



Legislation Text

File #: 66236, **Version:** 1

Fiscal Note

The proposed second Substantial Amendment to the City of Madison's FY19 Annual Action Plan is required by the awarding of \$1,442,062 in supplemental Community Development Block Grant (CDBG-CV) funds from HUD to the City of Madison through the 2020 CARES Act.

The proposed resolution amends CDD's 2021 Adopted Operating Budget, as follows, to recognize receipt of these additional grant revenues and their commensurate expense:

- CDBG Revenue: (\$1,442,062)
- CDBG Salaries/Benefits: \$288,400
- CDBG Purchased Services: \$1,153,662

Title

Approving and authorizing the submission, to the U.S. Department of Housing and Urban Development, of a second Substantial Amendment to the City's FY19 Annual Action Plan necessary to reflect receipt of additional supplemental CDBG-CV grant funds awarded to the City of Madison through the 2020 CARES Act; and amending the adopted 2021 Operating Budget of the Community Development Division to recognize the additional grant revenue and commensurate expenditure authority.

Body

BACKGROUND

In March 2020, Congress passed and the President signed the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which provides critical supplemental funding to communities in their local response efforts to the COVID-19 pandemic. Acceptance of the CARES Act funds that are allocated via HUD's Office of Community Planning and Development (CPD) requires a HUD Grantee to submit a Substantial Amendment to its FY19 Annual Action Plan (AAP).

The City of Madison was initially awarded \$1,160,897 in supplemental Community Development Block Grant (CDBG-CV) funds and \$2,890,929 in supplemental Emergency Solutions Grant (ESG-CV) funds through the CARES Act, to help prevent, prepare for and respond to the coronavirus. The Council authorized the submission of, and HUD approved, an initial Substantial Amendment to Madison's FY19 AAP to accept those funds in August 2020 (RES-20-00550, Legistar #61295). Subsequently, HUD awarded the City an additional \$1,442,062 in supplemental CDBG-CV funds, triggering the need for a second Substantial Amendment to the City's FY19 AAP.

The CARES Act funds can be used to support local Action Plan objectives that include Child Care, Housing Assistance (Tenant Services), and Homeless Services (Emergency Shelter Operations and Outreach), as well as administration costs associated with the management of funded contracts. In coming months, CDD will allocate funds to further established Plan objectives and in accordance with other relevant HUD guidelines governing their use.

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 Community Development Division developed the City's 2019 Action Plan consistent with the City's adopted 2015-2019 Consolidated Plan, which was approved by HUD on July 31, 2019; and, with Council approval, subsequently submitted and received HUD approval for a Substantial Amendment to that Plan in August 2020 to accept \$1,160,897 in CDBG-CV funds and \$2,890,929 in ESG-CV funds allocated to the City through the CARES Act; and,

WHEREAS, the City of Madison was subsequently awarded an additional \$1,442,062 in supplemental Community Development Block Grant (CDBG-CV) funds through the CARES Act and must amend the HUD approved 2019 Action Plan a second time to secure these additional funds;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council hereby approves the second Substantial Amendment to the City's FY19 Annual Action Plan to recognize the addition of HUD-administered 2020 CARES Act funds, and authorizes the Mayor and City Clerk to execute appropriate grant agreements with HUD to accept these additional funds; and,

BE IT FURTHER RESOLVED, that the adopted 2021 Operating Budget of the Community Development Division is hereby amended to recognize the additional CARES Act grant revenue and commensurate expenditures as described herein; and,

BE IT STILL FURTHER RESOLVED, that the Community Development Division is authorized to apply the CARES Act funds in furtherance of the objectives set forth in the approved Annual Action Plan; and,

BE IT FINALLY RESOLVED, that the Mayor and City Clerk are hereby authorized to enter into any contracts or agreements necessary to use available funds.