

Department of City Development

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June 9, 2011

Mayor John Dickert
Racine Common Council
Racine City Hall
730 Washington Avenue
Racine, WI 53403

Honorable Mayor and Members of the Council:

Recently the U.S. Department of Housing and Urban Development (HUD) informed the city of our 2011 housing and community development formula grant allocations, including Community Development Block Grant (CDBG), HOME Investment Partnerships, and Emergency Shelter Grant (ESG). HUD's letter did not indicate when the city will be able to begin drawing the funds, but the best estimate is that the funds will not be available to the city until mid-August. HUD's letter is attached for your information.

In the meantime, the Council has approved suballocation of the funds to nearly 30 city departments and not-for-profit organizations, many of whom have expressed a desire to begin drawing their funds as soon as their grant agreements are executed. In order to do so, the City Development Department is requesting an "advance" from the city's general funds in the amount of \$750,000, which will be repaid once the federal grant funds become available.

I am available to answer questions about this request, and to provide additional information.

Sincerely,

A handwritten signature in blue ink that reads "Joseph Heck".

Joseph Heck
Assistant Director of City Development

Attachment

c: Tom Friedel, City Administrator
Dave Brown, Finance Director



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

June 3, 2011

The Honorable John T. Dickert
Mayor of Racine
730 Washington Avenue
Racine, WI 53403-1146

Dear Mayor Dickert:

I am pleased to inform you of your community's Fiscal Year (FY) 2011 allocations for the Office of Community Planning and Development's (CPD) formula programs, which provide funding for housing, community and economic development activities, and assistance for low- and moderate-income persons and special populations across the country. President Obama signed Public Law 112-10 on April 15, 2011, a Continuing Resolution, which includes FY2011 funding for these programs. Your community's FY2011 available amounts are:

Community Development Block Grant (CDBG)	\$1,786,014
HOME Investment Partnerships (HOME)	\$560,196
Housing Opportunities for Persons with AIDS (HOPWA)	\$ 0
Emergency Shelter Grants (ESG)	\$86,263

The FY2011 Continuing Resolution significantly reduced funding for the CDBG and HOME programs compared to the FY2010 levels. The CDBG overall funding was reduced by more than \$600 million, resulting in allocation reductions of approximately 16.5 percent—reduction percentages may vary by grantee due to the use of updated population estimates and other factors. HOME program funding was reduced by more than \$200 million—approximately 11.7 percent. Grantees that have already submitted their annual Action Plan based on an anticipated amount higher than the FY2011 allocations for these programs must revise their Action Plan consistent with the allocation and applicable amendment requirements. Your local CPD field office is available to provide additional information regarding amendment requirements.

The Department will allocate ESG funds in a two-stage process: (1) \$160 million will be immediately allocated under the existing Emergency Shelter Grants regulations; and (2) \$65 million, at least, will be allocated once the new Emergency Solutions Grant regulations are published for effect. HUD is advising ESG grantees that are developing their 2011 annual Action Plan to assume funding based upon their 2010 allocation and to follow the existing ESG regulations. At the time of the second allocation, ESG grantees will be required to complete a substantial amendment to their Consolidated Plan/Action Plan, as necessary.

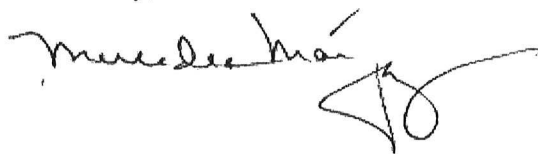
There are several important program priorities I would like to highlight for the upcoming year. First, CPD is working on enhancements to the Consolidated Plan. The "Con Plan" has been effectively unchanged since its inception in the mid-1990s, and there is general agreement that the content must be improved to make it more relevant and meaningful to decision makers and the public. Further, both CPD and its program partners understand that the consolidated planning process must be simplified, and unnecessary burden reduced or eliminated through better use of technology, including linking the Consolidated Plan to the Integrated Disbursement and Information System (IDIS) and eliminating the need to prepare a separate Consolidated Annual Performance Evaluation Reports (CAPERS). CPD will be previewing the Consolidated Plan revisions throughout the summer and fall through webinars, stakeholder meetings, and at www.hud.gov/cpd. I urge you and your staff to review the proposed changes and to provide feedback as CPD looks to launch the revised Consolidated Plan in the spring of 2012.

Second, CPD is moving rapidly to implement the OneCPD technical assistance process. Under OneCPD, technical assistance will adopt a place-based strategy with the goal of improving the ability of grantees to understand their local market conditions, set goals, and design and effectively carry out their housing and community development programs. This is particularly important as many local governments continue to struggle with budgetary pressures resulting from the economic downturn.

Finally, HUD again urges grantees to consider the needs of returning veterans and their families in the design and administration of these formula programs. Our fellow Americans have served our nation on the battlefields of Iraq and Afghanistan and seemingly countless other places around the globe. Many veterans are returning to our communities with wounds and injuries that may make it difficult for them to find housing or support themselves and/or their families. I ask that you consider their sacrifice and ensure that these men and women receive every appropriate consideration in the use of these funds at the local level.

CPD looks forward to working with you in a true partnership to successfully meet the challenges we face in FY2012. Please contact your local CPD office director if you or your staff have questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Mercedes Márquez", with a stylized flourish extending to the right.

Mercedes Márquez
Assistant Secretary