

Revision to 2014 Action Plan – March 2014

Submission of FY 2014 Action Plan

Funding Contingency Language

The City of Racine, Wisconsin, operates its community development program on a calendar year basis. In anticipation of the 2014 program year, the Common Council approved the 2014 Annual Action Plan on November 5, 2013 and approved the allocation of 2014 Community Development Block Grant funds and Emergency Solutions Grant funds on December 17, 2013. However, as of January 1, 2014, the United States Congress had not yet appropriated funds to the Department of Housing and Urban Development (HUD) for the 2014 program.

On December 13, 2013, through Notice CPD-13-010, HUD provided guidance to grantee communities on how to address the uncertainty due to the exact amount of funding not being known. HUD directed grantees to include contingency provision language in the Annual Action Plan to explain how the grantee will adjust its proposed plan to match its actual grant, once actual amounts become known.

Consistent with Notice CPD-13-010, the city proposed to add contingency language to the Annual Plan. This language is based on option a. in Section III of Notice CPD-13-010. Pursuant to the city's citizen participation plan, the proposed contingency language was published in the community's general circulation newspaper on January 21, 2014, which initiated a 30 day public comment period. The notice was also e-mailed to a list of interested organizations and individuals that is maintained by the Department of City Development. The notice was also published on the city's website. February 21, 2014 was the concluding date for citizen comments.

On March 3, 2014, the city's Community Development Committee considered the proposed contingency language and the public comments received and recommended that the following text be added to the Annual Action Plan:

“If the total grant received by the City of Racine is less than the funds allocated to activities, then each activity's budget will be reduced in the same proportion as the percentage difference between the estimated total grant and the actual total grant. If the total grant received by the City of Racine is more than the funds allocated to activities, then the budget of any activity that received an allocation less than the amount requested by the applicant, due to the estimated lack of funds, will be increased in the same proportion as the percentage difference between the estimated total grant and the actual total grant, up to the amount of the applicant's original request.”

The recommended revision to the 2014 Annual Action Plan was approved by the Common Council of the City of Racine at its meeting on March 18, 2014 by resolution 14-_____.

Pre-Award/Pre-Agreement Costs

Notice CPD-13-010 includes a waiver of 24 CFR 570.200(h) to provide relief due to the later submittal of the Plan from potential conflict between program year start date and grant agreement date, which is typically the date the Action Plan is received by HUD. Normally, the City of Racine would submit its Annual Action Plan sufficiently in advance to allow January 1st

to be the program year start date. The city's request for proposals/NOFA and evaluation of proposals in the fall of 2013 anticipated a January 1, 2014 program start date. City departments and community-based sub grantees budgeted consistent with that expectation.

For this reason the City of Racine will utilize the waiver provided in Notice CPD-13-010 to maintain January 1, 2014 as its program year start date. The city will permit departments and sub grantees to use grant funds and request reimbursement for costs as otherwise eligible that are incurred after January 1, 2014. However, the city may not be able to make reimbursements until grant funds are actually received from HUD.