



## Legislation Text

File #: 76395, Version: 1

### Fiscal Note

The proposed resolution would amend the Community Development Division's (CDD) 2023 adopted operating budget by accepting a \$5,076,197 federal grant from the U.S. Department of Housing and Urban Development's (HUD). Funding is available from supplemental HOME Investment Partnerships Program ("HOME-ARP") grant funds through the American Rescue Plan Act (ARPA). These HOME-ARP funds can be used to support local efforts to reduce homelessness and increase housing stability, including the acquisition and/or development of new housing.

HUD requires each HUD Entitlement community grantee to submit an annual Action Plan as a condition of receiving funds. The Common Council approved the City's 2021 Action Plan in February of 2021. In order to receive the supplemental funds, the City must submit a Substantial Amendment to the 2021 Action Plan. The resolution would approve the proposed Substantial Amendment, accept the \$5,076,197 federal grant, and amend the 2023 CDD Adopted Budget to reflect the grant revenues and commensurate expenditures. Additionally, the resolution authorizes CDD to conduct one or more requests for proposals to allocate HOME-ARP funds in a manner consistent with the allocation plan.

### Title

Approving a Substantial Amendment to the City's FY21 Annual Action Plan to include supplemental HOME-ARP grant funds awarded to the City of Madison by HUD as part of the 2021 American Rescue Plan Act; amending the Community Development Division's Adopted 2023 Operating Budget to recognize the additional grant revenue and commensurate expenditures; and authorizing the Community Development Division to issue one or more Request for Proposals to allocate the funds.

### Body

#### BACKGROUND

On March 10, 2021, Congress enacted the American Rescue Plan Act of 2021 (H.R. 1319, Public Law 117-2, also known as "ARPA"), which provided additional funding to respond to multiple areas of need created by the COVID-19 pandemic. Acceptance of ARPA funds allocated by the U.S. Department of Housing and Urban Development (HUD), requires a HOME Participating Jurisdiction (HUD Grantee) to submit a HOME-ARP Allocation Plan to HUD via a Substantial Amendment to its FY21 Annual Action Plan.

The City of Madison has been awarded just over \$5 million in supplemental HOME Investment Partnerships Program ("HOME-ARP") grant funds through the American Rescue Plan Act. These HOME-ARP funds can be used to support local efforts to reduce homelessness and increase housing stability, including the acquisition and/or development of new housing.

The City's CDD, in coordination with Dane County, which also received an allocation of HOME-ARP, conducted community engagement throughout 2022 to develop the HOME-ARP Allocation Plan. The City's plan was posted online and a Public Hearing was held on February 2, 2023 to obtain public comment on the proposed use of funds.

CDD must submit the HOME-ARP Allocation Plan to HUD by March 31, 2023 at which time HUD will review and authorize the release of funds. That authorization would allow CDD to initiate a Request for Proposals process to support potential housing development activities.

ACTION

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

WHEREAS, the Community Development Division (CDD) prepared the City's 2021 Action Plan, consistent with the City's adopted 2020-2024 Consolidated Plan, which was approved by the Common Council and on February 8, 2021, by HUD; and,

WHEREAS, as a HUD-designated HOME Participating Jurisdiction (PJ), the City of Madison was awarded \$5,076,197 in supplemental HOME Investment Partnership Program (HOME-ARP) grant funds through the American Rescue Plan Act (ARPA) and, as a condition of receipt of those funds, must amend its HUD-approved 2021 Action Plan.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council hereby approves the proposed Substantial Amendment to the City's FY21 Annual Action Plan which recognizes the addition of HUD-administered 2021 ARPA 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 Community Development Division's Adopted 2023 Operating Budget is amended to recognize the receipt of up to \$5,076,197 in additional HOME-ARP grant revenue and its commensurate expenditures; and,

BE IT FINALLY RESOLVED, that the Council authorizes the Community Development Division to conduct one or more Request for Proposal (RFP) processes to allocate the ARPA funds as stipulated in the HOME-ARP Allocation Plan.