



City of Racine, Wisconsin
AGENDA BRIEFING MEMORADUM

AGENDA DATE:

July 11, 2022 - Finance and Personnel Committee

July 19, 2022 – Common Council

SUBJECT: Communication sponsored by Mayor Cory Mason requesting permission for the Mayor and City Clerk to execute the necessary purchase order and enter into an agreement, Contract #2022074, with Housing Resources, Inc. for Home Buyer Assistance Counseling and Administration of Down Payment Assistance for the City of Racine (as solicited by Official Notice #6-2022 RFP).

PREPARED BY: Vicky Selkove, Manager, Strategic Initiatives & Community Partnerships, Mayor's Office

PROJECT BACKGROUND & ANALYSIS:

In August 2021, the Racine Common Council approved the administration's request for allocation and expenditure of \$6.625M in American Rescue Plan Act (ARPA) funding for several purposes, including housing and home ownership. (See Legistar Item 0639-21.) Those homeownership-related items totaled \$2.5M and included: \$1M in home ownership incentives for City employees; \$1M first-time homebuyer incentives for City residents (\$10,000 forgivable loans for City residents becoming first-time home buyers in the City); \$500,000 for \$5,000 matching forgivable loans with area employers who will match \$5,000 to the City grant to assist their employees in buying homes in the City; and \$400,000 for administration of these programs. In addition to these ARPA-funded homeownership initiatives, neighborhood TID homebuyer assistance grant programs are also anticipated.

City staff expect the City's new homeownership grant programs to be extremely well-received and sought after by residents. External assistance is needed to ensure smooth and prompt review and processing of applications in adherence to all City-set criteria for approval; assist residents with securing all required documentation for these grant programs; and manage grant processing for approved applicants. As well, the City's grant programs will require first-time homebuyers to complete HUD-approved first-time homebuyer classes to ensure that new homebuyers are fully prepared for this new responsibility and opportunity. Additional local capacity was needed to ensure that residents planning to become homeowners can access, high-quality, HUD-approved homebuyer classes and pre-purchase counseling.

Housing Resources, Inc. (HRI) was the only responsible bidder in response to Official Notice #6-2022. HRI is a HUD-certified counseling agency that already provides high-quality first-time homebuyer classes and pre-purchase counseling. HRI is also the City's nonprofit partner for the Racine Financial Empowerment Center. HRI has received City CDBG funding and is familiar with compliance and reporting requirements related to management of federal funds. HRI's Milwaukee office participated in the Milwaukee Down Payment Program, receiving \$500k in June 2021 for down payment assistance; all funds were dispersed to qualified recipients by December 2021, with 96% of their assisted buyers being racial or ethnic minorities.

City staff are confident that HRI can expertly perform the services under this RFP and assist the City in promoting and expanding homeownership opportunities.

Notice of this project was provided as required under Official Notice #6-2022 and was published in the paper as required on June 16th and June 17th, 2022. The notice was posted online on June 16, 2022. HRI's bid, received on Monday, June 27, 2022, was the only bid received.

RECOMMENDED ACTION: That City staff be authorized to execute the necessary purchase order and enter into an agreement, Contract #2022074, to perform this project with Housing Resources, Inc.

FISCAL NOTE: Total Cost of the three year contract is \$442,883. \$400,000 in ARPA funds were initially allocated for administration of the City's new homeownership grant programs. Additional funds necessary for this contract will be reallocated from the compliance administration category allocation.