

OUR CITY OF MADISON



Community Development Division Budget Overview

Jim O'Keefe, Community Development Division Director

Our Agency's Operating Budget Overview

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Our Agency's Operating Budget

As of January 2023, CDD administers a \$20 million operating budget across 5 budgeted services:

Service	Operating Budget
Affordable Housing (does not include \$35M of one-time federal funds)	\$ 5,000,000
Community Support Services	\$ 8,300,000
Economic Development and Employment Opportunities	\$ 3,000,000
Overall Program Administration	\$ 1,100,000
Strong and Healthy Neighborhoods	\$ 2,100,000
TOTAL	\$ 20,200,000

Affordable Housing

2023 Total Operating Budget

\$5,000,000

- This service supports partnerships that help preserve, improve, and expand the supply of affordable housing for homeowners and renters by rehabilitating existing owner-occupied housing and constructing new owner-occupied and rental housing. These funds also help improve housing stability for homebuyers, renters, homeless, and special needs populations through homebuyer assistance, homeless services, and other housing resources. The goal is to provide decent, safe, sanitary, and affordable housing opportunities for low and moderate-income households in order to enhance the stability of households, neighborhoods, and communities.

Community Support Services

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Economy &
Opportunity

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Health &
Safety

2023 Total Operating Budget

\$8,300,000

- This service supports the network of community services providers in Madison that help residents reach their full potential. The service includes multiple program areas: (1) Child Care Services, (2) Child and Youth Programming, (3) Madison Senior Center and Older Adult Services, (4) Crisis Intervention and Prevention Services, and (5) Community Engagement Activities. Agencies funded under this service also receive technical assistance, collaborative planning, and consultative support from CDD staff. Through this service, CDD seeks to foster and support a continuum of services that promote positive youth development, enhance individual and household stability, and ensure equitable access to resources.

Economic Development and Employment Opportunities

2023 Total Operating Budget

\$3,000,000

- This service supports small businesses and entrepreneurs through technical assistance and loans. It also assists youth and adults that face barriers to employment by supporting local partners that offer job and career training, skill development, and related services. The goal of this service is to improve economic opportunities for job seekers, entrepreneurs, and small business owners.

Overall Program Administration

2023 Total Operating Budget

\$1,100,000

- This service supports general management and administrative functions for the Community Development Division, including staff's participation in citywide efforts and initiatives not specifically tied to one of the other services. The goal of this service is to respond to community needs by strengthening collaboration among community partners and providing effective and efficient coordination of City funding and resources.

Strong & Healthy Neighborhoods

2023 Total Operating Budget

\$2,100,000

- This service focuses on strengthening neighborhoods through strategic investments in physical assets and amenities, including neighborhood centers and other facilities that provide public benefit. This service also assists neighborhood-based planning and revitalization efforts. Its goal is to strengthen neighborhoods and build communities that bring people together.

Operating Budget by Fund

CDD is primarily a general fund agency. Our operations are primarily funded by City levy. However, our budget also includes funding from other sources, primarily Federal and State grants awarded to the City for specific, designated uses mostly related to housing and homeless services.

Fund	2023 Adopted Budget
General Fund	\$ 16,000,000
Recurring Federal/State Grants	\$ 5,000,000
TOTAL (not including one-time federal funds) Federal ERA (one-time)	\$ 20,000,000
One-time federal funding TOTAL (not including ERA)	\$ 39,000,000

Our Agency's Capital Budget Overview

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Our Agency's Capital Budget

As of January 2023, CDD's Capital Budget authorizes \$24,357,000 across 5 Projects and Programs.

Project / Program	2023 Capital Budget
Permanent Men's Shelter	\$ 11,000,000
Affordable Housing Development	\$ 10,000,000
Housing Consumer Lending	\$ 3,157,000
Reserve Fund – Shelter Facilities	\$ 150,000
Senior Center Improvements	\$ 50,000
TOTAL	\$ 24,357,000

Permanent Men's Shelter

Project
Citywide Element

Permanent Men's Shelter
Neighborhoods and Housing

Project #
Project Type

13344
Project

2023 Project Capital Budget

\$11,000,000

This project includes property acquisition, architecture and engineering services, and construction costs associated with building a permanent facility for shelter services for men experiencing homelessness. It will replace the shelter long housed in the basements of churches in downtown Madison and later moved to temporary quarters in City-owned properties in the wake of the COVID-19 pandemic. The project is being undertaken in collaboration with Dane County. The Madison Common Council has approved a property at 1902 Bartillon Drive as the site for the permanent shelter. Final service and design detail are pending, and will be informed by input and feedback gained through community engagement. Design work is scheduled to be completed in Q2 2023, with construction slated to begin in Q4 2023 and end by Q2 2025. Total authorized funding, from City, County and Federal sources, is \$21M.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
GF GO Borrowing	3,000,000	-	-	-	-	-
County Sources	6,000,000	-	-	-	-	-
Federal Sources	2,000,000	-	-	-	-	-
TOTAL	\$ 11,000,000	\$ -	\$ -	\$ -	\$ -	\$ -

Affordable Housing Development

Project
Citywide Element

Affordable Housing-Development Projects
Neighborhoods and Housing

Project #
Project Type

17110
Program

2023 Program Capital Budget

\$10,000,000

This program continues and expands a major initiative to expand and improve the supply of affordable housing in Madison. Since 2015, these funds have been used in concert with other public and private resources to finance projects that improve and expand the supply of quality, affordable housing for low- and moderate-income households. The program has assisted projects that, collectively, have added nearly 1,600 rental units to the Madison market for households earning not more than 60% of the Dane County median income. Still, the need for more affordable housing options is considerable. CDD conducted a competitive request for proposals (RFP) process in the summer of 2022 to solicit development proposals seeking federal Low Income Housing Tax Credits (LIHTCs). Proposals offered City assistance will learn in early 2023 whether they receive tax credits. To position the City to increase the number of affordable units brought online, including those that will support lower-income households, and support Housing Forward’s call for a broader range of housing choices, the 2023 budget expanded this program’s capacity.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
GF GO Borrowing	3,000,000	4,800,000	10,000,000	10,000,000	10,000,000	10,500,000
TIF Increment	7,000,000	5,200,000	-	-	-	-
TOTAL	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,500,000

Housing Consumer Lending

Project
Citywide Element

Affordable Housing-Consumer Lending
Neighborhoods and Housing

Project #
Project Type

62010
Program

2023 Program Capital Budget

\$3,157,000

This program supports several direct consumer lending programs administered by the Community Development Division (CDD), including the Home Purchase Assistance (i.e., Home-Buy the American Dream), Housing Rehabilitation Services, and Property Tax Financing for Eligible Seniors programs. The goals of these programs are to help eligible City residents acquire homes, finance home repairs and pay property taxes. City funds are used in concert with available federal and state funds to help residents purchase homes or make home repairs. These programs contribute to the City's Housing Forward Initiative's objectives of increasing homeownership levels among households of color and helping ensure that senior homeowners can stay in their homes and other homeowners can make needed repairs. CDD seeks to place greater emphasis on households of color in the down payment assistance program and adjust subsidies for lower-income households to make ownership more accessible in the face of rising housing prices. CDD also hopes to expand the Rehabilitation Program to support proposals that involve purchase and rehabilitation of small scale multi-family properties with the goal of preserving and improving naturally occurring affordable housing options for lower-income households.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
GF GO Borrowing	1,015,000	1,015,000	1,315,000	1,315,000	1,315,000	1,365,000
Federal Sources	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000
Loan Repayment	560,000	560,000	560,000	560,000	560,000	560,000
Miscellaneous Revenue	2,000	2,000	2,000	2,000	2,000	2,000
Reserves Applied	250,000	250,000	-	-	-	-
State Sources	200,000	200,000	200,000	200,000	200,000	200,000
TOTAL	\$ 3,157,000	\$ 3,157,000	\$ 3,207,000	\$ 3,207,000	\$ 3,207,000	\$ 3,257,000

Reserve Fund – Shelter Facilities

Project
Citywide Element

Reserve Fund to Maintain Temporary Shelter Facilities
Neighborhoods and Housing

Project #
Project Type

14354
Program

2023 Program Capital Budget

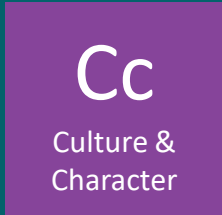
\$150,000

In the wake of the COVID-19 pandemic, the City has been instrumental in establishing temporary venues from which to support people in our community experiencing homelessness. These include the acquisition and conversion of the former Karmenta Nursing Home for use by the Salvation Army to shelter homeless families with children; the acquisition and conversion of a former big box retail property on Zeier Road for use as a temporary men’s shelter; and the establishment of the City’s first sanctioned campground, which supports up to 30 persons at a site on Dairy Drive. Each of these properties is expected to continue its current use for a period of 2-3 years. This program establishes a funding source of \$150,000 to finance extraordinary maintenance or repair expenses that might be necessary to sustain these operations.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
GF GO Borrowing	150,000	-	-	-	-	-
TOTAL	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -

Senior Center Improvements



Project
Citywide Element

Senior Center Building Improvements
Culture and Character

Project #
Project Type

12434
Project

2023 Project Capital Budget

\$47,000

This project funds multiple building improvements to the Madison Senior Center to address safety and other concerns. Building improvements include: door replacement and patio & rooftop repair (2023-2024); door swipe access system upgrades, exterior locks replacement, and exterior brick tuckpointing (2025); and elevator modernization & safety upgrades (2025-2026). Earlier work included smoke pollution mitigation in 2020; external lighting improvements in 2021; and flooring repair, movable airwall replacement & exterior drive painting/sealing in 2022.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
GF GO Borrowing	47,000	52,000	40,000	98,000	-	-
TOTAL	\$ 47,000	\$ 52,000	\$ 40,000	\$ 98,000	\$ -	\$ -

AGENCY Additional Budget Resources

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Upcoming Budget Concerns

The following budget concerns are important for Alders to be aware of:

- The impact of the end of one-time federal funding, particularly on homeless services and rental assistance
- Future funding needs to operate the new men's shelter (2025)
- Continuing need for, and rising costs of, affordable housing
- Pent up demand for cost of living increases for service providers for Early Child Care, Child and Youth Services and Older Adult Services

AGENCY Budget Resources

- 2023 Adopted Capital Budget

<https://www.cityofmadison.com/finance/documents/budget/2023/capital/adopted/CDD.pdf>

- 2023 Adopted Operating Budget

<https://www.cityofmadison.com/finance/documents/budget/2023/operating/adopted/CDD.pdf>

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Stay Connected!

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