



City of Racine, Wisconsin
BRIEFING MEMORANDUM

AGENDA DATE: March 8, 2021

SUBJECT:

Request sponsored by Mayor Mason directing the City Development Department to submit an application for CDBG-CV funds from the State of Wisconsin Department of Administration.

PREPARED BY:

Matthew Rejc, Manager of Neighborhood Services

EXECUTIVE SUMMARY:

Department of City Development – Neighborhood Services Division requests the ability to apply to the State of Wisconsin for \$471,171.71 of CARES Act Community Development Block Grant (CDBG-CV) funds to undertake eligible COVID-19 emergency response activities.

BACKGROUND & ANALYSIS:

Funding Source:

On October 19, 2020, the City of Racine was notified that the State of Wisconsin, Department of Administration had reserved \$471,171.71 in CDBG-CV Round 2 funds for the City, which supplements the City's previous allocation of \$1,451,266.00 in CDBG-CV Rounds 1 and 3 funds directly from the U.S. Dept. of Housing and Urban Development (HUD), for the prevention and mitigation of COVID-19-related impacts among Racine residents. CDBG-CV Round 2 funds were allocated exclusively to states. The same regulations that apply to Rounds 1 and 3 CDBG-CV funds also apply to Round 2 funds.

Proposal:

Staff recommends using the CDBG-CV funds to support public services activities that will counteract the impacts of COVID-19. Specifically, staff proposes making the funds available for a broad range of activities that would prevent, prepare for, or respond to the coronavirus, including rent, mortgage, and utility assistance, COVID-19-related healthcare costs, virtual adult education, and financial literacy assistance, among other potentially eligible costs. All CDBG funds must primarily benefit low-/moderate-income households (80% of area median income or AMI) in the City of Racine when used for public services activities, and all beneficiary households must have experienced some form of economic impact since January 21, 2020.

Timeline and Process:

According to the State's application instructions, the Department of Administration's Division of Energy, Housing, and Community Resources (DEHCR) will review the City's submittal upon receipt and issue an intent to award letter which would contain a list of documents/activities to complete prior to the formal issuance of a grant agreement. The City will then be required to return all pre-agreement documents within 45 days, after which the DEHCR will issue a grant agreement. Grant agreements will be written with a two-year performance period. The City will then allocate the funds to eligible activities.

BUDGETARY IMPACT:

A total of \$471,171 in CDBG-CV funds are available for the City of Racine. No local match is required.

RECOMMENDED ACTION:

To recommend that the Neighborhood Services Division be authorized to apply to the State of Wisconsin for \$471,171.71 of CARES Act Community Development Block Grant (CDBG-CV) funds that would be used for the undertaking of eligible COVID-19 emergency response activities.