



**City of Racine, Wisconsin**  
**BRIEFING MEMORADUM**

**AGENDA DATE:** October 12, 2020

**SUBJECT:**

Request from the Manager of Neighborhood Services recommending adoption of a substantial amendment to the City of Racine 2019 Annual Action Plan to allocate \$342,617 of CARES Act Community Development Block Grant (CDBG-CV) to undertake emergency COVID-19 response activities.

**PREPARED BY:**

Matthew Rejc, Manager of Neighborhood Services

**EXECUTIVE SUMMARY:**

Department of City Development – Neighborhood Services Division requests adoption of a substantial amendment to allocate \$342,617 of CARES Act Community Development Block Grant (CDBG-CV) for COVID-19 emergency response activities.

**BACKGROUND & ANALYSIS:**

**Funding Source:**

On September 11, 2020, the City of Racine was notified that the U.S. Department of Housing and Urban Development (HUD) had awarded the City \$342,617 in CDBG-CV Round 3 funds, which supplements the City's previous allocation of \$1,108,649 in CDBG-CV Round 1 funds, for the prevention and mitigation of COVID-19-related impacts among Racine residents. The City typically receives allocations of around \$1,800,000 of CDBG funds annually, and this emergency allocation is supplemental to the annual allocations. Furthermore, the specially-allocated CDBG-CV funds have a number of flexibilities, including that the 15% public services cap has been removed.

**Proposal:**

Staff recommends using the CDBG-CV funds primarily to fund public services activities to counteract the impacts of COVID-19. Specifically, the draft amendment proposes using the funds for a range of activities, including those for which the City received applications in the Notices of Funding Availability (NOFAs) published on September 10, 2020. All CDBG funds must primarily benefit low-/moderate-income households (80% of area median income or AMI) in the City of Racine when used for public services activities. The draft substantial amendment is attached for reference.

**Timeline and Process:**

On March 31, 2020, HUD released a memorandum regarding the availability of waivers of consolidated plan requirements in light of the ongoing pandemic. Among these waivers is the allowance of 5-day comment periods for substantial amendments and greater flexibility on the part of grantees to determine what constitutes reasonable notice and opportunity to comment given their circumstances. The City of Racine noticed a comment period from 10/6/2020 to 10/12/2020 at 4pm related to this substantial amendment. Assuming the substantial amendment is adopted by Common Council on Tuesday, October 20, 2020, then staff will prepare contracts with selected agencies and allocate the funds in accordance with the amounts approved by the Common Council as appropriate.

**BUDGETARY IMPACT:**

\$342,617 of CDBG-CV funds are uncommitted and available for allocation pending approval of the substantial amendment by HUD.

**RECOMMENDED ACTION:**

To recommend approval of a substantial amendment related to the acceptance and use of CDBG-CV funds as indicated in this memorandum, and that the City accept the full award of \$342,617 in Community Development Block Grant (CDBG-CV) funding.