




Department of City Development
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MEMORANDUM

DATE: December 21, 2010
TO: Honorable Members, Public Works & Services Committee
FROM: Brian O'Connell, Director 
SUBJECT: Item 10-5813, Changes to "Racine First" Program

As you know, Racine currently has a program, titled Racine First, to encourage the hiring of Racine residents for work on city-funded projects. There is a parallel but not identical requirement in the grants that the city receives from the U.S. Department of Housing and Urban Development (HUD), which is titled "Section 3" after Section 3 of the HUD Act of 1968.

Section 3 is triggered when the normal completion of HUD-funded construction or housing projects creates the need for new employment, contracting or training opportunities. If the project does not result in new employment, contracting or training opportunities, Section 3 is not triggered. Contractors or subcontractors (including grant subrecipients) that receive contracts in excess of \$100,000 for HUD-funded projects are required to comply with Section 3.

The goal of Section 3 is to ensure that low income residents of the community and the businesses that substantially employ such residents have the opportunity to work on HUD-funded projects. HUD requires funding recipients to report annually on their compliance with Section 3.

It would be helpful to this department to conduct our Section 3 compliance in tandem with the Racine First program. However, Racine First is currently limited to contracts which are funded exclusively by the city or the water utility. I respectfully ask that the Racine First ordinance be amended to allow HUD funded projects to be included. The specific change would be made to Section 46-41 (b), Definitions, of the Racine Code, in the definition of Qualifying Contract:

Qualifying contract means a public contract, as defined in Wis. Stats. S. 66.0901 (c), awarded by the city or its water utility in an amount greater than \$200,000.00 and that is funded by city source funds for city public works contracts or by water utility funds for water utility contracts, or a contract awarded by the city in an amount greater than \$100,000.00 funded with funds from the U.S. Department of Housing and Urban Development. [Amendment underlined.]

I look forward to discussing this matter with you at your committee meeting.

C: Jerry Scott, Affirmative Action Officer
Joe Heck
File