



## CDBG Advisory Board | City of Racine, Wisconsin

### Agenda Briefing Memorandum

**AGENDA DATE:**

CDBG Advisory Board – July 28, 2024

Common Council – August 5, 2024

**PREPARED BY:** Katheryn Knoff, Contract and Grant Coordinator II

**REVIEWED BY:** Veronica Seymour, Housing Manager

**SUBJECT:** Communication sponsored by Mayor Mason, submitting for review and approval the proposed allocation of FY 2025 Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funds.

**BACKGROUND & ANALYSIS:**

Each year, the City of Racine receives an allocation of Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funds from the U.S. Department of Housing and Urban Development (HUD). These funds are allocated through the City's Annual Action Plan (AAP), which outlines intended uses based on needs identified in the Consolidated Plan and through the citizen participation process.

For FY 2025, the City conducted a competitive application process for the following programs:

- **CDBG Public Services**
- **CDBG Microenterprise Assistance Program**
- **Emergency Solutions Grant (ESG)**

A Notice of Funding Opportunity (NOFO) was published in the *Journal Times*, consistent with HUD's citizen participation requirements. Applications were made available on **April 7, 2025**, and were due by **12:00 p.m. on May 9, 2025**.

All submitted applications were reviewed by City Development staff for eligibility and completeness. Staff evaluated CDBG Public Services proposals based on criteria such as community need, organizational capacity, performance outcomes, and alignment with Consolidated Plan priorities. CDBG Microenterprise proposals were reviewed for consistency with national objectives, benefit to low- and moderate-income entrepreneurs, and feasibility of project delivery. ESG applications were assessed in accordance with program-specific priorities and compliance requirements.

Based on these evaluations, staff developed the attached funding recommendations for FY 2025. These proposed allocations are intended to maximize community impact while ensuring alignment with HUD regulations and local priorities.

It is important to note that **no contracts or obligations will be executed until HUD has approved the City's FY 2025 Annual Action Plan**, including confirmation of actual allocation amounts. This process ensures the City remains in full compliance with HUD regulations under 24 CFR Part 91 and 24 CFR §570.200(h), which allow for pre-award planning but prohibit formal commitments prior to HUD approval.

Please see the attached spreadsheet with allocations and staff recommendations for funding.

**BUDGETARY IMPACT:**

No immediate fiscal impact. Grant agreements will be executed only after HUD issues formal approval of the City's FY 2025 AAP and confirms allocation amounts.

**RECOMMENDED ACTION:**

That the CDBG Advisory Board recommends approval of the proposed allocation of FY 2025 CDBG and ESG funds as detailed in the attached table and authorizes staff to include these allocations in the City's FY 2025 Annual Action Plan submission to HUD. All funding agreements and obligations shall be deferred until HUD has provided written approval of the AAP.