



Legislation Text

File #: 34284, Version: 1

Fiscal Note

The receipt of additional grant funds totaling \$193,964 and recognition of commensurate expenditures requires an amendment to CDBG's 2014 adopted operating budget, as follows:

SC01-54920-260000 Community agency contracts	\$ 24,826
SC01-51110-260000 Permanent salaries	\$ 57,977
SC01-57700-260000 Loans	\$111,161
SC01-73113-260000 HUD grant revenues	(\$193,964)

Aside from the required budget amendment specified above, there is no fiscal impact associated with the adoption of the City's updated 2014 Action Plan. However, individual components of the plan will have fiscal impacts in the future, and will require Common Council approval at the time of their implementation, under separate Resolutions.

Title

Acknowledging a net increase of \$193,964 in anticipated federal HUD grant revenue and commensurate expenditures for FY14, adopting an updated version of the Community Development Division's HUD-required 2014 Action Plan that reflects these changes, and amending the 2014 CDBG Operating Budget as appropriate.

Body

In order to receive federal funding from HUD, the City of Madison is required each year to submit an Action Plan that describes how the City plans to utilize the funds it anticipates receiving for the following program year. The City's plan, which is due to HUD annually by the end of November, covers the use of anticipated formula grant funds -- including Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) funds -- as well as any state or local funds the City expects to utilize during the following program year. The goals and objectives articulated in the City's plan were based on HUD's priorities to include housing, economic development and neighborhood revitalization, and further refined by feedback contributed by community and housing groups, stakeholders and service providers.

The City's annual formula grant allocations described above are administered by the Community Development Division (CDD), through its CDBG unit. Since the actual allocation figures for these grants are not generally announced by HUD until at least March of the program year covered by the City's Action Plan, the CDD must use reasonable estimates of these anticipated allocations in describing the resources available and activities to be undertaken during the program year. The CDD was very conservative in its estimates of expected HUD formula grant allocations, given early Congressional deliberations during late summer 2013 over the proposed FY14 House and Senate Appropriations Bills. Specifically, the CDD used anticipated HUD funding reductions (down from the City's FY13 formula grant allocations) of 10% to its CDBG funds, 12% to its HOME funds, and 5% to its ESG funds in the CDD's calculations when it put together the City's 2014 Action Plan and CDBG's 2014 Operating Budget.

The Common Council adopted the City's original 2014 Action Plan on October 15, 2013 (RES-13-00803, Legistar ID # 31691), which the CDD then submitted to HUD on November 14, 2013. However, on December 13, 2013, HUD issued CPD Notice 2013-10 to all its CDBG Grantees, HOME Participating Jurisdictions, and ESG Formula Grantees, which provided important guidance regarding the submission of FY14 Action Plans. In particular, grantees like the City of Madison (with a fiscal year that corresponds with the calendar year) were

advised not to submit their FY14 Action Plan until actual HUD allocations for FY14 had been announced; those grantees who had already submitted their plan were advised to formally withdraw their FY14 Action Plan and resubmit it with updated figures once FY14 HUD allocations had been announced. The intent of HUD's requested submission delay was so that all submitted FY14 Action Plans would contain actual allocation figures, rather than estimates of anticipated funding levels. In compliance with this official HUD guidance, the City formally withdrew its submitted FY14 Action Plan on December 16, 2013.

HUD announced the final FY14 CPD formula allocations for its CDBG, HOME and ESG grant recipients on March 18, 2014. The City fared better than anticipated, with an announced aggregate FY14 CDBG, HOME and ESG grant allocation that is \$193,964 higher than the amount CDD had originally estimated receiving from HUD for 2014. Because of this increase in anticipated resources, it was necessary for the CDD to make appropriate revisions to its original 2014 Action Plan to reflect the additional grant revenue and commensurate program expenditures. The additional revenue increased the City's administrative caps for these grant sources by a net \$57,977. The allocation of the remaining \$135,987 in additional FY14 grant funds was guided by the supplemental "B-List" recommendations articulated by the CDBG Committee and Conference Committee as part of their final funding decisions for 2014, and which were subsequently approved by the Common Council. These recommendations included awarding additional funds for Neighborhood Center Support (\$17,523 total: \$1,897 BGC-Allied, \$2,619 BGC-Taft, \$1,859 Bridge-Lake Point-Waunona, \$1,221 EMCC, \$887 Goodman, \$726

Kennedy Heights, \$870 Lussier, \$1,158 Meadowood, \$1,076 Neighborhood House, \$2,309 Vera, \$2,417 Wil-Mar, and \$484 WYFC), the American Dream Downpayment Initiative (ADDI) program (\$50,000), the local coordinated intake and assessment system for the homeless (CAC's Housing Crisis Hotline) (\$6,852), the Homeless Management Information System (HMIS) (\$451), and the CDD's Housing Development Reserve Fund (\$61,161).

In addition to having the City's updated FY14 Action Plan adopted for its subsequent resubmission to HUD, the 2014 CDBG Operating Budget must be similarly amended to reflect the corresponding increase in grant revenues and commensurate expenditures.

Action

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires that each grantee and/or participating jurisdiction submit an annual Action Plan in order to receive federal grant funds; and,

WHEREAS, the Common Council adopted the City's original 2014 Action Plan on October 15, 2013, which the CDD subsequently submitted to HUD on November 14, 2013; and,

WHEREAS, in compliance with guidance received from HUD on December 13, 2013, the CDD formally withdrew the City's submitted 2014 Action Plan on December 16, 2013, and must now resubmit the plan with updated figures (as detailed elsewhere in this Resolution) to reflect the City's actual HUD grant allocations for FY14; and,

WHEREAS, the City of Madison's Community Development Division (CDD), through its CDBG unit, will administer the HUD funds the City receives, comply with the requirements specific to each grant source, and implement the goals and objectives outlined in the submitted Action Plan along with the funded activities to be undertaken;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council hereby adopts the City's updated 2014 Action Plan; and,

BE IT FURTHER RESOLVED, that the Common Council authorizes the Mayor and City Clerk to sign any agreements necessary to accept the federal funds and enter into any agreements necessary to implement the updated plan's goals and objectives; and,

BE IT FINALLY RESOLVED, that the Common Council hereby amends the 2014 CDBG Operating Budget as necessary to reflect the additional \$193,964 in HUD grant revenues and commensurate expenditures.