



Legislation Text

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Fiscal Note

The proposed resolution authorizes the extension of 2025 contracts with sub-recipients of the City's federal "formula" grant allocations from the U.S. Department of Housing and Urban Development (HUD). The extension is needed due to delays in the execution of grants agreements with HUD for the aforementioned funds. Sufficient budget authority for the contracts was authorized in the Community Development Division's 2025 Adopted Operating Budget and remains available in the Community Development Multiyear Grants Fund in 2026. No additional appropriation required.

Title

Approving the carry-forward, due to unanticipated delays in the execution of associated FY2025 grant agreements between the U.S. Department of Housing and Urban Development (HUD) and the City of Madison, of previously authorized 2025 subrecipient contracts funded by the City's annual federal "formula" (CDBG, HOME and ESG) grant allocations from HUD; approving an extension of the period of performance through December 31, 2026, for each of the affected contracts; and authorizing the Mayor and City Clerk to execute 2025-2026 contracts and/or contract amendments with each of the identified subrecipient agencies as appropriate once fully executed FY25 grant agreements have been received from HUD.
(Citywide)

Body

BACKGROUND

The U.S. Department of Housing and Urban Development (HUD), as a condition of awarding federal "formula" grant funding to the City of Madison through HUD's Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) and Emergency Solutions Grants (ESG) 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. On March 11, 2025 (RES-25-00181, Legistar File #87293), the Common Council adopted the City's Five-Year (2025-2029) ConPlan and the first year's (2025) AAP incorporated therein, and approved the execution of CDBG, HOME and ESG grant agreements upon receipt from HUD.

Due to substantial staffing reductions at HUD, the recent federal government shutdown, and other extenuating factors during 2025 the City's FY25 CDBG, HOME and ESG grant agreements have not yet been fully executed with HUD.

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 non-reimbursement of City expenses 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 result of the City implementing this measure, there are several CDBG-, HOME- and ESG-funded programs for which the previously allocated 2025 "formula" grant funds have not yet been 100% encumbered via written agreement(s) with the designated subrecipient agencies, as follows:

- **Catalyst for Change, Inc.:** Up to \$15,523 (ESG) for Street Outreach and Mediation.
- **Habitat for Humanity of Dane County:** Up to \$30,000 (CDBG) for its Home Repair Program and up to \$172,000 (HOME) for its Homebuyer Assistance Program.
- **Latino Chamber of Commerce:** Up to \$35,745 (CDBG) for its Small Business Initiative.
- **Madison Area Community Land Trust (CLT):** Up to \$143,469 (CDBG) for the agency's Housing Maintenance Fund.
- **Madison Black Chamber of Commerce:** Up to \$30,653 (CDBG) for the provision of technical assistance to Black-owned businesses.
- **Movin' Out, Inc.:** Up to \$653,024 (HOME) for its Homeownership Program.
- **Project Home, Inc.:** Up to \$300,000 (CDBG) for its Minor Home Repair Program and up to \$600,000 (CDBG) for its Major Home Rehab Loan Program.
- **The Salvation Army of Dane County:** Up to \$60,000 (ESG) for Emergency Shelter Operations and Case Management.
- **Wisconsin Women's Business Initiative Corporation (WWBIC):** Up to \$183,325 (CDBG) for its Business Development Loans Program.
- **YWCA Madison, Inc.:** Up to \$25,000 (ESG) for Family Shelter Operations.

The above grant-funded program/contract amounts had originally been allocated for a performance period beginning January 1, 2025, and ending December 31, 2025. The purpose of this Resolution is to permit these affected programs to be carried forward into 2026, with performance periods extended through December 31, 2026, and with the associated encumbrances implemented via executed 2025-2026 subrecipient contracts and/or contract amendments.

ACTION

WHEREAS, the U.S. Department of Housing and Urban Development (HUD)'s Community Development Block Grant (CDBG) program, as amended, and its implementing regulations located at 24 CFR 570, permit the City of Madison to assist community agencies that benefit low- and moderate-income persons; and,

WHEREAS, HUD's HOME Investment Partnerships (HOME) Program, as amended, and its implementing regulations located at 24 CFR 92, permit the City of Madison to assist housing programs and projects that benefit low- and moderate-income persons; and,

WHEREAS, HUD's Emergency Solutions Grants (ESG) program, pursuant to Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act (42 USC 11371-11378), as amended, and its implementing regulations located at 24 CFR Part 576, permit the City of Madison to assist community agencies that serve individuals and families who are homeless or at-risk of homelessness; and,

WHEREAS, the "formula" grant funds that are annually allocated to the City via the above three HUD programs are administered locally by the City's Community Development Division (CDD); and,

WHEREAS, the CDBG, HOME and ESG grant-funded allocations for the programs/contracts described herein were originally authorized and approved as part of CDD's Adopted 2025 Operating Budget, and would further the Community Development Program goals expressed in the City's adopted 2025-2029 Consolidated Plan and 2025 Action Plan, but did not move forward due to extenuating factors delaying or otherwise impairing the delivery and execution of the City's FY25 "formula" grant agreements with HUD; and,

WHEREAS, the City still wishes to move forward with the 2025 programs/contracts described herein and seeks to carry forward funding awards.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council hereby approves the carry-forward into 2026 of the previously authorized CDBG-, HOME- and ESG-funded 2025 subrecipient programs/contracts described herein; and,

BE IT FURTHER RESOLVED, that the Common Council hereby approves the extension, through December 31, 2026, of the performance period associated with the above allocations of HUD "formula" grant funding for the identified programs and subrecipients; and,

BE IT FINALLY RESOLVED, that the Common Council hereby authorizes the Mayor and City Clerk to execute 2025-2026 contracts and/or contract amendments with the subrecipient agencies for the programs and up to the amounts identified herein, at such time that 2025 HUD grant agreements are fully executed by the City.