



City of Racine, Wisconsin
AGENDA BRIEFING MEMORANDUM

AGENDA DATE:

May 24, 2018

SUBJECT:

Approval of 2018 Annual Action Plan

PREPARED BY:

Laura Detert, Manager of Housing and Community Development

EXECUTIVE SUMMARY:

Department of City Development – Division of Housing and Community Development requests that the Community Development Committee and Common Council approve the 2018 Annual Action Plan for the City of Racine.

BACKGROUND & ANALYSIS:

U.S. Department of Housing and Urban Development (HUD) requires entitlement communities, including the City of Racine, to create an Annual Action Plan (AAP) for the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG) funding through HUD.

The funding priority categories were selected through the 2015-2019 Consolidated Plan as amended. The AAP sets the budget for each funding priority; each individual activity funded under each category is later approved through the Community Development Committee and Common Council.

Staff recommendations for 2018 funding by category are attached. The Community Development Committee and Common Council may vote to increase or decrease funding amounts by category provided that:

- Administration is capped for CDBG, HOME, and ESG at 20%, 10% and 7.5% respectively;
- CDBG funds for public services is capped at 15%.

The 2017-2019 Annual Action Plans for Racine include the option of CDBG funding to the Greater Uptown Neighborhood Revitalization Strategy Area (NRSA), a redevelopment area approved by HUD in 2017.

An additional \$165,000 of CDBG funds from prior years will be re-allocated as part of the 2018 Annual Action Plan. These may not be allocated to Administration or Public Services due to single-year spending caps but may be added to Housing, Infrastructure/Blight, and Economic Development categories.

An additional \$390,534 of HOME funds from prior years and program income will be re-allocated as part of the 2018 Annual Action Plan.

ESG funds require approval as part of the Annual Action Plan for homeless shelter and services but allocation to categories and agencies/projects requires recommendation from the Racine Continuum of Care. This allocation will occur after (or shortly before) HUD's acceptance of Racine's 2018 Annual Action Plan.

BUDGETARY IMPACT:

The City of Racine will receive the following funding from HUD for 2018:

CDBG: \$1,899,987*

HOME: \$534,124**

ESG: \$157,032

*An additional \$165,000 of funds from prior years will be re-allocated as part of the 2018 Annual Action Plan.

**An additional \$390,534 of funds from prior years and program income will be re-allocated as part of the 2018 Annual Action Plan.

RECOMMENDED ACTION:

Staff recommends that the Community Development Committee approve the 2018 Annual Action Plan for the City of Racine and that staff be directed to submit the 2018 Annual Action Plan to the U.S. Department of Housing and Urban Development.

City of Racine: 2018 Annual Plan Funding

CDBG	Admin	Housing Rehab + TBRA	New Housing Units	Public Services	Public Infrastructure	Economic Development	Blight Reduction	Total
2018	\$ 379,997	\$ 256,498	\$ 114,000	\$ 284,998	\$ 446,497	\$ 417,997		\$ 1,899,987
2017			\$ 50,000		\$ 40,000	\$ 40,000	\$ 35,000	\$ 165,000
								\$2,064,987

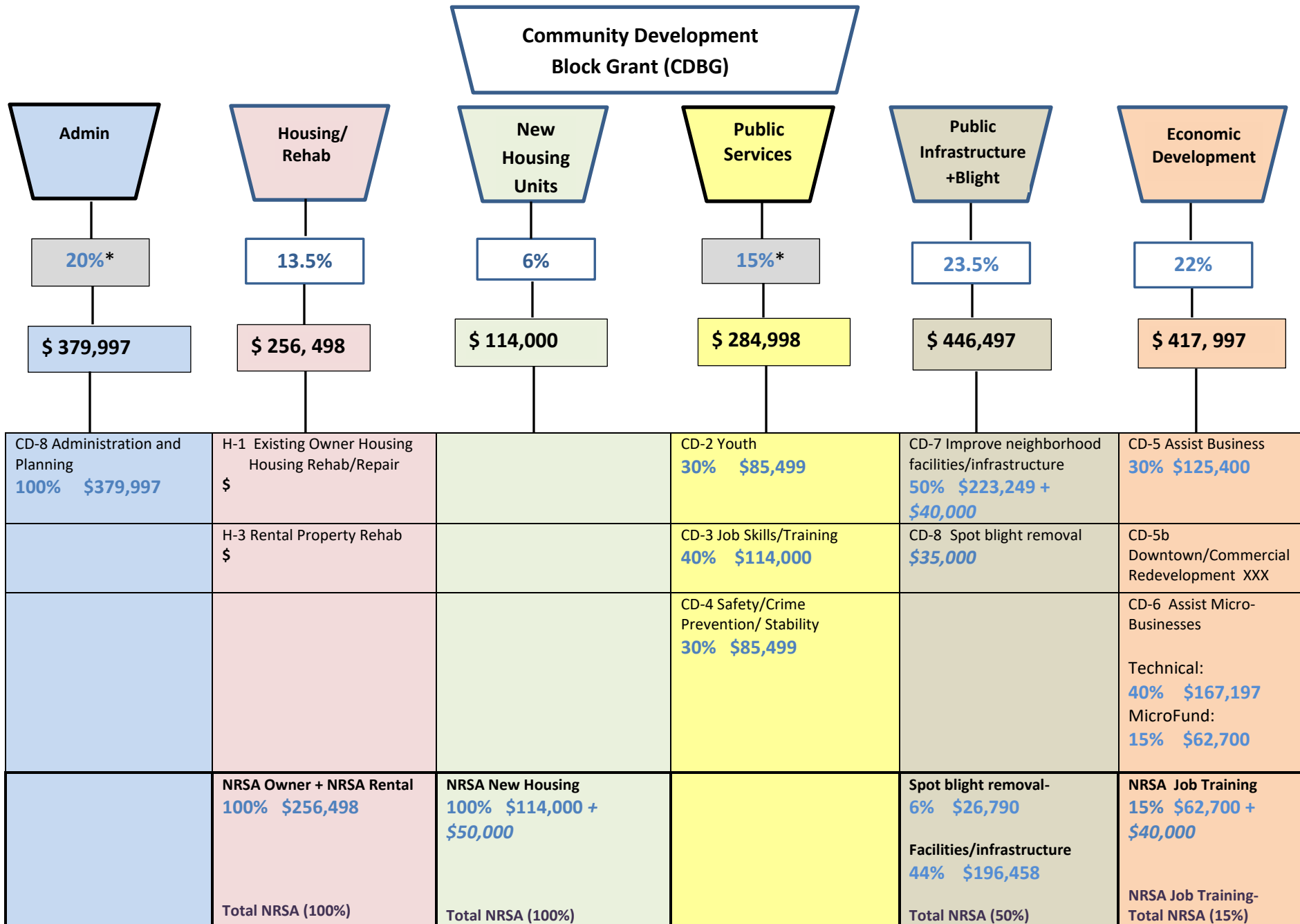
HOME								
2018	\$ 53,412	\$ 202,967	\$ 277,745					\$ 534,124
2017		\$ 290,534	\$ 100,000					\$ 390,534
								\$ 924,658

ESG	Admin	Services						
2018	\$ 11,777	\$ 145,255						\$ 157,032

	2017	2018	Change from previous year
CDBG	\$ 1,744,365	\$ 1,899,987	\$ 155,622
HOME	\$ 383,222	\$ 534,124	\$ 150,902
ESG	\$ 362,015	\$ 157,032	\$ (204,983)
	\$ 2,489,602	\$ 2,591,143	\$ 101,541

CITY OF RACINE 2018 AAP FUNDING PRIORITIES (With Program Income)

2018 Amount Available: CDBG: $\$1,899,987 + \$165,000 = \$2,064,987$

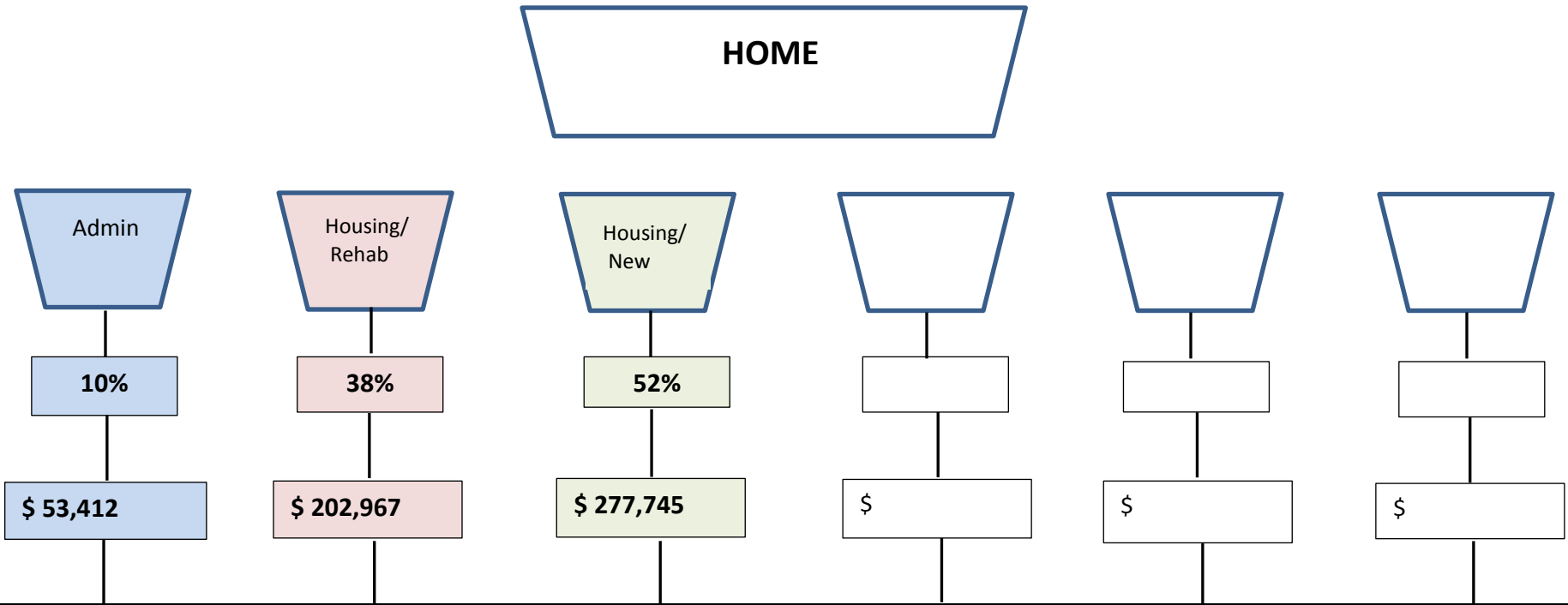


* Public Services and Administration may not increase above percent given/ may not receive additional 2017 funds

NRSA = Greater Uptown Neighborhood Revitalization Strategy Area

RACINE 2018 HOME FUNDING PRIORITIES

Amounts Available: **HOME: \$ 534,124 + \$ 390,534**



CD-8 Administration and Planning \$ 53,412	H-1 Existing Owner Housing Housing Rehab/Repair (50%) \$101,483 + \$75,000	H-2 New Owner Housing (75%) \$208,308 + \$100,000			
	H-3 Rental Unit Construction/ Rehab + TBRA (50%) \$101,484 + \$215,534	H-4 Development funds to viable CHDOs (25%) \$69,436			