter closure for rehabilitation or major maintenance work, as much notice as possible should be provided to guests, and efforts should be made to find a short-term replacement facility.
7. Each shelter will have a policy of respect for each individual's self-identified gender. Guests who request shelter services will be admitted to the shelter operated for the gender to which an individual identifies. Transgender and gender non-conforming guests will be offered the same services and resources as all other guests. While shelter staff will take reasonable steps to accommodate specific needs, it may not be possible to segregate the guest from the rest of the shelter population. Staff will not share or in any way advertise the fact that certain guests may have identified themselves as transgender or gender non-conforming. Staff will not segregate guests in sleeping and restroom spaces unless requested by the guest.
8. All households with children, regardless of age, gender identification, sexual orientation, or marital status who identify as a household will be served as such in family shelter. Households will not be separated when entering family shelter. There can be no inquiry, documentation requirement or "proof" related to family status, gender identification and/ or sexual orientation. The age and/or gender of a child under the age of 18 or, if over 18, enrolled in high school cannot be used as a basis for denying any family's admission to a program that uses ESG funding or services if those programs serve families with children under age 18.³
9. There is no charge to a shelter guest for emergency shelter.
10. Documentation (including Photo ID, birth certificate, etc.) is not a barrier to shelter.
11. The CoC does not prescribe a maximum length of stay. Agencies may establish the maximum length of stay based on project design and resources available. Length of stay policies must be communicated to shelter guests at intake.
12. Guests may be asked to leave for a period of time in the event of serious infraction and only in the most severe cases such as for behavior that is deemed seriously threatening or harmful to other guests and staff. Suspending a shelter guest is allowed only when all other options have been explored and a suspension is necessary to protect the health and safety of staff and guests. All shelter guests will be notified of the agency's grievance policy. When it is not possible to serve a guest because of the guest's behavior, efforts will be made by shelter staff to assist the guest in finding alternatives. See Dane County Ordinance 30.04 for details on the procedure for discontinuing shelter services to a guest.
13. Shelters are required to give notice of changes regarding access to the Homeless Services Consortium via hsc@cityofmadison.com. The Homeless Services Consortium's website will be updated to reflect the changes.

³ From (24 CFR § 576.102 Prohibition against involuntary family separation) (24 CFR § 5.403 Definitions- Family) (24 CFR §570.3 Definitions - Household) (24 CFR 5.105(a) Nondiscrimination and equal opportunity)

ACCESS TO SHELTER

Information on how to access shelter can be found on the Homeless Services Consortium website (<https://www.danecountyhomeless.org/get-help>).

PRIORITIZATION FOR FAMILY SHELTER

Shelter is provided for households with children on a nightly basis. Priority is given to families with newborns (3 months and younger from May-October, 6 months and younger from November –April) and then to families who were denied the night before. As many families as possible are accommodated, based on space available. A factor that is accounted for is where the family sleeps when not accepted into EFS.

RECOMMENDED PROGRAM PRACTICES

Shelters will continue to work towards the following⁴:

1. **Housing First Approach:** Align shelter eligibility criteria, policies and practices with a Housing First approach so that anyone experiencing homelessness can access shelter without prerequisites, make services voluntary, and assist people to access permanent housing options as quickly as possible.
2. **Safe & Appropriate Diversion:** Provide diversion services to find safe and appropriate housing alternatives to entering shelter through problem-solving conversations, identifying community supports, and offering lighter touch solutions.
3. **Immediate & Low-barrier Access:** Ensure immediate and easy access to shelter by lowering barriers to entry and staying open 24/7. Eliminate sobriety and income requirements and other policies that make it difficult to enter shelter, stay in shelter, or access housing and income supports.
4. **Housing-focused, Rapid Exit Services:** Focus services in shelter on assisting people to access permanent housing options as quickly as possible.
5. **Data to Measure Performance:** Measure data on percentage of exits to housing, average length of stay in shelter, and returns to homelessness to evaluate the effectiveness of shelter and improve outcomes.

6. TRANSITIONAL HOUSING

Transitional Housing (TH) facilitates the movement of homeless individuals and families to permanent housing within 24 months of entering TH. Programs will provide safe, affordable housing that meets participants' needs.

ELIGIBILITY CRITERIA

- Participants must meet categories 1 - Literally Homeless, 2 - At Imminent Risk, or 4 - Fleeing Domestic Violence as outlined by the HUD definition of homelessness.
- All TH program participants must fall into at least one of the categories below:
 - a. Individuals or head of household struggling with a substance use disorder

⁴ National Alliance to End Homelessness: The Five Keys to Effective Emergency Shelter infographic

- b. Individuals in early recovery from a substance use disorder who may desire more intensive support to achieve their recovery goals
- c. Survivors of domestic violence or other forms of severe trauma who may require and prefer the security and onsite services provided in a congregate setting to other available housing options
- d. Unaccompanied and pregnant or parenting youth (age 18-24) who are unable to live independently or who prefer a congregate setting with access to a broad array of wraparound services to other available housing options
- e. Individuals listed on a sex offender registry
- f. People re-entering the community after a stay in jail or prison

MINIMUM STANDARDS

1. Maximum length of stay cannot exceed 24 months.
2. Staff must assist participants with creating a housing stabilization plan which may include the following: creating a housing history, completion of subsidized housing applications, repair credit history, make payment plans on past debts, increase income, create positive housing history in current place, and advocate with landlords as needed. Additional supportive services are provided as needed.
3. Program participants in transitional housing must enter into a lease agreement for a term of at least one month. The lease must be automatically renewable upon expiration, except on prior notice by either party, up to a maximum term of 24 months.

7. PERMANENT SUPPORTIVE HOUSING

Permanent supportive housing (PSH) is defined by the following criteria:

- Affordable – Housing is subsidized to ensure fiscal sustainability of household
- Safe – Housing meets standards of habitability
- Low-barrier – No required preconditions to access housing
- Supportive – Household has indefinite access to client-driven supportive services that follow household through housing transitions
- Community-focused – Housing is integrated, to its greatest extent, into the surrounding community and services support household in connecting to and interacting with community

ELIGIBILITY CRITERIA

- Participants must meet categories 1- Literally Homeless or 4 – Fleeing Domestic Violence as outlined by the HUD definition of homelessness.
- PSH programs can only provide assistance to individuals with disabilities and families in which at least one adult or child has a disability
- PSH referrals are generated through the CoC Coordinated Entry process and the CoC-wide priority lists for families and individuals.

A. PRIORITIZATION FOR BEDS DEDICATED OR PRIORITIZED FOR PERSONS EXPERIENCING CHRONIC HOMELESSNESS

FIRST PRIORITY - Individuals and Families experiencing chronic homelessness with the Longest History of Homelessness and with the Most Severe Service Needs.

An individual or head of household experiencing chronic homelessness as defined in 24 CFR 578.3 for whom both of the following are true:

- i. The chronically homeless individual or head of household of a family has been homeless and living in a place not meant for human habitation, a safe haven, or in an emergency shelter for at least 12 months either continuously or on at least four separate occasions in the last 3 years, where the cumulative total length of the four occasions equals at least 12 months; and
- ii. The CoC or CoC program recipient has identified the chronically homeless individual or head of household, who meets all of the criteria in paragraph (1) of the definition for chronically homeless, of the family as having severe service needs⁵.

SECOND PRIORITY - Individuals and Families experiencing chronic homelessness with the Longest History of Homelessness.

An individual or head of household experiencing chronic homelessness, as defined in 24 CFR 578.3, for which both of the following are true:

- i. The individual or head of household of a family experiencing chronic homelessness has been homeless and living in a place not meant for human habitation, a safe haven, or in an emergency shelter for at least 12 months either continuously or on at least four separate occasions in the last 3 years, where the cumulative total length of the four occasions equals at least 12 months; and,
- ii. The CoC or CoC program recipient has not identified the individual or the head of household experiencing chronic homelessness, who meets all of the criteria in paragraph (1) of the definition for chronically homeless, of the family as having severe service needs.

THIRD PRIORITY - Individuals and Families experiencing chronic homelessness with the Most Severe Service Needs.

An individual or head of household experiencing chronic homelessness as defined in 24 CFR 578.3 for whom both of the following are true:

- i. The individual or head of household of a family experiencing chronic homelessness has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter on at least four separate occasions in the last 3 years, where the total length of those separate occasions equals less than one year; and
- ii. The CoC or CoC program recipient has identified the individual or the head of household experiencing chronic homelessness, who meets all of the criteria in paragraph (1) of the definition for chronically homeless, of the family as having severe service needs.

FOURTH PRIORITY - All Other Individuals and Families experiencing chronic homelessness.

An individual or head of household experiencing chronic homelessness as defined in 24 CFR 578.3 for whom both of the following are true:

⁵ See Section I.D.3. of the HUD Notice for definition of severe service needs.

- i. The individual or head of household of a family experiencing chronic homelessness has been homeless and living in a place not meant for human habitation, a safe haven, or in an emergency shelter for at least four separate occasions in the last three years, where the cumulative total length the four occasions is less than 12 months; and
- ii. The CoC or CoC program recipient has not identified the individual or the head of household experiencing chronic homelessness, who meets all of the criteria in paragraph (1) of the definition for chronically homeless, of the family as having severe service needs.

B. PRIORITIZATION FOR BEDS NOT DEDICATED OR NOT PRIORITIZED FOR PEOPLE EXPERIENCING CHRONIC HOMELESSNESS

FIRST PRIORITY – Individuals and families experiencing homelessness with a Disability and Long Periods of Episodic Homelessness and Severe Service Needs

An individual or family that is eligible for CoC Program-funded PSH who has experienced fewer than four occasions where they have been living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter but where the cumulative time homeless is at least 12 months **and** has been identified as having severe service needs.

SECOND PRIORITY – Individuals and Families Experiencing Homelessness with a Disability with Severe Service Needs

An individual or family that is eligible for CoC Program-funded PSH who is residing in a place not meant for human habitation, a safe haven, or in an emergency shelter and has been identified as having severe service needs. The length of time in which households have been homeless should also be considered when prioritizing households that meet this order of priority, but there is not a minimum length of time required.

THIRD PRIORITY – Individuals and Families Experiencing Homelessness with a Disability Coming from Places Not Meant for Human Habitation, Safe Haven, or Emergency Shelter Without Severe Service Needs

An individual or family that is eligible for CoC Program-funded PSH who is residing in a place not meant for human habitation, a safe haven, or an emergency shelter where the individual or family has not been identified as having severe service needs. The length of time in which households have been homeless should be considered when prioritizing households that meet this order of priority, but there is not a minimum length of time required.

FOURTH PRIORITY – Individuals and Families Experiencing Homelessness with a Disability Coming from Transitional Housing

An individual or family that is eligible for CoC Program-funded PSH who is currently residing in a transitional housing project, where prior to residing the transitional housing lived in a place not meant for human habitation, in an emergency shelter, or safe haven. This priority also includes individuals and families residing in transitional housing who were fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking and prior to residing in that transitional housing project even if they did not live in a place not meant for human habitation, an emergency shelter, or a safe haven prior to entry in the transitional housing.

RECORD KEEPING REQUIREMENTS FOR DOCUMENTING CHRONIC HOMELESS STATUS⁶

1. Programs must have written intake procedures that establish the order of priority for obtaining evidence. The acceptable order of obtaining evidence as defined by HUD is:
 - i. third party documentation,
 - ii. intake worker observations, and
 - iii. certification from the person seeking assistance.

Records found in HMIS, including intake worker observations, are acceptable evidence of third-party documentation if there is a history of all entries including who entered the data, date of entry, and the change made AND if HMIS prevents overrides or changes of dates of entries made.

2. CoC-funded PSH programs whose grant agreement includes beds that are dedicated or prioritized for the chronic homeless must maintain records showing that those receiving assistance meet the definition of chronically homeless. Records must include evidence of homeless status, duration of homelessness and documentation of disability.

A. EVIDENCE OF HOMELESS STATUS

Evidence of a household's current living situation may be documented by written observation of an outreach worker, written referral by housing or service provider or self-certification from the person seeking service that they are homeless and living in a place not meant for human habitation, an emergency shelter or a safe haven. For paragraph 2 of the definition for persons residing in an institution, acceptable evidence includes:

- i. Discharge paperwork or a written or oral referral from a social worker, case manager, or other appropriate official of the institution, stating the beginning and end dates of the time residing in the institution that demonstrate the person resided there for less than 90 days. All oral statements must be recorded by the intake worker; or
- ii. Where the evidence above is not obtainable, a written record of the intake worker's due diligence in attempting to obtain the evidence described in the paragraph i. above and a certification by the individual seeking assistance that states that they are exiting or have just exited an institution where they resided for less than 90 days; and
- iii. Evidence that the individual was homeless and living in a place not meant for human habitation, a safe haven, or in an emergency shelter, and met the criteria in paragraph (1) of the definition for chronically homeless in 24 CFR 578.3, immediately prior to entry into the institutional care facility.

B. EVIDENCE OF THE DURATION OF THE HOMELESSNESS

⁶ CDP-14-012, *Notice on Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing and Recordkeeping Requirements for Documenting Chronic Homeless Status*, U.S. Department of Housing and Urban Development, July 28, 2014.

<http://portal.hud.gov/hudportal/documents/huddoc?id=14-12cpdn.pdf> AND CPD-16-11, *Notice on Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing*, U.S. Department of Housing and Urban Development, July 25, 2016.

<https://www.hudexchange.info/resources/documents/notice-cpd-16-11-prioritizing-persons-experiencing-chronic-homelessness-and-other-vulnerable-homeless-persons-in-psh.pdf>

Recipients documenting chronically homeless status must also maintain the evidence described in paragraph i. or in paragraph ii. below, and the evidence described in paragraph iii. below:

- i. Evidence that the homeless occasion was continuous, for at least one year.

Recipients must provide evidence that the homeless occasion was continuous, for a year period, without a break in living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter. A break is considered at least seven or more consecutive nights not residing in a place not meant for human habitation, in shelter, or in a safe haven.

At least 9 months of the 1-year period must be documented by one of the following: (1) HMIS data, (2) a written referral, or (3) a written observation by an outreach worker. In only rare and the most extreme cases, HUD would allow a certification from the individual or head of household seeking assistance in place of third-party documentation for up to the entire period of homelessness. Where third-party evidence could not be obtained, the intake worker must obtain a certification from the individual or head of household seeking assistance, and evidence of the efforts made to obtain third-party evidence as well as documentation of the severity of the situation in which the individual or head of household has been living. An example of where this might occur is where an individual has been homeless and living in a place not meant for human habitation in a secluded area for more than 1 year and has not had any contact with anyone during that entire period.

Note: A single encounter with a homeless service provider on a single day within 1 month that is documented through third-party documentation is sufficient to consider an individual or family as homeless for the entire month unless there is any evidence that the household has had a break in homeless status during that month (e.g., evidence in HMIS of a stay in transitional housing).

- ii. Evidence that the household experienced at least four separate homeless occasions over 3 years that combined total at least 12 months.

The recipient must provide evidence that the head of household experienced at least four, separate, occasions of homelessness in the past 3 years that combined total at least 12 months.

Generally, at least three occasions must be documented by either: (1) HMIS data, (2) a written referral, or (3) a written observation. Any other occasion may be documented by a self-certification with no other supporting documentation.

In only rare and the most extreme cases, HUD will permit a certification from the individual or head of household seeking assistance in place of third-party documentation for the three occasions that must be documented by either: (1) HMIS data, (2) a written referral, or (3) a written observation. Where third-party evidence could not be obtained, the intake worker must obtain a certification from the individual or head of household seeking assistance, and must document efforts made to obtain third-party evidence, and document of the severity of the situation in which the individual has been living. An example of where this might occur is where an individual has been homeless and living in a place not meant for human habitation in a secluded area for more than one occasion of homelessness and has not had any contact with anyone during that period.

- iii. Evidence of diagnosis with one or more of the following conditions: substance use disorder, serious mental illness, developmental disability (as defined in Section 102 of the Developmental Disabilities Assistance Bill of Rights Act of 2000 (42 U.S.C. 15002), post-traumatic stress disorder, cognitive impairments resulting from brain injury, or chronic physical illness or disability. Evidence of this criterion must include one of the following: (1) Written verification of the condition from a professional licensed by the state to diagnose and treat the condition; (2) Written verification from the Social Security Administration; (3) Copies of a disability check (e.g., Social Security Disability Insurance check or Veterans Disability Compensation); (4) Intake staff (or referral staff) observation that is confirmed by written verification of the condition from a professional licensed by the state to diagnose and treat the condition that is confirmed no later than 45 days of the application for assistance and accompanied with one of the types of evidence above; or (5) Other documentation approved by HUD
- iv. Evidence of Severe Service Needs: Evidence of score on VI-SPDAT, VI-F-SPDAT, or TAY-VI-SPDAT. This can be documentation found in HMIS. If a participant was brought into a program based on a medical exception, there must be case notes from the decision.
- v. Evidence that the recipient is following the CoC's Written Standards for Prioritizing Assistance: Order of prioritization must be incorporated into project's intake procedures and the project is following the procedures when accepting new program participants.
- vi. Evidence that there are no households meeting higher order of priority within the CoC's geographic area:
 - a. If a dedicated and prioritized PSH project fills a vacancy with a person not experiencing chronic homelessness, there must be documentation showing that there were no households in the CoC experiencing chronic homelessness. Documentation should include evidence of outreach efforts undertaken to locate eligible households experiencing chronic homelessness. If there are people experiencing chronic homelessness, but have not accepted assistance, documentation should specify the number of persons that meet this criteria and the attempts that have been made to engage the individual or families.
 - b. If a non-dedicated and non-prioritized PSH project serves a household who meets a lower order of priority, the project must document how the determination was made that there were no eligible households within the CoC's geographic area that met a higher priority.

MINIMUM STANDARDS

1. There can be no predetermined length of stay for a PSH project.
2. Supportive services designed to meet the needs of the project participants must be made available to the project participant throughout the duration of stay in the PSH project.
3. Project participants in PSH must enter into a lease agreement that is terminable for cause for an initial term of at least one year. The lease must be automatically renewable upon expiration for a minimum term of one month, except on prior notice by either party.
4. Turnover beds in PSH projects will be prioritized for chronically homeless participants.

5. Brief periods of stays in institutions, not to exceed 90 days for each occurrence, are not considered vacancies and the project is required to keep the unit for the participant's return.
6. PSH project will use Housing First approaches. (See Section I: General Requirements, Housing First)

8. RAPID RE-HOUSING

Rapid rehousing (RRH) is an intervention designed to help individuals and families exit homelessness as quickly as possible, return to permanent housing, and achieve stability in that housing. Rapid rehousing assistance is offered without preconditions (such as employment, income, absence of criminal record, or sobriety) and the resources and services provided are tailored to the unique needs of the household.

The core components of a rapid rehousing program are housing search and placement services, housing stabilization case management, short- and/or medium-term rental assistance and financial assistance. Program staff are expected to remain engaged with the households from first contact to program exit, using a progressive engagement approach and tailoring services to the needs of the household in order to assist the household to maintain permanent housing. According to the National Alliance to End Homelessness, progressive engagement is,

“a person-centered approach to ending someone’s homelessness. It is based on tailoring assistance to each individual or household’s needs and assessing what works best for them, with their specific strengths, and in their specific situation.”

PRIORITIZATION

RRH referrals are generated through the CoC Coordinated Entry process and the CoC-wide priority lists for families and individuals.

MINIMUM STANDARDS

1. RRH projects will use Housing First approaches, following the Minimum Standards listed in the Housing First section of the Written Standards.
2. Upon project entry, RRH projects will assess participants for their needs for supportive services, including housing search and placement, housing stability case management, mediation, legal services, and credit repair.
3. Program staff will assist participants in locating housing for a minimum of 90 days. The frequency and level of housing search and placement assistance will vary based on program participant need. Initial contacts with the participant will typically be at least weekly and continued contacts will be at least monthly. In-person contact is preferred whenever possible.
4. Supportive services designed to meet the needs of the project participants must be made available throughout the duration of participation in the RRH project. If services such as

mediation, legal services or credit repair is not provided by the project, staff will make appropriate referrals.

5. RRH programs will connect households with community resources and mainstream benefits to allow for individual resources to be used for housing costs.
6. Rental and financial assistance and services will be provided by using a progressive engagement approach. Assistance and services should be tailored to each individual household based on each household's needs. See Appendix G for additional resources on progressive engagement.
7. In order to help households quickly stabilize in housing, projects may pay up to 100% of move-in costs including security deposit, first month rent, and any required utility payments, unless the funding source has a minimum participant payment requirement. If a household moves into housing between the 1st and the 15th of the month, that month will be considered the "first month". If the household moves into housing between the 16th and the end of the month, the following month will be considered the "first month." In this situation, the program will provide 100% of the prorated rent in addition to the first month's rent.
8. Following the first month, projects will work with individual households to progress towards paying full housing expenses (rent and utilities). This may involve a scheduled tiering process where the household pays an increasing percentage of their income toward rent and the program pays less, a monthly household budget review to determine how much the household can pay or any other method that works for both the participant and the project.
9. Agencies must have policies related to the program's method of progressive engagement for financial assistance and services. Except for the maximum number of months the program participant receives assistance (24 months) and funding source specific requirements described in the chart below, the CoC does not prescribe maximum amount of assistance or maximum number of times that a program participant may receive assistance. However, agencies may set program specific limits in addition to those requirements.

Program policies and expectations must be communicated to project participants at program entry and must address the following:

Financial Assistance

- Maximum length of financial assistance
- Maximum amount of financial assistance, if any
- Type of financial assistance to be provided (e.g. security deposit, first month rent, monthly rental assistance, monthly utility assistance)
- (If security deposit was paid by the agency) what happens to security deposit at move out
- Proposed payment schedule, including participant and agency portions of rent, expected length of financial assistance
- Method used to adjust the payment schedule if needed

Services

- Required minimum frequency of case management meetings including housing search and placement and housing stabilization services, if any
- Maximum length of housing services including program extensions, if applicable

Different funding sources have varying participant eligibility criteria, eligible costs, and rental assistance requirements for Rapid Rehousing programs. A summarized overview of these variations can be found in the charts on the following pages. For more detailed information, please refer to the full regulations available for [ESG/HPP](#), [CoC](#), [TBRA](#) and [HAP](#) programs. (Note that State HAP funded programs must adhere to ESG/HPP requirements when utilizing HAP funds to match ESG funds.)

Participant Eligibility Criteria

	Initial Evaluation				Annual Re-Evaluation (On or before one-year mark)			
	ESG/HPP	CoC	HOME TBRA	State EHH-HAP	ESG/HPP	CoC	HOME TBRA	State EHH-HAP
Homeless Eligibility	Yes, see below for eligible categories	Yes, see below for eligible categories	Based on the Participating Jurisdiction (PJ) program design	Yes, see below for eligible categories	No**	No**	No**	No**
Category 1 Literally homeless -in emergency shelter and unsheltered, <i>not in TH</i>	✓	✓		✓				
Category 2 Imminent risk of homelessness	No	No, CoC funds allow but Dane CoC written standards do not		No, EHH funds allow but Dane CoC written standards do not				
Category 3 Homeless under other Federal statutes	No	No, CoC funds allow but CoC written standards and NOFOs do not		No, EHH funds allow but CoC written standards do not				
Category 4* Fleeing/attempting to flee domestic violence	✓*	✓*		✓*				

* Eligible only if also literally homeless

** Unless the household is still doing housing search at annual re-evaluation

	Initial Evaluation				Annual Re-Evaluation (On or before one-year mark)			
	ESG/HPP	CoC	HOME TBRA	State EHH- HAP	ESG/HPP	CoC	HOME TBRA	State EHH- HAP
Income Evaluation Required, based on County Median Income (CMI)	ESG- No, not at initial evaluation; only required at annual re-evaluation; HPP- Yes, at or below 80% CMI	No	Yes - Based on the PJ program design (can't be higher than 80% CMI and can be lower)	No	Yes – at or below 30% CMI	No	Yes - Based on the PJ program design (can't be higher than 80% CMI)	No, unless HAP funds are matched with ESG or HPP
Need (amount and type of assistance)	✓	✓			✓	✓		
Lacking Resources and Support Networks					✓	✓		

Eligible Costs

	ESG/HPP	CoC	HOME TBRA	State EHH-HAP
Maximum Length of Program Participation***	<ul style="list-style-type: none"> Up to 24 months of program participation, may be shorter depending on the agency program design Maximum number of months for rental assistance- not to exceed 24 months in a three-year period, including rental arrears 	<ul style="list-style-type: none"> Up to 24 months of rental assistance, may be shorter depending on the agency program design. Supportive services may be provided until 6 months after the rental assistance stops. 	<ul style="list-style-type: none"> Up to 24 months of program participation, may be shorter depending on the agency program design 	<ul style="list-style-type: none"> Up to 24 months of program participation, may be shorter depending on the agency program design
Rental Assistance	<ul style="list-style-type: none"> Short-term rental assistance (up to 3 months) Medium-term rental assistance (4 to 24 months) Rental arrears (one-time payment of up to 6 months of rent in arrears, including any late fees on those arrears) 	<ul style="list-style-type: none"> Short-term rental assistance (up to 3 months) Medium-term rental assistance (4 to 24 months) 	<ul style="list-style-type: none"> Rental assistance for up to 24 months <p>*Rental assistance can be renewed depending on the funder program design and availability of funds</p> <p>*PJ must establish the payment standards, maximum amount of assistance</p>	<ul style="list-style-type: none"> Rental assistance up to 24 months (HAP does not have specific requirements, but Dane CoC Written Standards do) Rent arrears <p>*Participants must pay at least 25% of their gross income toward rent, including security deposit and first month's rent.</p>
Rental Assistance Type	<ul style="list-style-type: none"> Tenant-based rental assistance Project-based rental assistance 	<ul style="list-style-type: none"> Tenant-based rental assistance only 	<ul style="list-style-type: none"> Tenant-based rental assistance only 	<ul style="list-style-type: none"> Tenant-based rental assistance Project-based rental assistance

*** Except for the maximum number of months the program participant receives assistance described above, the CoC does not prescribe maximum amount of assistance or maximum number of times that a program participant may receive assistance. However, projects must set policies regarding a maximum amount of assistance or maximum number of times assistance is received.

	ESG/HPP	CoC	HOME TBRA	State EHH-HAP
Utilities	<ul style="list-style-type: none"> ● Utility deposits and payments*(up to 24 months) ● Utility arrears (up to 6 months) *Gas, electric, water/sewer are eligible; telephone, internet, and cable are not eligible *Utilities may only be provided if the participant has an account in their name with a utility company or proof of responsibility to make utility payments (cannot use utility allowance) 	<ul style="list-style-type: none"> ● Utility deposits and payments* *Gas, electric, water/sewer are eligible; telephone, internet, and cable are not eligible *Utility allowance is used 	<ul style="list-style-type: none"> ● Utility deposits and payments* *Gas, electric, water/sewer, trash are eligible; telephone, internet, and cable are not eligible *Only for participants who are receiving rental assistance are eligible to receive utility payments 	<ul style="list-style-type: none"> ● Utility deposits and payments ● Utility arrears *Gas, electric, water/sewer are eligible; telephone, internet, and cable are not eligible
Other Eligible Financial Assistance	<ul style="list-style-type: none"> ● Rental application fees ● Security deposits (up to 2 months) ● Last month's rent ● Moving costs 	<ul style="list-style-type: none"> ● Rental application fees, only paid under supportive services ● Security deposits (up to 2 months) ● First and last month's rent ● Property damage 	<ul style="list-style-type: none"> ● Security deposits (up to 2 months) 	<ul style="list-style-type: none"> ● Rental application fees ● Security deposits ● Utility deposits and payments (gas, electric, water, sewer) ● Utility arrearages (gas, electric, water, sewer) ● Moving costs
Supportive Services	<ul style="list-style-type: none"> ● Housing search and placement ● Housing stability case management 	<ul style="list-style-type: none"> ● Case management ● Child care ● Education services 	<ul style="list-style-type: none"> ● (TBRA funds cannot be used for supportive services. However, PJ may require providing 	<ul style="list-style-type: none"> ● Housing search and placement ● Housing stability case management

	<ul style="list-style-type: none"> ● Mediation ● Legal services ● Credit repair 	<ul style="list-style-type: none"> ● Employment assistance and job training ● Food ● Housing search and counseling services, including mediation, credit repair, and payment of rental application fee ● Legal services ● Life skills training ● Mental health services ● Moving costs ● Outpatient health services ● Outreach services ● Substance abuse treatment services ● Transportation 	supportive services with matching and leveraging funds.)	<ul style="list-style-type: none"> ● Tenant/Landlord mediation ● Legal services
<p>Frequency of Supportive Services *</p> <p>*Also see the case management services section (page 6-7) for minimum standards for case management services.</p>	Rapid rehousing projects must require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability (§ 576.401(e)(i)).	Rapid rehousing projects must require the program participant to meet with a case manager not less than once per month to assist the program participant in maintaining long-term housing stability (§ 578.37(a)(1)(ii)(F)).	No frequency requirement	No frequency requirement

Rental Assistance Requirements

	ESG /HPP	CoC	HOME TBRA	STATE EHH-HAP
Housing Standards	Units must meet HUD Habitability Standards, using the Habitability Standards Checklist	Units must meet HUD Housing Quality Standards (HQS), using HQS Inspection Form	Units must meet HUD Housing Quality Standards (HQS), using HQS Inspection Form	Units must meet HUD Habitability Standards, using the Habitability Standards Checklist
Fair Market Rent (FMR)	Rent must be at or below FMR	FMR is not required as long as rent reasonableness is documented	No specific FMR requirement, but PJ's rent standard may be tied to the FMR (e.g. 105% of FMR)	FMR is not required as long as rent reasonableness is documented
Rent Reasonableness	Must comply with HUD's rent reasonableness standards, using the Rent Reasonableness Form	Must comply with HUD's rent reasonableness standards, using the Rent Reasonableness Form	Must comply with HUD's rent reasonableness standards, using the Rent Reasonableness Form	Must comply with HUD's rent reasonableness standards, using the Rent Reasonableness Form
Lead Safety	Must follow <u>HUD's Lead Safe Housing Rule</u> . Use the HSC Lead Safe Housing Rule Form for required action and documentation.	Must follow <u>HUD's Lead Safe Housing Rule</u> . Use the HSC Lead Safe Housing Rule Form for required action and documentation.	Must follow <u>HUD's Lead Safe Housing Rule</u> . Use the HSC Lead Safe Housing Rule Form for required action and documentation.	Must follow <u>HUD's Lead Safe Housing Rule</u> . Use the HSC Lead Safe Housing Rule Form for required action and documentation.
Lease Standards	<ul style="list-style-type: none"> • Clients must have a legally binding lease. • "Master-leasing" is not allowed, meaning that agencies may not sign a lease and sublet the unit to a program participant. Leases must be between the owner and the client. • Leases must include VAWA addendum. 	<ul style="list-style-type: none"> • Client must be the tenant on a lease for a term of at least one year, which is renewable for terms that are a minimum of one month long, and is terminable only for cause. • Leases must be automatically renewable upon expiration for terms 	<ul style="list-style-type: none"> • Clients must have a legally binding lease. • "Master-leasing" is not allowed, meaning that agencies may not sign a lease and sublet the unit to a program participant. Leases must be between the owner and the client. • Leases must include VAWA addendum. 	<ul style="list-style-type: none"> • Clients must have a legally binding lease. • Leases must include VAWA addendum. • Leases are <i>encouraged</i> to have an initial term of one year, but month-to-month lease is permitted. Leases may be renewed or extended as needed

	<ul style="list-style-type: none"> Leases are <i>encouraged</i> to have an initial term of one year, but month-to-month lease is permitted for a scattered site model tenant-based rental assistance. (Project based rental assistance must have an initial term of one year.) 	<p>that are a minimum of one month long, except on prior notice by either party.</p> <ul style="list-style-type: none"> Leases must include VAWA addendum. 	<ul style="list-style-type: none"> Leases must be for at least one year, unless the owner/manager and the tenant mutually agree to a shorter period. If the tenant has agreed to a different lease term, that agreement should be noted in writing in the tenant's file. A lease may not be for a period less than 30 days. 	<p>for as long as a client remains eligible.</p>
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9. YOUTH-SPECIFIC JOINT TRANSITIONAL HOUSING – RAPID REHOUSING

Joint transitional - rapid rehousing projects provide a safe place for people to stay – crisis housing – with financial assistance and wrap-around supportive services determined by program participants to help them move to permanent housing as quickly as possible. Stays in the crisis housing portion of these projects should be brief and without preconditions, and participants should quickly move to permanent housing.

The project must be able to provide both components, including the units supported by the transitional housing component and the tenant-based rental assistance or leasing and services provided through the TH-RRH component, to all program participants depending on each household's needs, for up to the maximum amount of time allowed under the funding source, as needed by the program participants. For example, a program participant may only need a temporary stay in a transitional housing unit, but the provider must be able to make available the financial assistance and supportive services that traditionally comes with rapid re-housing assistance to that program participant. After the participant exits the project, they may be provided up to 6 months of aftercare supportive services to help prevent returns to homelessness.

Youth-Specific Joint TH-RRH can consist of:

- Site-based TH paired with scattered-site RRH
 - When implementing this TH-RRH model, CoCs utilize a building in the community for the transitional housing portion of the project. When a youth or young adult in transitional housing has made clear that they are ready to move to permanent housing, project staff work with them to identify a unit in the community where they would like to be permanently housed and use the rapid rehousing portion of the project to assist the YYA.
- Scattered-site TH paired with scattered-site RRH (different unit)
 - When implementing this TH-RRH model, CoCs utilize scattered-site units in the community for the transitional housing portion of the project. A project may elect to use this model when it has a landlord partner in the community who is willing to rent their units for the TH portion, but the project wants to retain youth choice in the rapid rehousing portion and allow YYA to choose their unit within the community. When a youth or young adult has made clear that they are ready to transition to permanent housing using rapid rehousing assistance, project staff work with them to identify another unit in the community where they would like to be permanently housed.
- Scattered-site TH paired with scattered-site RRH (same unit)
 - When implementing this TH-RRH model, CoCs utilize scattered-site units in the community for the transitional housing portion. When a youth or young adult has made clear that they are ready to transition to permanent housing using rapid rehousing assistance, project staff work to transition the lease with the landlord to the youth or young adult.

For more information about Joint Transitional Housing - Rapid Rehousing please visit :
<https://files.hudexchange.info/resources/documents/YHDP-TH-RRH-Joint-Component-Project.pdf>

ELIGIBILITY CRITERIA

- Participants must meet categories 1- Literally Homeless, 2- Imminent Risk of Homelessness, or 4- Fleeing Domestic Violence as outlined by the HUD definition of homelessness.
- Participants must be no older than 24 at the time of project entry. Once a participant is enrolled, there is no age limit and the participant will continue to be enrolled for up to the maximum allowed amount of time based on the project and participant's choice. For example, if someone enters the project at the age of 24, they can continue to receive services for up to the maximum allowed amount of time based on the project and participant's choice.
- *Serving Households Who Lack 3rd Party Documentation or Live in Unsafe Situations.* Youth aged 24 and under must not be required to provide third-party documentation that they meet the homeless definition in 24 CFR 578.3 as a condition for receiving services funded under the YHDP NOFO. Additionally, any youth-serving provider funded under the YHDP NOFO may serve unaccompanied youth aged 24 and under (or families headed by youth aged 24 and under) who are living in unsafe situations. HUD interprets “youth-serving provider” as a private nonprofit organization whose primary mission is to provide services to youth aged 24 and under and families headed by youth aged 24 and under. HUD interprets “living in unsafe situations” as having an unsafe primary nighttime residence and no safe alternative to that residence. These requirements supersede any conflicting requirements under the YHDP NOFO, this appendix, the Act, or the CoC Program rule.
- YYA TH-RRH referrals are generated through the CoC Coordinated Entry process designed for youth-specific projects.

MINIMUM STANDARDS

1. Immediate Connection to Housing Advocate and Peer Support staff: When a household is deemed eligible for TH-RRH services, a TH-RRH staff member connects with the household to start housing planning for both immediate and permanent housing. Staff should connect with the household as quickly as possible, however specific guidance on the time frame can be found in the YYA specific Coordinated Entry policy.
2. YYA should not be required to have income or obtain a source of income as part of the project requirements.
3. There is no minimum length of stay in the TH portion, but the project must offer an occupancy agreement of at least 1 month.
4. The maximum period of assistance is dependent on the funding source, and as needed by the program participants.
5. YYA do not have to utilize both portions of the project, and can reside in only the TH or only the RRH.
6. Service teams will include a peer support specialist and Housing Advocate (case manager.) YYA will lead the development of a service plan in order to ensure the program is working for them. YYA will be connected with crisis and permanent housing, develop community connections, and have self-determination and access to support services that meet their identified needs.
7. The TH-RRH staff will remove barriers for people experiencing homelessness by identifying and supporting landlords through networking with friendly/interested landlords and providing

financial incentives (i.e. deposits, etc.) as well as connections to supportive services for problem solving. It is also essential that the program proactively engages in enforcing Fair Housing & Anti-Discrimination Rules by reporting violations and advocating with enforcement agencies. TH-RRH staff will partner with cross-system agencies for intersecting needs (disability, LGBTQ+, racism, etc.). This will require education and continued training for young people to be aware of their rights, options, and how to advocate for themselves when needed.

8. Financial assistance and case management should be flexible and based on a household's individual needs using progressive engagement.
 - Financial Assistance:
 - a. In order to help households quickly stabilize in housing, projects may pay up to 100% of move-in costs including security deposit, first and last month's rent and any required utility payments. Projects are encouraged to also pay for furniture and furnishings for the rental unit, moving costs, relocation costs, and any other allowable costs based on the funding source.
 - b. If the provider cannot find another suitable project that meets the needs of the participant within the CoC and the participant wants to move, the provider may relocate the participant to a unit that is located in a different CoC's geographic area and continue to provide assistance. In this case, providers should check on specific requirements based on the project's funding source.
 - c. Following the first month, projects will work with participants to create an individualized plan for rental contributions. Rent includes the cost of rent and utilities as calculated using the utility allowance schedule. This may involve a scheduled tiering process where the household pays an increasing percentage of their income towards rent and the program pays less, a monthly household budget review to determine how much the household can pay or any other method that works for both the participant and the project.
 - d. Projects must have written policies regarding the amount and duration of financial assistance which must be communicated to participants upon project entry.
9. The TH-RRH staff will attempt to connect with participants on a monthly basis. Case management should be flexible and available more often if requested and needed. Connection is considered to be making an attempt to meet with or communicate with participants in person, over the phone, virtually or by text or email. The preferred method of communication should be determined by the participant. Non-response is not grounds for removal from the project or termination of supports. In the event of non-response, the TH-RRH staff should document their attempt for engagement in participant's files.
10. Trauma Informed Care: The six key principles of trauma informed care are safety; trustworthiness and transparency; peer support; collaboration and mutuality; empowerment, voice and choice; and responsiveness to the impact of cultural, historical, and gender discrimination and oppression. Staff will be competent in safety planning and practices, project policies and procedures will be designed with trauma-informed practices in mind at every stage of the connection with the client from referral, to eligibility documentation, and housing and service planning.
11. Positive Youth Development: Focuses on identifying and developing young people's resiliencies and assets, rather than concentrating on their risks and deficits. It centralizes the role of guidance and support from caring adults and their roles in helping youth to grow up healthy, happy, and safe and to make positive contributions to their (chosen) families, schools, and communities. Community systems and programs that embrace PYD are **strengths-based**,

forward-looking, protective, preventive, and empowering. The project will partner with young people to identify their own goals, explore options, and walk alongside the young person to connect to services and housing. Staff and partners will be trained in Positive Youth Development practices.

12. Housing First : The key to the Housing First philosophy is that individuals and families are not required to first demonstrate that they are “ready” for housing. Housing First for young people involves providing young people with assistance to obtain safe, secure, and permanent housing that meets their needs as quickly as possible, without preconditions. A right to housing with no preconditions means that housing and support are separated, therefore access to housing cannot be defined by conditions such as participation in programming where non-compliance leads to a loss of, or a denial of, access to housing. Projects should have low-barriers to entry and accommodate people with possessions, partners, pets, or other needs. Incorporate client-choice by helping participants find permanent housing based on their unique strengths, needs, preferences, and financial resources. Participants will choose when they are ready to exit the crisis housing portion of the project and move to permanent housing, with providers assisting participants with this move.

10. COORDINATED ENTRY

Coordinated Entry is an important process through which people experiencing or at risk of experiencing homelessness can, have their strengths and needs assessed, and connect to appropriate, tailored housing and mainstream services within the community or designated region. Standardized assessment tools and practices used within local coordinated assessment processes take into account the unique needs of households. When possible, the assessment provides the ability for households to gain access to the best options to address their needs, incorporating participants’ choice, rather than being evaluated for a single program within the system. The most intensive interventions are prioritized for those with the highest needs.⁷

The Coordinated Entry (CE) policies and procedures are put in place by the Dane County Homeless Services Consortium to provide an effective Coordinated Entry System. The system is intended to match people in a housing crisis (either homeless or at-risk of homelessness) with the level of service needed to end the crisis and assist them in housing stability. All programs that receive Continuum of Care Program, Emergency Solutions Grant (ESG) or State of Wisconsin EHH Grant funding must abide by these policies and procedures. Programs funded through other sources may be required, and are highly encouraged to participate in CE and follow these policies and procedures.

Coordinated Entry responsibilities are completed at assessment hubs, which include both permanent and mobile locations. Coordinated Entry staff refers to staff paid through the CoC grant for Coordinated Entry.

ACCESS TO COORDINATED ENTRY

A. FULL COVERAGE

The Coordinated Entry System is accessible throughout Dane County. Households accessing emergency shelters, including domestic violence shelters, and those enrolled in street outreach programs will have

⁷ Opening Doors: Federal Strategic Plan to Prevent and End Homelessness, p. 57

access to Coordinated Entry. Assessment hubs are located at emergency shelters contracting with the CoC's CE lead .

Street outreach workers serve as mobile hubs, and will seek out people sleeping in places not meant for human habitation or other locations that serve vulnerable populations that are not assessment hubs. Street Outreach staff serving as Coordinated Entry mobile assessment hubs will complete the full Tier 2 assessment with clients who are invited to do so. The CoC will ensure the availability of at least one street outreach program that can serve the entire CoC geographic area.

If youth between the ages of 17.5 and 24 presents to overnight shelter or street outreach services, they should be referred to Youth System Navigation for additional support.

Households at-risk of experiencing homelessness, can access the Coordinated Entry Prevention Hub through the Tenant Resource Center.

The Homeless Services Consortium website has up-to-date information regarding access to Coordinated Entry: <https://www.danecountyhomeless.org/get-help>.

B. EMERGENCY SERVICES

All emergency shelters will participate in Coordinated Entry. This means that shelter staff will ask clients the intake questions including those used for Coordinated Entry Tier 1 and 2 assessments at program entry and enter the data into HMIS, updating the information as necessary. Shelter staff at Coordinated Entry assessment hubs will complete the full Tier 2 assessment with shelter guests who are invited to do so.

C. NONDISCRIMINATION

The CE system, programs that receive CoC, EHH, or ESG funds, and other participating housing and supportive services must comply with the nondiscrimination and equal opportunity provisions of Federal civil rights laws, including the following:

- Fair Housing Act prohibits discriminatory housing practices based on race, color, national origin/ancestry, religion, sex, age, family/familial status, disability/handicap, actual or perceived sexual orientation, lawful source of income, gender identity, marital status, domestic abuse/sexual assault/stalking victims, military discharge status, physical appearance, political beliefs, student status, domestic partnership, tenant union association, genetic identity, citizenship status, Section 8 housing voucher participant, non-religion, and homelessness.
- Section 504 of the Rehabilitation Act prohibits discrimination on the basis of disability under any program or activity receiving Federal financial assistance.
- Title VI of the Civil Rights Act prohibits discrimination on the basis of race, color, or national origin under any program receiving Federal financial assistance.
- Title II of the Americans with Disabilities Act prohibits public entities, which includes State and local governments, and special purpose districts, from discriminating against individuals with disabilities in all their services, programs and activities, which include housing, and housing-related services such as housing search and referral assistance.
- Title III of the Americans with Disabilities Act prohibits private entities that own, lease and operate places of public accommodation, which include shelters, social service establishments, and other public accommodations providing housing, from discriminating on the basis of disability.

If Coordinated Entry participants feel they have been treated unfairly by a specific agency or representative of that agency due to any of the above reasons, they may file a complaint with the agency through the agency's nondiscrimination complaint process. If after filing a complaint with an agency, the participant is not satisfied with the result, they may file a discrimination complaint with the City of Madison. Information on how to file a complaint can be found on the City of Madison's website at <http://www.cityofmadison.com/civil-rights>. Information and complaint forms are available at assessment hubs. Assessment hubs will post information on how/where to file a complaint.

D. ACCESSIBILITY

Assessment hubs may be accessed by all people who are currently in Dane County, and are experiencing homelessness or are at risk of homelessness. People experiencing chronic homelessness, veterans, families with children, youth, and survivors of domestic violence may present at any of the assessment hubs for which they qualify as a target population and be assessed for housing. Referrals will be made to agencies who specialize in serving specific populations.

A participant who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking will not be denied access to the Coordinated Entry process. CE staff will work with survivors to create safe and confidential access to the CE process based on individual needs.

Auxiliary aids and appropriate services must be provided to ensure effective communication with individuals with disabilities. This will include providing information in accessible formats such as Braille, audio, large type, assistive listening devices and using Wisconsin Relay. Whenever these services are provided, Coordinated Entry staff must document the accessible format provided.

Assessment hubs must be accessible to individuals who use wheelchairs.

Services are accessible to individuals with Limited English Proficiency (LEP). When an individual needs services in a language other than English, every effort will be made to find a qualified person who speaks the needed language. If a qualified person is not available, then a language line will be used to communicate with the individual. Individuals needing language assistance will be served as they present. They will not be asked to wait for services.

E. MARKETING

A marketing plan will be created to target those who may be least likely to access services. Data will be used to identify and target marketing materials toward potentially underserved groups. Outreach workers act as mobile assessment hubs and engage with those who traditionally do not access services. Marketing materials will indicate that physical assessment hubs are accessible to those with disabilities, that accommodations will be made if requested, and language services are provided. Marketing materials will be provided in English and Spanish. Posters will contain the words "Lus Hmoob" to indicate that Hmong speakers are available. In addition, marketing materials indicate that services are available to all people regardless of race, color, national origin/ancestry, religion, sex, age, family/familial status, disability/handicap, actual or perceived sexual orientation, lawful source of income, gender identity, marital status, domestic abuse/sexual assault/stalking victims, military discharge status, physical appearance, political beliefs, student status, domestic partnership, tenant union association, genetic identity, citizenship status, Section 8 housing voucher participant, non-religion, and homelessness.

The lead CE agency will develop and update marketing materials. Posters will be provided to area agencies and businesses that may serve people experiencing homelessness to display in prominent

areas. In addition, business cards will be provided to agencies and businesses to distribute to consumers. Marketing materials will be reviewed at least annually and updated if necessary. Updated materials will be distributed to agencies and businesses.

All information regarding CE will be available on the HSC website. Up-to-date materials and information will be available via the Homeless Services Consortium website.

Additionally, CE staff will present to agencies who want information on how the CE System operates. Initial presentations will be provided to agencies identified by the Core Committee. Future presentations will be provided as requested or if major changes are implemented in the operation of CE.

ASSESSMENT

A. ASSESSMENT PROCESS

The Dane CoC Coordinated Entry system utilizes a two-tier assessment and prioritization process.

When households present to CE, they will receive referrals to basic housing resources such as diversion services, housing location assistance, and/or case management. Households enrolled in street outreach programs or overnight shelters will answer Tier 1 Coordinated Entry assessment questions at program entry. These questions and information in HMIS regarding homeless history and service use will be used to prioritize households for RRH and PSH. The Tier 1 assessment evaluates these key factors and assigns priority points accordingly. Tier 1 assessment questions should be updated if there are major events that will affect someone's score.

The CE Manager will run the Tier 1 Rapid Rehousing and Tier 1 Permanent Supportive Housing reports on a regular basis. Households that score highly on the Tier 1 assessment will be invited to complete the Tier 2 assessment. The CE Manager will identify individuals to invite to complete the Tier 2 assessment based on the number of anticipated annual openings and the ratio specified in the Dane CoC Coordinated Entry Procedures (e.g., three times the number of annual expected openings). The CE Manager will connect with staff to complete the assessment with invited individuals. Staff conducting the Tier 2 assessment will ensure that individuals sign the Coordinated Entry Release of Information before completing the Tier 2 assessment. A household may be re-assessed with the Tier 2 assessment if there is a major life change. A major life change includes, but is not limited to the following: change in health status, and additional interactions with emergency services.

A household may decline to complete the Tier 2 assessment. If a household declines, staff must continue to work to engage with them. It is important to continue to learn and document their needs for appropriate housing/service provision.

The Coordinated Entry assessment process does not screen out people due to perceived barriers to housing or services, including, but not limited to, too little or no income, active or a history of substance use, domestic violence history, resistance to receiving services, the type or extent of disability-related services or supports that are needed, history of evictions or poor credit, lease violations or history of not being a leaseholder, mental health issues, medical need, perceived ability to live independently or criminal history.

B. COORDINATED ENTRY RELEASE OF INFORMATION

Agencies participating in Coordinated Entry (i.e. accepting referrals from Coordinated Entry to fill housing vacancies and operating overnight shelter or street outreach programs) are listed on the

Release of Information. Additional agencies may be added to the list if they assist in providing documentation of chronic homeless status or they can determine eligibility for mainstream housing benefits such as HUD-VASH or Section 8. If an agency would like to be added to the Release of Information, they should contact the Coordinated Entry Manager. The Coordinated Entry Manager will determine if it is appropriate to add the agency to the ROI based on their participation in Coordinated Entry and/or their involvement in providing chronic documentation on an ongoing basis. Agencies should **not** be added to the Coordinated Entry Release of Information for one-time needs. In these instances, a separate release of information form should be used.

Agencies may be removed if they no longer participate in Coordinated Entry, have not provided chronic documentation in the past 12 months, or violate the Homeless Services Consortium of Dane County Case Conferencing Agreement. The release is reviewed biannually by the HSC Core Committee (recommended in June and December).

C. SAFETY PLANNING

During the assessment, if a household indicates that they are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or community violence, CE staff will work with them to create a safe and confidential space to access Coordinated Entry. Community violence is defined as exposure to intentional acts of interpersonal violence committed in public or private areas by individuals who are not intimately related to the victim. CE staff will make a referral and provide immediate access to connect to a victim services provider. If a household ends up in shelter with a non-victim services provider, staff at the shelter will work on safety planning with the household including ensuring confidentiality and flexibility with regular procedures to ensure safety.

D. PARTICIPANT CHOICE

Members of the Dane County CoC understand that households know best their needs and wants. When a household is referred to a housing program, staff must let them know about their housing and service options. This should include location of the unit if in a single site location or assistance provided in locating a unit with a community landlord. Housing agency staff should provide a full menu of services the agency can provide and services they will refer out.

E. ASSESSOR TRAINING

The Coordinated Entry Manager is responsible for developing trainings about the Coordinated Entry System. Trainings may be offered live but can be recorded and posted on the Homeless Services Consortium website.

Required training for new Coordinated Entry staff includes:

- HMIS Licensure
- Madison / Dane CoC Coordinated Entry Workflow Training

Required training for participating agencies of the Coordinated Entry System includes:

- HMIS Licensure
- Madison / Dane CoC Coordinated Entry Workflow Training

Ongoing trainings will be developed based on the needs of the CoC. The CE Manager will seek input from the Core Committee and the CoC Board on needed trainings.

Training protocols will be updated and distributed annually. The Coordinated Entry Manager will review the protocols and receive feedback from the Core Committee.

ASSESSMENT TOOL AND PRIORITIZATION

Data collected during the assessment process is not used to discriminate or prioritize households for housing and services based on a protected class (see nondiscrimination section).

The following factors are assessed for RRH prioritization in the Tier 1 assessment:

- History of homelessness, including domestic violence shelter use – frequency and length of enrollment
- Income
- History of eviction
- Criminal legal system involvement
- Family size (family only)
- New to homeless but unable to self-resolve

In addition to the above factors, the following factors are also considered for PSH prioritization:

- Age
- Behavioral health crisis program utilization
- Medical crisis

The VI-SPDAT will continue to be used as the Tier 2 assessment until the Madison/Dane CoC determines an updated tool.

The Tier 2 prioritization for RRH is determined by the following components:

- Tier 2 assessment score (VI-SPDAT)
- New to homelessness points
- Length of shelter stay/number of bed nights

The Tier 2 prioritization for PSH is determined by the following components:

- Tier 2 assessment score (VI-SPDAT)
- Adjusted Tier 1 assessment score

When a household is eligible for Homeless Prevention Funds, they will be prioritized using the Prevention Scoring Tool (see Appendix C). The tool considers the following factors in prioritization:

- Eviction process
- Lives in subsidized housing
- Eviction history
- History of homelessness
- Criminal history
- Disability/Needs accessible unit
- Household of five or more members

Entrance to emergency shelter will not be prioritized in order to allow for an immediate crisis response. If a shelter has capacity issues, they will need to institute a prioritization policy.

Prioritization policies will be made publicly available via the CoC’s website and notices placed at assessment hubs.

Please note that eligibility (see Assessment section) and prioritization are different. A household may be prioritized for an intervention, but they still must meet eligibility for that intervention.

REFERRAL

A. REFERRAL PROCESS

When there is an anticipated opening in a housing program, housing program staff will email the CE staff (cehousing@icalliances.org) to request a referral. A response is expected within 24 business hours.

The Coordinated Entry Manager will send a referral to Permanent Housing Programs (PSH and RRH) through HMIS after receiving email notification from the housing provider about the vacancy. This email serves as documentation of compliance with coordinated entry.

For PSH and RRH program openings, CE will provide one referral per opening. Once a participant is referred to a PSH or RRH program, they are removed from the CE list and cannot be referred to another program until the current referral is resolved.

Households shall not be steered toward any particular housing facility or neighborhood based on a protected class (see nondiscrimination section).

Housing providers may not reject a household for assistance based on perceived barriers to housing or services. CoC, EHH and ESG funded programs must use the Coordinated Entry process as the only referral source from which they fill vacancies in housing or services.

C. HOLDING A UNIT FOR CLIENT PLACEMENT

When an agency receives a name from the priority list, staff must initiate contact with the person within two business days. There may be circumstances where two agencies work together to connect with someone. It is the receiving agency’s responsibility to ensure contact is made. Staff must adhere to the due diligence requirements outlined in the Dane CoC Coordinated Entry Procedures before proceeding to the next household referral. All attempts must be documented in HMIS under the Coordinated Entry Referral Follow Up section.

D. GRIEVANCE PROCEDURE FOR COORDINATED ENTRY

Households have the right to file a grievance if there is a violation of the Coordinated Entry Policies and Procedures received through the Dane County Coordinated Entry System. Households are informed about the grievance policy during their initial meeting with Coordinated Entry staff. The policy is accessible on the Homeless Services Consortium website (www.danecountyhomeless.org).

Households have the right to be assisted by an advocate of their choice (agency staff person, co-worker, friend, family member, etc.) at each step of the grievance process. Households have the right to withdraw their grievance at any time.

If a household has a grievance regarding a specific agency or representative of that agency, they should be directed to that agency's grievance policy. Agencies should post their grievance policies on their websites.

There are two levels of review available for each grievance.

- Level 1: The first person to review the grievance is the CoC Coordinator. Households should contact the CoC Coordinator for Dane County to start the process. Contacts can be made through the HSC website (www.danecountyhomeless.org) via the "contact us" function, hsc@cityofmadison.com or 608-266-6254. Grievances can be made in writing or verbally and should state the alleged violation of the Coordinated Entry policies and procedures. Within two business days, the CoC Coordinator will contact the agency/staff in question to request a response to the grievance, including any actions that were taken to attempt to resolve the issue. The response must be provided to the CoC Coordinator within five business days of request. Once the CoC Coordinator has gathered relevant information about the incident, they will decide what, if any, action needs to be taken. The CoC Coordinator will provide a written decision within 15 days of the initial complaint.

If both the household and the provider agree, the process ends and the resolution is implemented.

If the household or provider disagrees, the grievance moves to the next level.

- Level 2: The Dane County CoC Board of Directors President reviews the grievance within five business days of being informed of dissatisfaction with the Coordinator's resolution. The Board President may designate one or more Board members to review the situation. The grievant has the right to present any additional information and may present it in person. The Board will have 10 business days to gather and review relevant information. Within 30 days of the grievance being moved to Level 2, the Board President will provide a written decision. The decision of the Board of Directors is final.

DATA MANAGEMENT

The Coordinated Entry System uses a Homeless Management Information System (HMIS) to track data and store the community queue. The HMIS Lead Agency, the Institute for Community Alliances (ICA), has policies and procedures in place to ensure the adequate privacy protections of all household information. All HMIS users are required to abide by the [HMIS Policies and Procedures](#).

All HMIS users are required to complete an annual Security Training provided by ICA. The training covers the privacy rules associated with collection, management and reporting of client data.

Coordinated Entry staff will post the HMIS Consumer Notice in an area visible for program participants. The only information to be shared is that for which the household has been provided notice. Households will not be denied services for refusal to have their information shared in HMIS.

EVALUATION

The CoC must develop and update the Coordinated Entry evaluation plan. At minimum, the plan must include a review of the CE policies and procedures, assessment by households accessing the system and feedback from housing and service providers. The evaluation may look at the intake, assessment and referral process of Coordinated Entry. All participating agencies may be asked to evaluate the system. Surveys may be distributed to households at participating agencies including emergency shelters, street outreach programs, and participating housing programs. Any household information collected during

the evaluation period will be kept private. Surveys will be kept confidential and identifying information will not be collected.

The surveys for participants and housing and service providers will be developed by the Core Committee, and distributed according to a timeline set by the Core Committee. The Core Committee or other HSC designee will present the survey results and a plan to implement suggested changes to the CE System.

Based on the regular evaluation of the Coordinated Entry system, the CoC will consider adjustments for improvements. All evaluation findings and recommended changes will be presented to the HSC's Core Committee and Board of Directors for review and approval.

The Core Committee will receive updates from the CE Manager as requested. The CE Manager will seek feedback from the Core Committee as needed, in order to facilitate ongoing evaluation of the system.

APPENDIX A: DEFINITIONS OF HOMELESSNESS

1. 24 CFR §583.5 HUD HOMELESS DEFINITION

1. An individual or family who lacks a fixed, regular and adequate nighttime residence, meaning:
 - i. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, camping ground;
 - ii. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangement (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low income individuals); or
 - iii. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

2. An individual or family who will imminently lose their primary nighttime residence, provided that:
 - i. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
 - ii. No subsequent residence has been identified; and
 - iii. The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;

3. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
 - i. Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C.2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
 - ii. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
 - iii. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
 - iv. Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

4. Any individual or family who:

- i. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- ii. Has no other residence; and
- iii. Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

2. 24 CFR §578.3 HUD CHRONICALLY HOMELESS DEFINITION

1. A "homeless individual with a disability," as defined in section 401(9) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(9)), who:
 - i. Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and
 - ii. Has been homeless and living as described in paragraph (1)(i) of this definition continuously for at least 12 months or on at least 4 separate occasions in the last 3 years, as long as the combined occasions equal at least 12 months and each break in homelessness separating the occasions included at least 7 consecutive nights of not living as described in paragraph (1)(i). Stays in institutional care facilities for fewer than 90 days will not constitute as a break in homelessness, but rather such stays are included in the 12-month total, as long as the individual was living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter immediately before entering the institutional care facility;
2. An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or
3. A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1) or (2) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

3. 24 CFR §576.2 HUD AT RISK OF HOMELESSNESS DEFINITION

At risk of homelessness means:

1. An individual or family who:
 - i. Has an annual income below 30 percent of median family income for the area, as determined by HUD;
 - ii. Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "homeless" definition in this section; and
 - iii. Meets one of the following conditions:

- a. Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - b. Is living in the home of another because of economic hardship;
 - c. Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - d. Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;
 - e. Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;
 - f. Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - g. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;
2. A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e- 2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or
 3. A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

APPENDIX B: CERTIFICATION FOR EMERGENCY TRANSFER

CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING, AND ALTERNATE DOCUMENTATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OMB APPROVAL NO. 2577-0286, EXP. 06/30/2017

PURPOSE OF FORM

The Violence Against Women Act (“VAWA”) protects applicants, tenants, and program participants in certain HUD programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them. Despite the name of this law, VAWA protection is available to victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

USE OF THIS OPTIONAL FORM

If you are seeking VAWA protections from your housing provider, your housing provider may give you a written request that asks you to submit documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking.

In response to this request, you or someone on your behalf may complete this optional form and submit it to your housing provider, or you may submit one of the following types of third-party documentation:

1. A document signed by you and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, “professional”) from whom you have sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify, under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of “domestic violence,” “dating violence,” “sexual assault,” or “stalking” in HUD’s regulations at 24 CFR 5.2003.
2. A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency;
or
3. At the discretion of the housing provider, a statement or other evidence provided by the applicant or tenant.

SUBMISSION OF DOCUMENTATION

The time period to submit documentation is 14 business days from the date that you receive a written request from your housing provider asking that you provide documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. Your housing provider may, but is not required to, extend the time period to submit the documentation, if you request an extension of the time period. If the requested information is not received within 14 business days of when you received the request for the documentation, or any extension of the date provided by your housing provider, your housing provider does not need to grant you any of the VAWA protections. Distribution or issuance of this form does not serve as a written request for certification.

CONFIDENTIALITY

All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking shall be kept confidential and such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections to you, and such employees may not disclose this information to any other entity or individual, except to the extent that

disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

- 1. Date the written request is received by victim: _____
- 2. Name of victim: _____
- 3. Your name (if different from victim's): _____
- 4. Name(s) of other family member(s) listed on the lease: _____

- 5. Residence of victim: _____
- 6. Name of the accused perpetrator (if known and can be safely disclosed): _____
- 7. Relationship of the accused perpetrator to the victim: _____
- 8. Date(s) and times(s) of incident(s) (if known): _____
- 10. Location of incident(s): _____

In your own words, briefly describe the incident(s):

This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual named above in Item 2 is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature _____ Signed on (Date) _____

PUBLIC REPORTING BURDEN

The public reporting burden for this collection of information is estimated to average 1 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information provided is to be used by the housing provider to request certification that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. The information is subject to the confidentiality requirements of VAWA. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

APPENDIX C: PREVENTION PRIORITIZATION TOOL

The information provided for the prioritization is based on self-report.

Factor	Score	Participant Score
Eviction Process (choose only one)		
Has a stipulated dismissal (court order) which requires payment of money	10	
Has an eviction court date scheduled	5	
Has a 5, 14, or 30 day notice but no court date scheduled	3	
Lives in Subsidized Housing (choose only one)		
Has Section 8 voucher or lives in CDA/DCHA public housing	5	
Lives in other subsidized housing (i.e. Northport, Meridian, etc.)	4	
Lives in Section 42 or comparable housing	2	
Eviction History (choose only one)		
Has 1 or more eviction judgement in CCAP in the past 2 years	5	
Has 1 or more eviction judgement in CCAP in the past 5 years	3	
Has ever had an eviction filed in CCAP	2	
Other eviction record or evictions that are not in CCAP	1	
Criminal History (choose one)		
On sex offender registry	5	
Past Felony(ies)	3	
Past misdemeanors	1	
Other Factors (may choose more than one)		
Needs and lives in wheelchair accessible unit	1	
Household of 5 or more members	1	
	Total	

APPENDIX D: DIVERSION ASSESSMENT TOOL

1. Where did you sleep last night?

2. If staying in someone else's housing:

(things to consider: rental/owned unit, landlord, total length of stay thus far, landlord's knowledge of situation)

a. What issues exist with you remaining in your current housing situation?

b. Can those issues be resolved with financial assistance, case management, etc.?

c. Are you currently experiencing domestic violence?

3. If coming from their own unit:

a. Is it possible and safe to stay in your current housing unit?

b. What resources would you need to do that? (give the examples below)

financial assistance

case management

mediation

transportation

other: _____

5. What other safe housing options do you have for the next few days or weeks?

6. Is there anywhere safe you could stay for at least the next three (3) to seven (7) days if you were able to receive case management services/transportation assistance/limited financial support?

Yes No

Help individual think through potential places – with family, friends, co-workers. Have them identify what barriers they think exist to staying in a certain location and how they might be overcome

APPENDIX E: TRANSFER REQUEST FORM

TO BE COMPLETED BY PROGRAM COORDINATOR OR PROPERTY MANAGER AND SUBMITTED TO CE MANAGER.

Note: This form will only remain active for 90 days. If household is still in need of transfer after 90 days, a new form must be submitted.

Date: _____ Name of Staff Requesting Transfer: _____

Head of Household Name: _____

Current Housing Program: _____ Program Entry Date: _____

Number of People in Household: _____ Number of Minor Children: _____

Transfers are limited to those that meet eligibility and prioritization standards listed in the *Program Transfer* section of the Dane County Written Standards. Please indicate which of the following standards the household meets:

- _____ Emergency transfer request (VAWA) [attach emergency transfer documentation]
- _____ ADA request for an accessible unit [attach documentation regarding accessibility needs]
- _____ Change in household composition*
- _____ Within 60 days of program termination**

*If transfer is due to a change in household composition, please describe the size of unit needed: _____

**If transfer is due to impending program termination, please list the following:

Lease Violation(s) that is causing termination:

Landlord/Property Manager Notices that directly relate to termination (types and dates):

Please indicate all attached documentation:

- _____ Verification of Disability [required for permanent supportive housing (PSH) transfers]
- _____ Homeless History [required for PSH]/Proof of Homelessness at Project Entry [required for rapid rehousing (RRH)]
- _____ Emergency Transfer Documentation [for VAWA requests]
- _____ Documentation re: Accessibility Needs
- _____ Other [please list]: _____

Staff Signature: _____ Date: _____

COORDINATED ENTRY MANAGER USE ONLY

_____ Transfer granted | Participant to transfer to the following program: _____

_____ Transfer denied | Notes: _____

APPENDIX F: LIST OF ACRONYMS AND GLOSSARY

Affordable Housing: Housing for which the occupant(s) is/are paying no more than 30 percent of their income for gross housing costs, including utilities. ([US Department of Housing and Urban Development](#))

AHAR = Annual Homeless Assessment Report: A HUD report to the U.S. Congress that provides nationwide estimates of homelessness, including information about the demographics of people experiencing homelessness, service use patterns and the capacity to house homeless persons. ([US Department of Housing and Urban Development](#))

Chronic Homelessness: A homeless individual with a disability who lives either in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least 12 months, or on at least four separate occasions in the last 3 years, where the combined occasions total a length of time of at least 12 months. Each period separating the occasions must include at least 7 nights of living in a situation other than a place not meant for human habitation, in an emergency shelter, or in a safe haven. ([US Department of Housing and Urban Development](#))

CoC = Continuum of Care: A HUD-mandated program designed to promote community wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and state and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness. ([US Department of Housing and Urban Development](#)) The Homeless Services Consortium (HSC) is Dane County's CoC.

CE = Coordinated Entry: A process designed to quickly identify, assess, refer and connect people in crisis to housing and assistance, no matter where they show up to ask for help. It can pave the way for more efficient homeless assistance systems by: helping people move through the system faster to housing, reducing new entries into homelessness by consistently offering prevention and diversion resources upfront, and improving data collection and quality and providing accurate information on what kind of assistance consumers need. ([National Alliance to End Homelessness](#))

Dating Violence: Violence committed by a person:

1. Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
2. Where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship;
 - The type of relationship; and
 - The frequency of interaction between the persons involved in the relationship. ([U.S. Department of Justice](#))

DV = Domestic Violence: includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction. The term spouse or intimate partner of the victim includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, they type of the relationship, and the frequency of interaction between the persons involved in the relationship. ([U.S. Department of Justice](#))

Diversion: A strategy that prevents homelessness for people seeking shelter by helping them identify immediate alternate housing arrangements and, if necessary, connecting them with services and financial assistance to help them return to permanent housing. ([National Alliance to End Homelessness](#))

Doubled-up: sharing the housing of other persons due to loss of housing, economic hardship or a similar reason ([Department of Education](#))

EHH = Emergency Solutions Grant, Housing Assistance Program, Homeless Prevention Program: These programs are collectively referred to as the EHH Program. ESG is Federally administered by the United States Department of Housing and Urban Development (HUD). HUD awards ESG funding to the State of Wisconsin Department of Administration Division of Energy, Housing and Community Resources (DEHCR) to distribute to eligible applicants. HAP and HPP are State of Wisconsin funding sources. ([State of Wisconsin, Dept. of Administration](#))

ES = Emergency Shelter, EFS = Emergency Family Shelter: A facility that plays a critical role in ending homelessness. It provides a safe, short term, nighttime residence for homeless persons, and help them find safe affordable housing outside the shelter. Emergency shelters do not require occupants to sign leases or occupancy agreements. Effective shelters embrace a Housing First approach, offer immediate and low-barrier access to anyone facing a housing crisis, and measure shelter performance in order to improve results. ([National Alliance to End Homelessness](#))

ESG = Emergency Solutions Grant: Federally administered by HUD. Funds may be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance and HMIS; as well as administrative activities. ([US Department of Housing and Urban Development](#))

FEMA = Federal Emergency Management Agency: FEMA provides funds to the Emergency Food and Shelter Program to support social service agencies to supplement food, shelter, rent mortgage and utility assistance programs for people with non-disaster related emergencies.

Functional Zero: A community has ended veteran homelessness when the number of veterans experiencing homelessness falls below the average monthly housing placement rate. A community has ended chronic homelessness when the number of people experiencing chronic homelessness falls to 3 or fewer, or else .1% of the most recent point-in-time count (whichever is greater). ([Community Solutions](#))

GIW = Grant Inventory Worksheet: The GIW is used to record all grants that are eligible for renewal funding within a CoC's geographic area for the Continuum of Care (CoC) Program Competition. ([Dane County GIW for FY 2018 CoC Competition](#))

Harm Reduction: A set of practical strategies and ideas aimed at reducing negative consequences associated with drug use. Harm Reduction is also a movement for social justice built on a belief in, and respect for, the rights of people who use drugs. ([Harm Reduction Coalition](#))

HSC = Homeless Services Consortium: Dane County's Continuum of Care (CoC). The HSC is a partnership of agencies, funders, advocates and formerly homeless persons committed to preventing and ending homelessness.

HMIS = Homeless Management Information System: HMIS is a local information technology system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. Each Continuum of Care is responsible for selecting an HMIS software solution that complies with HUD's data collection, management and reporting standards. [Institute for Community Alliances](#) is the HMIS lead for the Dane County CoC. ([US Department of Housing and Urban Development](#))

Housing First: An approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry. ([Department of Housing and Urban Development](#))

Housing Locator: A person who identifies and recruits landlords and encourages them to rent to homeless households served by programs ([National Alliance to End Homelessness](#))

Housing Navigator: A person who works alongside households who are looking for housing. The navigator assists with development of a housing stability plan, assists in completion of housing search and applications, addresses barriers to housing placement, assists in appeal process for denials, helps in understanding of leases and helps to secure move-in costs.

HIC = Housing Inventory Count: The HIC is a point-in-time inventory of projects within the CoC that provide beds and units dedicated to serving persons who are homeless. It is intended to provide HUD and CoCs with information about the shelter and housing capacity of homeless crisis response systems. ([US Department of Housing and Urban Development](#))

Housing Stability: the extent to which a household's access to safe and permanent housing is secure.

HUD = [Department of Housing and Urban Development](#): HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination, and transform the way HUD does business.

ICA = [Institute for Community Alliances](#): HMIS Lead for Madison/Dane County CoC

LSA = Longitudinal Systems Analysis: An annual report, produced from HMIS and submitted to HUD, providing critical information about how people experiencing homelessness use the system of care.

McKinney-Vento Act: A federal law that ensures immediate enrollment and educational stability for children and youth experiencing homelessness ([Department of Education](#))

NOFA = Notice of Funding Availability: Each year HUD releases a NOFA that establishes the funding criteria for the Continuum of Care (CoC) Program. ([US Department of Housing and Urban Development](#))

PIT = Point-In-Time Count: A point-in-time count is an unduplicated count on a single night of the people in a community who are experiencing homelessness that includes both sheltered and unsheltered populations ([National Alliance to End Homelessness](#))

PSH = Permanent Supportive Housing: Permanent housing with indefinite leasing or rental assistance paired with supportive services to assist homeless persons with a disability or families with an adult or child member with a disability to achieve housing stability. ([US Department of Housing and Urban Development](#))

Racial Justice: The systematic fair treatment of people of all races, resulting in equitable outcomes for all. ([Race Forward](#))

RRH = Rapid Rehousing: An informed by a Housing First approach that is a critical part of a community's effective homelessness crisis response system. Rapid re-housing rapidly connects families and individuals experiencing homelessness to permanent housing through housing location services, rental assistance, and access to support services. ([US Department of Housing and Urban Development](#))

Sexual Assault: any nonconsensual sexual contact proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent. ([U.S. Department of Justice](#))

SPDAT = Service Prioritization Decision Assistance Tool: An evidence-informed approach to assessing a household's acuity. The tool, across multiple components, prioritizes who to serve next and why, while concurrently identifying the areas in the household's life where support is most likely necessary in order to avoid housing instability. ([OrgCode Consulting Inc.](#))

Stalking: engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

1. Fear for the person's individual safety or the safety of others; or
2. Suffer substantial emotional distress. ([U.S. Department of Justice](#))

SO = Street Outreach: Street outreach workers engage with people experiencing unsheltered homelessness in order to connect them with emergency shelter, housing or other critical services. Street outreach services are provided in non-facility-based settings for people experiencing unsheltered homelessness who are not accessing emergency shelter, housing or an appropriate health facility. ([Dane County Written Standards](#))

TAY = Transition Age Youth: Young people between the ages of 18-24.

TH = Transitional Housing: Housing designed to provide homeless individuals and families with the interim stability and support to successfully move to and maintain permanent housing ([US Department of Housing and Urban Development](#))

Trauma Informed Care: An organizational structure and treatment framework that involves understanding, recognizing, and responding to the effects of all types of trauma. Trauma Informed Care also emphasizes physical, psychological and emotional safety for both consumers and providers, and helps survivors rebuild a sense of control and empowerment. ([The Trauma Informed Care Project](#))

Unaccompanied Youth: A youth not in the physical custody of a parent or guardian. ([United States Interagency Council on Homelessness](#))

VA = Veteran's Administration: The VA's mission is to provide veterans the world-class benefits and services they have earned – and to do so by adhering to the highest standards of compassion, commitment, excellence, professionalism, integrity, accountability, and stewardship.

VAWA = Violence Against Women Act: Creates and supports comprehensive, cost-effective responses to domestic violence, sexual assault, dating violence and stalking. Programs are administered by the U.S. Departments of Justice and Health and Human Services. ([National Network to End Domestic Violence](#))

VI-SPDAT = Vulnerability Index-Service Prioritization Decision Assistance Tool: A pre-screening tool that helps identify who should be recommend for types of housing and support interventions, moving the discussion from simply who is

eligible for a service intervention to who is eligible and in greatest need of that intervention. This tool helps prioritize people for interventions. ([OrgCode Consulting Inc.](#))

VI-F-SPDAT = VI-SPDAT for families

TAY-VI-SPDAT= VI-SPDAT for transition age youth

APPENDIX G: WEBSITES FOR ADDITIONAL INFORMATION

Case Management Resources

[Social Work Case Management](#)

[Wisconsin Balance of State CoC – Case Management Toolkit](#)

[HUD Exchange Case management Resources](#)

[Northwest Michigan Coalition to End Homelessness – Warm Transfer Process](#)

[Community Plan to Prevent and End Homelessness](#)

[Community Solutions – Built for Zero](#)

[Dane County Homeless Services Consortium](#)

[National Alliance to End Homelessness](#)

[National Center for Homeless Education](#)

[National Health Care for the Homeless Council: Engaging Youth Experiencing Homelessness](#)

[National Homelessness Law Center](#)

Progressive Engagement

[What is Progressive Engagement?](#) - National Alliance to End Homelessness

[Rapid Rehousing Handbook](#) - Point Source Youth

[Progressive Engagement](#) - Veterans Administration

[What is Progressive Engagement](#) - Safe Housing Partnerships

[Rapid Rehousing Toolkit](#) - National Alliance to End Homelessness

[State of Wisconsin – EHH Funding](#)

[U.S. Department of Housing and Urban Development, HUD Exchange](#)

[U.S. Department of Veterans Affairs](#)

[U.S. Interagency Council on Homelessness](#)

APPENDIX H: CASE MANAGEMENT GUIDE & TIPS

This appendix provides supplemental guidance for case managers. While not part of the written standards, these practices and reflections can help case managers build effective relationships with participants.

Support vs. Enabling

Support fosters long-term growth and responsibility. Enabling provides short-term relief but undermines stability. Understanding the difference between support and enabling is critical in case management relationships.

	Support	Enabling
Goal	Empowers participants toward stability and independence	Eases immediate distress but hinders long-term growth
Impact on Growth	Builds skills, confidence, and resilience	Protects from consequences, limiting learning
Responsibility	Encourages accountability and problem-solving	Excuses or assumes responsibilities that belong to the participant
Boundaries	Maintains clear, professional boundaries	Blurs professional lines, leading to dependency
Outcome	Increased independence, sustainable progress, improved quality of life	Dependency, worsening challenges, diminished responsibility

Serving vs. Helping

While both involve assisting others, serving emphasizes partnership and mutual respect. Serving fosters deeper relationships, holistic understanding, and shared responsibility. Case managers should aim to serve participants—building trust, recognizing strengths, and collaborating as equals.

	Serving	Helping
Approach	Focuses on “working <i>with</i> ” the participant, recognizing their expertise in their own life.	Implies “doing <i>for</i> ” for the participant, which can feel one-directional or transactional.

Centering Program Participants

Case management should empower participants to make their own choices. The case manager’s role is to provide information, options, and possible outcomes—not personal opinions.

- Seek to understand participants’ perspectives before offering guidance.

- Approach services as collaborative, non-judgmental, and adaptable to changing needs and desires.
- Respect participant autonomy, even when choices differ from professional recommendations.

Creative Problem—Solving

Effective case management often requires flexible, innovative approaches. Examples include:

- Partnering with community groups to expand resources (e.g., hygiene kits, skill-sharing).
- Using technology thoughtfully to maintain communication or share resources. Refer to the General Requirements: Use of Social Media section.
- Exploring nontraditional housing options (e.g., shared housing).

Creative solutions should always align with participant goals, maintain boundaries, and respect confidentiality.

When Contact is Lost

Consistent contact is critical to ensure participants receive support. When engagement becomes difficult, case managers should respond with persistence, empathy, and flexibility while respecting safety, privacy, and participant autonomy. Early in the relationship, case managers should explain the importance of staying engaged, outline follow-up expectations, and obtain emergency or alternative contacts.

Strategies for Re-Establishing Contact

- Check HMIS for other program enrollments or referrals.
- Visit or call overnight or day shelters.
- Coordinate with outreach teams, especially around known encampments or public spaces.
- Connect with meal sites or drop-in programs.
- Check health clinics, hospitals, or crisis centers.
- Determine if the participant is in custody or a correctional facility.
- Engage social networks (family, friends, employer) with participant permission.
- Contact community or faith-based organizations.
- Monitor social media/community forums cautiously, ensuring confidentiality.

All outreach efforts must be documented. If contact cannot be re-established, follow procedures for case closure and update the participant's file for potential re-engagement later.

APPENDIX I: LIST OF DOCUMENT REVISIONS

4/4/2016

Original version approved by the Madison/Dane County CoC Board of Directors.

8/26/2016

Revised the participant eligibility scoring criteria for permanent supportive housing and rapid re-housing programs to place a greater emphasis on a participant's VI-SPDAT score.

11/1/2016

Revised the participant eligibility criteria for rapid re-housing programs. Limited the eligible VI-SPDAT score range to the rapid re-housing score range suggested by the creators of the VI-SPDAT, OrgCode Consulting.

1/27/2017

Added prevention program standards.

5/19/2017

Board approved update to Street Outreach standards and approved Diversion standards and Diversion tool.

11/16/2017

Board approved addition of Emergency Transfer section.

01/19/2018

Board approved addition of Coordinated Entry Policies and Procedures appendix.

09/21/2018

Board approved revisions to Section 1.

10/19/2018

Board approved addition of Transfer Request Form appendix.

12/21/2018

Board approved update to Permanent Supportive Housing section.

03/15/2019

Board approved updates to Street Outreach, Diversion, Emergency Shelter and Transitional Housing sections.

05/17/2019

Board approved updates to Coordinated Entry section.

08/16/2019

Board approved updates to the prioritization policy.

11/22/2019

Board approved updates to the Rapid Rehousing section.

02/21/2020

Board approved updates to the Emergency Transfer Section. Removed language from PSH Minimum Standards around ensuring participant safety during extreme weather. Removed language from Termination and Grievance Procedures around holding participant property for 30 days.

10/16/2020

Board approved addition of prioritization requirements for prevention services.

12/18/2020

Board approved revisions to Introduction, Program Standards, Appendix G: List of Acronyms and Glossary, and Appendix H: Websites for Additional Information

9/23/2021

Board approved revisions to Prevention, Emergency Shelter, and Rapid Rehousing sections to meet State of Wisconsin funding requirements.

11/23/2021

Board approved removal of medical exception language.

04/15/2022

Board approved addition of program transfer section.

01/20/2023

Board approved change in the Coordinated Entry section to allow removal of names from priority list if they have not accessed services in the past six months (previously was in the last two years).

05/03/2023

Board approved addition of Youth Specific System Navigation and Joint Transitional Housing – Rapid Rehousing Sections.

07/05/2023

Board approved updates to Rapid Rehousing Section and addition of Progressive Engagement Resources to Appendix G.

01/03/2024

Board approved updates to the Street Outreach section.

04/03/2024

Board approved updates to standards pertaining to informing households about their educational rights and a new policy related to the Coordinated Entry Release of Information.

01/08/2025

Board approved updates related to Coordinated Entry based on the work of the Re-imagine Coordinated Entry Workgroup.

11/05/2025

Board approved addition of social media section and enhanced case management section and case management appendix.

City of Madison Recapture Policy

The Community Development Division will use recapture provisions for all assistance provided as direct subsidies allowable in homebuyer activities per 92.254. This provision will be the policy for all homebuyer assistance programs administered by the City of Madison and/or any direct subsidies provided by a subrecipient or developer.

Direct subsidies are defined as the mortgage reduction assistance and closing costs awarded to the homebuyer to purchase the property. Direct subsidies provided to homebuyers are given in the form of a 0% interest-bearing loan with shared appreciation due upon the sale, transfer of title, or the unit no longer remaining owner-occupied. CDD will recoup the amount invested in the property, plus shared appreciation. The calculation of the recapture amount is based on the net proceeds available from the sale, rather than the entire amount of the HOME investment. "Net proceeds" is defined as the sales price, minus superior loan repayment and any closing costs incurred by the borrower(s).

Recapture provisions permit homebuyers to sell their unit at any time during the period of affordability, to any willing buyer, and at the price the market will bear. CDD will record with the Register of Deeds a mortgage and a written agreement between the homebuyer and the City of Madison to enforce the recapture provisions and period of affordability requirements of 92.254 on each property. At the time of sale, CDD will be notified by either the homeowner or the title company, requesting a review of the recapture amount and removal of the lien on the property.

When the recapture requirement is triggered by a sale (voluntary or involuntary) of the housing unit and the net proceeds are not sufficient to recapture the full HOME investment, then the City of Madison will recapture the net proceeds (if any).



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Master

File Number: 92931

File ID: 92931	File Type: Resolution	Status: Items Referred
Version: 1	Reference:	Controlling Body: FINANCE COMMITTEE
		File Created Date : 04/29/2026

File Name: Authorizing the City of Madison, via its Community Development Division (CDD), to accept up to \$50,000 in grant funding from the Bloomberg/Rockefeller Philanthropies to implement the Youth Climate Action Fund (YCAF); authorizing the Mayor to sign a YCAF P

Final Action:

Title: Authorizing the City of Madison, via its Community Development Division (CDD), to accept up to \$50,000 in grant funding from the Bloomberg/Rockefeller Philanthropies to implement the Youth Climate Action Fund (YCAF); authorizing the Mayor to sign a YCAF Program Charter with the Grantor to formally accept these funds; and amending CDD's 2026 Adopted Operating Budget as appropriate to recognize the additional grant revenue and commensurate expenditures.

Notes:

Sponsors: Julia Matthews And Dina Nina Martinez-Rutherford

Effective Date:

Attachments:

Enactment Number:

Author: Yolanda Shelton-Morris

Hearing Date:

Entered by: mbohrod@cityofmadison.com

Published Date:

History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Community Development Division	04/29/2026	Referred for Introduction				
	Action Text: This Resolution was Referred for Introduction						
	Notes: Finance Committee (6/1/26), Community Resources Committee (5/20/26), Common Council (6/9/26)						
1	COMMON COUNCIL	05/05/2026	Refer	FINANCE COMMITTEE			Pass
	Action Text: A motion was made by Madison, seconded by Glenn, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.						
	Notes: Additional referral to Community Resources Committee.						
1	FINANCE COMMITTEE	05/05/2026	Refer	COMMUNITY RESOURCES COMMITTEE			
	Action Text: This Resolution was Refer to the COMMUNITY RESOURCES COMMITTEE						

1 COMMUNITY RESOURCES COMMITTEE 05/20/2026 Return to Lead with the Recommendation for Common Council to Adopt

Action Text: Motion to approve made by Sereno, 2nd by Martinez-Rutherford. The motion passed unanimously. This Resolution was RECOMMEND TO COUNCIL TO ADOPT

Text of Legislative File 92931

Fiscal Note

The proposed resolution authorizes the City's acceptance of \$50,000 in grant funding from Bloomberg Philanthropies (in partnership with Rockefeller Philanthropies) and amends the Community Development Division's 2026 Adopted Operating Budget. The Community Development Division's revenue and purchased services will be adjusted to reflect the \$50,000 award within Munis Fund 1220 (Other Grants). No General Fund appropriation is required.

The grant is awarded based on application for the discrete grant period; it is not an ongoing grant. The funding will be used to support at least eight youth-led sustainability and climate action projects. This is the third round of Youth Climate Action Funds the City of Madison has applied for and been awarded. United Way of Dane County served as fiscal agent for the previous two rounds of funding; since the City is the applicant for the funds and administrator of the project application and award process, the grantee is now requiring that the City serves as fiscal agent. Youth-led project applications will be due by mid-October 2026 and be awarded no later than December 2026. Projects must be completed by April 2027.

Title

Authorizing the City of Madison, via its Community Development Division (CDD), to accept up to \$50,000 in grant funding from the Bloomberg/Rockefeller Philanthropies to implement the Youth Climate Action Fund (YCAF); authorizing the Mayor to sign a YCAF Program Charter with the Grantor to formally accept these funds; and amending CDD's 2026 Adopted Operating Budget as appropriate to recognize the additional grant revenue and commensurate expenditures.

Body

BACKGROUND

In 2024, the City of Madison, through its Office of Sustainability (OOS), in partnership with its Community Development Division (CDD), applied for and was awarded the first round of Youth Climate Action Funds from Bloomberg Philanthropies, joining a global cohort of municipalities committed to amplifying youth leadership in addressing the climate crisis. The City partnered with United Way of Dane County (UWDC) and University of Wisconsin-Extension to implement the Youth Climate Action Fund through *By Youth For Youth*, an existing program that empowers teens to distribute funding to youth-led projects. Through this initial round, eight youth-led projects were funded, with UWDC serving as the fiscal agent for the funds.

Following the successful implementation of the first round, the City, through OOS, in partnership with CDD, was invited to apply for a second round of funding and was subsequently awarded an additional \$100,000. This funding supported seventeen additional youth-led projects, with UWDC continuing to serve as the fiscal agent. Building on this success, the City of Madison was invited to apply for a third competitive round of funding and, on April 21, 2026, was notified of its selection.

For this third round of funding, the City of Madison, through CDD in partnership with OOS, will

serve as the fiscal agent, representing a transition from UWDC as fiscal agent for prior rounds. This round will follow a structure similar to the previous cycles, providing resources to support at least eight youth-led projects aligned with the City's Sustainability Plan. The grant timeline requires the City to open the application process in mid-summer, with applications closing no later than mid-October. All projects must be awarded funding by December and completed by April 2027. This timeline and implementation approach are consistent with the City's administration of the previous two funding cycles.

Over the past two rounds of Youth Climate Action Funds, the City of Madison has been able to support 25 youth-led projects, which have included tree plantings, neighborhood clean-ups, and local gardening projects that provided culturally relevant food for their neighborhoods. They have also included a youth-led climate conference that hundreds of young people attended, as well as a bike repair shop embedded into East High School, along with a range of other youth-led efforts focused on sustainability and community impact.

ACTION

WHEREAS, the City of Madison, through its Community Development Division (CDD) in partnership with its Office of Sustainability (OOS), applied for and has been awarded a \$50,000 grant from Bloomberg Philanthropies, in partnership with Rockefeller Philanthropies, to implement a third round of the Youth Climate Action Fund (YCAF); and,

WHEREAS, the Youth Climate Action Fund supports youth-led climate initiatives and is intended to amplify youth leadership while advancing strategies that improve the well-being of young people and their communities; and,

WHEREAS, the Community Development Division's 2026 Adopted Operating Budget includes funding that supports youth-focused programming, including Neighborhood Center funding and school-age child and youth services; and,

WHEREAS, the City of Madison has successfully partnered with community organizations to implement two previous rounds of the Youth Climate Action Fund, resulting in the funding and completion of twenty-five youth-led projects; and,

WHEREAS, the Youth Climate Action Fund aligns with and advances the goals outlined in the City of Madison's 2024 Sustainability Plan;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council authorizes the City's acceptance of a \$50,000 grant from Bloomberg Philanthropies, in partnership with Rockefeller Philanthropies, to be administered by the Community Development Division for the purpose of implementing the third round of the Youth Climate Action Fund; and,

BE IT FURTHER RESOLVED, that the Common Council authorizes the Mayor to sign a YCAF Program Charter with Bloomberg Philanthropies, contingent upon said charter's affirmative review by the City Attorney's Office, to formally accept the funds; and,

BE IT FINALLY RESOLVED, that the Community Development Division's 2026 Adopted Operating Budget is hereby amended as appropriate to recognize this additional grant revenue and commensurate expenditures.



City of Madison

City of Madison
Madison, WI 53703
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Master

File Number: 93162

File ID: 93162

File Type: Resolution

Status: Items Referred

Version: 1

Reference:

Controlling Body: FINANCE
COMMITTEE

File Created Date : 05/12/2026

File Name: 13182 TerraVenture Advisors PSA for S Park St
Properties

Final Action:

Title: Authorizing the City of Madison to enter into a Purchase of Services contract with TerraVenture Advisors, LLC to provide relocation assistance and services to the tenants occupying the buildings located on the City-owned property at 1812 - 1820 S. Park Street; authorizing the payment of eligible relocation benefits; and authorizing lease negotiations with the current tenants in the interim totaling \$546,650, with funding previously authorized 2026 EDD Capital Budget and in the adopted TID 51 project plan. (District 14)

Notes:

Sponsors: Noah L. Lieberman

Effective Date:

Attachments:

Enactment Number:

Author: Dan Rolfs, Real Estate Development Manager

Hearing Date:

Entered by: cklawiter@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Economic Development Division	05/12/2026	Referred for Introduction				
	Action Text: This Resolution was Referred for Introduction						
	Notes: Finance Committee (6/1/26), Common Council (6/9/26)						
1	COMMON COUNCIL	05/19/2026	Refer	FINANCE COMMITTEE			Pass
	Action Text: A motion was made by Madison, seconded by Glenn, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.						

Text of Legislative File 93162

Fiscal Note

The proposed resolution authorizes the execution of a purchase of services contract with TerraVenture Advisors, LLC for relocation services for current tenants of City-owned property at 1812-1820 S Park St (the purchase of which was authorized via RES-25-00097). The contract price is not to exceed \$46,650. The proposed resolution further authorizes the use of \$500,000 for relocation assistance for tenants of aforementioned property as required under

state and federal law when the City acquires property. The total of \$546,650 is available in the Economic Development Division's (EDD) 2026 Capital Budget in the TID 51 program (#99011). No additional appropriation required.

Title

Authorizing the City of Madison to enter into a Purchase of Services contract with TerraVenture Advisors, LLC to provide relocation assistance and services to the tenants occupying the buildings located on the City-owned property at 1812 - 1820 S. Park Street; authorizing the payment of eligible relocation benefits; and authorizing lease negotiations with the current tenants in the interim totaling \$546,650, with funding previously authorized 2026 EDD Capital Budget and in the adopted TID 51 project plan. (District 14)

Body

WHEREAS, the City of Madison (the "City") acquired the property located at 1812 - 1820 S. Park Street (the "Property") for landbanking purposes, as authorized by City Resolution File ID #86853, Enactment No. RES-25-00097, adopted on February 14, 2025; and

WHEREAS, the Property is one tax parcel totaling 1.26 acres of land improved with a building used for warehouse, storage, commercial office, and retail space, occupied by three commercial retail tenants with yearly leases (the "Commercial Tenants"); and

WHEREAS, when the City acquires property, in some circumstances Wisconsin law (Wis. Stat. Ch. 32 and Wis. Admin. Code Ch. Adm 92) or the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act ("URA") (42 U.S.C. §§ 4601-4655 and 49 C.F.R. Part 24) (the Wisconsin and federal law referred to collectively as "Relocation Law") may require the City to pay relocation benefits to the owner or tenants of the acquired property. Complying with Relocation Law may require preparing an Acquisition Stage Relocation Plan (the "Plan"). If required the Plan must be prepared and subsequently approved by the State of Wisconsin Department of Administration. The Plan provides extensive fact specific details regarding relocation assistance and potential project management services for the project, including but not limited to the following: displacement numbers, project cost estimate, anticipated project schedule, appeals process, property management costs and needs, eviction policy, claims policy, relocation assistance services, tenant inventory, notification methods, payment summary for every eligible tenant, available comparable properties for tenants and anticipated relocation payments for each tenant. The Plan for the required tenant relocations at the Property was completed by TerraVenture Advisors, LLC. and approved by the Department of Administration on April 20, 2026; and

WHEREAS, the Commercial Tenants will receive relocation benefits, consistent with and as required by Relocation Law, setting forth their eligibility for reimbursements, with all tenants eligible for moving costs, and certain others potentially eligible for additional business relocation benefits. Eligibility is determined by interviews and review of financial statements for the on-site businesses; and

WHEREAS, the estimated timeframe for relocation assistance and property management services is through June 2027; however, any displaced Commercial Tenants may be eligible for relocation payments and services for a period of up to two years after they vacate their respective units. As a result, the City may need to provide property management services through December 2027, but relocation services to the holdover tenants of the Property through June 2029; and

WHEREAS, the City's Office of Real Estate Services does not have current staffing in place to perform and manage the required relocation assistance for the Commercial Tenants. Services of this complexity and time period require a consultant vendor that has thorough knowledge of Relocation Law, hired to become familiar with the Property, the existing tenants/leases, and the needs of the City; and

WHEREAS, the City has received a proposal from TerraVenture Advisors, LLC to provide the required relocation assistance services during the required timeframe; and

WHEREAS, TerraVenture Advisors, LLC, has extensive experience providing relocation services in the State of Wisconsin, is familiar with Relocation Law, and has performed recent work specific to the City's landbanking acquisition efforts by virtue of the Plan that was approved by the State; and

WHEREAS, TerraVenture Advisors, LLC was the only firm to respond to the City's Request for Proposals for relocation assistance services for the Property with a not to exceed cost of \$46,650; and

WHEREAS, the estimated total cost for all relocation payments to all tenants on the Property, including the Commercial Tenants, is estimated to be \$500,000.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Clerk are authorized to execute a contract for Purchase of Services not to exceed \$46,650 with TerraVenture Advisors, LLC. for the above-described services; and

BE IT FURTHER RESOLVED, that the Common Council authorizes all relocation payments to all eligible tenants of the Property as set forth and required by Relocation Law; and

BE IT FURTHER RESOLVED, that the Common Council authorizes City Staff to negotiate and modify existing leases in the Property, including existing rental rates; and

BE IT FURTHER RESOLVED that the Mayor and City Clerk are hereby authorized to execute, deliver and record such documents and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution.



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Master

File Number: 93163

File ID: 93163	File Type: Resolution	Status: Items Referred
Version: 1	Reference:	Controlling Body: FINANCE COMMITTEE
		File Created Date : 05/12/2026
File Name: 13043 Amending File ID 87871	Final Action:	

Title: Amending RES-25-00299 (Legistar #87871) authorizing the execution of a development agreement with Starkweather, LLC regarding the development of the former Voit Farm property in Tax Incremental District #55 (Voit). (District 15)

Notes:

Sponsors: Satya V. Rhodes-Conway And Dina Nina Martinez-Rutherford

Effective Date:

Attachments: Ex. A - Revised Maximum Sales Prices.pdf

Enactment Number:

Author: Dan Rolfs, Real Estate Development Manager

Hearing Date:

Entered by: cklawiter@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Economic Development Division	05/12/2026	Referred for Introduction				
	Action Text: This Resolution was Referred for Introduction						
	Notes: Finance Committee (6/1/26), Common Council (6/9/26)						
1	COMMON COUNCIL	05/19/2026	Refer	FINANCE COMMITTEE			Pass
	Action Text: A motion was made by Madison, seconded by Glenn, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.						

Text of Legislative File 93163

Fiscal Note

The proposed resolution authorizes an amendment to the development agreement with Starkweather, LLC to assist in the development and sale of 13 shovel-ready lots at the former Voit Farm property. The original agreement between Starkweather, LLC and the City, authorized by Common Council in May 2025 via RES-25-00299 (file # 87871), established Starkweather's responsibilities in construction and delivery of saleable housing lots as well as the City's level of TIF financial assistance to said housing developers. Additional grading costs and the need to construct a stormwater retention basin adjacent to one of the lots have increased the infrastructure costs. The amendment to this agreement modifies the previously established maximum sales prices and infrastructure cost framework to recognize increases in

costs that the Developer has or will incur in the development of the Property to determine whether housing developers require TIF assistance, such that, but for TIF assistance, the project(s) would not occur. The attached Exhibit A reflects the amended maximum sales prices for the lots. Lots 6, 9-10, and 13 will be purchased by the City for landbanking purposes per the original agreement; the sales prices for those lots have not changed from the original agreement.

TID 55 is a mixed-use TID, which allows a maximum of 20 years to collect tax increments to pay for project costs. Future amendments may be required to authorize funding for subsequent projects proposed by developers, including the Community Development Authority or the City, to purchase shovel-ready lots in the Project, through land banking. Future amendments of the TID 55 Project Plan may occur over time, in the event that the TID performs beyond financial expectations and additional TIF assistance is required for future housing development or infrastructure improvements.

No additional appropriation is required with adoption of this resolution.

Title

Amending RES-25-00299 (Legistar #87871) authorizing the execution of a development agreement with Starkweather, LLC regarding the development of the former Voit Farm property in Tax Incremental District #55 (Voit). (District 15)

Body

WHEREAS, Starkweather Group LLC, (“Developer”) has proposed to develop 25 acres of the former Voit Farm property, located at the northeast quadrant of the intersection of Milwaukee Street and North Fair Oaks Avenue in the City of Madison (the “Property”) and within the boundary of TID #55 (Voit), for housing and mixed-use development, including implementing required public improvements to 13 platted lots (the “Project”); and

WHEREAS, the City and Developer have negotiated terms for a development agreement (the “Development Agreement”) that memorialized the City’s commitment to creating TID 55, commitments by the Developer regarding development of the Project, and how the City will allocate of land acquisition and infrastructure costs for purposes of future TIF applications for individual housing development projects located on the Property; and

WHEREAS, on May 6, 2025, the Common Council adopted a resolution authorizing the City’s execution of the Development Agreement consistent with the terms of a term sheet attached to resolution RES-25-00299 (the “Term Sheet”); and

WHEREAS the Developer has identified an additional \$1,200,000 of additional grading costs associated with environmental cleanup (the “Additional Grading Costs”) and \$1,000,000 of additional costs related to the construction of a stormwater retention basin adjacent to Lot 5 of the Project (the “Additional Stormwater Costs”) (collectively, the “Additional Costs”) which will increase the total cost of the Project to \$22,200,000; and

WHEREAS based upon further negotiation, staff have been instructed to allocate the Additional Grading Costs in a proportionate manner across the remaining saleable lots and allocate the Additional Stormwater Costs to Lot 5 in the Development Agreement, consistent with the table attached as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED that the City hereby finds and determines that the Project is consistent with the public purposes of Tax Increment Finance Law and the plans and objectives set forth in City of Madison TIF Policy, the amendment to the Development

Agreement is hereby approved.

BE IT FURTHER RESOLVED that the Mayor and City Clerk are authorized to execute the Development Agreement with the Developer, or its assigns, on substantially, though not exclusively, the terms reflected in the Term Sheet approved by RES-25-00299, with the exception of replacing the "Maximum Sales Price" figures in Section 4 of the Term Sheet with figures reflected in the attached Exhibit A, and in a form approved by the City Attorney.

Exhibit A

Revised Maximum Sales Price Figures for Section 4 of Term Sheet

Lots	Revised Max Sales Price
Lot 1	\$ 1,602,861
Lot 2	\$ 1,967,983
Lot 3	\$ 2,301,254
Lot 4	\$ 3,324,835
Lot 5	\$ 2,681,361
Lot 6	\$ 1,118,000
Lot 7	\$ 2,440,854
Lot 8	\$ 2,450,790
Lot 9	\$ 1,863,000
Lot 10	\$ -
Lot 11	\$ 2,673,935
Lot 12	\$ 2,443,252
Lot 13	\$ 1,184,000
TOTALS	\$ 26,052,126



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Master

File Number: 93161

File ID: 93161

File Type: Resolution

Status: Items Referred

Version: 1

Reference:

Controlling Body: FINANCE
COMMITTEE

File Created Date : 05/12/2026

File Name: 13096 Voit Lots Acquisition

Final Action:

Title: Amending the 2026 Economic Development Division Capital Budget by \$4,165,000 and authorizing the execution of a Purchase and Sale Agreement with Starkweather, LLC, or their successors and assigns, for the purchase of four (4) properties addressed as 111 North Walter Street, 31 North Walter Street, 3472 Chicago Ave, and 3470 Canvas Road, Madison, WI 53703 for land banking purposes, and authorizing the expenditure of \$135,000 of in the 2026 adopted EDD Capital Budget for environmental assessment, title work, closing costs, holding costs, and predevelopment costs totaling \$4,300,000 (District 15).

Notes:

Sponsors: Dina Nina Martinez-Rutherford And Satya V. Rhodes-Conway

Effective Date:

Attachments: 13096 - Voit Farm-Starkweather - PSA - Final.pdf,
13043 TID 55 2025 Creation JRB Report.pdf

Enactment Number:

Author: Dan Rolfs, Real Estate Development Manager

Hearing Date:

Entered by: cklawiter@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Economic Development Division	05/12/2026	Referred for Introduction				
	Action Text:		This Resolution was Referred for Introduction				
	Notes:		Finance Committee (6/1/26), Common Council (6/9/26)				
1	COMMON COUNCIL	05/19/2026	Refer	FINANCE COMMITTEE			Pass
	Action Text:		A motion was made by Madison, seconded by Glenn, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.				

Text of Legislative File 93161

Fiscal Note

The proposed resolution amends the Economic Development Division's (EDD) 2026 Adopted Capital Budget by \$4.165 million in the Land Banking program (#12640) to fund the acquisition of 4 properties within TID 55 (Voit Farm). The funding will be in the form of TID-supported GO Borrowing. The resolution furthers authorizes the execution of a purchase and sale agreement

between the City and Starkweather, LLC for the 4 aforementioned properties.

The estimated acquisition, holding, environmental testing, and pre-development costs for the property are estimated at \$4.3 million: \$4.165 million for acquisition and \$135,000 for environmental site assessment, title work, miscellaneous closing costs, property holding costs, and pre-development costs. The amendment to the 2026 Capital Budget is needed to fund the acquisition costs. The \$135,000 needed for holding, pre-development, and other related costs is available within the 2026 Adopted Capital Budget: \$50,000 of TID-supported GO Borrowing in the TID 55 program (#99017) and \$85,000 of General Fund-supported GO Borrowing in the Land Banking program (#12640).

Acquisition costs related to these 4 properties are included in the adopted TID 55 Project Plan adopted by Council via RES-25-00413 in July 2025.

Title

Amending the 2026 Economic Development Division Capital Budget by \$4,165,000 and authorizing the execution of a Purchase and Sale Agreement with Starkweather, LLC, or their successors and assigns, for the purchase of four (4) properties addressed as 111 North Walter Street, 31 North Walter Street, 3472 Chicago Ave, and 3470 Canvas Road, Madison, WI 53703 for land banking purposes, and authorizing the expenditure of \$135,000 of in the 2026 adopted EDD Capital Budget for environmental assessment, title work, closing costs, holding costs, and predevelopment costs totaling \$4,300,000 (District 15).

Body

WHEREAS, Starkweather, LLC (the "Seller") is the owner of properties located at 4111 North Walter Street, 31 North Walter Street, 3472 Chicago Ave, and 3470 Canvas Road, Madison, WI 53703 containing 1491,10 square feet or 3.4 acres of land, as legally described in Exhibit A of the Purchase and Sale Agreement attached hereto (the "Agreement") and depicted on Exhibit B to the Agreement (the "Property"); and

WHEREAS, the City of Madison (the "City") desires to purchase the Property for land banking purposes; and

WHEREAS, the City's acquisition of the Property would provide expanded opportunities for the City to guide future housing and commercial development; and

WHEREAS, the Seller agrees to sell the Property to the City in accordance with the terms of the Agreement, which has been executed by the Seller, for a purchase price of \$4,165,000, which was negotiated based on an appraisal approved by the City's Office of Real Estate Services; and

WHEREAS, additional acquisition costs, including an environmental site assessment, title work, holding costs and predevelopment costs, and miscellaneous closing costs are estimated to total \$135,000; and

NOW, THEREFORE, BE IT RESOLVED that the City's Common Council hereby authorizes the City's execution of the Agreement, as Buyer, for the purchase of the Property on substantially the same terms and conditions contained in the Agreement attached hereto; and

BE IT FURTHER RESOLVED that the 2026 Economic Development Division Capital Budget is hereby amended to authorize a total expenditure of \$4,300,000 related to the City's acquisition of the Property, with \$4,165,000 of new GO Borrowing backed by TID 55 to fund the acquisition of the Property, and an additional \$135,000 of funding from the adopted 2026 EDD Capital

Budget with \$85,000 from the adopted 2026 EDD Capital Budget from the Land Banking fund and \$50,000 from TID 55 to be used for the following: due diligence including environmental site assessment and closing expenses including title work to accomplish the purchase of the Property, holding costs, and pre-development costs; and

BE IT FINALLY RESOLVED that the Mayor and City Clerk are authorized to sign, accept, and record the Agreement any and all documents and legal instruments required to complete the transactions contemplated in this resolution, on a form and in a manner that has been approved by the City Attorney.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (“Agreement”) is entered into as of the ____ day of _____, 2026, by and between the **City of Madison**, a Wisconsin municipal corporation (“Buyer”) and **Starkweather, LLC** a Wisconsin limited liability company, or their successors and assigns (“Seller”).

In consideration of the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Buyer and the Seller (together, the “Parties”) hereto covenant and agree as follows:

1. The Property. The Buyer shall purchase and the Seller shall sell and convey by Special Warranty Deed (“Deed”) Seller’s fee simple interest of lots 6, 9, 10 & 13 to the real property located at 3450 Milwaukee Street in the City of Madison, Wisconsin, together with all improvements located thereon (collectively, the “Property”), as legally described on the attached Exhibit A and depicted on the attached Exhibit B.
2. Effective Date. The “Effective Date” shall be the date first stated above.
3. Purchase Price. The total purchase price of the Property shall be Four Million One Hundred Sixty-Five Thousand Dollars (\$4,165,000) (the “Purchase Price”). The Buyer shall pay the Purchase Price in cash at Closing, as defined herein, subject to the adjustments and prorations herein provided.
4. Personal Property. The transaction contemplated by this Agreement will not include any personal property.
5. Earnest Money. The Buyer will deposit with First American Title Insurance Company, 25 West Madison Street, Suite 400, Madison, WI (the “Title Company”), Twenty-Five Thousand Dollars (\$25,000.00) as “Earnest Money” within ten (10) days of the Effective Date, which will be non-refundable except that the Earnest Money shall be forfeited by Seller and returned to the Buyer: (1) if the Seller defaults on the terms of this Agreement; or (2) this Agreement is terminated pursuant to any of the contingencies described in Paragraphs 8, 9, 10, or 11. The Earnest Money shall be applied toward the Purchase Price at Closing in accordance with Paragraph 3 [.
6. Delivery of Documents. The Seller shall, within (5) business days after the Seller’s execution of this Agreement, provide the Buyer with complete copies of all documents in the Seller’s actual possession or control relating to the physical and environmental condition of the Property.
7. Limited Representations and Warranties; AS-IS Condition. Except as otherwise provided in this Agreement, the Buyer shall purchase the Property in “AS-IS, WHERE-IS” condition and “with all faults,” and shall agree that it relied upon no warranties, representations or statements by the Seller, its agents or employees, in entering into this Agreement or in closing the transaction described therein. The Buyer’s Closing on the acquisition of the

Property shall constitute conclusive evidence that the Buyer is satisfied with the condition of and title to the Property.

8. Due Diligence Period. The Buyer shall have ninety (90) days from the Effective Date (the “Due Diligence Period”) to review, test and inspect all aspects of the Property, at its sole cost and expense. If within the Due Diligence Period, the Buyer determines, in its sole discretion, that it does not desire to purchase the Property because of one of the contingencies set forth in Paragraphs 9, 10, or 11 below, the Buyer may provide written notice to the Seller of such desire, and this Agreement shall terminate immediately. If the Buyer does not provide written notice terminating this Agreement on or prior to the ninetieth day (90th) day of the Due Diligence Period, this Agreement shall remain in full force and effect.

The Due Diligence Period in this Agreement may be extended upon written agreement of the Parties.

- a. Environmental Contamination by Seller. Provided Buyer does not exercise its right to terminate this Agreement during the Due Diligence Period, Seller shall remain solely responsible for the remediation of any environmental contamination located on the Property caused by Seller or its agents prior to Closing (but not including environmental contamination that existed prior to the date the Seller acquired the Property). Buyer may require Seller to perform any such environmental remediation before proceeding to Closing, and Seller’s obligation to remediate under this Paragraph 8.a. shall survive Closing.
9. Inspections and Testing. The Buyer and the Buyer’s authorized agents, contractors, and engineers shall be permitted access to the Property for the purpose of conducting inspections and testing, including, but not limited to, Phase 1 or 2 Environmental Site Assessment reports (“ESA”) and related testing, soils testing and any other inspections or testing deemed necessary by the Buyer. Access shall be at reasonable times with advance notice to the Seller.

In the event Buyer’s Phase 1 ESA recommends a Phase 2 ESA, the Buyer may notify the Seller in writing of its desire to extend the Due Diligence Period if necessary to conduct such investigation. If the Parties are unable to agree on an extension of the Due Diligence Period, the Buyer may declare this Agreement null and void by providing notice as set forth in this Agreement and Buyer shall be entitled to a refund of all Earnest Money. The Buyer shall repair, at its sole cost and expense, all damages caused by any of its assessments and inspections so that the condition of the Property is returned to as good or better condition as existed prior to the assessment(s) and inspections.

In addition to environmental testing during the Due Diligence Period, Buyer shall have the right, at Buyer’s own cost, to update the Phase 1 ESA report prior to Closing as may be necessary for liability purposes under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), other state or federal environmental statutes or regulations, or due to environmental contamination caused by Seller as contemplated by Paragraph 8.a.. In the event the updated Phase 1 ESA recommends an updated Phase 2 ESA

or a hazardous building materials survey (“Additional Assessments”), Buyer may, at Buyer’s cost, obtain such Additional Assessments, each in a form reasonably acceptable to Buyer.

10. Title Insurance. Seller shall provide to the Buyer, at the Seller’s expense, within fifteen (15) days of the Effective Date, a commitment from First American Title Insurance Company (the “Title Company”) to issue an ALTA Owner’s Title Insurance Policy in the amount of the Purchase Price upon the recording of proper documents, together with a gap endorsement (the “Commitment”). The Commitment shall show title to the Property, as of a date no more than fifteen (15) days before such title proof is provided to the Buyer, to be in the condition called for in this Agreement, and further subject only to liens which will be paid out of the proceeds of the Closing and to any exceptions acceptable to Buyer (the “Permitted Exceptions”).

Buyer shall notify Seller of any objection to title in writing, no later than forty-five (45) days of actual receipt of the Commitment and all applicable documents, including but not limited to any survey and Schedule B Part II exception documents (collectively, the “Title Evidence”). Seller shall have reasonable time, but not to exceed thirty (30) days, to remove objections and Closing shall be extended as necessary for this purpose. Buyer shall have the continuing right to object in writing to revisions to the Commitment and Title Evidence as the same may be revised or endorsed by the Title Company.

Should Seller be unable or unwilling to remove an objection to which Buyer is unwilling to waive, this Agreement shall be null and void. Seller shall ensure that all mortgages and other monetary liens to which the Property are subject are released and discharged prior to or at Closing. Between the effective date of the Commitment and Closing, Seller shall not place any additional encumbrances against the Property (except for such encumbrances that Seller shall remove at or prior to Closing or easements mutually acceptable to both parties).

The Buyer acknowledges that Seller intends to record against the Property prior to Closing an assessment agreement for future improvements to Milwaukee Street such that each lot in the Starkweather Plat shall pay it prorata share based on lot square footage of any assessments or levies arising from the pending reconstruction of Milwaukee Street.

11. Buyer’s Contingencies for Closing. Prior to Closing, the contingencies listed below shall have been met. If the contingencies have not been met by December 31, 2026, the Seller and Buyer may, in their respective sole direction, agree to extend this contingency date, or either party may terminate this Agreement.
 - a. Common Council Authorization. Prior to Closing, the Buyer shall obtain from the City of Madison Common Council, budget authorization for \$4,165,000 to purchase the Property and authorizing the execution of this Agreement by the Buyer.
 - b. Installation of Infrastructure Improvements. Prior to Closing, the Seller shall have completed the installation of all necessary infrastructure to serve the Property, including fully improved roads, sanitary sewer, stormwater, water service, gas and electric service, phone, and cable (the “Infrastructure Improvements”), and any of the

Infrastructure Improvements subject to a Contract for the Construction of Public Improvements between Seller and the City of Madison shall have been accepted by the City of Madison City Engineer.

- c. Access Easement. Buyer and Seller shall have mutually agreed upon the form of an easement granting to the Buyer a thirty foot (30') wide access easement centered on the common boundary of Lot 6 and Lot 7 to provide access to Lot 6 and Lot 7 (the "Access Easement"). The improvements providing vehicular access over said Access Easement shall be constructed and maintained by the owner of Lot 7 with a right of contribution from the ultimate owner/developer of Lot 6 as set forth in the Access Easement. The Access Easement shall be recorded at Closing.

12. Closing.

- a. Closing shall occur on or before thirty (30) days from: (a) the date that the City Engineer accepts the Infrastructure Improvements contemplated by Paragraph 11.b. herein ; or (b) the date of the Seller's receipt of notice from the Buyer requesting an earlier date of Closing; or (c) such other date agreed to in writing by the Parties, at the office of the Title Company, unless the Parties agree in writing to an alternate Closing location.
- a. The Seller agrees to execute and deliver to the Buyer at Closing the Deed, reviewed and accepted by the Buyer prior to Closing, conveying the Property to the Buyer free and clear from all liens and encumbrances, excepting the Permitted Exceptions.
- b. The Buyer shall pay all recording/filing fees except that the Seller shall pay the recording/filing fees for such documents as are required to be recorded/filed in order to cause title to the Property to be in the condition called for by this Agreement.
- c. Real estate taxes applicable to the Property in the year of Closing shall be prorated between the Buyer and the Seller as of the date of Closing based upon the latest known assessment and latest known mill rate.
- d. The Seller shall be responsible for the payment of any existing special or area assessments, sewer interceptor charges, municipal bills, or any other charges payable to any municipality or utility with regard to the Property as of the date of Closing.
- e. The Seller shall pay any fees related to the Wisconsin Real Estate Transfer fee.
- f. The Title Company shall prepare and deliver at Closing the Wisconsin Transfer Return due in connection with conveyance of the Property.
- g. All costs charged by the Title Company to facilitate Closing shall be prorated equally between the Parties.

- h. The Seller shall pay any and all broker commissions or fees due in connection with the sale of the Property. Buyer represents and warrants that no party has a claim for a broker commission or fee through the actions of Buyer.
13. Seller's Representations. The Seller warrants and represents the following to the best of its actual knowledge:
- a. Environmental. Seller has no notice or knowledge that there is now, or ever has been, present in, on or under the Property any above-ground or underground storage tank(s) used for the storage of petroleum, petroleum by-products or other Hazardous Substances or any Hazardous Substances present in, on, or under the Property in violation of any applicable federal, state, or local environmental law. For purposes of this Agreement, Hazardous Substances shall mean: any substance discharged, spilled or otherwise released which is designated, defined, classified or regulated as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any applicable law currently in effect as of the Effective Date; petroleum hydrocarbon, including crude oil or any fraction thereof and all petroleum products; PCBs; lead; friable asbestos; flammable explosives; infectious materials; or radioactive materials
 - b. No Prior Right to Purchase. No party has any option, right of first refusal or similar right to purchase all or any portion of the Property.
 - c. No Adverse Possessors. There are no parties in possession of any portion of the Property as tenants at sufferance or trespassers.
 - d. No Lessees. The Seller will represent that the Property is not currently leased, and the Seller will agree that it shall not enter into any lease or rental agreement for the Property, or any portion thereof, from the Effective Date through the date of Closing, without the prior written consent of the Buyer.
 - e. Exclusive Right. The Buyer shall have the exclusive right to negotiate with the Seller concerning acquisition of the Property and the Seller agrees that it shall not directly or indirectly solicit or entertain any other proposals for such acquisition of the Property from the date of execution of this Agreement until Closing, unless otherwise released by the Buyer ("Exclusive Right"). The Seller recognizes that in consideration of the Exclusive Right, the Buyer is diligently pursuing approval of this Agreement and is expending both time and money to achieve such approval. It is therefore agreed that the Exclusive Right cannot be challenged due to a lack of consideration. This provision shall be effective and in full force upon signature of this Agreement by the Seller.
 - f. Authority. Seller represents that it has the power and authority to sell, transfer and convey the property to Buyer, and those persons signing below on behalf of Seller personally warrant that they have the authority to act as Seller's agent or agents in the sale for the transfer and conveyance of the property by the Deed to Buyer. Seller shall

provide Buyer with documents evidencing that the sale of the Property has been properly authorized by Seller no later than ten (10) days after the Effective Date.

14. Miscellaneous.

- a. No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the Parties hereto, to any person or entity other than the Parties.
- b. Benefit and Burden. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, personal representatives, successors, and assigns. The provisions herein contained shall survive Closing and delivery of the Deed and shall not be merged therein.
- c. Entire Agreement. This Agreement will contain the entire agreement between the Parties and any modification, alteration or addendum to this Agreement shall be valid only when written and executed by the Parties.
- d. Counterparts and Transmittal of Signatures. This Agreement may be executed in one or more counterparts, and all such executed counterparts shall constitute the same Agreement. A signed copy of this Agreement transmitted by facsimile electronic scanned copy (.pdf) or similar technology and shall be as valid as original. This Agreement may be converted into electronic format and signed or given effect with one or more electronic signature(s) if the electronic signature(s) meets all requirements of Wis. Stat. ch. 137 or other applicable Wisconsin or Federal law. Executed copies or counterparts of this Agreement may be delivered by facsimile or email and upon receipt will be deemed original and binding upon the Parties, whether or not a hard copy is also delivered. Copies of this Agreement, fully executed, shall be as valid as an original.
- e. Severability. If any non-material part, paragraph, or article of this Agreement is determined to be invalid, or otherwise unenforceable, the validity of all the remaining parts, paragraphs, and articles shall not be affected thereby. Any such non-material parts, paragraphs, or articles shall be deemed severable.
- f. Governing Law. This Agreement shall be governed by and construed, interpreted, and enforced in accordance with the laws of the State of Wisconsin, without regard to conflict of law principles. For any claim or suit or other dispute relating to this Agreement that cannot be mutually resolved informally, the venue shall be Dane County, Wisconsin, and the parties agree to submit themselves to the jurisdiction of a court of competent jurisdiction in said venue, to the exclusion of any other forum that may have jurisdiction over such a dispute according to any law.
- g. Headings. The headings in this Agreement will be for reference purpose only and shall not in any way affect the meaning or interpretation herein.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first above written.

BUYER: CITY OF MADISON

By: _____ Date: _____

Name: Satya Rhodes-Conway
Title: Mayor

By: _____ Date: _____

Name: Lydia A. McComas
Title: City Clerk

Approved:

Approved:

David Schmiedicke, Finance Director Date

Eric Veum, Risk Manager Date

Approved as to form:

Michael Haas, City Attorney Date

Execution of this Agreement by the City of Madison is authorized by Resolution Enactment No. RES-25-_____, File I.D. No. _____, adopted by the Common Council of the City of Madison on the _____ day of _____ 202_.

Drafted by the City of Madison Office of Real Estate Services

Project No. 13096

Signatures continue on the following page

Exhibit A
Legal Description of Property

LOTS 6, 9, 10, AND 13 OF THE STARKWEATHER PLAT RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS IN DANE COUNTY, WISCONSIN, RECORDED ON OCTOBER 09, 2025 IN VOLUME 62-040A, PAGES 213-219, AS DOCUMENT NO. 6056273, SAID PLAT BEING A PART OF LOTS 21 AND 22, AND ALL OF LOT 23, SAUTHOFF PLAT AND ALSO PART OF THE NORTHEAST 1/4, THE SOUTHEAST 1/4 AND THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 05 AND PART OF THE NORTHWEST 1/4 AND THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 04, ALL IN TOWNSHIP 07 NORTH, RANGE 10 EAST, CITY OF MADISON, DANE COUNTY, WISCONSIN.

**Exhibit B
Depiction of the Property**



Executive Summary to the City of Madison Joint Review Board

Tax Incremental District (TID) No. 55 (Voit) 2025 Project Plan Amendment City of Madison

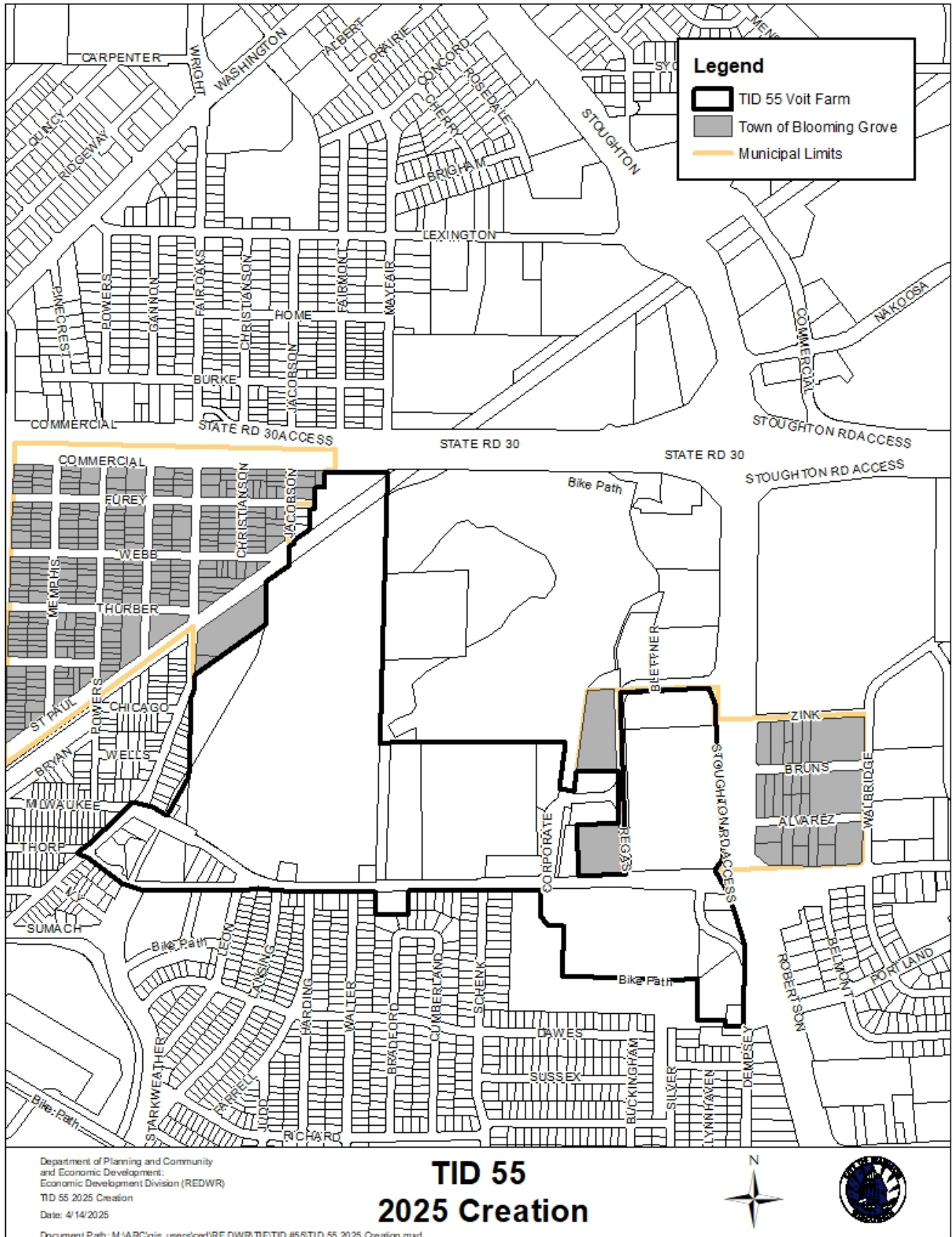
May 23, 2025

Background

By statute, a TIF Joint Review Board, comprised of one representative each from the Madison Metropolitan School District (MMSD), the City of Madison, Dane County, Madison College (MATC) and one public member, meets to review, and if acceptable, approve a proposed amendment to a Tax Incremental District (TID) Project Plan. The Joint Review Board will meet at a future date to take action upon the proposed amendment to the project plan to TID 55 (Voit).

Summary of the TID #55 Project Plan

The map on the next page depicts the boundaries of TID 55 in the Milwaukee Street area of the City of Madison, between Fair Oaks Ave and Stoughton Road:



TIF Law Required Information for TID Amendment Approval

1) Estimates of project costs and tax increments, including:

a) Specific items that constitute project costs; (See Chart Below)

TID #53	Proposed TIF Funded Non- Assessable Cost	Assessable/ Non-Project Costs	Total	Time Frame
Total Public Improvements	\$0	\$0	\$0	2025 - 2040
Development Loans	\$3,887,000	\$0	\$3,887,000	2025 – 2040
Land Acquisition	\$4,165,000	\$0	\$4,165,000	2025 – 2040
Administrative and Professional Costs	\$500,000	\$0	\$500,000	2025 – 2040
TOTAL PROJECT COSTS	\$8,552,000	\$0	\$8,552,000	2025 – 2040
Finance Costs (financing costs for entire project plan)	\$2,351,000		\$2,351,000	2023-2038

NOTE: These project costs and non-project costs conform with State Statute 66.1105(4)(gm).

b) The total dollar amount of these project costs to be paid with tax increments;

Per the above chart, tax increments will pay for a total of **\$8,552,000** of project costs.

c) The amount of tax increments to be generated over the life of the tax incremental district.

Based upon the City's TIF run, it is estimated that TID 55 will generate \$26 million of incremental revenue through its expiration date of 2045. The net present value of these incremental revenues is \$11 million. **This would lead to a total forecasted incremental revenue over the entire life of TID 55 of \$26 million.**

2. The amount of value increment when the project costs are paid in full and the district is closed.

Based upon development projects that have occurred to date, the anticipated incremental value of property within the district at the end of its 20-year life is estimated at **\$144,000,000**. This value will be returned to overlying tax jurisdictions for general tax levy purposes upon closure of the district at the end of its statutory life. Based upon conservative estimates, the district will generate sufficient incremental revenues to repay all anticipated project costs by 2035.

Without any additional projects generating new incremental value, the estimated incremental value in 2035 is \$110 million. However, the City may propose future amendments to the TID 55 project plan to fund additional development or infrastructure projects.

3. The reasons why the project costs may not or should not be paid by the owners of property that benefit by improvements within the district.

The budget for the proposed project plan amendment is estimated at \$8,552,000.

The total amount of assessable costs not to be paid for with TIF funds is \$0 (zero).

The total amount of costs to be paid for with TIF funds is \$8,552,000.

4. The share of the projected tax increments estimated to be paid by the owners of taxable property in each of the taxing jurisdictions overlying the district.

The estimated base value of TID 55 is **\$49,930,200**. Overlying jurisdictions will continue to collect their portion of the levy upon the base value over time. The box below indicates the share of the estimated first tax increment invested by overlying tax jurisdictions based upon the 2025 mill rate.

<u>Tax Jurisdiction</u>	<u>2025 Mill Rate</u>	<u>Share of Tax Levy</u>
City	7.30	37%
County	2.38	12%
MMSD	9.25	47%
MATC	0.64	3%
State of WI	<u>0.0</u>	<u>0%</u>
Totals*	19.57**	100%*

Source: City of Madison 2025 Adopted Operating Budget
 *NOTE: Total Mill Rate is the Gross Mill, prior to any State Tax Credits being applied to this rate.
 **NOTE: Total may not add due to rounding

5. The benefits that the owners of taxable property in the overlying taxing jurisdictions will receive to compensate them for their share of the projected tax increments.

A conservative estimate of the total incremental value resulting from potential development projects, and economic growth or value appreciation of the life of the TID is estimated to be \$144 million. The benefits of these potential projects are: sharing new equalized value growth, and infrastructure improvements to benefit those in the district and throughout the City of Madison.

TID 55’s estimated base value of \$43,930,200 is anticipated to grow by \$144 million at the end of the 20-year life of the TID. Assuming that the City incurs all the \$8.5 million of projected costs identified in the TID Project Plan, that there are no changes in tax increment estimates, no further project plan amendments and no changes to TIF Law, the City of Madison forecasts that TID 55 may close in 2035. The average life of a TID in the City of Madison is 12 years. The estimated incremental value of the TID in 2035 when the TID is forecasted to be closed is estimated to be \$110 million (*Note: variations are due to rounding*).

TID 55 is a “mixed-use” TID, as defined by State Statute 66.1105.

Criteria for TID Approval

Per TIF Law, the Joint Review Board will cast a vote based upon the following three criteria:

1. Whether the development expected in the tax incremental district would occur without the use of tax incremental financing.

None (\$0) of the proposed \$8.552,000 project costs are assessable. Without tax increment revenue, such improvements are not likely to occur when compared to areas in the City where special assessment revenues may be more readily available to fund greater portions of project costs.

2. Whether the economic benefits of the tax incremental district, as measured by increased employment, business and personal income and property value, is insufficient to compensate for the cost of improvements.

If the District closes in 2035 as projected, it is estimated that approximately \$110 million of incremental value would return to the overlying taxing jurisdictions. At 20 years, the District would return approximately \$144 million of incremental value to the overlying taxing jurisdictions. Without TIF, the infrastructure and other investments described in the project plan document in and adjacent to TID 55 would not occur. The infrastructure and other improvements will continue to boost values within and adjacent to TID 55.

3. Whether the benefits of the proposal outweigh the anticipated tax increments to be paid by owners of property in the overlying tax districts.

Property and infrastructure improvements and tax base growth are the most significant and quantifiable benefit to overlying tax jurisdictions from the investment of TIF funds.

Without TIF, overlying tax jurisdictions would share approximately \$883,000 of tax revenues for the tax parcels included in TID 55, based on the estimated base value of \$43,930,200. As stated earlier, the incremental value in 2035 at the end of the projected life of the TID is estimated at \$110 million. Theoretically, if the City invested all \$8.5 million of project costs in the district, which investment would leverage over \$110 million; or \$1 of TIF leverages approximately \$12.94 of value growth. If the TID were to be closed at that time, this value growth would be returned to overlying tax jurisdictions that would now share in a levy of approximately \$2.2.7 million, or a net gain of approximately \$1.9 million as a result of TIF.

In turn, the anticipated tax increments over the life of the district are estimated to support \$8.5 million of public investment. This investment will further enhance the area, increase values in and around the District, and help create new, family supporting jobs.



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Master

File Number: 93149

File ID: 93149

File Type: Resolution

Status: Items Referred

Version: 1

Reference:

Controlling Body: FINANCE
COMMITTEE

File Created Date : 05/12/2026

File Name: 13233 Odana Apartments LLC TIF Loan

Final Action:

Title: Amending the 2026 EDD Capital Budget (TID 57) and authorizing the Mayor and City Clerk to execute a development agreement to fund a \$2,000,000 Tax Incremental Finance Loan to Odana Apartments, LLC, or its assigns to construct approximately 227 units of affordable housing and approximately 132 parking stalls located at 5559 Odana Road & 5542 Medical Circle in a proposed creation to Tax Incremental District (TID) 57 (District 19).

Notes:

Sponsors: John P. Guequierre And Satya V. Rhodes-Conway

Effective Date:

Attachments: 13233 Odana Rd Med Circle TIF Report 2026
5-12.pdf, 13233 Odana Rd Medical Cir Term Sheet
5.11 - Final Clean.pdf

Enactment Number:

Author: Terrell Nash, Real Estate Development Specialist

Hearing Date:

Entered by: cklawiter@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Economic Development Division	05/12/2026	Referred for Introduction				
	Action Text:		This Resolution was Referred for Introduction				
	Notes:		Finance Committee (6/1/26), Common Council (6/9/26)				
1	COMMON COUNCIL	05/19/2026	Refer	FINANCE COMMITTEE			Pass
	Action Text:		A motion was made by Madison, seconded by Glenn, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.				

Text of Legislative File 93149

Fiscal Note

The proposed resolution amends the Economic Development Division's (EDD) 2026 Adopted Capital Budget to add \$2.0 million in TID-supported GO Borrowing. It further authorizes a \$2.0 million loan to Odana Apartments, LLC, or its assigns ("Developer"). A new capital project would be created in Munis for TID 57.

The Developer proposes the construction of approximately 227 affordable apartment units and approximately 132 parking stalls at a total cost of \$78,193,000 ("Project"). The TIF Loan would be repaid through incremental taxes generated by the Project. The amount of the loan represents 55% of the present value of all incremental taxes anticipated from the Project over the TID's 20-year life. While it is anticipated that the incremental taxes generated by the Project will be sufficient to repay the loan within approximately 9 years, the Developer is required to guarantee a minimum payment if sufficient future tax increment is not available. The increment guaranty is secured by a subordinated mortgage on the property. The TIF Loan also requires that Developer be prohibited from selling or transferring the Property prior to repayment of the TIF Loan. If Developer sells or transfers the Property to a tax-exempt entity, Buyer shall pay an annual payment in lieu of taxes (PILOT) in the amount of the property tax paid as of the date of sale, frozen, until 2050. See the attached TIF Memo from TIF staff for additional information about TID condition and compliance with the City's TIF Goals, Objectives, and Process policy and the TIF Underwriting Policy.

The City providing TIF assistance for the Project is contingent upon the Council's adoption of a resolution authorizing the creation of a TID 57 (Medical Circle) Project Plan and Boundary and approval of the TID creation by the TIF Joint Review Board.

Title

Amending the 2026 EDD Capital Budget (TID 57) and authorizing the Mayor and City Clerk to execute a development agreement to fund a \$2,000,000 Tax Incremental Finance Loan to Odana Apartments, LLC, or its assigns to construct approximately 227 units of affordable housing and approximately 132 parking stalls located at 5559 Odana Road & 5542 Medical Circle in a proposed creation to Tax Incremental District (TID) 57 (District 19).

Body

WHEREAS the City of Madison is proposing to create the Project Plan and Boundary of TID #57 (Medical Circle) in 2026; and

WHEREAS the intent and purpose of the Project Plan, among other things, is to encourage mixed-use development of a wide range of commercial and housing options and attract and retain business and employment in the City of Madison; and

WHEREAS Odana Apartments, LLC, or its assigns, ("Developer") has proposed to construct approximately 227 affordable housing units and 132 underground parking stalls on the Property at a total estimated development cost of approximately \$78,193,000 ("Project") located at 5559 Odana Road & 5542 Medical Circle, in the City of Madison and within the TID #57 (Medical Circle) boundary ("Property"); and

WHEREAS City staff has conducted an analysis (See Attached Report) of the Project and has determined a gap to be approximately \$2,382,000 such that, but for TIF assistance, the Project could not occur; and

WHEREAS \$2,000,000 of TIF assistance to the Project represents approximately 55% of the present value of the estimated tax incremental revenues generated by the Project, in conformance to TIF Policy that no more than 55% be made available to a project ("55% Gateway") without Finance Committee prior authorization; and

WHEREAS, in addition to any other powers conferred by law, the City may exercise any power necessary and convenient to carry out the purpose of the TIF law, including the power to cause

project plans to be prepared, to approve such plans, and to implement the provisions that effectuate the purpose of such plans; and

NOW, THEREFORE, BE IT RESOLVED that the City hereby finds and determines that the Project is consistent with the public purposes of Tax Increment Finance Law and the plans and objectives set forth in City of Madison TIF Policy, the City's loan to Developer demonstrates the potential to encourage development of a wide range of housing options in TID #57, thereby making it more likely to accomplish the public purpose objectives set forth in the Project Plan, the TIF Law and City TIF Policy.

BE IT FURTHER RESOLVED that funding is subject to the following conditions:

1. The Project. Developer agrees to develop on the Property all of the following:
 - a. Construction of approximately 227 units of affordable housing. The Developer agrees to set aside 100% of the units for occupancy by households whose income is at or below 80% of the area median income (AMI) as defined by Section 42 of the Internal Revenue Code, with an average AMI of less than or equal to 60% using the average income set aside, and consistent with the income restrictions under the Wisconsin Housing and Economic Development Authority's Low-Income Housing Tax Credit Program, and subject to the Land Use Restriction described in Section 23 of this Term Sheet.
 - b. Approximately 132 structured parking stalls
2. Form of Assistance. TIF assistance shall be provided in the form of a 0% interest loan (the "TIF Loan") from the City to CDA Housing, Inc. ("CDA") and then loaned to Developer, or its assigns, in the amount of Two Million Dollars (\$2,000,000) to the Developer for the purposes of funding TIF eligible project costs, as defined in Wis. Stat. §66.1105 (the "TIF Law"), incurred for constructing the Project. The TIF Loan is to be repaid either through the tax increment generated on the Property or a guaranty payment pursuant to Section 11 herein.
3. Evidence of Financing, Audit and Clawback Provision. Prior to the TIF Loan closing, Developer shall provide evidence of bank financing, grant funds and/or equity in the aggregate amount of not less than \$76,192,579 for Project ("Financing").

Financing shall be evidenced in the form of (i) a bank commitment letter and evidence that Developer has met all of the lender's conditions of financing such as commercial pre-leasing requirements, if any; (ii) a letter of intent from a tax credit investor; and/or (iii) a grant award letter from a nonprofit or governmental entity.

Equity investment shall be evidenced by paid invoices or other documentation of prepaid project costs paid by Developer and/or a financial statement demonstrating Developer's financial capacity to invest equity in the Project. The Developer's Equity investment may include equity from the sale of Low-Income Housing Tax Credits, a cash contribution from the tenant that will occupy the Project, the Developer's contribution of land or cash via a sponsor note, and a deferred developer's fee. In aggregate, Developer's equity investment, as established through financing documents, shall not be less than the amount of the TIF Loan at closing.

After closing, the TIF Loan shall be used solely for the purpose of funding the TIF eligible portion of the total project costs as stated in the TIF Application. The total project costs estimated therein at approximately \$78,192,579 ("Project Cost"). Upon completion of the Project, defined as issuance of a certificate of occupancy for all elements of the Project ("Completion"), Developer shall provide the City with a cost certification of the total Project Cost and Financing ("Audit"), to the City's satisfaction, for the City's review and approval. If the City does not approve the Developer's Audit of Project Cost, the City may request additional information from the Developer and may perform its own audit of Developer's books and records related to Project Cost and Financing. In the event that the financing gap for Project (which is equal to the amount of the TIF Loan) is reduced by a lesser Project Cost as established by the Audit, ("Audited Actual Cost") and/or an increase, as established by the Audit, in Financing ("Audited Actual Financing"), the following formula shall apply to determine the clawback payment due to the City ("Clawback"):

The Clawback shall be calculated as follows:

1. "Cost Savings" for the Project = \$78,192,579 minus the Audited Actual Cost; and
2. "Financing Increase" = Audited Actual Financing minus \$76,192,579.

If the sum of (1) Cost Savings and (2) Financing Increase is a negative number, there shall be no Clawback. If the sum is a positive number, Developer shall pay the City Fifty Percent (50%) of such positive number as a Clawback.

Developer's payment of the Clawback shall be applied as a payment to the tax increment guaranty under Sections 9 and 11 below and shall reduce the outstanding amount of the TIF Loan pursuant to Sections 9 and 11 below.

4. Tax Credit Approval. TIF assistance to the Project is contingent upon Developer receiving an award of Section 42 Low-Income Housing Tax credits ("LIHTC") from Wisconsin Housing and Economic Development Authority ("WHEDA") in 2026. Prior to closing of the TIF Loan, Developer shall provide the City with a copy of its LIHTC Online Application ("LOLA") provided to WHEDA. The City reserves the right to amend TIF Assistance to the Project in the event that the financial information provided in the LOLA demonstrates that the financing gap for the Project is less than presented in Developer's TIF Application.
5. Disbursement Method. At closing, the City shall disburse the TIF Loan to a title company to be held in escrow. In order to facilitate the City's review of project cost to confirm eligibility under Wisconsin TIF Law (Wis. Stats. s. 66.1105) and Developer's progress toward SBE bidding goals as set forth in Section 13 herein, the City and Developer shall enter into a Disbursement Agreement that authorizes no less than three (3) disbursements of TIF funds, including a final 20% of total TIF funds retained until 80% project completion confirmation by the Department of Civil Rights ("DCR") that Developer has complied with the applicable provisions of MGO 39.02 (9). TIF funds shall be disbursed upon the City's receipt and satisfactory review of a detailed draw request from Developer provided on or about no less than three (3) disbursement dates, to a title company. CDA shall have the right to lend a portion of the TIF Loan proceeds to the project in phases, secured by one or more notes and mortgages as approved by the City Attorney.

All funds not spent or remaining in escrow after Completion of the Project shall be returned to the City.

6. 2026 Capital Budget Authorization. Funding for the Two Million Dollars (\$2,000,000) TIF Loan is contingent upon the City of Madison Common Council doing the following: (1) adopting a resolution authorizing the City's execution of the TIF Loan document (the "Authorizing Resolution") ; and (2) adopting a 2026 Capital Budget authorizing the expenditure of funds stated herein. Following approval of the Authorizing Resolution, the Developer may commence construction on the Project, at Developer's own risk, and subject to Sections 7 and 26.
7. TID 57 Creation and Project Plan. The City shall create the district and the Project Plan for TID 57 to authorize the \$2,000,000 TIF expenditure for the TIF Loan (the "Project Plan"). The City shall not make TIF funds available until the date the TIF Joint Review Board approves the Project Plan and Boundary for TID 57. Developer may commence construction in accordance with Section 6 and 26, but all construction shall be at its own risk.
8. No TID Creation and Project Plan. In the event that the creation of a TID #57 Boundary and Project Plan (the "Project Plan") is not approved by the TIF Joint Review Board of the City of Madison and certified by DOR on or about April 30, 2027, then Developer shall have the option to either terminate the agreement, or to accept the TIF Loan as a conventional loan, amortized over ten years, together with the costs of issuance and interest on the unpaid principal balance at a rate equal to the rate of the City's borrowing, plus one hundred basis points, with payments of principal and interest, which shall be made quarterly (the "Conventional Loan").

In the event the creation of a TID Boundary and Project Plan is not certified by DOR on or about April 30, 2027, Developer shall be obligated to repay the TIF Loan in accordance with the terms of the Conventional Loan. The City shall make its best effort to secure TID certification as soon as possible thereafter. If the City is able to secure certification, then the Conventional Loan balance shall revert back to a TIF Loan on the terms described herein.

9. Method of Payment and Tax Increment Guaranty. The City's expenditure in providing the TIF Loan for the Project shall be repaid by Developer through tax increments generated by the Project and/or cash payments by Developer and guaranty payments. A schedule of the annual increment guaranty and projected increment used to calculate the TIF Loan is attached as Exhibit A ("Increment Schedule") and shall be attached to the Loan Agreement.
10. Sale to Tax Exempt Entity - PILOT Payment. Developer shall be prohibited from selling or transferring the Property prior to the Developer's repayment of the TIF Loan without the prior written consent of the City (except for transfers made pursuant to foreclosure of senior loan on the Project). If Developer sells or transfers the Property to a tax-exempt entity ("Buyer"), whereupon such ownership renders the Property as property tax-exempt, Buyer shall pay the City an annual payment in lieu of taxes (PILOT) in the amount of property tax last levied as of the date of sale to Buyer, frozen, through 2053. The City of Madison shall share said PILOT in proportion with the overlying taxing jurisdictions. Buyer shall execute a PILOT Agreement and a mortgage in favor of the City in the amount of the PILOT payments ("Buyer's Mortgage") at the time of Buyer's acquisition of the Property. The Buyer's Mortgage and PILOT Agreement shall be released and terminated by the City upon the closure of TID 57. This obligation will be secured by a land use restriction terminable upon closure of TID 57.

11. Security and Corporate Guaranty. The TIF Loan shall be evidenced by notes executed by CDA, or its assigns, to the City of Madison in the amount of Two Million Dollars (\$2,000,000) bearing zero percent (0%) interest (together the "Note"). CDA shall loan the proceeds to Developer and Developer shall execute a note to evidence the loan from CDA to it (the "Second Note") and also a subordinate mortgage in favor of CDA. CDA will assign its interest in the Second Note and Mortgage to the City of Madison securing payment of the TIF Loan (the "Mortgage"). Developer shall deliver to the City the fully executed Second Note, endorsed to the City, to be held by the City in the event of default. The City agrees, if necessary, to execute a subordination of mortgage in a form approved by the City Attorney and acceptable to Developer's lender(s) and said subordinated Mortgage shall be in the second mortgage position. Developer and its assigns shall cause to be provided a corporate guaranty of Bear Development, LLC guaranteeing the TIF Loan to the Project and annual payment of the increment payments reflected in the Increment Schedule.
12. Satisfaction. The TIF Mortgage and Agreement shall be satisfied and the Note and Guaranty cancelled via a recordable release upon full payment of the TIF Loan.
13. Affirmative Action MGO 39.02 (9). Developer and its contractors/subcontractors shall comply with all applicable provisions of the Madison General Ordinance (MGO) 39.02 (9), concerning contract compliance requirements. Prior to commencing construction, Developer shall contact the City's Affirmative Action Division to assure that Developer is in compliance with the aforementioned requirements. Developer shall assist and actively cooperate with the Affirmative Action Division in obtaining the compliance of contractors and subcontractors with such applicable provisions of the Madison General Ordinance. Developer shall allow maximum feasible opportunity to small business enterprises to compete for any contracts entered into pursuant to the contract. The Developer understands that it is obligated to meet the goal set by the Department of Civil Rights or show best efforts to meet the goal based on documented evidence of efforts.

Furthermore, in order to ensure compliance with the above provisions, Developer and its contractor agree to the following:

- a. The general contractor provides a schedule of values as soon as reasonably possible following the execution of this Term Sheet.
- b. A meeting shall take place before loan closing to set affirmative action goals for the Project. Additional meetings may be scheduled at the request of DCR and must be held within 10 days of the request.
- c. At 80% completion, the goal is either met, signed contracts establish that the goal will be met, or documented good faith efforts are shown as to why the goal is not met.

For the purposes of this paragraph, "completion" shall mean expenditure of total project costs as described in the TIF Application.

14. Accessibility (MGO 39.05). Developer shall submit a written assurance of compliance with Madison General Ordinance 39.05.
15. Equal Opportunity. Developer shall comply with all applicable local, state and federal provisions concerning Equal Opportunity.

16. Ban the Box. Developer shall comply with Madison General Ordinance 39.08 related to job applicant arrest and conviction records.
17. Material Changes. At the time of Closing on the TIF Loan, if any material adverse changes to the size, use or ownership of the Project or Property stated in the TIF Application, including any changes to the number or rent of the affordable units, have been made, this TIF Loan commitment shall be subject to reconsideration by the City. Following Closing, any material change to the Project made without consent of the City shall subject the TIF Loan to immediate repayment. Notwithstanding the foregoing, the City acknowledges that the Developer may, with the prior approval of the City, which approval may not be unreasonably withheld, reconfigure the size and use of the Project to address current market conditions (for example, the number and configuration of parking stalls may be increased or decreased, and certain space designated for office use may be converted to retail use).
18. Project Completion. Developer shall guarantee that the Project attains Completion (as defined in Section 3) by June 30, 2029. Failure to attain Completion by said date will require payment under the increment guaranty in Sections 9 and 11.
19. Property Insurance. Prior to funding, evidence shall be provided that a property insurance policy of the proper type and amount of coverage to protect the City's participation has been obtained. The policy shall name the City of Madison as an additional insured.
20. Title Insurance. At least thirty (30) days prior to closing, Developer shall provide a commitment for a title insurance policy of the proper type and amount of coverage to the City. The City shall receive a lender's policy on a form to be approved by the City Attorney, which will require, among other things, an updated survey of the Property. Developer shall be responsible for all lending costs and fees.
21. Environmental Assessment. Developer shall provide the City an environmental assessment of the Property which is acceptable to City staff. Developer providing said environmental assessment does not modify the Developer's indemnification obligations described in Section 22.
22. Indemnification.
 - a. Developer shall be liable to and hereby agrees to indemnify, save harmless and defend the City, its officers, officials, agents and employees against all loss or expense (including liability costs and reasonable attorney's fees) arising from any and all claims, demands, liabilities and causes of action of whatever kind or nature related to the Property, to the extent occasioned in whole or in part by any act or omission of Developer or its officers, members agents, contractors, subcontractors, invitees or employees, which may now or hereafter be made against them, whether caused by or contributed to by the negligent acts of the City, its agents or employees.
 - b. Developer shall enter into an environmental indemnification agreement with the City, which will include the following:
 - i. Representations and warranties from Developer regarding Developer's knowledge of the presence of pollutants on the property,

history of pollutants on the property, and any existing or possible legal proceedings or actions related to pollutants on the Property.

- ii. Agreement by Developer to indemnify and save the City harmless from all causes of action, suits, claims, demand, judgments and liabilities arising from pollutants on the Property, failure to perform abatement, removal, etc., or other liabilities otherwise arising from environmental laws with respect to the Property.
- iii. Agreement by Developer to timely comply with all applicable environmental laws.

c. The indemnification provisions described in this Section will survive termination of the Loan Agreement and shall be in addition to any other rights and remedies of the City.

- 23. Land Use Restriction Agreement (LURA) & Period of Affordability. This Project will have a 40-year affordability period evidenced by a Land Use Restriction Agreement recorded in the first position, behind only a Land Use Restriction for Low-Income Housing Tax Credits with WHEDA, and if a permanent first mortgage lender is providing financing, then after such lender's permanent first mortgage and related security documents. The Land Use Restriction Agreement will remain in effect even if the Promissory Notes are satisfied before the end of the Period of Affordability.
- 24. Tenant Selection Plan. Developer shall conform to the City of Madison's Tenant Selection Plan (TSP) requirements for the Project, as described in the City of Madison Affordable Housing Fund Tax Credit RFP program.
- 25. Operating Agreement and Pro Forma. At least seven days prior to closing, Developer shall provide to the City: (a) a copy of the substantially final Amended and Restated Operating Agreement between the Managing Member, Investor Member, and Special Member(s), if any, of the entity that shall own, manage and control the Property, with the final copy to be delivered at Closing and before the City makes its first disbursement of the TIF Loan proceeds; and (b) the final 30-year operating pro forma for the Project. The final Amended and Restated Operating Agreement between the Managing Member, Investor Member, and Special Member(s) shall be provided within (5) days after closing.
- 26. Closing Date. Developer agrees to notify the City of its proposed closing date no less than 75 days before the earliest closing date. Developer agrees to notify the City of any significant delays to the previously communicated project closing timeline, e.g., more than 60 days. Developer agrees to close on all major financing sources, including all City financing, concurrently, and prior to starting construction. Developer must request the City's consent to start construction before closing, and the City may approve or deny such request in its sole discretion. Additionally, if the City approves such a request by Developer, the City will only close on the TIF Loan if closing occurs within 60 days of the start of construction.
- 27. Worker Safety and Wage Compliance. Developer shall, at its sole cost, prominently post and maintain throughout the duration of construction, multi-lingual signage at all Project construction sites in locations reasonably visible and accessible to workers. Such signage shall be in a form approved by the City of Madison and shall include information directing workers to the City's Department of Civil Rights (DCR) or other designated City contact for

reporting concerns related to wage payment, or job site safety. Developer shall ensure that its general contractor and all subcontractors comply with this requirement.

28. Automatic Expiration. The Loan Agreement shall be null and void if either of the following occurs: (1) Developer does not close on the TIF Loan by July 1, 2027; or (2) Developer does not commence construction on the Project, as evidenced by issuance of permits for footings and foundations, by September 1, 2027. Upon expiration, the Guaranty shall be of no further force and effect.

BE IT STILL FURTHER RESOLVED that the TIF Loan to the Developer is hereby approved and that the Mayor and City Clerk are hereby authorized to execute a development agreement, and other documents as may be necessary to effectuate the transaction, all of which are subject to the approval of the City Attorney.

BE IT FINALLY RESOLVED that a funding appropriation be made in the 2026 Capital Budget to authorize \$2,000,000 of funding to the Project.

MEMORANDUM

TO: Common Council
FR: Terrell Nash, Real Estate Development Specialist
DATE: March 26, 2026

SUBJECT: TIF REPORT – 5555 Odana Rd & 5534 Medical Circle (Odana Apartments, LLC)

Project Description

Wash Franklin, LLC, (“Developer”) proposes to construct a mixed-use project consisting of 222 affordable apartment units and 68 parking stalls (the “Project”). The Project is located at 5559 Odana Road & 5542, located adjacent to the boundary of the proposed TID 57 (**Figure 1**).

The Project demonstrated a gap of approximately \$2,000,000. Approximately \$2,000,000 of TIF loan assistance is feasible, representing 55% of TIF generated by the Project’s estimated \$28,510,000 incremental value.

TIF Report

The following TIF Report is provided in compliance with Section 3.1 (8) of TIF Goals, Objectives and Process and Section 1 (9) of TIF Loan Underwriting Policy, adopted by the Common Council on February 25, 2014:

(a) Amount Requested: **\$2,000,000** (55% of TIF)

(b) Type of Project: Redevelopment, Affordable Housing

(c) Analysis Method: Gap Analysis

(d) Tax Credits: \$30,886,356

(e) Est. Value and Tax Increments:

Approximate Project Cost \$80,923,000

Estimated Assessed Value \$30,347,000

Total Estimated Tax Increments \$7,906,000

Average Annual Tax Increment \$500,000

TIF Supportable at 55% \$2,000,000

(f) TID Condition

The Project will be located within Tax Incremental District (TID) 57 which the City will create in 2026. A part of the TID 57 boundary is along Whitney Way, the West Beltline Highway, Tokay Blvd, and Medical Circle as shown in **Figure 1**.

There is limited value growth from other private development in the initial years of a newly created TID such as TID 57. TIF generators proposed in the TID 57 Project Plan will take time to reach full assessed value and much of the tax in increment they might generate has been budgeted for significant public works projects within the TID.

Affordable housing projects such as the proposed Project, which suppress rents for long periods of time for the purposes of affordability, are assessed lower (anywhere between 30% and 45% of market value) than market rate projects.

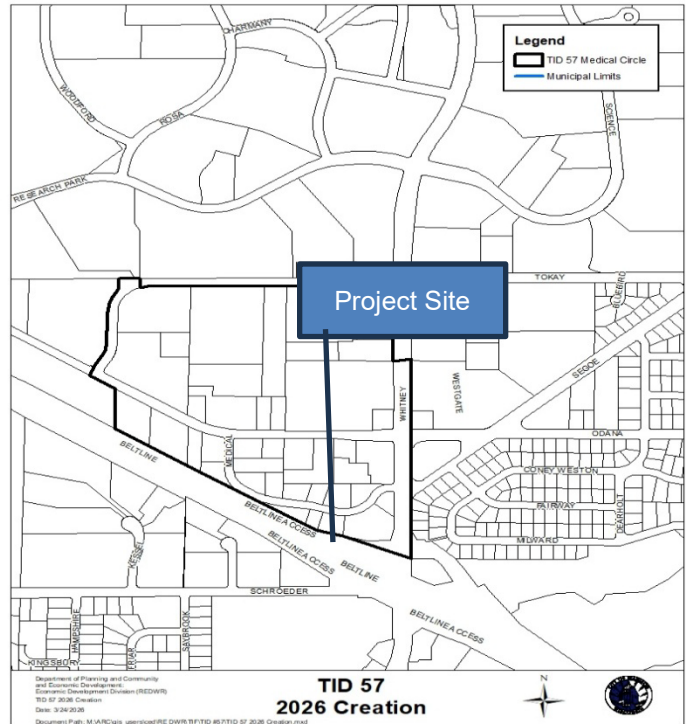


Figure 1

As such, the TID will need a significant amount of time to accumulate tax increments. Therefore, it is financially prudent to limit TIF assistance to no more than the maximum amount allowable under TIF Policy (55% Gateway), thus providing financial cushion for market uncertainty and funds for public works improvements, if necessary and feasible, in the future.

(g) TIF Policy Compliance

Developer Equity—Developer equity is approximately \$9,471,000 of deferred developer fee, and \$30,347,000 of Low-Income Housing Tax Credit (LIHTC) equity from investors. Developer is providing a corporate guaranty for the Project. This amount exceeds TIF Policy that developer equity must be equal to or greater than the amount of TIF assistance and is therefore in compliance.

(h) Other Applicable

- 1) Quantity of living wage jobs created and/or retained. **See TIF Goal Statement (Figure 3.)**
- 2) Quantity of affordable housing units and level of affordability. **See TIF Goal Statement (Figure 3.)**

(i) Amount of TIF to Be Considered

TIF Eligible	\$2,000,000	55% of TIF
TIF Recommended	\$2,000,000	55% of TIF

(j) Developer’s TIF Goals Statement— TIF Policy requires that Developer provide a statement (See **Figure 2**) as to how the project addresses the following TIF Policy Goals:

- 1) Per Sections 1 and 3.4 of “TIF Goals, Objectives and Process”, how does the Project meet City and TID’s goals?
 - A) Grows the City’s property tax base

- B) Fosters the creation and retention of family-supporting jobs
- C) Encourages the re-use of obsolete or deteriorating property
- D) Encourages urban in-fill projects that increase density consistent with the City's Comprehensive Plan
- E) Assists in the revitalization of historic, architecturally significant, or deteriorated buildings or enhancement of historic districts.
- F) Creates a range of housing types, specifically encouraging affordable housing
- G) Funds public improvements that enhance development potential and improve City's infrastructure
- H) Promotes superior design, building materials and sustainability features
- I) Reserves sufficient increment for public infrastructure in both TID Project Plan and TIF underwriting

(k) **TIF Policy Exceptions:** **None.**

(l) **Known Labor Agreement, Law Violations:** None indicated.

Staff Recommendation: TIF assistance in the amount of \$2,000,000 or 55% of TIF generated by the project. A 40-year land use restriction agreement (LURA) shall be recorded, requiring the Project to remain affordable for that period.

Figure 2: Applicant's TIF Policy Goal Statement



March 31, 2026

Dan Rolfs
Real Estate Development Manager
215 Martin Luther King, Jr. Blvd (Third Floor) Madison,
WI 53701-2983

Dear Mr. Rolfs,

Bear Development, LLC (“Bear”) is proposing to acquire and develop the property located at 5555 Odana Road & 5534 Medical Circle into a mixed-use development containing 227-units of workforce housing and first floor commercial space. The 2.39-acre site is currently underutilized and occupied by two commercial buildings that will be demolished prior to construction of the proposed development. All dwelling units will be rent and income-restricted, with the weighted average household AMI not to exceed 60% for the entire development. The currently anticipated unit mix is approximately 186 one-bedroom units and 41 two-bedroom units and the project will be funded primarily with 4% Low-Income Housing Tax Credits (LIHTC), Tax-Exempt Bonds, for which Bear has been allocated from WHEDA, and Tax Incremental Financing (TIF), for which Bear is requesting \$2,000,000 in assistance from the City of Madison. In addition to the sources listed prior, the project will include a deferred developer fee in excess of the TIF assistance and Bear will continue to source additional gap financing sources.

Regarding the City of Madison TIF Goals, Objectives, and Process, we believe the development meets the proposed policies as outlined in the Policy Statement below:

- **Growing the property tax base:** The property is currently assessed at \$1,725,000. The estimated assessed value of the site at completion of the project, pending feedback from the city assessor, is approximately \$29 million.
- **Fostering the creation and retention of family-supporting jobs:** The development is estimated to generate 273 temporary jobs during construction. Once stabilized, approximately four permanent jobs will be retained to manage the property.
- **Encouraging adaptive reuse of obsolete or deteriorating property:** NA- The development will replace the existing aging commercial buildings and maximize the use of the parcels.
- **Encouraging urban in-fill projects that increase density consistent with the City’s Comprehensive Plan:** The Madison Generalized Future Land Use map lists the project site as a CMU- Community Mixed-Use & Employment area with a density limit up to 130 du/acre for multifamily units. Mixed-use buildings are consistent with future land use per discussion with City Staff. Both parcels are zoned CCT- Commercial Corridor-Transitional, which has no limit on density for multifamily units within a mixed-use development. The proposed development is a conditional use under the City’s zoning ordinance.
- **Assisting the revitalization of historic, architecturally significant or deteriorated buildings:** NA- The development will replace the existing aging commercial buildings and maximize the use of the parcel. We do not anticipate that any historic value will be found for the existing structure

and an application for review by the City Landmark's Commission will be submitted to confirm this assumption.

- **Creating a range of housing options and specifically encouraging the development of workforce and affordable housing:** All of the units at the development are proposed to be rent and income-restricted with the weighted average AMI not to exceed 60% for the entire development.
- **Funding public improvements that enhance development potential, improve the City's infrastructure, enhance transportation options, and improve the quality and livability of neighborhoods:** The project site is currently underutilized, and the proposed development will create a high-quality housing option along multiple bus lines on Odana Road & Whitney Way.
- **Promoting superior design, building materials, and sustainability features in the built environments:** The development will be designed to achieve an aesthetic consistent with other high-quality projects throughout the City of Madison and with Urban Design District #3. High quality materials will be used for the construction of the building and the dwelling units will have a fit and finish that is attractive to prospective residents. Certain units will contain WHEDA Universal Design elements and the project as a whole will meet sustainability goals outlined in WHEDA's QAP, which requires LEED Silver Certification (or another similar certification) at minimum.
- **Reserving sufficient increment for public infrastructure in both TIF project plans and TIF underwriting:** Our team's understanding is that the project should generate increment in excess of the TIF assistance requested and the underwriting follows the City's TIF policy.

We look forward to bringing another successful development to the City of Madison and appreciate the opportunity to pursue TIF assistance which is needed to make the project feasible. Should there be any questions, please feel free to contact me at any time.

Sincerely,



Nick Orthmann Project
Manager
Bear Development, LLC

MEMORANDUM

ODANA APARTMENTS, LLC OR ITS ASSIGNS
TIF FINANCIAL ASSISTANCE TERM SHEET

MAY 11, 2026

The purpose of this Term Sheet (“Term Sheet”) is to outline the principal terms and conditions of a tax incremental financing (TIF) loan agreement (“Loan Agreement”) to be executed by and between the City of Madison (“City”) and Odana Apartments, LLC, a Wisconsin limited liability company, or its assigns (“Developer”). The purpose of the loan is to assist in the construction of Odana Apartments, consisting of approximately 227 units of multi-family affordable housing and approximately 132 structured parking stalls (the “Project”) at the property located at 5559 Odana Road & 5542 Medical Circle in a proposed Tax Incremental District (TID) #57, to be created in 2026, in the City of Madison (the “Property”).

The terms incorporated into the loan documents will be as follows:

1. The Project. Developer agrees to develop on the Property all of the following:
 - a. Construction of approximately 227 units of affordable housing. The Developer agrees to set aside 100% of the units for occupancy by households whose income is at or below 80% of the area median income (AMI) as defined by Section 42 of the Internal Revenue Code, with an average AMI of less than or equal to 60% using the average income set aside, and consistent with the income restrictions under the Wisconsin Housing and Economic Development Authority’s Low-Income Housing Tax Credit Program, and subject to the Land Use Restriction described in Section 23 of this Term Sheet.
 - b. Approximately 132 structured parking stalls
2. Form of Assistance. TIF assistance shall be provided in the form of a 0% interest loan (the “TIF Loan”) from the City to CDA Housing, Inc. (“CDA”) and then loaned to Developer, or its assigns, in the amount of Two Million Dollars (\$2,000,000) to the Developer for the purposes of funding TIF eligible project costs, as defined in Wis. Stat. §66.1105 (the “TIF Law”), incurred for constructing the Project. The TIF Loan is to be repaid either through the tax increment generated on the Property or a guaranty payment pursuant to Section 11 herein.
3. Evidence of Financing, Audit and Clawback Provision. Prior to the TIF Loan closing, Developer shall provide evidence of bank financing, grant funds and/or equity in the aggregate amount of not less than \$76,192,579 for Project (“Financing”).

Financing shall be evidenced in the form of (i) a bank commitment letter and evidence that Developer has met all of the lender’s conditions of financing such as commercial pre-leasing requirements, if any; (ii) a letter of intent from a tax credit investor; and/or (iii) a grant award letter from a nonprofit or governmental entity.

Equity investment shall be evidenced by paid invoices or other documentation of prepaid project costs paid by Developer and/or a financial statement demonstrating Developer’s financial capacity to invest equity in the Project. The Developer’s Equity investment may include equity from the sale of Low-Income Housing Tax Credits, a cash contribution from the tenant that will occupy the Project, the Developer’s contribution of land or cash via a sponsor note, and a deferred developer’s fee. In aggregate, Developer’s equity investment, as established through financing documents, shall not be less than the amount of the TIF Loan at closing.

After closing, the TIF Loan shall be used solely for the purpose of funding the TIF eligible portion of the total project costs as stated in the TIF Application. The total project costs estimated therein at approximately \$78,192,579 ("Project Cost"). Upon completion of the Project, defined as issuance of a certificate of occupancy for all elements of the Project ("Completion"), Developer shall provide the City with a cost certification of the total Project Cost and Financing ("Audit"), to the City's satisfaction, for the City's review and approval. If the City does not approve the Developer's Audit of Project Cost, the City may request additional information from the Developer and may perform its own audit of Developer's books and records related to Project Cost and Financing. In the event that the financing gap for Project (which is equal to the amount of the TIF Loan) is reduced by a lesser Project Cost as established by the Audit, ("Audited Actual Cost") and/or an increase, as established by the Audit, in Financing ("Audited Actual Financing"), the following formula shall apply to determine the clawback payment due to the City ("Clawback"):

The Clawback shall be calculated as follows:

1. "Cost Savings" for the Project = \$78,192,579 minus the Audited Actual Cost; and
2. "Financing Increase" = Audited Actual Financing minus \$76,192,579.

If the sum of (1) Cost Savings and (2) Financing Increase is a negative number, there shall be no Clawback. If the sum is a positive number, Developer shall pay the City Fifty Percent (50%) of such positive number as a Clawback.

Developer's payment of the Clawback shall be applied as a payment to the tax increment guaranty under Sections 9 and 11 below and shall reduce the outstanding amount of the TIF Loan pursuant to Sections 9 and 11 below.

4. Tax Credit Approval. TIF assistance to the Project is contingent upon Developer receiving an award of Section 42 Low-Income Housing Tax credits ("LIHTC") from Wisconsin Housing and Economic Development Authority ("WHEDA") in 2026. Prior to closing of the TIF Loan, Developer shall provide the City with a copy of its LIHTC Online Application ("LOLA") provided to WHEDA. The City reserves the right to amend TIF Assistance to the Project in the event that the financial information provided in the LOLA demonstrates that the financing gap for the Project is less than presented in Developer's TIF Application.
5. Disbursement Method. At closing, the City shall disburse the TIF Loan to a title company to be held in escrow. In order to facilitate the City's review of project cost to confirm eligibility under Wisconsin TIF Law (Wis. Stats. s. 66.1105) and Developer's progress toward SBE bidding goals as set forth in Section 13 herein, the City and Developer shall enter into a Disbursement Agreement that authorizes no less than three (3) disbursements of TIF funds, including a final 20% of total TIF funds retained until 80% project completion confirmation by the Department of Civil Rights ("DCR") that Developer has complied with the applicable provisions of MGO 39.02 (9). TIF funds shall be disbursed upon the City's receipt and satisfactory review of a detailed draw request from Developer provided on or about no less than three (3) disbursement dates, to a title company. CDA shall have the right to lend a portion of the TIF Loan proceeds to the project in phases, secured by one or more notes and mortgages as approved by the City Attorney.

All funds not spent or remaining in escrow after Completion of the Project shall be returned to the City.

6. 2026 Capital Budget Authorization. Funding for the Two Million Dollars (\$2,000,000) TIF Loan is contingent upon the City of Madison Common Council doing the following: (1) adopting a resolution authorizing the City's execution of the TIF Loan document (the "Authorizing Resolution") ; and (2) adopting a 2026 Capital Budget authorizing the expenditure of funds stated herein. Following

approval of the Authorizing Resolution, the Developer may commence construction on the Project, at Developer's own risk, and subject to Sections 7 and 26.

7. TID 57 Creation and Project Plan. The City shall create the district and the Project Plan for TID 57 to authorize the \$2,000,000 TIF expenditure for the TIF Loan (the "Project Plan"). The City shall not make TIF funds available until the date the TIF Joint Review Board approves the Project Plan and Boundary for TID 57. Developer may commence construction in accordance with Section 6 and 26, but all construction shall be at its own risk.
8. No TID Creation and Project Plan. In the event that the creation of a TID #57 Boundary and Project Plan (the "Project Plan") is not approved by the TIF Joint Review Board of the City of Madison and certified by DOR on or about April 30, 2027, then Developer shall have the option to either terminate the agreement, or to accept the TIF Loan as a conventional loan, amortized over ten years, together with the costs of issuance and interest on the unpaid principal balance at a rate equal to the rate of the City's borrowing, plus one hundred basis points, with payments of principal and interest, which shall be made quarterly (the "Conventional Loan").

In the event the creation of a TID Boundary and Project Plan is not certified by DOR on or about April 30, 2027, Developer shall be obligated to repay the TIF Loan in accordance with the terms of the Conventional Loan. The City shall make its best effort to secure TID certification as soon as possible thereafter. If the City is able to secure certification, then the Conventional Loan balance shall revert back to a TIF Loan on the terms described herein.

9. Method of Payment and Tax Increment Guaranty. The City's expenditure in providing the TIF Loan for the Project shall be repaid by Developer through tax increments generated by the Project and/or cash payments by Developer and guaranty payments. A schedule of the annual increment guaranty and projected increment used to calculate the TIF Loan is attached as Exhibit A ("Increment Schedule") and shall be attached to the Loan Agreement.
10. Sale to Tax Exempt Entity – PILOT Payment. Developer shall be prohibited from selling or transferring the Property prior to the Developer's repayment of the TIF Loan without the prior written consent of the City (except for transfers made pursuant to foreclosure of senior loan on the Project). If Developer sells or transfers the Property to a tax-exempt entity ("Buyer"), whereupon such ownership renders the Property as property tax-exempt, Buyer shall pay the City an annual payment in lieu of taxes (PILOT) in the amount of property tax last levied as of the date of sale to Buyer, frozen, through 2053. The City of Madison shall share said PILOT in proportion with the overlying taxing jurisdictions. Buyer shall execute a PILOT Agreement and a mortgage in favor of the City in the amount of the PILOT payments ("Buyer's Mortgage") at the time of Buyer's acquisition of the Property. The Buyer's Mortgage and PILOT Agreement shall be released and terminated by the City upon the closure of TID 57. This obligation will be secured by a land use restriction terminable upon closure of TID 57.
11. Security and Corporate Guaranty. The TIF Loan shall be evidenced by notes executed by CDA, or its assigns, to the City of Madison in the amount of Two Million Dollars (\$2,000,000) bearing zero percent (0%) interest (together the "Note"). CDA shall loan the proceeds to Developer and Developer shall execute a note to evidence the loan from CDA to it (the "Second Note") and also a subordinate mortgage in favor of CDA. CDA will assign its interest in the Second Note and Mortgage to the City of Madison securing payment of the TIF Loan (the "Mortgage"). Developer shall deliver to the City the fully executed Second Note, endorsed to the City, to be held by the City in the event of default. The City agrees, if necessary, to execute a subordination of mortgage in a form approved by the City Attorney and acceptable to Developer's lender(s) and said subordinated Mortgage shall be in the second mortgage position. Developer and its assigns shall cause to be provided a corporate

guaranty of Bear Development, LLC guaranteeing the TIF Loan to the Project and annual payment of the increment payments reflected in the Increment Schedule.

12. Satisfaction. The TIF Mortgage and Agreement shall be satisfied and the Note and Guaranty cancelled via a recordable release upon full payment of the TIF Loan.
13. Affirmative Action MGO 39.02 (9). Developer and its contractors/subcontractors shall comply with all applicable provisions of the Madison General Ordinance (MGO) 39.02 (9), concerning contract compliance requirements. Prior to commencing construction, Developer shall contact the City's Affirmative Action Division to assure that Developer is in compliance with the aforementioned requirements. Developer shall assist and actively cooperate with the Affirmative Action Division in obtaining the compliance of contractors and subcontractors with such applicable provisions of the Madison General Ordinance. Developer shall allow maximum feasible opportunity to small business enterprises to compete for any contracts entered into pursuant to the contract. The Developer understands that it is obligated to meet the goal set by the Department of Civil Rights or show best efforts to meet the goal based on documented evidence of efforts.

Furthermore, in order to ensure compliance with the above provisions, Developer and its contractor agree to the following:

- a. The general contractor provides a schedule of values as soon as reasonably possible following the execution of this Term Sheet.
- b. A meeting shall take place before loan closing to set affirmative action goals for the Project. Additional meetings may be scheduled at the request of DCR and must be held within 10 days of the request.
- c. At 80% completion, the goal is either met, signed contracts establish that the goal will be met, or documented good faith efforts are shown as to why the goal is not met.

For the purposes of this paragraph, "completion" shall mean expenditure of total project costs as described in the TIF Application.

14. Accessibility (MGO 39.05). Developer shall submit a written assurance of compliance with Madison General Ordinance 39.05.
15. Equal Opportunity. Developer shall comply with all applicable local, state and federal provisions concerning Equal Opportunity.
16. Ban the Box. Developer shall comply with Madison General Ordinance 39.08 related to job applicant arrest and conviction records.
17. Material Changes. At the time of Closing on the TIF Loan, if any material adverse changes to the size, use or ownership of the Project or Property stated in the TIF Application, including any changes to the number or rent of the affordable units, have been made, this TIF Loan commitment shall be subject to reconsideration by the City. Following Closing, any material change to the Project made without consent of the City shall subject the TIF Loan to immediate repayment. Notwithstanding the foregoing, the City acknowledges that the Developer may, with the prior approval of the City, which approval may not be unreasonably withheld, reconfigure the size and use of the Project to address current market conditions (for example, the number and configuration of parking stalls may be increased or decreased, and certain space designated for office use may be converted to retail use).

18. Project Completion. Developer shall guarantee that the Project attains Completion (as defined in Section 3) by June 30, 2029. Failure to attain Completion by said date will require payment under the increment guaranty in Sections 9 and 11.
19. Property Insurance. Prior to funding, evidence shall be provided that a property insurance policy of the proper type and amount of coverage to protect the City's participation has been obtained. The policy shall name the City of Madison as an additional insured.
20. Title Insurance. At least thirty (30) days prior to closing, Developer shall provide a commitment for a title insurance policy of the proper type and amount of coverage to the City. The City shall receive a lender's policy on a form to be approved by the City Attorney, which will require, among other things, an updated survey of the Property. Developer shall be responsible for all lending costs and fees.
21. Environmental Assessment. Developer shall provide the City an environmental assessment of the Property which is acceptable to City staff. Developer providing said environmental assessment does not modify the Developer's indemnification obligations described in Section 22.
22. Indemnification.
 - a. Developer shall be liable to and hereby agrees to indemnify, save harmless and defend the City, its officers, officials, agents and employees against all loss or expense (including liability costs and reasonable attorney's fees) arising from any and all claims, demands, liabilities and causes of action of whatever kind or nature related to the Property, to the extent occasioned in whole or in part by any act or omission of Developer or its officers, members agents, contractors, subcontractors, invitees or employees, which may now or hereafter be made against them, whether caused by or contributed to by the negligent acts of the City, its agents or employees.
 - b. Developer shall enter into an environmental indemnification agreement with the City, which will include the following:
 - i. Representations and warranties from Developer regarding Developer's knowledge of the presence of pollutants on the property, history of pollutants on the property, and any existing or possible legal proceedings or actions related to pollutants on the Property.
 - ii. Agreement by Developer to indemnify and save the City harmless from all causes of action, suits, claims, demand, judgments and liabilities arising from pollutants on the Property, failure to perform abatement, removal, etc., or other liabilities otherwise arising from environmental laws with respect to the Property.
 - iii. Agreement by Developer to timely comply with all applicable environmental laws.
 - c. The indemnification provisions described in this Section will survive termination of the Loan Agreement and shall be in addition to any other rights and remedies of the City.
23. Land Use Restriction Agreement (LURA) & Period of Affordability. This Project will have a 40-year affordability period evidenced by a Land Use Restriction Agreement recorded in the first position,

behind only a Land Use Restriction for Low-Income Housing Tax Credits with WHEDA, and if a permanent first mortgage lender is providing financing, then after such lender's permanent first mortgage and related security documents. The Land Use Restriction Agreement will remain in effect even if the Promissory Notes are satisfied before the end of the Period of Affordability.

24. Tenant Selection Plan. Developer shall conform to the City of Madison's Tenant Selection Plan (TSP) requirements for the Project, as described in the City of Madison Affordable Housing Fund Tax Credit RFP program.
25. Operating Agreement and Pro Forma. At least seven days prior to closing, Developer shall provide to the City: (a) a copy of the substantially final Amended and Restated Operating Agreement between the Managing Member, Investor Member, and Special Member(s), if any, of the entity that shall own, manage and control the Property, with the final copy to be delivered at Closing and before the City makes its first disbursement of the TIF Loan proceeds; and (b) the final 30-year operating pro forma for the Project. The final Amended and Restated Operating Agreement between the Managing Member, Investor Member, and Special Member(s) shall be provided within (5) days after closing.
26. Closing Date. Developer agrees to notify the City of its proposed closing date no less than 75 days before the earliest closing date. Developer agrees to notify the City of any significant delays to the previously communicated project closing timeline, e.g., more than 60 days. Developer agrees to close on all major financing sources, including all City financing, concurrently, and prior to starting construction. Developer must request the City's consent to start construction before closing, and the City may approve or deny such request in its sole discretion. Additionally, if the City approves such a request by Developer, the City will only close on the TIF Loan if closing occurs within 60 days of the start of construction.
27. Worker Safety and Wage Compliance. Developer shall, at its sole cost, prominently post and maintain throughout the duration of construction, multi-lingual signage at all Project construction sites in locations reasonably visible and accessible to workers. Such signage shall be in a form approved by the City of Madison and shall include information directing workers to the City's Department of Civil Rights (DCR) or other designated City contact for reporting concerns related to wage payment, or job site safety. Developer shall ensure that its general contractor and all subcontractors comply with this requirement.
28. Automatic Expiration. The Loan Agreement shall be null and void if either of the following occurs: (1) Developer does not close on the TIF Loan by July 1, 2027; or (2) Developer does not commence construction on the Project, as evidenced by issuance of permits for footings and foundations, by September 1, 2027. Upon expiration, the Guaranty shall be of no further force and effect.

If the terms and conditions outlined above are acceptable to Developer, please indicate by signing in the space provided below. While it is the intent of the City to provide the TIF financial assistance in a timely manner, no binding agreement will exist between City and Developer, unless and until these terms and conditions are approved by the City's Common Council and the Loan Agreement and related loan documents are executed between the City and Developer.

ACCEPTANCE

The terms and conditions as set forth in this term sheet are acceptable to Odana Apartments, LLC or its assigns. I further certify that I have the full authority to accept these terms and conditions on behalf of Odana Apartments, LLC or its assigns.

Signed: _____

Name & Title: _____

Date

Signed: _____

Name & Title: _____

Date

EXHIBIT A
Guaranteed Tax Increment

<u>Tax Year</u>	<u>Guaranteed Tax Increment</u>	<u>Guarantee Payment Due Date</u>
2029	\$ 52,000	August 31, 2030
2030	\$ 278,000	August 31, 2031
2031	\$ 501,000	August 31, 2032
2032	\$ 501,000	August 31, 2033
2033	\$ 502,000	August 31, 2034
2034	\$ 166,000	August 31, 2035

Developer shall receive a credit against the Guaranteed Tax Increments due above for all tax increments generated by the Property and received by the City for tax years 2029 through 2034.



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Master

File Number: 93150

File ID: 93150

File Type: Resolution

Status: Items Referred

Version: 1

Reference:

Controlling Body: FINANCE
COMMITTEE

File Created Date : 05/12/2026

File Name: 13217 GT Apartments LLC TIF Loan

Final Action:

Title: Amending the 2026 EDD Capital Budget (TID 56) and authorizing the Mayor and City Clerk to execute a development agreement to fund a \$2,900,000 Tax Incremental Finance Loan to GT Apartments, LLC, or its assigns to construct approximately 302 units of affordable housing and approximately 148 parking stalls located at 6518 & 6526 Grand Teton Plaza in a proposed creation to Tax Incremental District (TID) 56 (District 19).

Notes:

Sponsors: John P. Guequierre And Satya V. Rhodes-Conway

Effective Date:

Attachments: 13107 6522 Grand Teton TIF Report 2026
FINAL.pdf, 13217 6522 Grand Teton Term Sheet -
Signed.pdf

Enactment Number:

Author: Terrell Nash, Real Estate Development Specialist

Hearing Date:

Entered by: cklawiter@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Economic Development Division	05/12/2026	Referred for Introduction				
	Action Text:	This Resolution was Referred for Introduction					
	Notes:	Finance Committee (6/1/26), Common Council (6/9/26)					
1	COMMON COUNCIL	05/19/2026	Refer	FINANCE COMMITTEE			Pass
	Action Text:	A motion was made by Madison, seconded by Glenn, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.					

Text of Legislative File 93150

Fiscal Note

The proposed resolution amends the Economic Development Division's (EDD) 2026 Adopted Capital Budget to add \$2.9 million in TID-supported GO Borrowing. It further authorizes a \$2.9 million loan to GT Apartments, LLC, or its assigns ("Developer"). A new capital project would be created in Munis for TID 56.

The Project consists of approximately 302 affordable apartment units and approximately 148 parking stalls at a total cost of \$103,594,000 ("Project"). The TIF Loan would be repaid through incremental taxes generated by the Project and represents 55% of the present value of all incremental taxes anticipated from the Project over the TID's remaining, 20-year life. The TIF Loan would be repaid through incremental taxes generated by the Project. The amount of the loan represents 55% of the present value of all incremental taxes anticipated from the Project over the TID's 20-year life. While it is anticipated that the incremental taxes generated by the Project will be sufficient to repay the loan within approximately 9 years, the Developer is required to guarantee a minimum payment if sufficient future tax increment is not available. The increment guaranty is secured by a subordinated mortgage on the property. The TIF Loan also requires that Developer be prohibited from selling or transferring the Property prior to repayment of the TIF Loan. If Developer sells or transfers the Property to a tax-exempt entity, Buyer shall pay an annual payment in lieu of taxes (PILOT) in the amount of the property tax paid as of the date of sale, frozen, until 2050. See the attached TIF Memo from TIF staff for additional information about TID condition and compliance with the City's TIF Goals, Objectives, and Process policy and the TIF Underwriting Policy.

The City providing TIF assistance for the Project is contingent upon the Council's adoption of a resolution authorizing the creation of a TID 56 (Grand Teton) Project Plan and Boundary and approval of the TID creation by the TIF Joint Review Board.

Title

Amending the 2026 EDD Capital Budget (TID 56) and authorizing the Mayor and City Clerk to execute a development agreement to fund a \$2,900,000 Tax Incremental Finance Loan to GT Apartments, LLC, or its assigns to construct approximately 302 units of affordable housing and approximately 148 parking stalls located at 6518 & 6526 Grand Teton Plaza in a proposed creation to Tax Incremental District (TID) 56 (District 19).

Body

WHEREAS the City of Madison is proposing to create the Project Plan and Boundary of TID #56 (Grand Teton) in 2026; and

WHEREAS the intent and purpose of the Project Plan, among other things, is to eliminate blighting conditions and encourage development of a wide range of commercial and housing options and attract and retain business and employment in the City of Madison; and

WHEREAS GT Apartments, LLC, or its assigns, ("Developer") has proposed to construct approximately 302 affordable housing units and 148 underground parking stalls on the Property at a total estimated development cost of approximately \$104,000,000 ("Project") located at 6518 & 6526 Grand Teton Plaza, in the City of Madison and within the creation of TID #56 (Grand Teton) boundary ("Property"); and

WHEREAS City staff has conducted an analysis (See Attached Report) of the Project and has determined a gap to be approximately \$3,360,000 such that, but for TIF assistance, the Project could not occur; and

WHEREAS \$2,900,000 of TIF assistance to the Project represents approximately 55% of the present value of the estimated tax incremental revenues generated by the Project, in conformance to TIF Policy that no more than 55% be made available to a project ("55% Gateway") without Finance Committee prior authorization; and

WHEREAS, in addition to any other powers conferred by law, the City may exercise any power necessary and convenient to carry out the purpose of the TIF law, including the power to cause project plans to be prepared, to approve such plans, and to implement the provisions that effectuate the purpose of such plans; and

NOW, THEREFORE, BE IT RESOLVED that the City hereby finds and determines that the

Project is consistent with the public purposes of Tax Increment Finance Law and the plans and objectives set forth in City of Madison TIF Policy, the City's loan to Developer demonstrates the potential to encourage development of a wide range of housing options in TID #56, thereby making it more likely to accomplish the public purpose objectives set forth in the Project Plan, the TIF Law and City TIF Policy.

BE IT FURTHER RESOLVED that funding is subject to the following conditions:

1. The Project. Developer agrees to develop on the Property all of the following:
 - a. Construction of approximately 302 units of affordable housing. The Developer agrees to set aside 100% of the units for occupancy by households whose income is at or below 80% of the area median income (AMI) as defined by Section 42 of the Internal Revenue Code, with an average AMI of less than or equal to 60% using the average income set aside, and consistent with the income restrictions under the Wisconsin Housing and Economic Development Authority's Low-Income Housing Tax Credit Program, and subject to the Land Use Restriction described in Section 23 of this Term Sheet.
 - b. Approximately 148 underground parking stalls
2. Form of Assistance. TIF assistance shall be provided in the form of a 0% interest loan (the "TIF Loan") from the City to CDA Housing, Inc. ("CDA") and then loaned to Developer, or its assigns, in the amount of Two Million Nine Hundred Thousand Dollars (\$2,900,000) to the Developer for the purposes of funding TIF eligible project costs, as defined in Wis. Stat. §66.1105 (the "TIF Law"), incurred for constructing the Project. The TIF Loan is to be repaid either through the tax increment generated on the Property or a guaranty payment pursuant to Section 11 herein.
3. Evidence of Financing, Audit and Clawback Provision. Prior to the TIF Loan closing, Developer shall provide evidence of bank financing, grant funds and/or equity in the aggregate amount of not less than \$ 100,694,265 for Project ("Financing").

Financing shall be evidenced in the form of (i) a bank commitment letter and evidence that Developer has met all of the lender's conditions of financing such as commercial pre-leasing requirements, if any; (ii) a letter of intent from a tax credit investor; and/or (iii) a grant award letter from a nonprofit or governmental entity.

Equity investment shall be evidenced by paid invoices or other documentation of prepaid project costs paid by Developer and/or a financial statement demonstrating Developer's financial capacity to invest equity in the Project. The Developer's Equity investment may include equity from the sale of Low-Income Housing Tax Credits, a cash contribution from the tenant that will occupy the Project, the Developer's contribution of land or cash via a sponsor note, and a deferred developer's fee. In aggregate, Developer's equity investment, as established through financing documents, shall not be less than the amount of the TIF Loan at closing.

After closing, the TIF Loan shall be used solely for the purpose of funding the TIF eligible portion of the total project costs as stated in the TIF Application. The total project costs estimated therein at approximately \$103,594,265 ("Project Cost"). Upon completion of the Project, defined as issuance of a certificate of occupancy for all elements of the Project ("Completion"), Developer shall provide the City with a cost certification of the total Project Cost and Financing ("Audit"), to the City's satisfaction, for the City's review and approval. If the City does not approve the Developer's Audit of Project Cost, the City may request additional information from the Developer and may perform its own audit of Developer's

books and records related to Project Cost and Financing. In the event that the financing gap for Project (which is equal to the amount of the TIF Loan) is reduced by a lesser Project Cost as established by the Audit, (“Audited Actual Cost”) and/or an increase, as established by the Audit, in Financing (“Audited Actual Financing”), the following formula shall apply to determine the clawback payment due to the City (“Clawback”):

The Clawback shall be calculated as follows:

1. “Cost Savings” for the Project = \$103,594,265 minus the Audited Actual Cost; and
2. “Financing Increase” = Audited Actual Financing minus \$100,694,265.

If the sum of (1) Cost Savings and (2) Financing Increase is a negative number, there shall be no Clawback. If the sum is a positive number, Developer shall pay the City Fifty Percent (50%) of such positive number as a Clawback.

Developer’s payment of the Clawback shall be applied as a payment to the tax increment guaranty under Sections 9 and 11 below and shall reduce the outstanding amount of the TIF Loan pursuant to Sections 9 and 11 below.

4. Tax Credit Approval. TIF assistance to the Project is contingent upon Developer receiving an award of Section 42 Low-Income Housing Tax credits (“LIHTC”) from Wisconsin Housing and Economic Development Authority (“WHEDA”) in 2026. Prior to closing of the TIF Loan, Developer shall provide the City with a copy of its LIHTC Online Application (“LOLA”) provided to WHEDA. The City reserves the right to amend TIF Assistance to the Project in the event that the financial information provided in the LOLA demonstrates that the financing gap for the Project is less than presented in Developer’s TIF Application.

5. Disbursement Method. At closing, the City shall disburse the TIF Loan to a title company to be held in escrow. In order to facilitate the City’s review of project cost to confirm eligibility under Wisconsin TIF Law (Wis. Stats. s. 66.1105) and Developer’s progress toward SBE bidding goals as set forth in Section 13 herein, the City and Developer shall enter into a Disbursement Agreement that authorizes no less than three (3) disbursements of TIF funds, including a final 20% of total TIF funds retained until 80% project completion confirmation by the Department of Civil Rights (“DCR”) that Developer has complied with the applicable provisions of MGO 39.02 (9). TIF funds shall be disbursed upon the City’s receipt and satisfactory review of a detailed draw request from Developer provided on or about no less than three (3) disbursement dates, to a title company. CDA shall have the right to lend a portion of the TIF Loan proceeds to the project in phases, secured by one or more notes and mortgages as approved by the City Attorney.

All funds not spent or remaining in escrow after Completion of the Project shall be returned to the City.

6. 2026 Capital Budget Authorization. Funding for the Two Million Nine Hundred Thousand Dollar (\$2,900,000) TIF Loan is contingent upon the City of Madison Common Council doing the following: (1) adopting a resolution authorizing the City’s execution of the TIF Loan document (the “Authorizing Resolution”) ; and (2) adopting a 2026 Capital Budget authorizing the expenditure of funds stated herein. Following approval of the Authorizing Resolution, the Developer may commence construction on the Project, at Developer’s own risk, and subject to Sections 7 and 26.
7. TID 56 Creation and Project Plan. The City shall create the district and the Project Plan for TID 56 to authorize the \$2,900,000 TIF expenditure for the TIF Loan (the “Project Plan”). The City shall not make TIF funds available until the date the TIF Joint Review Board approves the Project Plan and Boundary for TID 56. Developer may commence

construction in accordance with Section 6 and 26, but all construction shall be at its own risk.

8. No TID Creation and Project Plan. In the event that the creation of a TID #56 Boundary and Project Plan (the "Project Plan") is not approved by the TIF Joint Review Board of the City of Madison and certified by DOR on or about April 30, 2026, then Developer shall have the option to either terminate the agreement, or to accept the TIF Loan as a conventional loan, amortized over ten years, together with the costs of issuance and interest on the unpaid principal balance at a rate equal to the rate of the City's borrowing, plus one hundred basis points, with payments of principal and interest, which shall be made quarterly (the "Conventional Loan").

In the event the creation of a TID Boundary and Project Plan is not certified by DOR on or about April 30, 2027, Developer shall be obligated to repay the TIF Loan in accordance with the terms of the Conventional Loan. The City shall make its best effort to secure TID certification as soon as possible thereafter. If the City is able to secure certification, then the Conventional Loan balance shall revert back to a TIF Loan on the terms described herein.

9. Method of Payment and Tax Increment Guaranty. The City's expenditure in providing the TIF Loan for the Project shall be repaid by Developer through tax increments generated by the Project and/or cash payments by Developer and guaranty payments. A schedule of the annual increment guaranty and projected increment used to calculate the TIF Loan is attached as Exhibit A ("Increment Schedule") and shall be attached to the Loan Agreement.
10. Sale to Tax Exempt Entity - PILOT Payment. Developer shall be prohibited from selling or transferring the Property prior to the Developer's repayment of the TIF Loan without the prior written consent of the City (except for transfers made pursuant to foreclosure of senior loan on the Project). If Developer sells or transfers the Property to a tax-exempt entity ("Buyer"), whereupon such ownership renders the Property as property tax-exempt, Buyer shall pay the City an annual payment in lieu of taxes (PILOT) in the amount of property tax last levied as of the date of sale to Buyer, frozen, through 2053. The City of Madison shall share said PILOT in proportion with the overlying taxing jurisdictions. Buyer shall execute a PILOT Agreement and a mortgage in favor of the City in the amount of the PILOT payments ("Buyer's Mortgage") at the time of Buyer's acquisition of the Property. The Buyer's Mortgage and PILOT Agreement shall be released and terminated by the City upon the closure of TID 56. This obligation will be secured by a land use restriction terminable upon closure of TID 56.
11. Security and Corporate Guaranty. The TIF Loan shall be evidenced by notes executed by CDA, or its assigns, to the City of Madison in the amount of Two Million Nine Hundred Thousand Dollars (\$2,900,000) bearing zero percent (0%) interest (together the "Note"). CDA shall loan the proceeds to Developer and Developer shall execute a note to evidence the loan from CDA to it (the "Second Note") and also a subordinate mortgage in favor of CDA. CDA will assign its interest in the Second Note and Mortgage to the City of Madison securing payment of the TIF Loan (the "Mortgage"). Developer shall deliver to the City the fully executed Second Note, endorsed to the City, to be held by the City in the event of default. The City agrees, if necessary, to execute a subordination of mortgage in a form approved by the City Attorney and acceptable to Developer's lender(s) and said subordinated Mortgage shall be in the second mortgage position. Developer and its assigns shall cause to be provided a corporate guaranty of Bear Development, LLC guaranteeing the TIF Loan to the Project and annual payment of the increment payments

reflected in the Increment Schedule.

12. Satisfaction. The TIF Mortgage and Agreement shall be satisfied and the Note and Guaranty cancelled via a recordable release upon full payment of the TIF Loan.
13. Affirmative Action MGO 39.02 (9). Developer and its contractors/subcontractors shall comply with all applicable provisions of the Madison General Ordinance (MGO) 39.02 (9), concerning contract compliance requirements. Prior to commencing construction, Developer shall contact the City's Affirmative Action Division to assure that Developer is in compliance with the aforementioned requirements. Developer shall assist and actively cooperate with the Affirmative Action Division in obtaining the compliance of contractors and subcontractors with such applicable provisions of the Madison General Ordinance. Developer shall allow maximum feasible opportunity to small business enterprises to compete for any contracts entered into pursuant to the contract. The Developer understands that it is obligated to meet the goal set by the Department of Civil Rights or show best efforts to meet the goal based on documented evidence of efforts.

Furthermore, in order to ensure compliance with the above provisions, Developer and its contractor agree to the following:

- a. The general contractor provides a schedule of values as soon as reasonably possible following the execution of this Term Sheet.
- b. A meeting shall take place before loan closing to set affirmative action goals for the Project. Additional meetings may be scheduled at the request of DCR and must be held within 10 days of the request.
- c. At 80% completion, the goal is either met, signed contracts establish that the goal will be met, or documented good faith efforts are shown as to why the goal is not met.

For the purposes of this paragraph, "completion" shall mean expenditure of total project costs as described in the TIF Application.

14. Accessibility (MGO 39.05). Developer shall submit a written assurance of compliance with Madison General Ordinance 39.05.
15. Equal Opportunity. Developer shall comply with all applicable local, state and federal provisions concerning Equal Opportunity.
16. Ban the Box. Developer shall comply with Madison General Ordinance 39.08 related to job applicant arrest and conviction records.
17. Material Changes. At the time of Closing on the TIF Loan, if any material adverse changes to the size, use or ownership of the Project or Property stated in the TIF Application, including any changes to the number or rent of the affordable units, have been made, this TIF Loan commitment shall be subject to reconsideration by the City. Following Closing, any material change to the Project made without consent of the City shall subject the TIF Loan to immediate repayment. Notwithstanding the foregoing, the City acknowledges that the Developer may, with the prior approval of the City, which approval may not be unreasonably withheld, reconfigure the size and use of the Project to address current market conditions (for example, the number and configuration of parking stalls may be increased or decreased, and certain space designated for office use may be converted to

retail use).

18. Project Completion. Developer shall guarantee that the Project attains Completion (as defined in Section 3) by December 31, 2028. Failure to attain Completion by said date will require payment under the increment guaranty in Sections 9 and 11.
19. Property Insurance. Prior to funding, evidence shall be provided that a property insurance policy of the proper type and amount of coverage to protect the City's participation has been obtained. The policy shall name the City of Madison as an additional insured.
20. Title Insurance. At least thirty (30) days prior to closing, Developer shall provide a commitment for a title insurance policy of the proper type and amount of coverage to the City. The City shall receive a lender's policy on a form to be approved by the City Attorney, which will require, among other things, an updated survey of the Property. Developer shall be responsible for all lending costs and fees.
21. Environmental Assessment. Developer shall provide the City an environmental assessment of the Property which is acceptable to City staff. Developer providing said environmental assessment does not modify the Developer's indemnification obligations described in Section 22.
22. Indemnification.
 - a. Developer shall be liable to and hereby agrees to indemnify, save harmless and defend the City, its officers, officials, agents and employees against all loss or expense (including liability costs and reasonable attorney's fees) arising from any and all claims, demands, liabilities and causes of action of whatever kind or nature related to the Property, to the extent occasioned in whole or in part by any act or omission of Developer or its officers, members agents, contractors, subcontractors, invitees or employees, which may now or hereafter be made against them, whether caused by or contributed to by the negligent acts of the City, its agents or employees.
 - b. Developer shall enter into an environmental indemnification agreement with the City, which will include the following:
 - i. Representations and warranties from Developer regarding Developer's knowledge of the presence of pollutants on the property, history of pollutants on the property, and any existing or possible legal proceedings or actions related to pollutants on the Property.
 - ii. Agreement by Developer to indemnify and save the City harmless from all causes of action, suits, claims, demand, judgments and liabilities arising from pollutants on the Property, failure to perform abatement, removal, etc., or other liabilities otherwise arising from environmental laws with respect to the Property.
 - iii. Agreement by Developer to timely comply with all applicable environmental laws.
 - c. The indemnification provisions described in this Section will survive termination of the Loan Agreement and shall be in addition to any other

rights and remedies of the City.

23. Land Use Restriction Agreement (LURA) & Period of Affordability. This Project will have a 40-year affordability period evidenced by a Land Use Restriction Agreement recorded in the first position, behind only a Land Use Restriction for Low-Income Housing Tax Credits with WHEDA, and if a permanent first mortgage lender is providing financing, then after such lender's permanent first mortgage and related security documents. The Land Use Restriction Agreement will remain in effect even if the Promissory Notes are satisfied before the end of the Period of Affordability.
24. Tenant Selection Plan. Developer shall conform to the City of Madison's Tenant Selection Plan (TSP) requirements for the Project, as described in the City of Madison Affordable Housing Fund Tax Credit RFP program.
25. Operating Agreement and Pro Forma. At least seven days prior to closing, Developer shall provide to the City: (a) a copy of the substantially final Amended and Restated Operating Agreement between the Managing Member, Investor Member, and Special Member(s), if any, of the entity that shall own, manage and control the Property, with the final copy to be delivered at Closing and before the City makes its first disbursement of the TIF Loan proceeds; and (b) the final 30-year operating pro forma for the Project. The final Amended and Restated Operating Agreement between the Managing Member, Investor Member, and Special Member(s) shall be provided within (5) days after closing.
26. Closing Date. Developer agrees to notify the City of its proposed closing date no less than 75 days before the earliest closing date. Developer agrees to notify the City of any significant delays to the previously communicated project closing timeline, e.g., more than 60 days. Developer agrees to close on all major financing sources, including all City financing, concurrently, and prior to starting construction. Developer must request the City's consent to start construction before closing, and the City may approve or deny such request in its sole discretion. Additionally, if the City approves such a request by Developer, the City will only close on the TIF Loan if closing occurs within 60 days of the start of construction.
27. Worker Safety and Wage Compliance. Developer shall, at its sole cost, prominently post and maintain throughout the duration of construction, multi-lingual signage at all Project construction sites in locations reasonably visible and accessible to workers. Such signage shall be in a form approved by the City of Madison and shall include information directing workers to the City's Department of Civil Rights (DCR) or other designated City contact for reporting concerns related to wage payment, or job site safety. Developer shall ensure that its general contractor and all subcontractors comply with this requirement.
28. Automatic Expiration. The Loan Agreement shall be null and void if either of the following occurs: (1) Developer does not close on the TIF Loan by July 1, 2027; or (2) Developer does not commence construction on the Project, as evidenced by issuance of permits for footings and foundations, by September 1, 2027. Upon expiration, the Guaranty shall be of no further force and effect.

BE IT STILL FURTHER RESOLVED that the TIF Loan to the Developer is hereby approved and that the Mayor and City Clerk are hereby authorized to execute a development agreement, and other documents as may be necessary to effectuate the transaction, all of which are subject to the approval of the City Attorney.

BE IT FINALLY RESOLVED that a funding appropriation be made in the 2026 Capital Budget to authorize \$2,900,000 of funding to the Project.

MEMORANDUM

TO: Common Council
FR: Terrell Nash, Real Estate Development Specialist
DATE: March 26, 2026

SUBJECT: TIF REPORT – 6522 Grand Teton Avenue (GT Apartments, LLC)

Project Description

GT Apartments, LLC, (“Developer”) proposes to construct a mixed-use project consisting of 302 affordable apartment units and 148 parking stalls (the “Project”). The Project is located at 6518 & 6526 Grand Teton Plaza, located in TID 56 (**Figure 1**).

The Project demonstrated a gap of approximately \$2,900,000. Approximately \$2,900,000 of TIF loan assistance is feasible, representing 55% of TIF generated by the Project’s estimated \$40,310,000 incremental value.

TIF Report

The following TIF Report is provided in compliance with Section 3.1 (8) of TIF Goals, Objectives and Process and Section 1 (9) of TIF Loan Underwriting Policy, adopted by the Common Council on February 25, 2014:

(a) Amount Requested: **\$ 2,900,000** (55% of TIF)

(b) Type of Project: Redevelopment, Affordable Housing

(c) Analysis Method: Gap Analysis

(d) Tax Credits: \$30,886,356

(e) Est. Value and Tax Increments:

Approximate Project Cost \$104,000,000

Estimated Assessed Value \$40,310,000

Total Estimated Tax Increments \$ 11,158,000

Average Annual Tax Increment \$ 709,000

TIF Supportable at 50% \$ 2,900,000

(f) TID Condition

The Project will be located within Tax Incremental District (TID) 56 which the City is proposing to create in 2026. TID 56 is located generally in the Mineral Point Road, Grand Canyon, Odana Road, Yellowstone Drive area of the City of Madison.

Affordable housing projects such as the proposed Project, which suppress rents for long periods of time for the purposes of affordability, are assessed lower (anywhere between 30% and 45% of market value) than market rate projects.

As such, the TID will need a significant amount of time to accumulate tax increments. Therefore, it is financially prudent to limit TIF assistance to no more than the maximum amount allowable under TIF Policy (55% Gateway), thus providing financial cushion for market uncertainty and funds for public works improvements, if necessary and feasible, in the future.

(g) TIF Policy Compliance

Developer Equity—Developer equity is approximately \$13,000,000 of deferred developer fee, and \$39,000,000 of Low-Income Housing Tax Credit (LIHTC) equity from investors. Developer is providing a corporate guaranty for the Project. This amount exceeds TIF Policy that developer equity must be equal to or greater than the amount of TIF assistance and is therefore in compliance.

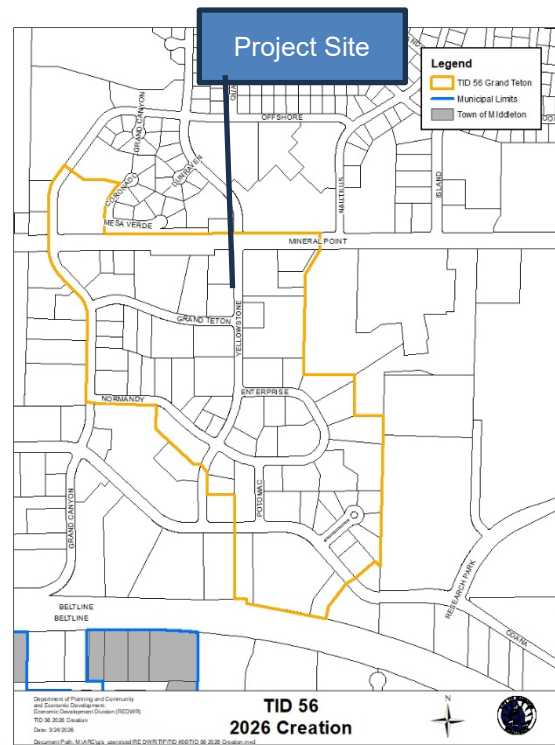


Figure 1

(h) Other Applicable

- 1) Quantity of living wage jobs created and/or retained. **See TIF Goal Statement (Figure 2.)**
- 2) Quantity of affordable housing units and level of affordability. **See TIF Goal Statement (Figure 2.)**

(i) Amount of TIF to Be Considered

TIF Eligible	\$2,900,000	55% of TIF
TIF Recommended	\$2,900,000	55% of TIF

(j) Developer’s TIF Goals Statement— TIF Policy requires that Developer provide a statement (See Figure 2) as to how the project addresses the following TIF Policy Goals:

- 1) Per Sections 1 and 3.4 of “TIF Goals, Objectives and Process”, how does the Project meet City and TID’s goals?
 - A) Grows the City’s property tax base
 - B) Fosters the creation and retention of family-supporting jobs
 - C) Encourages the re-use of obsolete or deteriorating property
 - D) Encourages urban in-fill projects that increase density consistent with the City’s Comprehensive Plan
 - E) Assists in the revitalization of historic, architecturally significant, or deteriorated buildings or enhancement of historic districts.
 - F) Creates a range of housing types, specifically encouraging affordable housing

G) Funds public improvements that enhance development potential and improve City's infrastructure

H) Promotes superior design, building materials and sustainability features

I) Reserves sufficient increment for public infrastructure in both TID Project Plan and TIF underwriting

(k) TIF Policy Exceptions: None.

(l) Known Labor Agreement, Law Violations: None indicated.

Staff Recommendation: TIF assistance in the amount of \$2,900,000 or 55% of TIF generated by the project. A 40-year land use restriction agreement (LURA) shall be recorded, requiring the Project to remain affordable for that period.

Figure 2: Applicant's TIF Policy Goal Statement



March 31, 2026

Dan Rolfs
Real Estate Development Manager
215 Martin Luther King, Jr. Blvd (Third Floor) Madison,
WI 53701-2983

Dear Mr. Rolfs,

Bear Development, LLC ("Bear") is proposing to acquire and develop the property located at 6522 Grand Teton Plaza into a mixed-use development containing 302-units of workforce housing and first floor commercial space. The 3.3-acre site is currently underutilized and occupied by an office building that will be demolished prior to construction of the proposed development. All dwelling units will be rent and income-restricted, with the weighted average household AMI not to exceed 60% for the entire development. The currently anticipated unit mix is approximately 246 one-bedroom units and 56 two-bedroom units and the project will be funded primarily with 4% Low-Income Housing Tax Credits (LIHTC), Tax-Exempt Bonds, for which Bear has applied to WHEDA, and Tax Incremental Financing (TIF), for which Bear is requesting \$2,900,000 in assistance from the City of Madison. In addition to the sources listed prior, the project will include a deferred developer fee in excess of the TIF assistance and Bear will continue to source additional gap financing sources.

Regarding the City of Madison TIF Goals, Objectives, and Process, we believe the development meets the proposed policies as outlined in the Policy Statement below:

- **Growing the property tax base:** The property is currently assessed at \$0. The estimated assessed value of the site at completion of the project, pending feedback from the city assessor, is approximately \$39 million.
- **Fostering the creation and retention of family-supporting jobs:** The development is estimated to generate 500 temporary jobs during construction. Once stabilized, approximately six permanent jobs will be retained to manage the property.
- **Encouraging adaptive reuse of obsolete or deteriorating property:** NA- The development will replace an office building and maximize the use of the parcel, which is primarily occupied by a parking lot that services the existing office.
- **Encouraging urban in-fill projects that increase density consistent with the City's Comprehensive Plan:** The Madison Generalized Future Land Use map lists the project site as an RMU- Regional Mixed-Use area no density limit for multifamily units and the site is zoned RMX- Regional Mixed-Use, which also has no limit on density for multifamily units within mixed use developments. The proposed development is a permitted use under the City's zoning ordinance.
- **Assisting the revitalization of historic, architecturally significant or deteriorated buildings:** NA- The development will replace an office building and maximize the use of the parcel, which is primarily occupied by a parking lot that services the existing office. We do not anticipate that any historic value will be found for the existing structure and an application for review by the City Landmark's Commission will be submitted to confirm this assumption.

- **Creating a range of housing options and specifically encouraging the development of workforce and affordable housing:** All of the units at the development are proposed to be rent and income-restricted with the weighted average AMI not to exceed 60% for the entire development.
- **Funding public improvements that enhance development potential, improve the City's infrastructure, enhance transportation options, and improve the quality and livability of neighborhoods:** The project site is currently under utilized and the proposed development will create a high-quality housing option along the BRT Line on Mineral Point Road. This site is also located in a Transit-Oriented Development Overlay zone.
- **Promoting superior design, building materials, and sustainability features in the built environments:** The development will be designed to achieve an aesthetic consistent with other high-quality projects throughout the City of Madison. High quality materials will be used for the construction of the building, and the dwelling units will have a fit and finish that is attractive to prospective residents. Certain units will contain WHEDA Universal Design elements and the project as a whole will meet sustainability goals outlined in WHEDA's QAP, which requires LEED Silver Certification (or another similar certification) at minimum.
- **Reserving sufficient increment for public infrastructure in both TIF project plans and TIF underwriting:** Our team's understanding is that the project should generate increment in excess of the TIF assistance requested and the underwriting follows the City's TIF policy.

We look forward to bringing another successful development to the City of Madison and appreciate the opportunity to pursue TIF assistance which is needed to make the project feasible. Should there be any questions, please feel free to contact me at any time.

Sincerely,



Nick Orthmann Project
Manager
Bear Development, LLC

MEMORANDUM

GT APARTMENTS, LLC OR ITS ASSIGNS TIF FINANCIAL ASSISTANCE TERM SHEET

MAY 11, 2026

The purpose of this Term Sheet (“Term Sheet”) is to outline the principal terms and conditions of a tax incremental financing (TIF) loan agreement (“Loan Agreement”) to be executed by and between the City of Madison (“City”) and GT Apartments, LLC, a Wisconsin limited liability company, or its assigns (“Developer”). The purpose of the loan is to assist in the construction of Grand Teton Apartments, consisting of approximately 302 units of multi-family affordable housing and approximately 148 underground parking stalls (the “Project”) at the property located at 6518 & 6526 Grand Teton Plaza in a proposed Tax Incremental District (TID) #56, to be created in 2026, in the City of Madison (the “Property”).

The terms incorporated into the loan documents will be as follows:

1. The Project. Developer agrees to develop on the Property all of the following:
 - a. Construction of approximately 302 units of affordable housing. The Developer agrees to set aside 100% of the units for occupancy by households whose income is at or below 80% of the area median income (AMI) as defined by Section 42 of the Internal Revenue Code, with an average AMI of less than or equal to 60% using the average income set aside, and consistent with the income restrictions under the Wisconsin Housing and Economic Development Authority’s Low-Income Housing Tax Credit Program, and subject to the Land Use Restriction described in Section 23 of this Term Sheet.
 - b. Approximately 148 underground parking stalls
2. Form of Assistance. TIF assistance shall be provided in the form of a 0% interest loan (the “TIF Loan”) from the City to CDA Housing, Inc. (“CDA”) and then loaned to Developer, or its assigns, in the amount of Two Million Nine Hundred Thousand Dollars (\$2,900,000) to the Developer for the purposes of funding TIF eligible project costs, as defined in Wis. Stat. §66.1105 (the “TIF Law”), incurred for constructing the Project. The TIF Loan is to be repaid either through the tax increment generated on the Property or a guaranty payment pursuant to Section 11 herein.
3. Evidence of Financing, Audit and Clawback Provision. Prior to the TIF Loan closing, Developer shall provide evidence of bank financing, grant funds and/or equity in the aggregate amount of not less than \$ 100,694,265 for Project (“Financing”).

Financing shall be evidenced in the form of (i) a bank commitment letter and evidence that Developer has met all of the lender’s conditions of financing such as commercial pre-leasing requirements, if any; (ii) a letter of intent from a tax credit investor; and/or (iii) a grant award letter from a nonprofit or governmental entity.

Equity investment shall be evidenced by paid invoices or other documentation of prepaid project costs paid by Developer and/or a financial statement demonstrating Developer’s financial capacity to invest equity in the Project. The Developer’s Equity investment may include equity from the sale of Low-Income Housing Tax Credits, a cash contribution from the tenant that will occupy the Project, the Developer’s contribution of land or cash via a sponsor note, and a deferred developer’s fee. In aggregate, Developer’s equity investment, as established through financing documents, shall not be less than the amount of the TIF Loan at closing.

After closing, the TIF Loan shall be used solely for the purpose of funding the TIF eligible portion of the total project costs as stated in the TIF Application. The total project costs estimated therein at approximately \$103,594,265 ("Project Cost"). Upon completion of the Project, defined as issuance of a certificate of occupancy for all elements of the Project ("Completion"), Developer shall provide the City with a cost certification of the total Project Cost and Financing ("Audit"), to the City's satisfaction, for the City's review and approval. If the City does not approve the Developer's Audit of Project Cost, the City may request additional information from the Developer and may perform its own audit of Developer's books and records related to Project Cost and Financing. In the event that the financing gap for Project (which is equal to the amount of the TIF Loan) is reduced by a lesser Project Cost as established by the Audit, ("Audited Actual Cost") and/or an increase, as established by the Audit, in Financing ("Audited Actual Financing"), the following formula shall apply to determine the clawback payment due to the City ("Clawback"):

The Clawback shall be calculated as follows:

1. "Cost Savings" for the Project = \$103,594,265 minus the Audited Actual Cost; and
2. "Financing Increase" = Audited Actual Financing minus \$100,694,265.

If the sum of (1) Cost Savings and (2) Financing Increase is a negative number, there shall be no Clawback. If the sum is a positive number, Developer shall pay the City Fifty Percent (50%) of such positive number as a Clawback.

Developer's payment of the Clawback shall be applied as a payment to the tax increment guaranty under Sections 9 and 11 below and shall reduce the outstanding amount of the TIF Loan pursuant to Sections 9 and 11 below.

4. Tax Credit Approval. TIF assistance to the Project is contingent upon Developer receiving an award of Section 42 Low-Income Housing Tax credits ("LIHTC") from Wisconsin Housing and Economic Development Authority ("WHEDA") in 2026. Prior to closing of the TIF Loan, Developer shall provide the City with a copy of its LIHTC Online Application ("LOLA") provided to WHEDA. The City reserves the right to amend TIF Assistance to the Project in the event that the financial information provided in the LOLA demonstrates that the financing gap for the Project is less than presented in Developer's TIF Application.
5. Disbursement Method. At closing, the City shall disburse the TIF Loan to a title company to be held in escrow. In order to facilitate the City's review of project cost to confirm eligibility under Wisconsin TIF Law (Wis. Stats. s. 66.1105) and Developer's progress toward SBE bidding goals as set forth in Section 13 herein, the City and Developer shall enter into a Disbursement Agreement that authorizes no less than three (3) disbursements of TIF funds, including a final 20% of total TIF funds retained until 80% project completion confirmation by the Department of Civil Rights ("DCR") that Developer has complied with the applicable provisions of MGO 39.02 (9). TIF funds shall be disbursed upon the City's receipt and satisfactory review of a detailed draw request from Developer provided on or about no less than three (3) disbursement dates, to a title company. CDA shall have the right to lend a portion of the TIF Loan proceeds to the project in phases, secured by one or more notes and mortgages as approved by the City Attorney.

All funds not spent or remaining in escrow after Completion of the Project shall be returned to the City.

6. 2026 Capital Budget Authorization. Funding for the Two Million Nine Hundred Thousand Dollar (\$2,900,000) TIF Loan is contingent upon the City of Madison Common Council doing the following: (1) adopting a resolution authorizing the City's execution of the TIF Loan document (the "Authorizing Resolution") ; and (2) adopting a 2026 Capital Budget authorizing the expenditure of funds stated

herein. Following approval of the Authorizing Resolution, the Developer may commence construction on the Project, at Developer's own risk, and subject to Sections 7 and 26.

7. TID 56 Creation and Project Plan. The City shall create the district and the Project Plan for TID 56 to authorize the \$2,900,000 TIF expenditure for the TIF Loan (the "Project Plan"). The City shall not make TIF funds available until the date the TIF Joint Review Board approves the Project Plan and Boundary for TID 56. Developer may commence construction in accordance with Section 6 and 26, but all construction shall be at its own risk.
8. No TID Creation and Project Plan. In the event that the creation of a TID #56 Boundary and Project Plan (the "Project Plan") is not approved by the TIF Joint Review Board of the City of Madison and certified by DOR on or about April 30, 2026, then Developer shall have the option to either terminate the agreement, or to accept the TIF Loan as a conventional loan, amortized over ten years, together with the costs of issuance and interest on the unpaid principal balance at a rate equal to the rate of the City's borrowing, plus one hundred basis points, with payments of principal and interest, which shall be made quarterly (the "Conventional Loan").

In the event the creation of a TID Boundary and Project Plan is not certified by DOR on or about April 30, 2027, Developer shall be obligated to repay the TIF Loan in accordance with the terms of the Conventional Loan. The City shall make its best effort to secure TID certification as soon as possible thereafter. If the City is able to secure certification, then the Conventional Loan balance shall revert back to a TIF Loan on the terms described herein.

9. Method of Payment and Tax Increment Guaranty. The City's expenditure in providing the TIF Loan for the Project shall be repaid by Developer through tax increments generated by the Project and/or cash payments by Developer and guaranty payments. A schedule of the annual increment guaranty and projected increment used to calculate the TIF Loan is attached as Exhibit A ("Increment Schedule") and shall be attached to the Loan Agreement.
10. Sale to Tax Exempt Entity – PILOT Payment. Developer shall be prohibited from selling or transferring the Property prior to the Developer's repayment of the TIF Loan without the prior written consent of the City (except for transfers made pursuant to foreclosure of senior loan on the Project). If Developer sells or transfers the Property to a tax-exempt entity ("Buyer"), whereupon such ownership renders the Property as property tax-exempt, Buyer shall pay the City an annual payment in lieu of taxes (PILOT) in the amount of property tax last levied as of the date of sale to Buyer, frozen, through 2053. The City of Madison shall share said PILOT in proportion with the overlying taxing jurisdictions. Buyer shall execute a PILOT Agreement and a mortgage in favor of the City in the amount of the PILOT payments ("Buyer's Mortgage") at the time of Buyer's acquisition of the Property. The Buyer's Mortgage and PILOT Agreement shall be released and terminated by the City upon the closure of TID 56. This obligation will be secured by a land use restriction terminable upon closure of TID 56.
11. Security and Corporate Guaranty. The TIF Loan shall be evidenced by notes executed by CDA, or its assigns, to the City of Madison in the amount of Two Million Nine Hundred Thousand Dollars (\$2,900,000) bearing zero percent (0%) interest (together the "Note"). CDA shall loan the proceeds to Developer and Developer shall execute a note to evidence the loan from CDA to it (the "Second Note") and also a subordinate mortgage in favor of CDA. CDA will assign its interest in the Second Note and Mortgage to the City of Madison securing payment of the TIF Loan (the "Mortgage"). Developer shall deliver to the City the fully executed Second Note, endorsed to the City, to be held by the City in the event of default. The City agrees, if necessary, to execute a subordination of mortgage in a form approved by the City Attorney and acceptable to Developer's lender(s) and said subordinated Mortgage shall be in the second mortgage position. Developer and its assigns shall

cause to be provided a corporate guaranty of Bear Development, LLC guaranteeing the TIF Loan to the Project and annual payment of the increment payments reflected in the Increment Schedule.

12. Satisfaction. The TIF Mortgage and Agreement shall be satisfied and the Note and Guaranty cancelled via a recordable release upon full payment of the TIF Loan.
13. Affirmative Action MGO 39.02 (9). Developer and its contractors/subcontractors shall comply with all applicable provisions of the Madison General Ordinance (MGO) 39.02 (9), concerning contract compliance requirements. Prior to commencing construction, Developer shall contact the City's Affirmative Action Division to assure that Developer is in compliance with the aforementioned requirements. Developer shall assist and actively cooperate with the Affirmative Action Division in obtaining the compliance of contractors and subcontractors with such applicable provisions of the Madison General Ordinance. Developer shall allow maximum feasible opportunity to small business enterprises to compete for any contracts entered into pursuant to the contract. The Developer understands that it is obligated to meet the goal set by the Department of Civil Rights or show best efforts to meet the goal based on documented evidence of efforts.

Furthermore, in order to ensure compliance with the above provisions, Developer and its contractor agree to the following:

- a. The general contractor provides a schedule of values as soon as reasonably possible following the execution of this Term Sheet.
- b. A meeting shall take place before loan closing to set affirmative action goals for the Project. Additional meetings may be scheduled at the request of DCR and must be held within 10 days of the request.
- c. At 80% completion, the goal is either met, signed contracts establish that the goal will be met, or documented good faith efforts are shown as to why the goal is not met.

For the purposes of this paragraph, "completion" shall mean expenditure of total project costs as described in the TIF Application.

14. Accessibility (MGO 39.05). Developer shall submit a written assurance of compliance with Madison General Ordinance 39.05.
15. Equal Opportunity. Developer shall comply with all applicable local, state and federal provisions concerning Equal Opportunity.
16. Ban the Box. Developer shall comply with Madison General Ordinance 39.08 related to job applicant arrest and conviction records.
17. Material Changes. At the time of Closing on the TIF Loan, if any material adverse changes to the size, use or ownership of the Project or Property stated in the TIF Application, including any changes to the number or rent of the affordable units, have been made, this TIF Loan commitment shall be subject to reconsideration by the City. Following Closing, any material change to the Project made without consent of the City shall subject the TIF Loan to immediate repayment. Notwithstanding the foregoing, the City acknowledges that the Developer may, with the prior approval of the City, which approval may not be unreasonably withheld, reconfigure the size and use of the Project to address current market conditions (for example, the number and configuration of parking stalls may be increased or decreased, and certain space designated for office use may be converted to retail use).

18. Project Completion. Developer shall guarantee that the Project attains Completion (as defined in Section 3) by December 31, 2028. Failure to attain Completion by said date will require payment under the increment guaranty in Sections 9 and 11.
19. Property Insurance. Prior to funding, evidence shall be provided that a property insurance policy of the proper type and amount of coverage to protect the City's participation has been obtained. The policy shall name the City of Madison as an additional insured.
20. Title Insurance. At least thirty (30) days prior to closing, Developer shall provide a commitment for a title insurance policy of the proper type and amount of coverage to the City. The City shall receive a lender's policy on a form to be approved by the City Attorney, which will require, among other things, an updated survey of the Property. Developer shall be responsible for all lending costs and fees.
21. Environmental Assessment. Developer shall provide the City an environmental assessment of the Property which is acceptable to City staff. Developer providing said environmental assessment does not modify the Developer's indemnification obligations described in Section 22.
22. Indemnification.
 - a. Developer shall be liable to and hereby agrees to indemnify, save harmless and defend the City, its officers, officials, agents and employees against all loss or expense (including liability costs and reasonable attorney's fees) arising from any and all claims, demands, liabilities and causes of action of whatever kind or nature related to the Property, to the extent occasioned in whole or in part by any act or omission of Developer or its officers, members agents, contractors, subcontractors, invitees or employees, which may now or hereafter be made against them, whether caused by or contributed to by the negligent acts of the City, its agents or employees.
 - b. Developer shall enter into an environmental indemnification agreement with the City, which will include the following:
 - i. Representations and warranties from Developer regarding Developer's knowledge of the presence of pollutants on the property, history of pollutants on the property, and any existing or possible legal proceedings or actions related to pollutants on the Property.
 - ii. Agreement by Developer to indemnify and save the City harmless from all causes of action, suits, claims, demand, judgments and liabilities arising from pollutants on the Property, failure to perform abatement, removal, etc., or other liabilities otherwise arising from environmental laws with respect to the Property.
 - iii. Agreement by Developer to timely comply with all applicable environmental laws.
 - c. The indemnification provisions described in this Section will survive termination of the Loan Agreement and shall be in addition to any other rights and remedies of the City.
23. Land Use Restriction Agreement (LURA) & Period of Affordability. This Project will have a 40-year affordability period evidenced by a Land Use Restriction Agreement recorded in the first position,

behind only a Land Use Restriction for Low-Income Housing Tax Credits with WHEDA, and if a permanent first mortgage lender is providing financing, then after such lender's permanent first mortgage and related security documents. The Land Use Restriction Agreement will remain in effect even if the Promissory Notes are satisfied before the end of the Period of Affordability.

24. Tenant Selection Plan. Developer shall conform to the City of Madison's Tenant Selection Plan (TSP) requirements for the Project, as described in the City of Madison Affordable Housing Fund Tax Credit RFP program.
25. Operating Agreement and Pro Forma. At least seven days prior to closing, Developer shall provide to the City: (a) a copy of the substantially final Amended and Restated Operating Agreement between the Managing Member, Investor Member, and Special Member(s), if any, of the entity that shall own, manage and control the Property, with the final copy to be delivered at Closing and before the City makes its first disbursement of the TIF Loan proceeds; and (b) the final 30-year operating pro forma for the Project. The final Amended and Restated Operating Agreement between the Managing Member, Investor Member, and Special Member(s) shall be provided within (5) days after closing.
26. Closing Date. Developer agrees to notify the City of its proposed closing date no less than 75 days before the earliest closing date. Developer agrees to notify the City of any significant delays to the previously communicated project closing timeline, e.g., more than 60 days. Developer agrees to close on all major financing sources, including all City financing, concurrently, and prior to starting construction. Developer must request the City's consent to start construction before closing, and the City may approve or deny such request in its sole discretion. Additionally, if the City approves such a request by Developer, the City will only close on the TIF Loan if closing occurs within 60 days of the start of construction.
27. Worker Safety and Wage Compliance. Developer shall, at its sole cost, prominently post and maintain throughout the duration of construction, multi-lingual signage at all Project construction sites in locations reasonably visible and accessible to workers. Such signage shall be in a form approved by the City of Madison and shall include information directing workers to the City's Department of Civil Rights (DCR) or other designated City contact for reporting concerns related to wage payment, or job site safety. Developer shall ensure that its general contractor and all subcontractors comply with this requirement.
28. Automatic Expiration. The Loan Agreement shall be null and void if either of the following occurs: (1) Developer does not close on the TIF Loan by July 1, 2027; or (2) Developer does not commence construction on the Project, as evidenced by issuance of permits for footings and foundations, by September 1, 2027. Upon expiration, the Guaranty shall be of no further force and effect.

If the terms and conditions outlined above are acceptable to Developer, please indicate by signing in the space provided below. While it is the intent of the City to provide the TIF financial assistance in a timely manner, no binding agreement will exist between City and Developer, unless and until these terms and conditions are approved by the City's Common Council and the Loan Agreement and related loan documents are executed between the City and Developer.

ACCEPTANCE

The terms and conditions as set forth in this term sheet are acceptable to GT Apartments, LLC or its assigns. I further certify that I have the full authority to accept these terms and conditions on behalf of GT Apartments, LLC or its assigns.



Signed: _____

5/11/2026 _____

Name & Title: Stephen R. Mills, Authorized Member

Date

Signed: _____

Name & Title: _____

Date

EXHIBIT A
Guaranteed Tax Increment

<u>Tax Year</u>	<u>Guaranteed Tax Increment</u>	<u>Guarantee Payment Due Date</u>
2029	\$ 73,000	August 31, 2030
2030	\$ 393,000	August 31, 2031
2031	\$ 707,000	August 31, 2032
2032	\$ 708,000	August 31, 2033
2033	\$ 709,000	August 31, 2034
2034	\$ 310,000	August 31, 2035

Developer shall receive a credit against the Guaranteed Tax Increments due above for all tax increments generated by the Property and received by the City for tax years 2029 through 2034.



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Master

File Number: 92735

File ID: 92735

File Type: Resolution

Status: Items Referred

Version: 1

Reference:

Controlling Body: FINANCE
COMMITTEE

File Created Date : 04/14/2026

File Name: 13323 Realta Fusion TIF Loan

Final Action:

Title: Amending the 2026 Economic Development Division Capital Budget and authorizing the Mayor and City Clerk to execute a development agreement to fund a \$2,800,000 Tax Incremental Finance Loan to assist in the renovation and development of office, manufacturing, and research and development space for Realta Fusion, Inc. at 910 Mayer Avenue in the Project Plan area of TID 54 (Pennsylvania Ave). (District 12)

Notes:

Sponsors: Satya V. Rhodes-Conway And Julia Matthews

Effective Date:

Attachments: Realta Fusion Jobs TIF Finance Committee Briefing Legistar 92735 6-1-26 Final.pdf, 13323 Realta TIF Report.pdf, 13323 Realta TIF Term Sheet.pdf, 051926_CC_public_comment.pdf

Enactment Number:

Author: Dan Rolfs, Real Estate Development Manager

Hearing Date:

Entered by: cklawiter@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Economic Development Division	04/14/2026	Referred for Introduction				
	Action Text:	This Resolution was Referred for Introduction					
	Notes:	Finance Committee (6/1/26), Common Council (6/9/26)					
1	COMMON COUNCIL	05/19/2026	Refer	FINANCE COMMITTEE			Pass
	Action Text:	A motion was made by Madison, seconded by Glenn, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.					

Text of Legislative File 92735

Fiscal Note

The proposed resolution amends the Economic Development Division's (EDD) 2026 Adopted Capital Budget to add \$2.8 million in TID-supported GO Borrowing in TID 54 (Pennsylvania Ave). It further authorizes a \$2.8 million loan to Realta Fusion, Inc., or its assigns ("Employer").

The Project consists of redeveloping 205,000 square feet in the former Oscar Mayer building, including office, research & development, and manufacturing spaces with the goal of creating and retaining jobs at the site ("Project"). The TIF Loan would be repaid through incremental taxes generated by the Project and represents 40% of the present value of all incremental taxes anticipated from the Project over the TID's remaining life. The TIF Loan would be repaid through incremental taxes generated by the Project. The amount of the loan represents 40% of the present value of all incremental taxes anticipated from the Project over the TID's life.

Payment of the Loan to the Employer will be divided into 6 payments that correspond to specific milestones in the project. The payment schedule and conditions of payment are outlined in section 3. of the attached Term Sheet. Furthermore, the Employer must create and/or retain for a period of not less than 5 years at least the number of Full-Time Equivalent (FTE) jobs as outlined in section 4. of the Term Sheet. The Employer will submit a certified statement to the City's Office of Business Resources to verify this condition is met. If the jobs guaranty is not met, the Employer will be required to pay a penalty of \$34,000 per job below the required number for the last payment made by the City (requirement for payment 6 is 200 jobs).

While it is anticipated that the incremental taxes generated by the Project will be sufficient to repay the loan within approximately 8 years, the Employer is required to guarantee a minimum payment if sufficient future tax increment is not available. The increment guaranty is secured by a subordinated mortgage on the property. The TIF Loan also requires that Employer be prohibited from selling or transferring the Property prior to repayment of the TIF Loan. If Employer sells or transfers the Property to a tax-exempt entity, Buyer shall pay an annual payment in lieu of taxes (PILOT) in the amount of the property tax paid as of the date of sale, frozen, until 2050. See the attached TIF Memo from TIF staff for additional information about TID condition and compliance with the City's TIF Goals, Objectives, and Process policy and the TIF Underwriting Policy.

The City providing TIF assistance for the Project is contingent upon the Council's adoption of a resolution authorizing an amendment to the TID 54 (Pennsylvania Ave) Project Plan and approval of the Project Plan amendment by the TIF Joint Review Board.

Title

Amending the 2026 Economic Development Division Capital Budget and authorizing the Mayor and City Clerk to execute a development agreement to fund a \$2,800,000 Tax Incremental Finance Loan to assist in the renovation and development of office, manufacturing, and research and development space for Realta Fusion, Inc. at 910 Mayer Avenue in the Project Plan area of TID 54 (Pennsylvania Ave). (District 12)

Body

WHEREAS, the Common Council adopted the current TIF Policy on February 25, 2014; and,

WHEREAS, this TIF Policy contemplates "Jobs Projects" that foster the retention and creation of new employment opportunities throughout the community; and,

WHEREAS employers in the Manufacturing and Alternative Energy sectors are identified as eligible for "Jobs Projects"; and,

WHEREAS, Realta Fusion, Inc is an existing Madison employer involved in the research and development of compact, scalable, modular fusion generation systems; and,

WHEREAS Realta Fusion, Inc., or its assigns, (“Employer”) desires to renovate approximately 205,000 gross square feet for office, manufacturing, and research and development use (the “Project”) at 910 Mayer Ave (the “Existing Building”), which is owned by OM Station, LLC, or its assigns, (“Developer”) and will be leased to Employer; and,

WHEREAS, the Employer will retain 43 full time equivalent (“FTE”) jobs within the Project for five years beginning upon occupancy; and,

WHEREAS, the Employer will create 157 FTE jobs within the Project for five years beginning upon occupancy of each respective phase; and,

WHEREAS, the Existing Building has been primarily vacant since Oscar Mayer closed operations there in 2017 and requires significant capital investment to reposition the facility to another employment use; and,

WHEREAS, the Employer is considering other locations outside of the State of Wisconsin; and,

WHEREAS, the Employer submitted a TIF Application to the City of Madison and the project qualifies for TIF assistance under the “Jobs Project” category of the City’s TIF Policy; and,

WHEREAS, a Jobs TIF loan of \$2,800,000 (the “TIF Loan”) represents approximately 40% of the net present value of tax increment generated by the Project; and,

NOW, THEREFORE, BE IT RESOLVED that the City hereby finds and determines that the Project is consistent with the public purposes of the Tax Increment Finance Law and plans and objectives set forth in the City of Madison TIF Policy; and,

BE IT FURTHER RESOLVED that the City finds that given the financial investment required to reposition this long-vacant facility to a new employment use, along with competition with locations outside of the State of Wisconsin, but for this investment of TIF, this Project would not occur; and,

BE IT FURTHER RESOLVED that the 2026 EDD Capital Budget (TID 54) is amended to authorize funding of \$2,800,000 for the TIF Loan to the Project; and,

BE IT FURTHER RESOLVED, that the TIF Loan is hereby approved shall be provided to the Project on substantially the same terms as provided in the term sheet attached as Exhibit A; and,

BE IT FINALLY RESOLVED that the Mayor and Clerk are hereby authorized to sign, accept, and record a loan agreement, and any and all other documents and legal instruments required to complete the transactions contemplated in this resolution, on a form and in a manner that has been approved by the City Attorney.

Realta Fusion Jobs TIF Request Finance Committee Overview

June 1, 2026



What is a Jobs TIF?



- A section of the City's TIF Policy adopted in 2014
- Available to employers creating and/or retaining at least 100 full time equivalent jobs, with commitment to maintain this employment for 5 years
- Available to employers constructing a new building or renovating an existing building that will generate new property tax revenue (increment)

How is Jobs TIF Similar to Other TIF?



- The City must determine “but for” TIF, a project won’t occur
- The project must generate enough increment to repay the TIF assistance provided (i.e. the project is “self supporting”)
- An increment guarantee is provided

How is Jobs TIF Different From Other TIF?



- For traditional developer TIF, the City determines the “but for” by analyzing the sources and uses of funding to determine a financial gap
- For Jobs TIF, the City determines the “but for” by examining the potential for the project to locate outside of the City
- Jobs TIF projects are eligible for 40% of the net present value of increment generated by a project, traditional developer TIF projects are eligible for 55%
- Jobs TIF projects must create/retain jobs; not so for other TIF

Where Has the City Used Jobs TIF Before?



- Extreme Engineering in 2017
- Illumina in 2017
- Exact Sciences in 2017 and 2018

- In all cases, jobs created/retained exceeded contracted amount and were maintained for the required 5-year period
- In all cases, TIF loans were repaid by increment as required by the loan agreement

What is Nuclear Fusion?



- A process of combining atoms (such as isotopes of Hydrogen)
- Results in production of energy, Helium, and only a small amount of short-lived, low-level radioactive material
- A safe and clean form of energy production
 - Can only occur in a highly controlled environment; if conditions are not ideal, fusion doesn't occur; no chance for a "runaway reaction" or "meltdown"
 - No long-lived, high-level radioactive waste
- Decades of research at UW-Madison with five active nuclear fusion experiments occurring today

What is Realta Fusion?



- Company formed in 2022 with strong ties to UW-Madison
- Interested in researching electricity generation through nuclear fusion
- Already located on westside of Madison – 43 employees
- Using a demonstrated nuclear fusion technology
- Raising private funds to scale the company's research
- Searching for a location to house this growing company
- Considering the former Oscar Mayer facility in Madison and property in Illinois
- Oscar Mayer facility has long been vacant with added costs

What is Realta Fusion's Proposed Project?



- Former Oscar Mayer facility at 910 Mayer Avenue
- Up to 50,000 square feet of office space
- Up to 110,000 square feet of research and development space
- Up to 45,000 square feet of manufacturing space
- A minimum of 43 full time equivalent jobs retained
- A minimum of 157 full time equivalent jobs created
- Up to \$53.5 million of new property value generated
- A \$67 million investment in physical improvements to the building given its age and former use; this does not include equipment costs, which could exceed \$500 million

What Types of Jobs are Proposed?

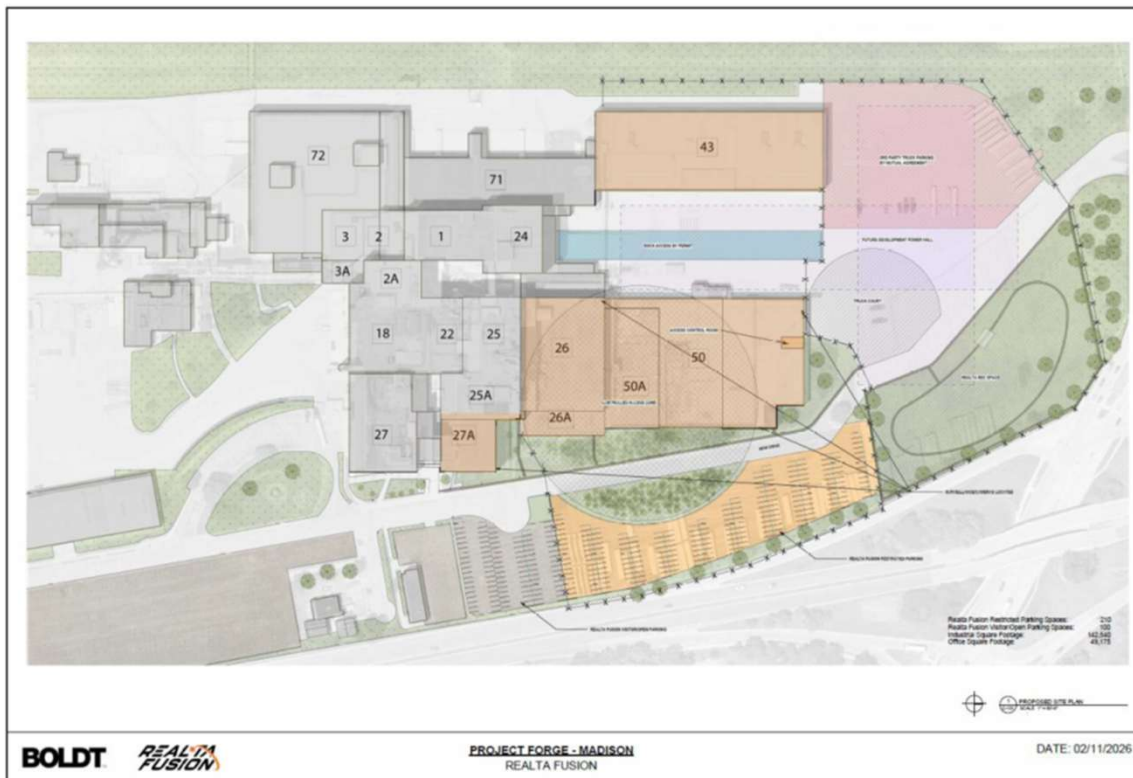


- Number of new jobs and annual salary
 - Management – 16 jobs @ \$182,000
 - Sales – 5 jobs @ \$132,510
 - Lab – 35 jobs @ \$100,464
 - Manufacturing – 30 jobs @ \$80,371
 - Research – 71 jobs @ \$137,238
- Number of retained jobs and annual salary
 - Management – 9 jobs @ \$175,000
 - Research – 34 jobs @ \$148,000

Site Layout



- Realta Fusion is proposing to occupy areas in “orange”



Site Rendering



BOLDT REALTA FUSION

PROJECT FORGE - MADISON
REALTA FUSION

DATE: 02/11/2026



What is the Proposed Jobs TIF?

- Up to \$2.8 million invested over six payments after Realta has met the following outcomes (post performance payments):
 - Payment 1 - \$480K at \$17.5M of value
 - Payment 2 - \$480K at \$30.5M of value and 50 jobs
 - Payment 3 - \$240K at \$30.5M of value and 100 jobs
 - Payment 4 - \$400K at \$43.5M of value and 100 jobs
 - Payment 5 - \$400K at \$53.5M of value and 150 jobs
 - Payment 6 - \$800K at \$53.5M of value and 200 jobs
- Jobs created/retained for five years following last payment

What is the Proposed Jobs TIF?



- Three-party agreement between City of Madison, Realta Fusion, and the owner the property, OM Station LLC
- Realta Fusion will lease space (not own) from OM Station LLC
- Loan will flow from City to OM Station LLC to Realta Fusion
- Mortgage will be recorded against the property
- Realta Fusion will also provide a corporate guarantee
- Mortgage and corporate guarantee provide security to City for repayment of TIF loan if increment fails to be sufficient
- Future assistance possible for investment greater than expected
- No exceptions to TIF Policy

Are There Other Land Use Considerations?



- The nuclear fusion experiments proposed by Realta Fusion at the site will require a significant amount of electricity
 - Realta Fusion will need to pay for electric upgrades
 - The experiments require pulses of electricity; MGE working with Realta Fusion to ensure no impact on the grid
- Water isn't used at a significant level in nuclear fusion
- Additional traffic from employees, but not more than existed when Oscar Mayer was operating
- No noise, smells, or other anticipated operational impacts

Why Does Staff Recommend Support?



- Oscar Mayer facility has been largely vacant since 2017 and this is a reasonable investment of TIF to reposition the property for attracting new family-supporting employment
- Realta Fusion is part of a burgeoning industry; other businesses in their supply chain or the broader fusion sector may choose Madison in the years ahead if Realta Fusion locates here
- The City is committed to cleaner forms of energy in its operations; this technology could do so on a larger scale
- Transaction meets City TIF Policy and is structured to both support the business and provide security to the City

MEMORANDUM

TO: Finance Committee
FR: Dan Rolfs, Real Estate Development Manager
DATE: May 12, 2026
SUBJECT: JOBS TIF REQUEST – Realta Fusion, Inc.

TIF Law “But For” Requirement

TIF Law requires that projects requesting TIF assistance meet a statutory “but for” requirement (i.e. “but for” TIF, the project could not proceed.)

City of Madison TIF Policy establishes that the City determines the “but for” through gap analysis, wherein Developers must numerically demonstrate that the project could not be financed without TIF assistance.

Jobs TIF - Gap Analysis Waiver Requirements

In 2014, the City adopted amendments to the TIF Policy that introduced the “Jobs TIF” program. Jobs TIF may provide 40% of the TIF generated by a project to an Employer that meets criteria for a gap analysis waiver. The Employer must retain and/or create at least 100 jobs and be soliciting financial incentives from other competing communities.

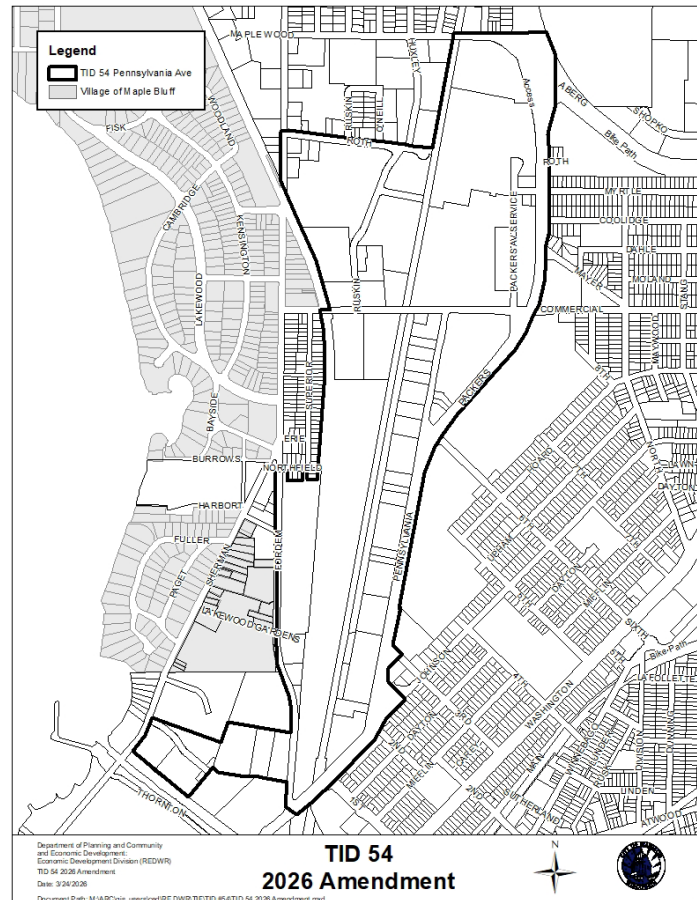
910 Mayer Ave: Background

The former Oscar Mayer facility was utilized by Oscar Mayer from 1919 through June 2017 when it was shuttered. It was originally purchased as the first expansion of the Oscar Mayer brand by the founder, Oscar F. Mayer in 1919. Oscar Mayer was eventually purchased by Kraft Foods. Following a 2015 merger of Kraft Foods and the E.J. Heinz Co, the facility was closed in 2017, and the production lines moved to other locations. Since then, the massive facility has been largely vacant.

In 2020, the City of Madison adopted the “Oscar Mayer Special Area Plan”, which calls for the continuation of employment uses on a portion of the Oscar Mayer property. A large portion of the property; however, has remained vacant since the adoption of this plan.

In 2023, the City of Madison created TID 54 (see Figure 1) to provide assistance to several residential housing projects in and around the former Oscar Mayer site. This TID can be used to support business development projects as well.

Figure 1



Realta Fusion, Inc.: Background

Realta Fusion, Inc. (“Employer”) was formed in 2022, as a result of work from its founders at UW-Madison. Realta is researching the development and production of compact, scalable, modular fusion reactors.

Fusion power:

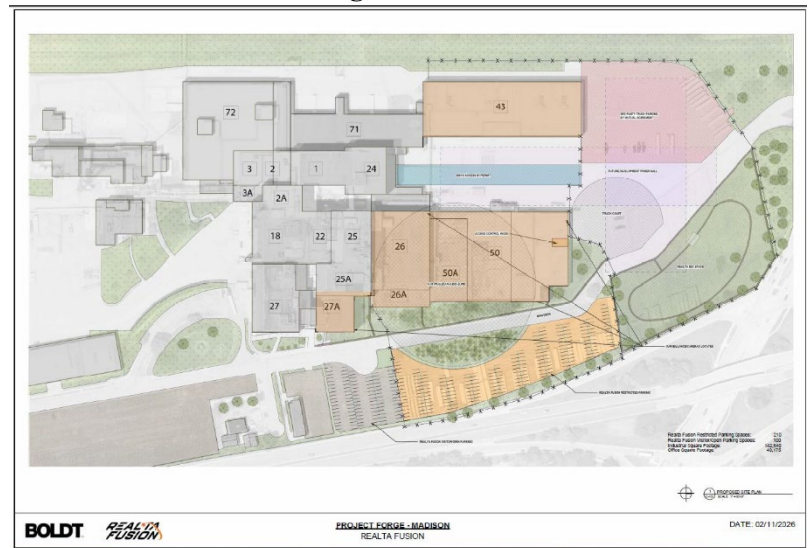
Fusion power is the method of electric power generation from heat released by nuclear fusion reactions. In fusion, two light atomic nuclei combine to form a heavier nucleus and release energy. This type of nuclear power is different from nuclear fission, where two heavier nuclei are split apart, releasing energy. Fission power is used in conventional nuclear reactors. Fusion power is the same process used by the sun and other similar stars to create energy. The fusion reaction in a star utilizes gravity to provide the conditions necessary for fusion to occur. The gravity of a star heats fuel into plasma, which leads to a fusion reaction.

Scientists have labored for decades to generate the conditions necessary for fusion to occur in a controlled environment. One of the areas of research focused on achieving these conditions is through magnetic confinement fusion. Magnetic confinement fusion uses a magnetic field to contain the superheated plasma, setting conditions necessary for nuclear fusion. The University of Wisconsin – Madison has been involved with fusion research for decades, including on the magnetic devices necessary to allow a controlled fusion reaction to occur. These magnetic devices, referred to as magnetic mirrors, are projected to make a controlled, contained fusion reaction feasible. If successful, this would allow the production of fusion devices that would potentially solve much of the world’s energy needs. When this happens, it will have profound implications for the local economy, to say nothing of the global impacts. Fusion is a source of energy with an almost limitless source of fuel, and none of the negative impacts of fossil fuels. Nuclear fusion does not have the negative downsides of nuclear fission, namely long-lived radioactive waste from spent fuel or nuclear accidents from a meltdown.

Realta Fusion, Inc. Project:

Utilizing the magnetic mirror concept, Realta Fusion, Inc has developed high performance computing tools to model an axisymmetric magnetic mirror energy system, with the goal of designing, developing and delivering a fusion pilot plant by the mid-2030’s. Realta’s fusion models have been validated by the WHAM device¹. Realta is proposing to redevelop and occupy 205,000 square feet in the former Oscar Mayer building. This includes office space, research and development space, and manufacturing space.

Figure 2



¹ WHAM – The WHAM Device is the “Wisconsin High temperature-superconducting Axisymmetric Mirror”. The WHAM Device was designed to integrate 50 years of mirror physics with modern advances in superconducting magnets and new techniques for stabilizing plasmas required for nuclear fusion to occur in axisymmetric magnetic mirrors.

Project Overview:

The Project, further defined herein, is located at 910 Mayer Ave (the “Property”) in Tax Incremental District (TID) #54 shown in Figure 1. The Project consists of:

- **Office Space:** up to 5 floors of the northern office tower commonly referred to as Building 27A, with a maximum total of approximately 50,000 SF.
- **R&D Space:** Multiple floors in multiple buildings (Buildings 26A, 26, 50 and 50A), up to a maximum total of 110,000 SF.
- **Manufacturing Space:** Approximately 45,000 SF in Building 43 for manufacturing / assembly / fabrication purposes.
- **Site Area:** Subject to all necessary approvals, conversion of portions of the existing parking areas at the Property to create usable open and/or green space for Employer’s employees, visitors and guests, as well as refurbishment of certain parking and drive areas, lighting improvements, fence repairs, etc.

On May 12, 2026, the owner of the Property, OM Station, LLC (“Developer”) submitted a Jobs TIF Application requesting \$2.8M in Jobs TIF. This represents 40% of the TIF generated by the proposed redevelopment and renovation of a portion of the Property. The Property is shown in Figure 2, with the buildings Realta proposes to occupy as part of the Project.

JOBS FIGURES

Realta is proposing to create and retain the jobs outlined in the table below. The Payment numbers (“Payment One”, “Payment Two”, etc.) refer to the six specific payments outlined in this TIF report below:

Payment One Total Jobs Created / Retained:	0
Payment Two Total Jobs Created / Retained:	50
Payment Three Total Jobs Created / Retained:	100
Payment Four Total Jobs Created / Retained:	100
Payment Five Total Jobs Created / Retained:	150
Payment Six Total Jobs Created / Retained:	200

Jobs Created	Salary/Wage Range	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Management	\$182,000	3	0	3	5	5	16
Sales	\$132,510	0	0	0	0	5	5
Lab	\$100,464	0	0	5	10	20	35
Manufacturing	\$80,371	0	5	5	10	10	30
Other (Research)	\$137,238	5	19	12	15	20	71
Other (Specify)							
Totals		8	24	25	40	60	157

Jobs Retained	Salary/Wage Range	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Management	\$175,000	9	9	9	9	9	9
Sales							
Lab							
Manufacturing							
Other (Research)	\$148,000	34	34	34	34	34	34
Other (Specify)							
Totals		43	43	43	43	43	43

TIF Report

The following TIF Report is provided in compliance with Section 3.1 (8) of TIF Goals, Objectives and Process and Section 1 (9) of TIF Loan Underwriting Policy, adopted by the Common Council on February 25, 2014:

(a) Amount Requested: \$2,800,000

Based upon the signed term sheet with the Developer and Employer, the Jobs TIF Loan will be disbursed as follows:

Payment 1: The first payment ("Payment One") shall be Four Hundred Eighty Thousand Dollars (\$480,000). Payment One shall be disbursed upon the Premises creating a net new property value of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) as evidenced by the Assessed Value by the City of Madison Assessor's Office, and the Project receiving a Certificate of Occupancy ("COO") from the City of Madison. These conditions must be completed by June 20, 2029, or the City may terminate the TIF Loan Agreement.

Payment 2: The second payment ("Payment Two") shall be Four Hundred Eighty Thousand Dollars (\$480,000). Payment Two shall be disbursed upon all of the conditions prerequisite for Payment One, the Premises creating additional net new property value of Thirteen Million Dollars (\$13,000,000) as evidenced by the Assessed Value by the City of Madison Assessor's Office and the creation or retention of fifty (50) FTE jobs as described in Section 2. The total combined net new property value required for Payment One and Payment Two shall be not less than Thirty Million Five Hundred Thousand Dollars (\$30,500,000).

Payment 3: The third payment ("Payment Three") shall be Two Hundred Forty Thousand Dollars (\$240,000). Payment Three shall be disbursed upon all of the conditions prerequisite for Payment Two, and the creation or retention of an additional fifty (50) FTE jobs as described in Section 2 of this TIF Loan Agreement. The total jobs created or retained as a prerequisite to Payment Three shall be One Hundred (100).

Payment 4: The fourth payment ("Payment Four") shall be Four Hundred Thousand Dollars (\$400,000). Payment Four shall be disbursed upon all of the conditions prerequisite for Payment Three and the Premises creating additional net new property value of Thirteen Million Dollars (\$13,000,000) as evidenced by the Assessed Value by the City of Madison Assessor's Office. The total combined net new property value required for Payment Four shall be not less than Forty Three Million Five Hundred Thousand Dollars (\$43,500,000). These conditions must be completed by June 20, 2032, or the City will have no obligation to make further payments.

Payment 5: The Fifth payment (“Payment Five”) shall be Four Hundred Thousand Dollars (\$400,000). Payment Five shall be disbursed upon all of the conditions prerequisite for Payment Four, the Premises creating additional net new property value of Ten Million (\$10,000,000) as evidenced by the Assessed Value by the City of Madison Assessor’s Office and the creation or retention of an additional fifty (50) FTE jobs as described in Section 2. The total combined net new property value required for Payment Five shall be not less than Fifty Three Million Five Hundred Thousand Dollars (\$53,500,000). The total jobs created or retained as a prerequisite for Payment Five shall be not less than One Hundred and Fifty (150).

Payment 6: The sixth payment (“Payment Six”) shall be Eight Hundred Thousand Dollars (\$800,000). Payment Six shall be disbursed upon all of the conditions prerequisite for Payment Five and the creation or retention of an additional fifty (50) FTE jobs as described in Section and that the City of Madison Department of Civil Rights (“DCR”) has confirmed that Developer has complied with the applicable provisions of MGO 39.02 (9). The total jobs created or retained as a prerequisite for Payment Four shall be not less than Two Hundred (200). These conditions must be completed by June 20, 2035, or any further payments outlined in this TIF Loan Agreement shall be null and void.

This method of disbursement provides additional protection to the City and taxpayers. By requiring that the Project achieve specific values before any funds from the Jobs TIF Loan is disbursed, the City’s investment of Jobs TIF will be further secured. This also provides additional insurance that the Jobs TIF recipient creates the jobs that are the basis for the Jobs TIF Loan.

- (b) **Type of Project:** Jobs TIF
- (c) **Analysis Method:** Jobs TIF with Gap Analysis Waiver
- (d) **Tax Credits:** Not Applicable
- (e) **Estimated Assessed Value and Tax Increments:**

The Project

Estimated Value	\$53,500,000
Total Est. Tax Increments	\$17,900,000
Avg. Annual Stabilized Tax Increment	\$900,000
TIF Supportable at 100%	\$7,100,000
Estimated Recovery (yrs)	8 years

(f) **TID Condition:**

TID #54 was created in 2023 as a 27-year blighted area TID. The TID 54 Project Plan as amended authorized approximately \$18.947 million of expenditures. If this TIF Loan is approved, the City will seek approval for an additional amendment to the TID #54 project plan to increase the expenditure limit to \$21.147 million. As of the most recent information from the City Finance Dept, TID #54 has only just begun to generate positive tax increment. Based upon the most recent estimates from the Finance Dept, TID #54 has approximately \$9,022,387 of outstanding debts, while generating approximately \$330,000 of annual incremental revenue. It is typical of newly created districts, such as TID #54, to generate insufficient tax increment in the early years to meet its debt service obligations. Generally, tax increments from TIF generator projects begin to flow into the district in small amounts in the first 2-3 years and then reach full potential in about 4-5 years after its creation, and TID 54 will follow this pattern.

In July 2023, the Common Council approved \$3,465,000 of TIF assistance to Roth Street 1 Limited Partnership (RES-23-00471) for construction of 303 units of multi-family affordable housing and 446 parking stalls. At the same time, the Common Council approved \$2,785,000 of TIF assistance to Roth Street II Limited Partnership (RES-23-00472) for construction of 250 multi-family senior affordable housing units and 289 parking stalls and 1,130 SF of commercial space.

In April 2024, the Common Council approved \$1,669,000 of TIF assistance to Vermillion Madison, LLC (RES-24-00273) for construction of sanitary sewer upgrades associated with the construction of 328 units of market rate housing.

Each of the above projects is recently finished with construction and working on lease up, which means that TID 54 has yet to realize the incremental values associated with each of them. The incremental value in 2026 is \$16.6 million.

Year Created	2023
Years Remaining to Recover Outstanding Debt	8 years 2034) ²
Years Available to Recover Outstanding Debt (life of TID)	24 years (2050)
Avg. Annual TID Increment (To Date)	\$100,000
Unrecovered Cost ³	\$9,022,387

g) TIF Policy Compliance

Equity — Per City of Madison adopted TIF Underwriting Policy Section 10, TIF assistance shall not exceed the amount of equity provided by the Developer. The table below demonstrates that both Phase 1 and Phase 2 comply with this section of TIF policy in that equity is equal to or exceeds the amount of TIF provided.

Sources of Funding				
Project	Equity	Debt	Grants / Incentives / Awards	Total
Project	\$571,000,000	\$31,000,000	\$31,000,000	\$ 633,000,000

55% Gateway-- The \$2,800,000 Jobs TIF Request is 40% of the net present value of the TIF. This complies with City of Madison TIF Policy Section 8(c)(4)(c).

Self-Supporting Projects—The Project generates tax increment sufficient to repay the TIF loan.

Gap Analysis Waiver – “But For” Standard – The Applicant is in the process of seeking financial incentives for a competing potential Project location in Illinois, thereby meeting the Gap Analysis Waiver requirement of the Jobs TIF Policy. In addition to this competitive consideration, the Property the business is considering has been largely vacant since 2017. One likely reason for continued vacancy is the significant cost of repositioning older buildings such as this from one employment use to another. Realta will invest \$67 million in improvements to just the portion of the facility that they will occupy. These are construction costs and do not include an additional expense for equipment. Given

² Based upon 2023 TID Creation TIF Run. Assumes \$17.1M of incremental revenue from project plan creation TIF run, and an additional \$5.7M of incremental revenue from second (2026) amendment TIF run, inclusive of Realta Fusion, Inc. project. The TID 54 incremental value in 2026 is \$16.6M.

³ Source: City Finance Dept estimates for pre-audited TID 54 as of March 30, 2026.

the added cost of repositioning this building, coupled with the firm’s exploration of competing locations, but for this investment of TIF, this project will not move forward.

Guaranty—TIF staff will require that the Employer provide a corporate guaranty of the increment and the loan agreement terms and conditions. The Employer will be required to provide a guaranty of the jobs retained and/or created.

(h) Other Applicable

Job Retention—Employer estimates that 31 jobs will be retained and 169 jobs will be created in the City of Madison over a five-year period. This is further described in the “Jobs Figures” section above.

(i) Amount of TIF to Be Considered

TIF Policy states that employers may receive no more than 40% of TIF as a Jobs TIF applicant with a gap analysis waiver.

Jobs TIF Requested	\$2,800,000	
Jobs TIF Eligible	\$2,800,000	40% of TIF

(j) Employer’s TIF Policy Goals Statement— TIF Policy requires that Employer provide a statement as to how the project addresses the following TIF Policy Goals:

- 1) Per Sections 1 and 3.4 of “TIF Goals, Objectives and Process”, how does the Project meet City and TID’s goals?
 - A) Grows the City’s property tax base
 - B) Fosters the creation and retention of family-supporting jobs
 - C) Encourages the re-use of obsolete or deteriorating property
 - D) Encourages urban in-fill projects that increase density consistent with the City’s Comprehensive Plan
 - E) Assists in the revitalization of historic, architecturally significant or deteriorated buildings or enhancement of historic districts.
 - F) Creates a range of housing types, specifically encouraging affordable housing
 - G) Funds public improvements that enhance development potential and improve City’s infrastructure
 - H) Promotes superior design, building materials and sustainability features
 - I) Reserves sufficient increment for public infrastructure in both TID Project Plan and TIF underwriting

Realta Fusion’s TIF Policy Goals Statement is as follows:

The proposed Realta Fusion project advances multiple TIF policy goals, particularly those related to growing the tax base, supporting high-quality employment, promoting sustainable development, and funding infrastructure improvements necessary for long-term economic growth.

The project will significantly grow the City’s property tax base by catalyzing substantial private investment in a high-value advanced-technology facility. Realta Fusion anticipates making a meaningful capital investment in building improvements and specialized infrastructure to support fusion energy research and manufacturing. This investment will materially increase the assessed value of the site and generate long-term incremental property tax revenue that would not occur without TIF assistance, given the project’s technical complexity, capital intensity, and site-selection competition across multiple states.

The project will foster the creation and retention of family-supporting jobs by establishing a high-wage, knowledge-intensive operation in Madison. The facility is expected to support hundreds of new, permanent jobs over time, with an average annual wage well above local and regional benchmarks. These positions will include scientists, engineers, technicians, and skilled support staff, providing stable, career-track employment and reinforcing Madison's role as a center for advanced research, engineering, and clean-energy innovation.

The proposed development will also encourage the re-use and modernization of existing industrial property, adapting a previously developed site to accommodate next-generation research and manufacturing activities. By reinvesting in an existing location rather than pursuing greenfield development, the project aligns with City objectives to maximize the productivity of already urbanized land and infrastructure.

Consistent with Madison's Comprehensive Plan, the project represents an urban infill investment that increases economic density and employment intensity within the city. The facility will leverage existing transportation networks, utilities, and public services, supporting efficient land use and minimizing outward development pressure. The concentration of high-value economic activity at this site strengthens surrounding employment centers and complements adjacent land uses.

The company's mission-driven focus on clean energy aligns directly with the City's long-term environmental and economic sustainability objectives. The project is centered on the development of zero-carbon fusion energy technology and is expected to incorporate high-efficiency building systems, advanced energy management, and resilient infrastructure design.

Finally, the project will be structured to reserve sufficient tax increment for public infrastructure needs, ensuring that the TID project plan and underwriting appropriately balance private development support with public benefit. The scale and longevity of the anticipated increment provide the City with flexibility to address infrastructure priorities while supporting a transformative economic development project.

While the project does not directly create new housing units or involve historic rehabilitation, it meaningfully advances the City's core economic development, sustainability, and infrastructure goals. Through high-value job creation, substantial private investment, and alignment with Madison's comprehensive planning objectives, the Realta Fusion project represents a strong candidate for TIF support under the City's policy framework.

As staff, from an economic development perspective, it is also important to note that in addition to the tax base and jobs created and retained by this specific project, it is possible that additional businesses which are part of Realta Fusion's supply chain could also decide to expand or locate in Madison, providing additional employment opportunities. Further, as has been seen with other industry sectors, locating Realta Fusion in Madison could spur investment in our community by other fusion businesses in the years ahead.

(k) TIF Policy Exceptions

No exceptions to TIF Policy, project has met the "Gap Analysis Waiver" requirements of the "Jobs TIF" section of TIF Policy.

(l) Known Labor Agreement, Law Violations

None indicated.

Staff Recommendation:

The amount of Jobs TIF (with a gap analysis waiver) provided to an employer is guided by policy rather than empirical data from gap analysis. Policymakers must weigh the eligibility for a gap analysis waiver based upon the number of jobs being created and/or retained and judge whether the TIF Policy Goal Statement submitted by the Employer justifies such a waiver.

Staff recommends proceeding with this TIF investment per the terms and conditions of the TIF authorizing resolution, including the following:

1. The TIF Loan is contingent upon Common Council authorization of an amendment to the 2026 EDD Capital Budget authorizing the funding of a TIF Loan to the project.
2. The TIF Loan is contingent upon the amendment of the Project Plan for TID #54.
3. Realta Fusion, Inc. shall provide a corporate guaranty that tax increment generated by the project shall be sufficient to recover the TIF Loan.
4. A principal of Employer and/or the Employer's corporate entity shall guaranty that not less than 43 jobs shall be retained and 157 jobs shall be created for a five-year period commencing on the date of occupancy of each respective phase. The total number of jobs created and retained shall be not less than 200.
5. On the annual anniversary of each occupancy date, Realta Fusion, Inc. ("Guarantor") shall certify job creation/retention to the City.
6. In the event that job creation and retention is not met, the Guarantor shall pay the City an amount per job for each job below the job creation/retention threshold.

MEMORANDUM

OM STATION, LLC., REALTA FUSION, INC
TIF FINANCIAL ASSISTANCE TERM SHEETMay 11, 2026

The purpose of this Term Sheet ("Term Sheet") is to outline the principal terms and conditions of a tax incremental financing ("TIF") loan agreement ("TIF Loan Agreement") to be executed by and among the City of Madison ("City"), OM Station, LLC, or its assigns ("Developer"), and Realta Fusion, Inc., or its assigns ("Employer") (collectively, City, Developer, and Employer are the "Parties"). The purpose of the loan (the "TIF Loan") is to assist in the renovation and repurposing of approximately 205,000 square feet of office, R&D, and manufacturing space to be leased and occupied by the Employer (the "Project") in a portion of OM Station located at 910 Mayer Ave. Madison, WI 53704 (the "Property"). Per the terms herein, as consideration for the City providing Developer the TIF Loan for the benefit of and use by the Employer, Employer will guarantee the creation and/or retention of a minimum number of jobs as more particularly set forth below and as required by the TIF Loan Agreement.

The terms incorporated into the TIF Loan Agreement will generally be as follows:

1. Under a lease with Developer (the "Lease"), the Employer will occupy 205,000 square feet of the Property for its use, which portion shall hereinafter be referred to as the "Premises." Developer and Employer shall renovate, improve, and repurpose, portions of the Premises, including the parking, loading, and site features, and expects the Project to include the components as generally set forth below. The assessed value of the Property following completion of the Project must increase the overall value of the Property sufficient to generate incrementally higher property tax revenues for the City equal to or greater than the amount of the TIF Loan, as more particularly described below.
 - **Office Space:** up to 5 floors of the northern office tower commonly referred to as Building 27A, with a maximum total of approximately 50,000 SF.
 - **R&D Space:** Multiple floors in multiple buildings (Buildings 26A, 26, 50 and 50A), up to a maximum total of 110,000 SF.
 - **Manufacturing Space:** Approximately 45,000 SF in Building 43 for manufacturing / assembly / fabrication purposes.
 - **Site Area:** Subject to all necessary approvals, conversion of portions of the existing parking areas at the Property to create usable open and/or green space for Employer's employees, visitors and guests, as well as refurbishment of certain parking and drive areas, lighting improvements, fence repairs, etc.
2. Job Creation/Retention Requirement. As consideration for receipt of the TIF Loan proceeds from the Developer, Employer agrees that it will retain, create or maintain a minimum of 200 total full time equivalent jobs (the "FTE Jobs") within the Premises for a period of time as outlined in Section 4 of this Term Sheet. The City recognizes and agrees that Employer is entitled to rely on the transfer of some or all employees of Employer's current facility (located at 1200 John Q Hammons Drive, Suite 200, Madison, WI 53717) to the Premises to satisfy this obligation.
3. Form of Assistance. In furtherance of the FTE Jobs, the City agrees to provide Developer a zero interest (0%) TIF Loan in an amount not to exceed, Two Million Eight Hundred Thousand Dollars (\$2,800,000), which Developer will then loan to Employer to fund TIF eligible project costs, as defined in Wis. Stat. §66.1105 (the "TIF Law"), incurred for constructing the Project. The TIF Loan shall be divided into payments corresponding with the milestones regarding the creation of new value and job creation / retention, as follows:

Payment 1: The first payment ("Payment One") shall be Four Hundred Eighty Thousand Dollars (\$480,000). Payment One shall be disbursed upon the Premises creating a net new property value of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) as evidenced by the Assessed Value by the City of Madison Assessor's Office, and the Project receiving a Certificate of Occupancy ("COO") from the City of Madison. These conditions must be completed by June 20, 2029, or the City may terminate the TIF Loan Agreement.

Payment 2: The second payment ("Payment Two") shall be Four Hundred Eighty Thousand Dollars (\$480,000). Payment Two shall be disbursed upon all of the conditions prerequisite for Payment One, the Premises creating additional net new property value of Thirteen Million Dollars (\$13,000,000) as evidenced by the Assessed Value by the City of Madison Assessor's Office and the creation or retention of fifty (50) FTE jobs as described in Section 2. The total combined net new property value required for Payment One and Payment Two shall be not less than Thirty Million Five Hundred Thousand Dollars (\$30,500,000).

Payment 3: The third payment ("Payment Three") shall be Two Hundred Forty Thousand Dollars (\$240,000). Payment Three shall be disbursed upon all of the conditions prerequisite for Payment Two, and the creation or retention of an additional fifty (50) FTE jobs as described in Section 2 of this TIF Loan Agreement. The total jobs created or retained as a prerequisite to Payment Three shall be One Hundred (100).

Payment 4: The fourth payment ("Payment Four") shall be Four Hundred Thousand Dollars (\$400,000). Payment Four shall be disbursed upon all of the conditions prerequisite for Payment Three and the Premises creating additional net new property value of Thirteen Million Dollars (\$13,000,000) as evidenced by the Assessed Value by the City of Madison Assessor's Office. The total combined net new property value required for Payment Four shall be not less than Forty Three Million Five Hundred Thousand Dollars (\$43,500,000). These conditions must be completed by June 20, 2032, or the City will have no obligation to make further payments.

Payment 5: The Fifth payment ("Payment Five") shall be Four Hundred Thousand Dollars (\$400,000). Payment Five shall be disbursed upon all of the conditions prerequisite for Payment Four, the Premises creating additional net new property value of Ten Million (\$10,000,000) as evidenced by the Assessed Value by the City of Madison Assessor's Office and the creation or retention of an additional fifty (50) FTE jobs as described in Section 2. The total combined net new property value required for Payment Five shall be not less than Fifty Three Million Five Hundred Thousand Dollars (\$53,500,000). The total jobs created or retained as a prerequisite for Payment Five shall be not less than One Hundred and Fifty (150).

Payment 6: The sixth payment ("Payment Six") shall be Eight Hundred Thousand Dollars (\$800,000). Payment Six shall be disbursed upon all of the conditions prerequisite for Payment Five and the creation or retention of an additional fifty (50) FTE jobs as described in Section and that the City of Madison Department of Civil Rights ("DCR") has confirmed that Developer has complied with the applicable provisions of MGO 39.02 (9). The total jobs created or retained as a prerequisite for Payment Four shall be not less than Two Hundred (200). These conditions must be completed by June 20, 2035, or any further payments outlined in this TIF Loan Agreement shall be null and void.

4. Job Creation/Retention Target and Jobs Guaranty. As consideration for the TIF Loan disbursed by the City, Employer agrees to create and/or maintain for a period of not less than five (5) years following the last payment made by the City, at least the following number of FTE Jobs at the Premises (the "Jobs Guaranty"):

Payment One Total Jobs Created / Retained: 0

Payment Two Total Jobs Created / Retained:	50
Payment Three Total Jobs Created / Retained:	100
Payment Four Total Jobs Created / Retained:	100
Payment Five Total Jobs Created / Retained:	150
Payment Six Total Jobs Created / Retained:	200

Jobs Created	Salary/Wage Range	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Management	\$182,000	3	0	3	5	5	16
Sales	\$132,510	0	0	0	0	5	5
Lab	\$100,464	0	0	5	10	20	35
Manufacturing	\$80,371	0	5	5	10	10	30
Other (Research)	\$137,238	5	19	12	15	20	71
Other (Specify)							
Totals		8	24	25	40	60	157

Jobs Retained	Salary/Wage Range	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Management	\$175,000	9	9	9	9	9	9
Sales							
Lab							
Manufacturing							
Other (Research)	\$148,000	34	34	34	34	34	34
Other (Specify)							
Totals		43	43	43	43	43	43

Verification of the number of FTE Jobs will be evidenced by a certified statement by Employer sent to the City's Office of Business Resources, subject to verification to the City's reasonable satisfaction, of compliance on the yearly anniversary of the last payment made by the City. Verification shall occur annually on the anniversary date of the last payment made by the City for five years .

If the Jobs Guaranty for any of Payments One through Six (inclusive) is not met as evidenced by Employer's certification and City verification, then the Employer shall be required to pay a penalty in the amount of \$34,000 for each job below the Jobs Guaranty required for the last payment made by the City. (The \$34,000 figure is calculated as (\$17.00 per hour) x 40 hours a week x 50 weeks a year = \$34,000/FTE job.)

Notwithstanding anything to the contrary contained herein, Employer shall have a twelve (12) month cure period to remedy any shortfall prior its obligation to pay any penalty due to the City under this Section.

Total payments to the City shall not exceed the amount of funds disbursed.

7. Disbursement Method. To facilitate the City's review of project cost to confirm eligibility under the TIF Law and Developer's progress toward SBE bidding goals as set forth in Section 15 herein, the City and Developer shall enter into a Disbursement Agreement for the TIF Loan that authorizes the six (6) payments of TIF Loan funds outlined in Section 3. At closing for the TIF Loan ("the Closing"), the Parties will execute the TIF Loan Agreement and Note and other associated loan documents and

execute and record the Mortgage (all terms are defined below). The Employer must execute the Lease prior to or simultaneous with the Closing. At Closing, the City shall retain the proceeds of the TIF Loan to be disbursed upon meeting the requirements set forth in this TIF Loan Agreement for each payment, the City shall disburse the funds into escrow at a title company. The payments shall then be disbursed by the title company to Developer or its payees upon the City's receipt and satisfactory review of a detailed draw request from Developer for the Payment outlined in Section 3.

For the avoidance of doubt, each payment of TIF Loan proceeds disbursed pursuant to this Section 7 constitutes a reimbursement to Developer for TIF-eligible project costs, as defined under Wis. Stat. §66.1105, previously incurred and paid by Developer in connection with the Project.

8. Capital Budget Authorization. Funding for the TIF Loan is contingent upon the approval of the City of Madison of a 2026 Capital Budget amendment authorizing the expenditure of funds stated herein.
9. TID 54 Project Plan Amendment. The City agrees to amend the Project Plan to TID 54 to authorize the up to \$2,800,000 total aggregate TIF Loan amount (the "Project Plan Amendment"). The City will not close on a TIF Loan or make TIF Loan funds available to Developer and/or Employer until the date the TIF Joint Review Board approves the Project Plan Amendment.
10. Method of Payment and Tax Increment Guaranty. Except as set forth herein, the TIF Loan will be repaid through the City's collection of net-new taxes generated by the increase in the assessed value of the Property resulting from completion of the Project. A schedule of the projected incremental revenue used to calculate the TIF Loan amount is attached as Exhibit A and will be attached to the TIF Loan Agreement ("Increment Schedule").
11. No TID Certification. In the event that the TID 54 Plan Amendment is not certified by DOR on or about April 30, 2027, Developer must repay all funds disbursed by the City as a conventional loan, amortized over ten years, together with the costs of issuance and interest on the unpaid principal balance at a rate equal to the rate of the City's borrowing, plus one hundred basis points. Developer shall perform on all requirements of the applicable TIF Loan for the loan funds disbursed to Developer by the City ("City Loan") through the title company. In such event, the City shall credit Developer for the City's portion of annual estimated incremental property taxes levied on the applicable project phase, as set forth in the Tax Increment Guaranty provision in Section 10, until the City Loan is repaid. If in any year the actual annual tax levy on the Property is less than the amount set forth in the Tax Increment Guaranty, Employer shall pay the City the annual difference as a guaranty payment. Employer shall repay to the City remaining principal on the City Loan, if any, at its ten-year maturity (maturing 10 years after COO). In the event of the TID #54's non-certification, the City will use best efforts to obtain Plan Amendment certification in 2027 from DOR in 2028. Developer shall not be required to repay any TIF Loan funds unless such funds have been disbursed.
12. Sale to Tax Exempt Entity – PILOT Payment. Developer shall be prohibited from selling, leasing or transferring the Property prior to the Developer's repayment of the TIF Loan without the prior written notice to the City (except for transfers made pursuant to foreclosure of senior loan on the project). If Developer sells the Property to a tax-exempt entity ("Buyer"), whereupon such ownership renders the Property as property tax-exempt, Buyer must pay the City an annual payment in lieu of taxes (PILOT) in the amount of property tax last levied as of the date of sale to Buyer, frozen, through 2050. The City will share said PILOT in proportion with the overlying taxing jurisdictions. Buyer shall execute a PILOT Agreement and a mortgage in favor of the City in the amount of the PILOT payments ("Buyer's Mortgage") at the time of Buyer's acquisition of the Property. The Buyer's Mortgage and PILOT Agreement will be released and terminated by the City upon the receipt by the City of the required PILOT payments.

13. Security and Corporate Guaranty. The TIF Loan shall be evidenced by a Note executed by Developer, or its assigns, to the City of Madison in the amount of the TIF Loan bearing zero percent (0%) interest ("Note"). Developer shall execute a mortgage against the Property in favor of the City of Madison securing payment of the TIF Loan ("Mortgage"). Developer shall then loan TIF Loan proceeds to Employer (the "Developer Loan") and Employer shall execute a note to evidence the loan from Developer to Employer (the "Second Note"). The Developer shall assign its interest in the Developer Loan and Second Note to the City. At Closing, Developer shall deliver to the City the fully executed Second Note, endorsed to the City and to be held by the City in event of default. The Parties upon mutual agreement may agree to a means of securing the Developer Loan. If the Developer Loan is secured, Developer must collaterally assign its interest in any such security instrument(s) to the City.

If necessary, the City shall agree to execute a subordination of mortgage in a form approved by the City Attorney and acceptable to Developer and Developer's lender(s).

Prior to Closing, Developer will provide the City with an appraisal of the Property dated within 6 months prior to Closing evidencing the fair market value of the Property prior to receipt of the TIF Loan and the commencement of the Project (the "Baseline Value").

Employer will provide a corporate guaranty covering (i) the Jobs Guaranty and (ii) repayment of a TIF Loan to the extent the same or portion thereof is not repaid by Developer or as required by this Agreement (the "Employer Guaranty"). No personal guaranty will be required from the individual(s) owning Employer or Developer. The Employer Guaranty will be limited to the outstanding principal amount of the TIF Loan and the unfulfilled obligations under the Jobs Guaranty and will exclude consequential and punitive damages. The Guaranty will be reduced proportionately upon achievement of job creation milestones and released upon satisfaction of the Jobs Guaranty and repayment of the TIF Loan.

14. Satisfaction. The TIF Loan Agreement and Mortgage shall be satisfied and the Note cancelled, via a recordable mortgage release, upon full repayment of the TIF Loan.
15. Affirmative Action MGO 39.02 (9). Developer and/or Employer and their respective contractors/subcontractors will comply with all applicable provisions of the Madison General Ordinance (MGO) 39.02 (9), concerning contract compliance requirements. Prior to commencing construction of the Project, Developer will contact the City's Affirmative Action Division to assure that Developer is in compliance with the aforementioned requirements. Developer will assist and actively cooperate with the Affirmative Action Division in obtaining the compliance of contractors and subcontractors with such applicable provisions of the Madison General Ordinance. Developer will allow maximum feasible opportunity to small business enterprises to compete for any contracts entered into pursuant to the contract. The Developer understands that it is obligated to meet the goal set by the Department of Civil Rights or show best efforts to meet the goal based on documented evidence of efforts.

Furthermore, to ensure compliance with the above provisions, Developer agrees to the following:

- a. The general contractor will provide a schedule of values as soon as reasonably possible following the execution of this Term Sheet.
- b. A meeting shall take place before Closing to set affirmative action goals for the applicable project phase. Additional meetings may be scheduled at the request of DCR and must be held within 10 days of the request.
- c. Prior to the City disbursing Payment 6, as described in Section 3, the Developer must demonstrate that the contract goals have been met, the Developer has signed contracts establishing that the

contract goals will be met, or the Developer will provide documented good faith efforts as to why the goal is not met.

For the purposes of this Section, "completion" shall mean expenditure of total project costs as described in the TIF Application.

16. Accessibility (MGO 39.05). Developer shall submit a written assurance of compliance with Madison General Ordinance 39.05.
17. Equal Opportunity. Developer shall comply with all applicable local, state and federal provisions concerning Equal Opportunity.
18. Ban the Box. Developer shall comply with Madison General Ordinance 39.08 related to job applicant arrest and conviction records.
19. Material Changes. Any material changes to the size or use of the Premises than was stated in the TIF Application as of the date of introduction of a resolution to the Common Council to approve this TIF Loan will result in reconsideration by the City of the TIF Loan or, if the TIF Loan has been disbursed under the Disbursement Agreement, repayment of the TIF Loan by Developer or Guarantor.
20. Property Insurance. Prior to Closing the Developer and/or Employer will provide evidence of a property insurance policy of the proper type and amount of coverage to protect the City's participation. The policy shall name the City of Madison as an additional insured.
21. Title Insurance. At least fifteen (15) days prior to Closing, Developer must provide to the City a commitment for a lender's title insurance policy of the proper type and amount of coverage to the City, including at a minimum, gap and ALTA 32 endorsements.
22. Environmental Assessment. Developer must provide the City an environmental assessment of the Property which is acceptable to staff.
23. Indemnification.
 - a. Developer shall be liable to and hereby agrees to indemnify, save harmless and defend the City, its officers, officials, agents and employees against all loss or expense (including liability costs and reasonable attorney's fees) arising from any and all claims, demands, liabilities and causes of action of whatever kind or nature related to the Property, to the extent occasioned in whole or in part by any act or omission of Developer or its officers, members agents, contractors, subcontractors, invitees or employees, which may now or hereafter be made against them, whether caused by or contributed to by the negligent acts of the City, its agents or employees.
 - b. Developer shall enter into an environmental indemnification agreement with the City, which will include the following:
 - i. Representations and warranties from Developer regarding Developer's knowledge of the presence of pollutants on the property, history of pollutants on the property, and any existing or possible legal proceedings or actions related to pollutants on the Property.
 - ii. Agreement by Developer to indemnify and save the City harmless from all causes of action, suits, claims, demand, judgments and liabilities arising from

pollutants on the Property, failure to perform abatement, removal, etc., or other liabilities otherwise arising from environmental laws with respect to the Property.

iii. Agreement by Developer to timely comply with all applicable environmental laws.

c. The indemnification provisions described in this Section will survive termination of the Loan Agreement and shall be in addition to any other rights and remedies of the City.

24. Worker Safety and Wage Compliance. Developer shall, at its sole cost, prominently post and maintain throughout the duration of construction, multi-lingual signage at all Project construction sites in locations reasonably visible and accessible to workers. Such signage shall be in a form approved by the City of Madison and shall include information directing workers to the City's Department of Civil Rights (DCR) or other designated City contact for reporting concerns related to wage payment, or job site safety. Developer shall ensure that its general contractor and all subcontractors comply with this requirement.

25. Automatic Expiration. The City may terminate the TIF Loan Agreement if Developer and/or Employer does not commence construction by January 1, 2028, as evidenced by issuance of construction permits. The City may, in its sole discretion, agree to extend this January 1, 2028 deadline subject to the approval of the City's Common Council

26. Future Jobs TIF Loans. In the event that the Employer and the Developer make additional investments in the Premises that generate assessable value beyond \$53,500,000 and the creation/retention of more than 200 jobs as contemplated in this Term Sheet, the City may consider future applications for Jobs TIF Assistance as outlined in the City's adopted TIF Policy as a supplemental loan to the Project. In the event the City determines it will make a supplemental loan to the Project (as opposed to a new loan to a new and separate project or phase), the Gap Analysis Waiver and "but for" finding justification for this original investment of Jobs TIF Assistance will carry forward to such a future request. Developer and Employer understand and agree that any commitment of additional TIF funds beyond the \$2,800,000 TIF Loan described in this Term Sheet will be subject to the discretionary approval of both the City Common Council and Joint Review Board, and therefore, the terms of this Section 26 will not be included in the Loan Agreement.

If the terms and conditions outlined above are acceptable to OM Station, LLC and Realta Fusion, Inc., please so indicate by signing in the space provided below. While it is the intent of the City to provide the TIF Loan in a timely manner, this Term Sheet is non-binding on all Parties hereto, and no binding agreement will exist between the Parties, unless and until the terms and conditions are approved by the City's Common Council and a subsequent agreement is executed among the City, OM Station, LLC, and Realta Fusion, Inc.

ACCEPTANCE

The terms and conditions as set forth in this Term Sheet are acceptable to OM Station, LLC and Realta Fusion, Inc. I further certify that I have the full authority to accept these terms and conditions on behalf of OM Station, LLC and Realta Fusion Inc.

Dan Seibel
Dan Seibel (May 14, 2026 07:22:27 CDT)

14-May-2026
Date



Kieran Furlong (May 14, 2026 14:31:39 GMT+2)

14-May-2026

Date

Date

EXHIBIT A
Guaranteed Tax Increment

<u>Tax Year</u>	<u>Guaranteed Tax Increment</u>	<u>Guarantee Payment Due Date</u>
2029	\$ 56,000	August 31, 2030
2030	\$ 298,000	August 31, 2031
2031	\$ 536,000	August 31, 2032
2032	\$ 576,000	August 31, 2033
2033	\$ 749,000	August 31, 2034
2034	\$ 585,000	August 31, 2035

Developer shall receive a credit against the Guaranteed Tax Increments due above for all tax increments generated by the Property and received by the City for tax years 2029 through 2034.


13323 Realta TIF Term Sheet - 5.12


Final Audit Report


2026-05-14


Created:	2026-05-13
By:	Dominick Bindl (dbindl@realtafusion.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA_dMiwenQG88is79XAOAj4b2BV6Q2_8Vn
Number of Documents:	1
Document page count:	9
Number of supporting files:	0
Supporting files page count:	0


"13323Realta TIF Term Sheet - 5.12" History


-  Document created by Dominick Bindl (dbindl@realtafusion.com)
 2026-05-13 - 5:44:37 PM GMT


-  Document emailed to Dan Seibel (dseibel@seibelfalkner.com) for signature
 2026-05-13 - 5:47:05 PM GMT


-  Email viewed by Dan Seibel (dseibel@seibelfalkner.com)
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-  Document e-signed by Dan Seibel (dseibel@seibelfalkner.com)
 Signature Date: 2026-05-14 - 12:22:27 PM GMT - Time Source: server - Signature Appearance Selected: TYPE

-  Document emailed to Kieran Furlong (kieran@realtafusion.com) for signature
 2026-05-14 - 12:22:29 PM GMT

-  Email viewed by Kieran Furlong (kieran@realtafusion.com)
 2026-05-14 - 12:30:57 PM GMT

-  Document e-signed by Kieran Furlong (kieran@realtafusion.com)
 Signature Date: 2026-05-14 - 12:31:39 PM GMT - Time Source: server - Signature Appearance Selected: DRAW

-  Agreement completed.
 2026-05-14 - 12:31:39 PM GMT

From: jeffreycprice@gmail.com
To: [All Alders](#)
Subject: Item 57 on Tuesday's Agenda
Date: Monday, May 18, 2026 8:59:49 PM

Caution: This email was sent from an external source. Avoid unknown links and attachments.

Apparently I've missed any mention of this: Realta and their plans for generating electricity via nuclear fusion at the Oscar Mayer site.

Is there danger to the surrounding neighborhood with this emerging technology? A quick read of their website tonight did not seem to address that question.

Thanks.

A handwritten signature in black ink, consisting of the letters 'JCP' in a stylized, cursive font.

Jeffrey C Price
jeffreycprice@gmail.com
17/3 Sherman Terrace



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Master

File Number: 93375

File ID: 93375

File Type: Discussion Item

Status: Items Referred

Version: 1

Reference:

Controlling Body: FINANCE
COMMITTEE

File Created Date : 05/28/2026

File Name:

Final Action:

Title: 2025 Year End Review and Update on 2027 Budget Outlook

Notes:

Sponsors:

Effective Date:

Attachments:

Enactment Number:

Author:

Hearing Date:

Entered by: abannon@cityofmadison.com

Published Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	FINANCE COMMITTEE	05/28/2026	Refer	FINANCE COMMITTEE			
Action Text: This Discussion Item was Refer to the FINANCE COMMITTEE							

Text of Legislative File 93375

Title

2025 Year End Review and Update on 2027 Budget Outlook