

**CITY OF MADISON:
Planning and Community and
Economic Development Dept:
CD Division****Memo**

To: CDBG Committee
From: Sue Wallinger, CDBG Office
Date: 3/20/2012
Re: Revised Timeline for Actions Required to Submission of the Substantial Amendments and Subsequent Request for Proposals and Contract with Agency(ies) using ESG Funding

In December, the CD Division received notice from HUD of an additional 2011 ESG allocation. This is as a result of the publishing of the federal interim Emergency Solutions Grant regulations. These regulations, in effect as of January 4, 2012, provide guidance on new eligible activities and new definitions for homeless and at-risk of homelessness. These rules also include the actions necessary by the City in order to access these funds which include amending the Consolidated Plan 2011 Action Plan. The amount of funding available from this source is \$45,394. The City also has a balance of \$12,798 that was de-obligated as a result of two rehabilitation projects not moving forward. These funds are also included in the 2011 amendment.

In addition to the announcement of the second portion of the 2011 funding, HUD officially notified the City in January of our 2012 ESG allocation. The total for this allocation is \$155,704. A portion of these funds are already under contract as a result of decisions made in the summer of 2010 for the 2011-12 calendar years or otherwise encumbered for Wisconsin ServicePoint. The remaining unobligated balance is \$63,453.

In a conversation with HUD-Milwaukee staff on 3/15, they recommended that the CD Division also prepare a substantial amendment to the Consolidated Plan 2012 Action Plan since this has already been submitted and approved by HUD.

Both substantial amendments require the CDBG Committee to approve them, authorizing the Mayor to sign them, and submitting them to HUD by the 5/15/12 deadline. The available balance of unobligated ESG funds is \$121,645. Once the substantial amendments are approved by HUD, the City will be able to obligate this amount to eligible activities.

Staff recommends that the Committee identify through an RFP process a local non-profit housing services provider(s) to provide financial assistance and support services to prevent homelessness and to move homeless households into housing. The reason for this recommendation is: a) the success of the recent HPRP-funded prevention and re-housing program using stimulus that served over 700 households but is not longer available, b) the input of the Continuum of Care Coordinating Committee that this activity is needed but currently under-funded, and c) statements by HUD that they recommend grantees use ESG funds for moving homeless persons into housing and provide housing stabilization services to end homelessness for persons currently in emergency shelter or on the street. These proposed activities are consistent with action steps in *the Community Plan to Prevent and End Homelessness* and the U.S. Interagency Council on Homelessness's *Opening Doors-Federal Strategic Plan to End Homelessness*.

The proposed activities include:

- Security deposits for single adults and families with children who are currently residing in emergency shelter or living in uninhabitable places;
- Rent in arrears for single adults and families which children who are currently at-risk of becoming homeless;
- On-going rent subsidies in amounts depending on the needs of the household to retain stable housing;

- Housing stabilization services that will follow the households from shelter to housing to assist the households in addressing barriers to stable housing; services will be provided as needed, but no less than monthly;
- Housing stabilization services for households that are assisted to remain in their housing to address their barriers to maintaining housing; services will be provided as needed, but no less than monthly;
- and
- Stabilization services will include accessing mainstream services as needed for each household depending on need and eligibility.

The program will assist 38-42 households at risk of homelessness and homeless households moving into housing. Each eligible household will receive financial assistance, as well as support services. Seventy-five percent (75%) of homeless households assisted will not return to homelessness and maintain stable housing at the twelve-month mark.

The following schedule is recommended for approval in order for CD staff to obligate these funds as quickly as possible.

Monday, 2/13/12	Consult with Continuum of Care Coordinating Committee on funding priorities of eligible activities. Completed
Thursday, 3/1/12	Hold Public Hearing at CDBG Committee Meeting on funding priorities of eligible activities. Completed. Committee asked that a second public hearing be held at the 4/5 meeting. Completed
Tuesday, 3/6/12	Substantial Amendment reviewed by Homeless Services Consortium for comment. Completed
Thursday, 3/22/12	Notice published in newspaper for 2011 and 2012 Substantial Amendments and draft Request for Proposals, Documents posted on CDBG website.
Thursday, 4/5/12	Second Public Hearing at CDBG Committee Meeting on 2011 Substantial Amendment and public hearing on 2012 Substantial Amendment. CDBG Committee approves resolutions on authorizing Mayor to sign and approval to submit both Substantial Amendments and authorizing CDD to issue RFP. Approved by BOE and Council by 5/1/12.
Tuesday, 5/15/12	Substantial Amendments due to HUD Field Office.
Monday, 5/21/12	Request for Proposals available. Proposals due 6/18/12.
Thursday, 7/5/12	CDBG Committee approves resolution with recommendation to contract with selected agency(s) and authorizes the Mayor/City Clerk to enter into agreements. Approved by BOE and Council by 7/17/12. Negotiate with selected non-profit(s) for anticipated 8/1/12 contract start date. Proceed to enter into agreements.