



City of Racine, Wisconsin
AGENDA BRIEFING MEMORANDUM

AGENDA DATE:

May 23, 2019

SUBJECT:

Approval of 2019 Annual Action Plan

PREPARED BY:

Matthew Rejc, Manager of Neighborhood Services

EXECUTIVE SUMMARY:

Department of City Development – Division of Neighborhood Services requests that the Community Development Committee and Common Council approve the 2019 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 2019 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.

This Annual Action Plan contains a few changes from previous years. Notably, the Plan calls for prioritizing the following types of programs in the scoring matrix:

- **Public Services (Youth and Job Skills):** employment readiness and employment programs that demonstrate consistent or increasing outcomes
- **Infrastructure:** improvements related to park infrastructure, public transit improvements, alleys, and streetscape improvements
- **Economic Development:** creation and support of Disadvantaged Business Enterprises (DBEs) and businesses that are able to create living wage employment opportunities

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 2019 Annual Action Plan.

BUDGETARY IMPACT:

The City of Racine will receive the following funding from HUD for 2019:

CDBG: \$1,897,496

HOME: \$505,439

ESG: \$161,218

RECOMMENDED ACTION:

Staff recommends that the Community Development Committee recommend approval of the 2019 Annual Action Plan for the City of Racine and that staff be directed to submit the 2019 Annual Action Plan to the U.S. Department of Housing and Urban Development.

