



City of Racine, Wisconsin
AGENDA BRIEFING MEMORADUM

AGENDA DATE: April 12, 2021

SUBJECT:

Request from the Assistant Director of City Development for an allocation of \$1,262,488 for Community Development Block Grant (CDBG) Public Services, Code Enforcement, and Public Infrastructure activities, as well as \$157,979 in Emergency Solutions Grant (ESG) funding.

PREPARED BY:

Matthew Rejc, Assistant Director of City Development

EXECUTIVE SUMMARY:

Department of City Development – Division of Neighborhood Services requests that the CDBG Advisory Board review applications and funding recommendations.

BACKGROUND & ANALYSIS:

CDBG funds are available for Public Services, Public Facilities and Infrastructure, Code Enforcement, and Economic Development activities, and ESG funds are only available for homeless shelter, prevention, and rapid re-housing activities. The 2020-2024 Consolidated Plan was approved by the Common Council for the City of Racine on December 15, 2020 and was approved by the U.S. Department of Housing and Urban Development (HUD) to guide the use of both CDBG and ESG funding sources.

A Notice of Funding Availability (NOFA) for CDBG funds was released on February 24th, 2021 and application materials were due to the Department of City Development on March 23rd, 2021. CDBG funding is competitive and open to all qualified organizations.

City Development staff have received a total of nine (9) applications, including five (5) applications for public services funding, two (2) applications for public facilities funding, one (1) application for code enforcement, and one (1) collaborative application for Emergency Solutions Grant funding. Department of City Development staff have also reviewed the proposed allocation to ensure the funding is in compliance with HUD's CDBG and ESG regulations. Per historic practice, all applicant organizations have been invited to speak for up to three minutes at the beginning of the meeting and before the allocation vote.

Public Services – Homeownership Services

Organization	Program	Funds Available	Request	Staff Recommendation
Housing Resources, Inc.	Housing Counseling	\$141,323	\$141,323	\$141,323
Totals		\$141,323	\$141,323	\$141,323

Housing Resources, Inc. (HRI) submitted the only application that appropriately met the Homeownership Services category as identified in the Consolidated Plan. Having requested the full amount available, staff recommends awarding the full amount of funding to HRI for their Homebuyer Education & Counseling program.

Public Services – Economic Mobility

2020-2024 Consolidated Plan Priority: Up to \$141,323 will be used to support organizations that provide training for City of Racine residents to move into living wage employment, or programs that minimize barriers to accessing training.

Organization	Program	Funds Available	Request	Staff Recommendation
Racine Literacy Council (RLC)	Racine Literacy Council	\$141,323	\$63,000	\$0
Racine Vocational Ministry (RVM)	Community Re-entry program		\$70,000	\$0
YWCA of Southeast Wisconsin	YWCA SE WI HSED Program		\$141,300	\$113,300
Great Lakes Community Conservation Corps (GLCCC)	Racine Builds		\$66,000	\$28,023
Totals			\$340,300	\$141,323

After analyzing applications submitted by all applicant agencies, and in keeping with the priorities established during the creation of the FY 2020-2024 Consolidated Plan, City Development staff recommend awarding funding as displayed in the table above. When determining fit with the objectives laid out in the Consolidated Plan, staff determined that the proposals presented by GLCCC and the YWCA were best positioned to “provide training for City of Racine residents to move into living wage employment.”

Public Infrastructure and Facilities

2020-2024 Consolidated Plan Priority: Funding will be prioritized for capital improvements at community centers and physical work necessary to expand the provision of healthcare services to low-/moderate-income households in the City. Other potential uses include neighborhood infrastructure such as: park equipment, public art, or transit improvements

Organization	Program	Funds Available	Request	Staff Recommendation
City of Racine Community Development Authority (CDA)	UPEC Demolition	\$471,078	\$471,078	\$471,078
City Development Department - Building Division	Clearance/Demolition of Residential Blight		\$60,000	\$0 (with consideration for unused funds)
Totals			\$531,078	\$471,078

Staff received two applications for funding related to the Public Infrastructure and Facilities NOFA, both concerning clearance of blighted conditions. Staff recommends funding the demolition of the UPEC property at 1500 N. Memorial Drive, as its clearance would remove a significant health and safety hazard from the surrounding neighborhood while simultaneously fulfilling previous plans to redevelop the site for tax generating uses. As costs for the UPEC demolition project have not yet been finalized, staff recommend permitting that funds not used for the UPEC demolition (up to \$60,000) be

transferred to Building Division of the City Development Department for clearance of blighted residential structures in accordance with the submitted application.

Code Enforcement

2020-2024 Consolidated Plan Priority: Pay the wages and benefits of inspectors and relates staff working in selected LMI Area Benefit block groups within the Neighborhood Stabilization and Enhancement District.

Organization	Program	Funds Available	Request	Staff Recommendation
City Development Department – Neighborhood Enhancement Division	Code Enforcement	\$508,764	\$508,764	\$508,764
Totals			\$508,764	\$508,764

As a new activity, the 2020-2024 Consolidated Plan proposes to allocate \$508,764 toward eligible code enforcement activities within the City’s Neighborhood Stabilization and Enhancement District. This area was previously identified by the Common Council as the area where inspectors may be permitted to perform interior inspections of rental properties via the process approved in the RENTS Ordinance.

Emergency Solutions Grant

Organization	Program	Funds Available	Request	Staff Recommendation
HALO	Continuum of Care	\$157,979	\$157,979	\$157,979
Totals			\$157,979	\$157,979

ESG funds are only available for homeless shelter, prevention, and rapid re-housing activities. ESG funding is competitive and open to all qualified and eligible organizations. One ESG application was submitted by HALO as a lead applicant/subgrantee, which included individual program applications by subgrantee organizations. Details regarding the proposed use of funds and subgrantee organizations are attached. Department of City Development Staff have also reviewed the proposed allocation to ensure the funding is within HUD ESG regulations.

BUDGETARY IMPACT:

This action allocates \$1,262,488 of Community Development Block Grant funds and \$157,979 in Emergency Solutions Grant funds in accordance with the 2020-2024 Consolidated Plan. Sufficient funding exists to incur the budgeted expenses.

RECOMMENDED ACTION:

To allocate CDBG and ESG funds to organizations as indicated by staff, and that the Mayor and City Clerk be authorized to enter into contracts with the organizations pursuant to the funding allocation and federal regulations.

CITY OF RACINE - ESG SERVICES
Estimated Spending Plan

HALO LSS RVM ES RVM RRH SAFE WRC

Description ESG Funds Requested:

Street Outreach - Essential Services					
Engagement					
Case Management					
Emergency Health Services					
Emergency Mental Health Services					
Transport of Clients to Services					
Services for Special Populations					
Subtotal	\$0				
Emergency Shelter - Shelter Operations					
Building Security/Janitorial					
Utilities	\$29,000	9000		10000	10000
Essential Facility Equipment and Supplies (lease, buy)					
Facility Specific Property Insurance					
Food Serves in Shelter					
Hotel/Motel Expenses (less than 90 days) when no suitable shelter bed available					
Lease/Rent on Building	\$10,776				
Maintenance/Repair				5388	5388
Subtotal	\$39,776				
Emergency Shelter - Essential Services					
Case Management					
Child Care					
Education Services					
Employment Assistance	\$22,000		22000		
Legal Services					
Life Skills Training					
Mental Health Services					
Outpatient Health Services					
Substance Abuse Treatment Services					
Transport of Clients to Services	\$6,388	6388			
Services for Special Populations					
Subtotal	\$28,388				
Homeless Prevention - Housing Search and Stabilization - Financial Assistance					
Housing Application Fees					
Moving Costs/Storage Costs					
Security Deposits; First and Last Month's Rent					
Utility Assistance/Deposits					
Subtotal	\$0				
Homeless Prevention - Housing Search and Stabilization - Service Costs					
Case Management - Housing Stability					
Credit Repair - budgeting/money management					
Housing Search and Placement					
Legal Services					
Mediation					
Subtotal	\$0				
Homeless Prevention - Rental Assistance					
Short-term Rental Assistance (up to three (3) months)					
Medium-term Rental Assistance (four (4) to twenty-four (24) months)					
Rent Arrears (one time payment of up to six (6) months in rent arrears)					
Subtotal	\$0				
Rapid Re-Housing - Financial Assistance					
Housing Application Fees					
Security Deposits					
Last Month's Rent					
Utility Deposits					
Utility Assistance					
Moving Costs					
Subtotal	\$0				
Rapid Re-Housing - Service Costs					
Housing Search and Placement					
Housing Stability Case Management	\$28,000	15000		13000	
Mediation					
Legal Services					
Credit Repair - budgeting/money management					
Subtotal	\$28,000				
Rapid Re-Housing - Rental Assistance					
Short-term Rental Assistance (up to three (3) months)					
Medium-term Rental Assistance (four (4) to twenty-four (24) months)	\$58,065	58065			
Rent Arrears (one time payment of up to six (6) months in rent arrears)					
Subtotal	\$58,065				
HMIS					
Contributing Data to the HMIS designated by the CoC for the area;					
HMIS Lead (as designated by the CoC) costs for managing the system;					
Victim service or legal services provider cost to establish and operate a comparable database.					
Subtotal	\$0				
Administrative Activities					
General Management Oversight	\$3,749	3750			
Training on ESG requirements					
Consolidated Plan					
Environmental Review					
Subtotal	\$3,750				
Total 2018 ESG Allocation					
Total	\$157,979				