



## Legislation Text

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### Fiscal Note

The proposed resolution approves the submission of the required 2025-2029 Consolidated Plan, which includes the 2025 Annual Action Plan (AAP), to the U.S. Department of Housing and Urban Development (HUD). The AAP outlines the City's planned activities funded through federal formula grants for the 2025 calendar year. The specific federal funding sources outlined in the AAP total \$3,392,107. This total includes up to \$1,968,746 in Community Development Block Grant (CDBG) funds, up to \$1,256,395 in HOME Investment Partnerships Program (HOME) funds, and up to \$166,966 in HEARTH/Emergency Solutions Grant (HESG) funds. These funds are supplemented by program income (repayments of previously made loans) as well as other state and local funding sources, including ESG/HPP/HAP ("EHH") grant funds and Housing Cost Reduction Initiative (HCRI) grant funds. The Community Development Division's 2025 Adopted Operating Budget includes these funding source estimates in the multi-year Community Development Grants fund (Munis fund 1205), primarily as intergovernmental revenue, and authorizes the expenditure of these funds, primarily in Purchased Services.

The new Consolidated Plan proposes a shift in the use of the City's CDBG grant funds obligated for Public Services. If the Plan is approved, adjustments will be made to CDD's 2025 Adopted Operating Budget to move \$366,000 in current CDBG appropriation from Neighborhood Center Support (PL 71025-62-200-12101, GL 67331101-42110/54820-00000) to Homeless Support Services (PL 71025-62-200-12101, GL 67213101-42110/54820-00000). An equal amount of current General Fund appropriation from Homeless Support Services (GL 67213-54820-00000) will be moved to Neighborhood Center Support (GL 67331-54820-00000). The net funding amount in each service area would be unaffected by these moves. The proposed shifts in budget authority are not between major expenditure categories; therefore, no budget amendment is required.

No additional City appropriation is required with approval of the Consolidated Plan and the Annual Action Plan. However, as CDD's 2025 Adopted Operating Budget reflects estimates of FY25 formula grant allocations, a future budget amendment may be required if HUD's actual grant allocations to the City prove to be greater than those estimates.

There is no fiscal impact associated with the Council's acceptance of the Analysis of Impediments to Fair Housing Choice report (AI).

### Title

Adopting the City of Madison's required Five-Year (2025-2029) Consolidated Plan and the first-year (2025) Annual Action Plan (AAP) incorporated therein; approving submission of the Plan(s) to the U.S. Department of Housing and Urban Development (HUD); and accepting the associated *Analysis of Impediments to Fair Housing Choice* report (AI). (Citywide).

### Body

#### Background

The U.S. Department of Housing and Urban Development (HUD), as a condition of awarding federal funding to the City of Madison through the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) and HEARTH/Emergency Solutions Grant (HESG) Programs, requires the City to submit a Consolidated Plan (ConPlan) every five years, as well as an Annual Action Plan (AAP) for each year covered by the ConPlan, describing how the City will use those funds. The required AAP for the first year of

the five-year period covered by the ConPlan is incorporated into the Consolidated Plan itself.

The ConPlan must also describe how supplemental funds from State and local sources will be used to further the same or similar goals and objectives. The goals and objectives upon which the ConPlan is developed are anchored in HUD priorities established for these program funds, including housing, economic development and neighborhood asset building. They are also influenced by an *Analysis of Impediments to Fair Housing Choice* report, written every five years, which assists in guiding efforts to advance fair housing and equal opportunity through use of federal funds.

The City is required by the Fair Housing Act to "Affirmatively Further Fair Housing," and uses the *Analysis of Impediments to Fair Housing Choice* report (AI) to identify practices and conditions in the City that may impede housing opportunities for residents based upon their race, color, national origin, religion, sex, disability, or any other "protected class" status. In addition to identifying these fair housing choice constraints, the AI includes proposed strategies that can be incorporated into other community planning and development processes. The findings and priorities shared in the AI report help provide a foundation for the housing-related sections of the ConPlan.

The City's proposed 2025-2029 Consolidated Plan includes a minor exchange of funding sources between CDBG formula grant funds and the City's General Purpose Revenue (GPR), which affects a portion (\$366,000) of Neighborhood Support Services and Homeless Services. This exchange does not alter the aggregate funding allocated for either of these services. Rather, its purpose is to better focus the City's annual CDBG Public Service dollars on homeless services, which is one of the greatest community needs identified for the period covered by the ConPlan.

The City's Community Development Division administers all funds associated with the Five-Year Consolidated Plan. The anticipated 2025 expenditure of funds described as part of the 2025 AAP (the first-year Annual Action Plan) within the ConPlan, is subject to approval by the City's CDBG Committee and the Common Council.

As of the drafting of this Resolution, Congress has not yet passed budget appropriations bills for the federal government's FY25 fiscal year, and consequently, HUD has not yet announced Grantees' final FY25 formula grant allocation figures. An amendment to CDD's 2025 Adopted Operating Budget may be required later, should the City's actual FY25 formula grant allocations prove to be greater than the estimated grant figures used in the draft form of the City's 2025 AAP. The City's actual HUD FY25 formula grant allocation figures will be inserted in the final 2025-2029 ConPlan (which includes the 2025 AAP), when the new Plan is submitted to HUD for review and approval.

#### Action

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires that each of its Entitlement Community Grantees receiving annual HUD formula grant funds submit a Five-Year Consolidated Plan and Annual Action Plans to receive these federal funds; and,

WHEREAS, the City of Madison, identified by HUD as both an Entitlement Community Grantee and a HOME Participating Jurisdiction (PJ), receives this annual formula grant funding and is obligated to adhere to established rules and regulations regarding the use of these federal funds; and,

WHEREAS, the City of Madison's Community Development Division (CDD) has prepared an *Analysis of Impediments to Fair Housing Choice* report (AI) to help inform the housing-related sections of the City's new Consolidated Plan, and to "Affirmatively Further Fair Housing," as required by the Fair Housing Act; and,

WHEREAS, the Community Development Division has solicited the input of Madison-area community organizations and housing groups, stakeholders, service providers, the public, and other City departments with respect to the City's use of federal funds, including via public hearings held by the CDBG Committee on July 11, 2024, and February 6, 2025; and considered this collected feedback when developing the goals and objectives outlined in the City's new 2025-2029 Consolidated Plan and associated AI report; and,

WHEREAS, the Community Development Division is the City agency charged with carrying out the goals and objectives in the new Plan, to include housing, economic development and neighborhood asset building activities.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council hereby adopts and authorizes the submission to HUD of the City's 2025-2029 Consolidated Plan (including the 2025 Annual Action Plan incorporated therein) in its final form upon notification by HUD of actual FY25 formula grant allocation totals, and authorizes the Mayor and Clerk to sign any agreements necessary to accept the allocation of 2025 federal funds, and to enter into any requisite agreements necessary to implement the Plan's goals and objectives; and,

BE IT FURTHER RESOLVED, that the Common Council accepts the *2025 Analysis of Impediments to Fair Housing Choice* report (AI), and directs City staff to use findings from the report to inform housing strategies, policies and programs that can help address and eliminate identified impediments.