



## MEMO

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**To:** Common Council – Mayor Teske  
**From:** Daron J Haugh – City Administrator  
**Subject:** CDBG Small Cities RLF Housing Program Discontinuation  
**Date:** 2025-07-22

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The Department of Administration (DOA) is in the process of phasing out the CDBG Small Cities RLF Housing Programs. Once the program is discontinued by the DOA, MSA is prepared to continue administering the City of Mauston's local program. However, please note that MSA's services can no longer be funded through the housing program itself.

Key points:

- MSA will provide ongoing services related to monitoring insurance compliance, processing subordination requests, managing loan payoffs, handling rental payments (if applicable), maintaining loan reports, managing older mortgages, and distributing landlord coupon books.
- All project and administrative files must be permanently retained unless the DOA approves their destruction. Should MSA cease administration, all files will be returned to the City.
- To offset administrative expenses, the City may retain \$250 from each fully paid-off loan. Historically, this has amounted to about \$250 per year, with 14 loans currently under management.
- MSA proposes an annual fee of \$2,000 for these administrative services, with the fee to be reviewed annually based on loan activity.
- No changes will be made until HUD approves the Consolidated Plan and the DOA formally ends the program. There will be time to close out ongoing projects before returning any remaining funds to the DOA.

Council direction is needed on whether to continue with MSA's services under the proposed terms or to discuss alternative options. My recommendation is to allocate the \$2,000 for this continued service.