2025 Consolidated Annual Performance & Evaluation Report [CAPER]

Executive Summary

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. *91.520(a)*

During 2025, the City's Community Development Division (CDD) maintained its focus on efforts designed to expand the supply of affordable housing, provide opportunities for new microenterprise businesses, create jobs, and support a local service network that will reduce homelessness in our community and make future incidences of homelessness rare, brief, and non-reoccurring.

CDD continued to lead the City's efforts to expand its housing supply by implementing the City's Housing Forward initiative. The Housing Forward initiative was created to expand and improve the supply of housing in Madison. One goal within Housing Forward is to create affordable housing throughout the City. The City partners with developers to use City and Federal funds strategically to leverage other financing; most notably, Federal Low-Income Housing Tax Credits (LIHTCs) administered by the Wisconsin Housing and Economic Development Authority (WHEDA). During the course of 2025, the City evaluated and committed nearly $14 million through the City's Affordable Housing RFP Processes to four development proposals that focus on creating or preserving rental units. These developments will construct or preserve 425 units of housing, of which nearly 263 will be designated as affordable. All of these developments are LIHTC developments that will leverage over $54 million in LIHTCs.

During the period covered by the 2025 Annual Action Plan (AAP), the City again focused its federal funds on primary Plan objectives affecting affordable housing, economic development, and neighborhood resources.

2025 highlights include these major activities, completed by the Division or its funded agencies:

1. <u>Stable investment in the community</u>.

   The City invested over $13.3 million in the community to address the goals and objectives outlined in Madison's 2025-2029 Consolidated Plan, which includes nearly $5.5 million in City AHF funding for the development and rehabilitation of owner-occupied and rental housing. The three primary focus areas were (a) housing development and financing; (b) small business assistance; and (c) neighborhood asset building. Despite uncertainty surrounding the stability of funding related to delays in the execution of the City's FY25 HUD grant agreements, CDD was still able to maintain its financial commitments to several partner agencies using on-hand program income and strived to support needed programs with as few service disruptions or project delays as possible.

2. <u>Sustained support of economic development efforts</u>.

   In 2025, CDD's support for organizations involved with job creation actually exceeded the annual goals established in the City's Strategic Plan. Three new businesses were provided with CDBG-funded loan assistance during the program year, and 31 new positions were reported before the end of December at businesses that received the same type of loan assistance in prior program years. It is expected that job creation from the 3 new loans will be reported in future CAPERs.

3. <u>Expansion of the City's support for affordable housing</u>.

   CDD provided funding to agencies for efforts to improve household stabilization and to acquire and rehabilitate housing stock in targeted neighborhoods within the City, with the final goal to ensure low- to moderate-income households gain access to those homes. These efforts promoted household stabilization in a variety of ways by improving housing stock and supporting access to homeownership to households that often face barriers in that market. Federal funds were also committed to ensure first-time homebuyers received assistance to make mortgages attainable and affordable.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the Consolidated Plan and explain, if applicable, why progress was not made toward meeting goals and objectives. *91.520(g)*

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Accomplishments - Program Year & Strategic Plan to Date – 2025

Plan Goal	Indicator	Unit of Measure	ConPlan Program Year	Funding Source	Total Expenditures	Achievement Toward ANNUAL ACTION PLAN ("AAP") and CONSOLIDATED PLAN ("ConPlan") Targets: ACCOMPLISHMENTS		
						Actual	*Expected*	Percent Progress Toward Target
Housing Development & Financing: Homeownership	Homeowner Housing Rehabilitation	Number of Housing Units Rehabbed	2025 *(Year 1)*	CDBG	—	10		
				HOME	—	4		
				City	—	1		
			THIS PROGRAM YR	**All Funding Sources**	**—**	**15**	**100**	**15.00%**
			Remaining Outyears				*400*	
			5-YEAR TOTAL	**All Funding Sources**	**—**	**15**	**500**	**3.00%**
	Homeowner Housing Added:	Number of Housing Units Added	2025	City	$193,110	4		
			THIS PROGRAM YR	**All Funding Sources**	**$193,110**	**4**	**2**	**200.00%**
			Remaining Outyears				*9*	
			5-YEAR TOTAL	**All Funding Sources**	**$193,110**	**4**	**11**	**36.36%**
	Homebuyers Provided with Direct Financial Assistance	Number of Households Assisted	2025	CDBG	$111,300	3		
				HOME	$1,250,508	35		
				City, WI HCRI	$980,000	28		
			THIS PROGRAM YR	**All Funding Sources**	**$2,341,808**	**66**	**60**	**110.00%**
			Remaining Outyears				*240*	
			5-YEAR TOTAL	**All Funding Sources**	**$2,341,808**	**82**	**300**	**27.33%**
Housing Development & Financing: Rental Housing	Rental Units Constructed	Number of Units Constructed	2025	HOME	$2,377,326	11		
				City	$3,845,224	246		
			THIS PROGRAM YR	**All Funding Sources**	**$6,222,550**	**257**	**55**	**467.27%**
			Remaining Outyears				*220*	
			5-YEAR TOTAL	**All Funding Sources**	**$6,222,550**	**129**	**275**	**46.91%**
	Rental Units Rehabilitated	Number of Units Rehabbed	2025	CDBG	$704,399	74		
				City	$1,427,721	32		
			THIS PROGRAM YR	**All Funding Sources**	**$2,132,120**	**106**	**71**	**149.30%**
			Remaining Outyears				*282*	
			5-YEAR TOTAL	**All Funding Sources**	**$2,132,120**	**361**	**353**	**102.27%**

Plan Goal	Indicator	Unit of Measure	ConPlan Program Year	Funding Source	Total Expenditures	ACCOMPLISHMENTS Actual	ACCOMPLISHMENTS Expected	Percent Progress Toward Target
Homeless Services & Housing Stability	Shelter Provided to Homeless	Number of Persons Assisted	2025	CDBG	$333,844	1,765		
				ESG	$60,000	1,087		
				City, WI EHH	$70,532	—		
			THIS PROGRAM YR	**All Funding Sources**	**$464,376**	**2,852**	**2,600**	**109.69%**
			Remaining Outyears				*10,400*	
			5-YEAR TOTAL	**All Funding Sources**	**$464,376**	**0**	**13,000**	**0.00%**
	Persons Assisted with Rapid-Rehousing (RRH) & Tenant Based Rental Assistance (TBRA)	Number of Persons Assisted	2025	HOME TBRA	—	—		
				ESG	—	—		
				City, WI EHH	$293,296	123		
			THIS PROGRAM YR	**All Funding Sources**	**$293,296**	**123**	**30**	**410.00%**
			Remaining Outyears				*120*	
			5-YEAR TOTAL	**All Funding Sources**	**$293,296**	**0**	**150**	**0.00%**
	Homelessness Prevention Services	Number of Persons Assisted	2025	ESG	$58,290	53		
				City, WI EHH	$185,351	—		
			THIS PROGRAM YR	**All Funding Sources**	**$243,641**	**53**	**85**	**62.35%**
			Remaining Outyears				*340*	
			5-YEAR TOTAL	**All Funding Sources**	**$243,641**	**0**	**425**	**0.00%**
	Persons Assisted with Other Homeless Services *(incl Street Outreach)*	Number of Persons Assisted	2025	ESG	$12,097	511		
				City, WI EHH	$64,504	—		
			THIS PROGRAM YR	**All Funding Sources**	**$76,601**	**511**	**400**	**127.75%**
			Remaining Outyears				*1,600*	
			5-YEAR TOTAL	**All Funding Sources**	**$76,601**	**0**	**2,000**	**0.00%**
	Persons Assisted through Housing Resources *(incl Fair Housing)*	Number of Persons Assisted	2025	CDBG	$41,000	N/A		
				City	$400,147	5,900		
			THIS PROGRAM YR	**All Funding Sources**	**$441,147**	**5,900**	**2,000**	**295.00%**
			Remaining Outyears				*8,000*	
			5-YEAR TOTAL	**All Funding Sources**	**$41,000**	**0**	**10,000**	**0.00%**
Small Business Assistance	Micro-Enterprise Assistance	Number of Persons (Entrepeneurs) Assisted	2025	CDBG Only	—	0	1,400	0.00%
			Remaining Outyears				*5,600*	
			5-YEAR TOTAL	**CDBG Only**	**$0**	**0**	**7,000**	**0.00%**
	Job Creation & Business Expansion	Number of Jobs Created	2025	CDBG Only	$490,000	31	15	206.67%
			Remaining Outyears				*60*	
			5-YEAR TOTAL	**CDBG Only**	**$490,000**	**31**	**75**	**41.33%**

Plan Goal	Indicator	Unit of Measure	ConPlan Program Year	Funding Source	Total Expenditures	ACCOMPLISHMENTS Actual	ACCOMPLISHMENTS Expected	Percent Progress Toward Target
Neighborhood Asset Building	Neighborhood Revitalization Plans and Projects	Number of Persons Assisted	2025	CDBG Only	$144,135	3,440	1,200	286.67%
			Remaining Outyears				*4,800*	
			5-YEAR TOTAL	**CDBG Only**	**$144,135**	**3,440**	**6,000**	**57.33%**
	Capital Improvements of Public Facilities or Infrastructure	Number of Persons Assisted	2025	CDBG	—	—		
				City	$704,459	—		
			THIS PROGRAM YR	**All Funding Sources**	**$704,459**	**0**	**10,800**	**0.00%**
			Remaining Outyears				*43,200*	
			5-YEAR TOTAL	**All Funding Sources**	**$704,459**	**0**	**54,000**	**0.00%**
Program Administration	Planning / Administration	Number of Contracts Administered	2025	All Funding Sources	$822,163	59	100	59.00%
			Remaining Outyears				*400*	
			5-YEAR TOTAL	**All Funding Sources**	**$822,163**	**59**	**500**	**11.80%**

Due to multiple factors during 2025, the City's FY25 CDBG, HOME and ESG grant agreements were not fully executed with HUD until December.

The City has customarily operated on a reimbursement basis when it comes to its HUD grants, paying subrecipients using City funds initially and then subsequently requesting commensurate grant reimbursement from HUD. To mitigate risk to the City from any potential reduction of the annual award by HUD in 2025, the City's Finance Department advised CDD not to move forward with issuing its 2025 subrecipient contracts that were to be funded by these FY25 HUD grants, until such time as the City was in possession of the fully executed HUD grant agreements.

As a consequence of the City implementing this measure, only a small handful of contracts (funded with on-hand program income) were permitted to move forward prior to the December execution of the FY25 HUD grant agreements. This left several programs with paused operation of services during 2025. As summarized in the table above, the progress reported by the City toward its original FY25 Annual Action Plan (AAP) goals was not as robust as initially projected.

CDD is currently negotiating 2026 written agreements with the subrecipients affected, with the intent to include allocations of both 2025 and 2026 HUD funds in their 2026 contracts. These will be described in more detail in the City's forthcoming FY26 Annual Action Plan.

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

In 2025, the City of Madison's use of federal HUD funds, particularly CDBG, was consistent with the goals, priorities, and objectives described in both its 2025-2029 Consolidated Plan and its 2025 Action Plan. The City's primary emphasis was on affordable housing, including housing development and financing, housing stability, and homeless services. In addition, the City invested significant resources in its neighborhood asset building goal.