



City of Racine

City Hall
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Legislative Report

File Number: Res. 0393-20

Agenda Date: 06/22/2020

File Type: Resolution

Federal ESG Funds for Emergency Rental Assistance (Grant Control Number 00309)

WHEREAS, the Common Council of the City of Racine (the Authority) recognizes that many low income residents of the City may be at risk of eviction and homelessness due to income lost as a result of the COVID-19 pandemic; and

WHEREAS, the City of Racine was notified on April 2, 2020, that the U.S. Department of Housing and Urban Development (HUD) had awarded the City \$574,928 in CARES Act Emergency Solutions Grant (ESG-CV) funds for the prevention and mitigation of homelessness among Racine residents; and

WHEREAS, this is considerably more than the usual annual allocations the City typically receives of around \$150,000; and

WHEREAS, these ESG-CV funds have a number of flexibilities, including that they are exempt from typical ESG match requirements, and can be used to serve residents up to 50% of Area Median Income for homelessness prevention, instead of the usual 30%; and

WHEREAS, to maximize the increased flexibility provided by these ESG-CV funds, and to reduce the number of Racine households needing emergency shelter, recommends using a large amount of these ESG-CV funds primarily to fund homelessness prevention activities; and

WHEREAS, the Council accepts this recommendation and authorizes the creation of the Racine Eviction Prevention Program and authorizes the City to contract with Lutheran Social Services of Wisconsin & Upper Michigan (LSS) to immediately provide three months of short-term service delivery, including: up to two months of rent and utility payments for up to 300 City residents as well as screening clients, gathering data, coordinating with other funding sources, entering data into the Homeless Management Information System, and immediate case management with referrals to resources; and

WHEREAS, LSS has an exemplary track record of serving City residents and has further demonstrated its ability to comply with the City and HUD's reporting requirements for these funds; and

WHEREAS, all households receiving these funds must meet the required income levels, must be able to document that they are in "imminent risk of homelessness" as defined by HUD, must not

have already received Wisconsin Rental Assistance Program funds, and must be residing in an unit which also meets the ESG Habitability Standards; and

WHEREAS; further prioritization to assist the most vulnerable eligible households has also been outlined, and property owners who owe the City more in delinquent property taxes than the amount of ESG-CV funding for which their tenants would be eligible will not be able to participate; and

THEREFORE, BE IT RESOLVED, the City of Racine is authorized to accept \$574,928 in CARES Act Emergency Solutions Grant ESG-CV funds from the U.S. Department of Housing and Urban Development for the prevention and mitigation of homelessness among Racine residents; and

BE IT FURTHER RESOLVED, the Mayor and the City Clerk are hereby authorized and directed to enter into a written agreement with LSS, consistent with federal, state, and local regulations upon review by the City Attorney, for up to \$396,712 of ESG-CV funds for the purpose of administering the Racine Eviction Prevention Program.

Fiscal Note: The City will receive \$574,928 in CARES Act Emergency Solutions Grant ESG-CV funds from HUD, of which up to \$396,712 shall be used for the purpose of administering the Racine Eviction Prevention Program. There is no City match.