

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The anticipated resources below are based on existing records at the City of Racine for the expected amount available in Year 1 of this Plan. The expected amount for the remainder of the Plan is based on the amount allocated in 2021, and is subject to change based on future allocations from HUD.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,876,297	171,476	0	2,047,773	5,652,939	CDBG funds will be used to meet the identified needs and the housing and non-housing goals established in this Consolidated Plan

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	573,953	125,000	0	698,953	1,621,806	The HOME funds will be used to meet the identified housing needs and housing goals established in this Consolidated Plan
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	160,724	0	0	160,724	500,187	The ESG funds will be used to meet the shelter, housing and support services needs of persons who are homeless or may soon become homeless within the City of Racine.

Table 1 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

In its funding decisions, Racine places a high priority on leveraging. Activities whose proponents have identified or secured private and non-federal public funding sources are given additional consideration during the grant allocation process. Private, not-for-profit organization administrators are actively encouraged to search out such funding sources in order to ensure the long-term sustainability of their organizations. Program administrators are also encouraged to cite the award of CDBG, HOME, or ESG funds when submitting applications for private and non-federal public grant funding.

Recipients of CDBG, HOME, and ESG funds are required to report the source(s) and amount(s) of all other funding sources, which contributed to a specific activity. Some specific examples of other funding sources include: in-kind contributions; foundation grants; individual contributions and donations; private capital loans and grants; and private equity investments.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City of Racine is currently working with Racine County to finalize a process for receiving properties that the County receives via in rem tax foreclosure and using them to create affordable housing opportunities. Although CDBG, HOME, or ESG funds could be used in this program depending on its final form and financing needs, none of these funding sources are anticipated to be used at this time.

Discussion

NA

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Support for Existing Owner Housing	2020	2024	Affordable Housing	City of Racine	Support for Existing Owner Housing	CDBG: \$171,497	Homeowner Housing Rehabilitated: 9 Household Housing Unit
2	New Homeownership Housing	2020	2024	Affordable Housing	City of Racine	New Homeownership Housing	HOME: \$286,976	Homeowner Housing Added: 1 Household Housing Unit
3	Rental Housing	2020	2024	Affordable Housing Non-Homeless Special Needs	City of Racine LMI Census Tracts	Rental Housing	HOME: \$114,790	Rental units rehabilitated: 3 Household Housing Unit Tenant-based rental assistance / Rapid Rehousing: 25 Households Assisted
4	Viable CHDOs	2020	2024	Affordable Housing	City of Racine	New Homeownership Housing Viable CHDOs	HOME: \$114,790	Homeowner Housing Added: 1 Household Housing Unit
5	Homelessness Services	2020	2024	Affordable Housing Homeless	City of Racine	Homelessness Services	ESG: \$160,724	Homelessness Prevention: 382 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Code Enforcement	2020	2024	Affordable Housing	City of Racine LMI Census Tracts	Code Compliance	CDBG: \$506,600	Housing Code Enforcement/Foreclosed Property Care: 660 Household Housing Unit
7	Economic Mobility	2020	2024	Non-Housing Community Development	City of Racine LMI Census Tracts	Economic Mobility	CDBG: \$140,722	Public service activities other than Low/Moderate Income Housing Benefit: 100 Persons Assisted
8	Homeownership Services and Community Stabilization	2020	2024	Affordable Housing Non-Housing Community Development	LMI Census Tracts	New Homeownership Housing Homeownership Services and Community Stabilization	CDBG: \$140,722	Public service activities other than Low/Moderate Income Housing Benefit: 323 Persons Assisted
10	Microenterprise Assistance	2020	2024	Non-Housing Community Development	City of Racine LMI Census Tracts	Economic Development/Micro-Enterprises	CDBG: \$243,918	Businesses assisted: 23 Businesses Assisted
11	Public Infrastructure and Facilities	2020	2024	Non-Housing Community Development	LMI Census Tracts	Homeownership Services and Community Stabilization Public Infrastructure and Facilities	CDBG: \$469,074	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 393 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	Blight Elimination	2020	2024	Non-Housing Community Development	City of Racine LMI Census Tracts Greater Uptown NRSA	Blight Elimination	CDBG: \$0	Buildings Demolished: 0 Buildings
13	Administration	2020	2024	Administration	City of Racine	Administration	CDBG: \$375,297 HOME: \$57,395	Other: 6 Other

Table 2 – Goals Summary

Goal Descriptions

1	Goal Name	Support for Existing Owner Housing
	Goal Description	Improve existing housing supply, choice (units brought to code, energy or accessibility standards)
2	Goal Name	New Homeownership Housing
	Goal Description	Help eligible households become homeowners through construction subsidy and/or direct homebuyer assistance.

3	Goal Name	Rental Housing
	Goal Description	Encourage responsible rental property ownership of units through proactive inspection/ develop special needs housing units or provide rental assistance with TBRA.
4	Goal Name	Viable CHDOs
	Goal Description	Provide development and/or operating funds to CHDO for eligible set-aside CHDO projects.
5	Goal Name	Homelessness Services
	Goal Description	Mitigate or prevent homelessness.
6	Goal Name	Code Enforcement
	Goal Description	Inspectors and staff will be assigned to perform proactive inspections using the newly adopted RENTS ordinance in the Neighborhood Stabilization and Enhancement District of the City of Racine. Other eligible code enforcement expenses may also be incurred.
7	Goal Name	Economic Mobility
	Goal Description	Funds 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.
8	Goal Name	Homeownership Services and Community Stabilization
	Goal Description	Increase the number of homeowners in the City of Racine and facilitate existing residents' paths to homeownership.
10	Goal Name	Microenterprise Assistance
	Goal Description	Assist development of and success of Micro-businesses.

11	Goal Name	Public Infrastructure and Facilities
	Goal Description	Funds 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.
12	Goal Name	Blight Elimination
	Goal Description	
13	Goal Name	Administration
	Goal Description	NA

Projects

AP-35 Projects – 91.220(d)

Introduction

The following are Projects to be funded in 2021:

Projects

#	Project Name
1	Support for Existing Owner Housing
2	New Homeownership Housing
3	Rental Housing
4	Viable CHDOs
5	ESG20 - Racine
6	Code Enforcement
7	Economic Mobility
8	Economic Development
9	Public Infrastructure and Facilities
10	Blight Removal
11	Administration
12	Homeownership Services and Community Stabilization

Table 3 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Based on available data, consultations with other city agencies and community stakeholders, survey responses and past experience, the City identified the allocation priorities. See the Strategic Plan for obstacles to addressing underserved needs and the proposed actions to address them.

AP-38 Project Summary

Project Summary Information

1	Project Name	Support for Existing Owner Housing
	Target Area	City of Racine
	Goals Supported	Support for Existing Owner Housing
	Needs Addressed	Support for Existing Owner Housing
	Funding	CDBG: \$171,497
	Description	Funding will be used to support match grants up to \$10,000 for CDBG homeowner housing repair loans recipients.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 9 households with children will benefit from this activity.
	Location Description	Addresses to be determined based on loan applications received.
	Planned Activities	Funding will be used to support housing repair loans and match grants up to \$10,000 for CDBG homeowner housing repair loans recipients.
2	Project Name	New Homeownership Housing
	Target Area	City of Racine LMI Census Tracts Greater Uptown NRSA
	Goals Supported	New Homeownership Housing
	Needs Addressed	New Homeownership Housing
	Funding	HOME: \$286,976
	Description	Funding will be used to subsidize the development of new homeownership units and/or direct homebuyer assistance.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	The City of Racine expects to assist at least 18 households through activities funded by this project.
	Location Description	Locations to be determined by applicants.
	Planned Activities	Funding will be used to subsidize the development of new homeownership units and/or direct homebuyer assistance.

3	Project Name	Rental Housing
	Target Area	City of Racine LMI Census Tracts Greater Uptown NRSA
	Goals Supported	Rental Housing
	Needs Addressed	Rental Housing
	Funding	HOME: \$114,790
	Description	Funding will be used to subsidize the development or rehabilitation of affordable rental units and/or the provision of TBRA to eligible households.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	At least 32 households will benefit from activities funded as part of this project. Those households assisted by TBRA programs are likely to be formerly homeless households.
	Location Description	Locations to be determined based on applications received.
Planned Activities	Funding will be used to subsidize the development or rehabilitation of affordable rental units and/or the provision of TBRA to eligible households.	
4	Project Name	Viable CHDOs
	Target Area	City of Racine LMI Census Tracts Greater Uptown NRSA
	Goals Supported	New Homeownership Housing Viable CHDOs
	Needs Addressed	New Homeownership Housing Viable CHDOs
	Funding	HOME: \$114,790
	Description	Funds will be used to support the development of owner-occupied housing units by viable CHDOs, and also provide for CHDO operating expenses.
	Target Date	6/30/2022

	Estimate the number and type of families that will benefit from the proposed activities	At least one family with children will be assisted through the development of a single unit for owner-occupancy.
	Location Description	Locations will be determined based on applications received.
	Planned Activities	Funds will be used to support the development of owner-occupied housing units by viable CHDOs, and also provide for CHDO operating expenses.
5	Project Name	ESG20 - Racine
	Target Area	City of Racine LMI Census Tracts Greater Uptown NRSA
	Goals Supported	Homelessness Services
	Needs Addressed	Homelessness Services
	Funding	ESG: \$160,724
	Description	Funds will be used to support homeless shelters (both for the general population and subpopulations such as domestic violence victims), homeless prevention services, and rapid rehousing. Funds will also be used to prevent, prepare for, and respond to coronavirus as needed.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	At least 382 homeless households will be assisted through the various programs funded by ESG.
	Location Description	Locations will be determined based on applications received.
	Planned Activities	Funds will be used to support homeless shelters (both for the general population and subpopulations such as domestic violence victims), homeless prevention services, and rapid rehousing.
6	Project Name	Code Enforcement
	Target Area	LMI Census Tracts Neighborhood Stabilization and Enhancement District
	Goals Supported	Code Enforcement
	Needs Addressed	Code Compliance

	Funding	CDBG: \$506,600
	Description	Funding will be used to pay the wages and benefits of code compliance inspectors working in eligible areas.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 2,781 units may be inspected through the Neighborhood Stabilization and Enhancement District established as part of the RENTS Ordinance.
	Location Description	Proposed locations indicated in attached map.
	Planned Activities	Funding will be used to pay the wages and benefits of code compliance inspectors working in eligible areas.
7	Project Name	Economic Mobility
	Target Area	City of Racine LMI Census Tracts Greater Uptown NRSA
	Goals Supported	Economic Mobility Homeownership Services and Community Stabilization
	Needs Addressed	Economic Mobility
	Funding	CDBG: \$140,722
	Description	Funds will be used to support programs with a proven ability to create living wage jobs for City of Racine residents, particularly women and people of color, while minimizing barriers to program accessibility through provision of stipends, childcare, or other incentives.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	At least 125 households with children will be assisted through programs supported by this public services funding stream.
	Location Description	Funding location is unknown at this time and is dependent on applications received.

	Planned Activities	Funds will be used to support programs with a proven ability to create living wage jobs for City of Racine residents, particularly women and people of color, while minimizing barriers to program accessibility through provision of stipends, childcare, or other incentives. Funds may be used to prevent, prepare for, and respond to coronavirus as needed.
8	Project Name	Economic Development
	Target Area	City of Racine LMI Census Tracts
	Goals Supported	Microenterprise Assistance
	Needs Addressed	Economic Development/Micro-Enterprises
	Funding	CDBG: \$243,918
	Description	Assist development of and success of Micro-Businesses.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	At least seven businesses will be assisted with technical assistance and funding.
	Location Description	The City of Racine with an emphasis on LMI Census tracts.
Planned Activities	A certified Community Development Financial Institution (CDFI) will offer technical assistance and/or business development loans/grants for eligible businesses. Preference will be given to lenders who have a Racine office or are willing to create a dedicated Racine presence.	
9	Project Name	Public Infrastructure and Facilities
	Target Area	City of Racine LMI Census Tracts Greater Uptown NRSA
	Goals Supported	Public Infrastructure and Facilities
	Needs Addressed	Public Infrastructure and Facilities
	Funding	CDBG: \$469,074
	Description	Improve neighborhood facilities/public service facilities/infrastructure.
	Target Date	6/30/2022

	Estimate the number and type of families that will benefit from the proposed activities	At least 241 households will benefit.
	Location Description	Services are provided in the City of Racine, with an emphasis on LMI census tracts, and the Greater Uptown NRSA.
	Planned Activities	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.
10	Project Name	Blight Removal
	Target Area	City of Racine LMI Census Tracts Greater Uptown NRSA
	Goals Supported	Blight Elimination
	Needs Addressed	Blight Elimination
	Funding	:
	Description	Improve targeted neighborhoods through spot blight removal of buildings.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	No more than 3 buildings will be demolished.
	Location Description	Funds are targeted city wide, with a special emphasis on the Greater Uptown NRSA.
	Planned Activities	Demolition of blighted buildings on a spot basis.
11	Project Name	Administration
	Target Area	City of Racine LMI Census Tracts Greater Uptown NRSA
	Goals Supported	Administration

	Needs Addressed	Administration
	Funding	CDBG: \$375,259 HOME: \$57,395
	Description	Provide effective administration of CDBG and HOME funds.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Administration funding.
	Location Description	City of Racine.
	Planned Activities	Proper administration of CDBG and HOME funding.
12	Project Name	Homeownership Services and Community Stabilization
	Target Area	City of Racine LMI Census Tracts Greater Uptown NRSA
	Goals Supported	Homeownership Services and Community Stabilization
	Needs Addressed	Homeownership Services and Community Stabilization
	Funding	CDBG: \$281,444
	Description	Funding will support programs that will foster the creation of homeownership opportunities in the City of Racine, or financial empowerment for the purpose of homeownership.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	At least 20 households are expected to achieve their goals of homeownership through funded activities.
	Location Description	Funds are intended to be used throughout the City of Racine.
	Planned Activities	Funding will support programs that will foster the creation of homeownership opportunities in the City of Racine, or financial empowerment for the purpose of homeownership. Funds may be used to prevent, prepare for, and respond to coronavirus as needed.

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Assistance under the Community Development Block Grant (CDBG), HOME Housing Investment Partnerships, and Emergency Shelter Grant (ESG) programs is directed toward lower income individuals, households, and areas as defined by the U.S. Department of Housing and Urban Development (HUD). A map of Racine's lower income areas is attached to this Plan.

Geographic Distribution:

100% of CDBG and ESG funds will be directed to LMI areas or households, with the potential exception of activities that are qualified as slum/blight remediation on a spot basis. All of the funds dedicated to public facilities and infrastructure, and many of those dedicated to the Greater Uptown NRSA, are directed to the neighborhoods located within the LMI census tracts. However, a much higher percentage of the funds may be expended within the LMI census tracts, but the use of the LMI individual direct benefit national objective for housing, public service or economic development activities does not require that a beneficiary be from a LMI census tract.

HOME dollars are spent in any geographic area of the City where the recipient is LMI income-eligible.

There is a correlation between Racine's lower income areas and its areas of racial concentration. According to the 2010 U.S. Census, nearly 41,000 persons (53 percent of Racine's total population) live in low- to- medium income (LMI) areas. Of the number in LMI areas, approximately 12,200 (30%) are African-American and 10,500 (26%) are Hispanic/Latino, more than the representative population of each group among the population of the City as a whole.

Geographic Distribution

Target Area	Percentage of Funds
City of Racine	75
LMI Census Tracts	25

Table 4 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

City of Racine budgetary policy and long-standing practice require that federal Community Development Block Grant (CDBG), HOME Housing Investment Partnerships (HOME) Program, and Emergency Solutions Grant (ESG) funds be invested within the City limits. Furthermore, federal regulations governing these grant programs require that funding be directed primarily to the benefit of lower income persons, households, or areas as defined by the U.S. Department of Housing and Urban Development. In its allocation decisions, Racine has historically targeted over 95 percent of its funding

to serve lower income persons, households, or areas.

Discussion

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The following addresses the number of households to be assisted for affordable housing in Racine.

One Year Goals for the Number of Households to be Supported	
Homeless	156
Non-Homeless	23
Special-Needs	25
Total	204

Table 5 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	30
The Production of New Units	0
Rehab of Existing Units	9
Acquisition of Existing Units	0
Total	39

Table 6 - One Year Goals for Affordable Housing by Support Type
Discussion

AP-60 Public Housing – 91.220(h)

Introduction

The following addresses the actions to be taken during 2021 to address public housing needs in Racine.

Actions planned during the next year to address the needs to public housing

HARC will continue to communicate and listen to residents concerning their needs and goals.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

HARC regularly communicates Authority plans and events to public housing and voucher participants, and provides public hearings and complaint/suggestion channels to solicit resident suggestions.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

NA

Discussion

HUD has not designated HARC as a ‘troubled’ housing authority

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Racine's strategy for addressing homelessness and the priority needs of homeless persons and families (including the subpopulations identified in the needs section) includes the following:

Provide support by participating in HHARC/COC meetings and initiatives. This includes assigning a member of the City Development staff designated as a liaison with the HHARC and attending its meetings.

Support the HHARC/COC's Performance and Strategic Initiatives of the HHARC/COC. These initiatives are:

- Strategic Initiative 1: Breaking the cycle of evictions
- Strategic Initiative 2: Overcoming stereotypes and misconceptions about homelessness
- Strategic Initiative 3: Maximizing housing impact

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The COC has identified a need for habitable and affordable housing for persons who are not chronically homeless. To that end, the City will continue its pursuit of affordable rental housing and work with the COC and its member organizations to utilize HOME, CDBG and other affordable housing funds to increase the number of units of affordable housing in Racine.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City will continue its policy of making 95% of Emergency Solutions Grant (ESG) funding eligible to be allocated for emergency shelter, homelessness prevention, rapid re-housing, and administration including administration of the Homeless Management Information System (HMIS). The COC provides recommendations to the city for funding. The City does this to complement larger sources including Continuum of Care, United Way, private donations, etc., which can be used to mitigate the bigger homelessness prevention issues.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals

and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Using CDBG and HOME funds, the City will strive to increase the number of safe rental units by “Encouraging responsible rental property ownership of units through proactive inspection/developing special needs housing units or provide rental assistance TBRA” as per Goal 3 of this Consolidated Plan. This funding is directly related to COC Strategic Initiatives 1 and 3.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City of Racine intends to provide around 7.5% of its CDBG public services funding allocation to the training of Racine residents, including those being discharged from public institutions or receiving public assistance, in pathways to living wage employment. Gaining stable employment will assist these residents in building self-sufficiency. These goals related to COC Strategic Initiative 3.

Provide support to the Racine United Way which is undertaking a number of initiatives that affect the homeless and those at risk of becoming homeless.

Discussion

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

The following addresses the actions to be taken during the 2020-2024 time period to address barriers to affordable housing in Racine.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

During 2021 Racine will invest CDBG and HOME funds in the production or rehabilitation of affordable housing through its own housing rehabilitation loan program as well as through public and private third parties proposing similar activities. HOME funds will be expended to provide tenant-based rent assistance and support affordable rental and homeownership opportunities. Racine will cooperate with developers seeking Section 42 low-income housing tax credits, and city officials will assist the staff of the Housing Authority of Racine County to serve as many income-eligible households in need of housing assistance as possible.

Discussion:

AP-85 Other Actions – 91.220(k)

Introduction:

The following actions will be taken during 2021 to address underserved needs, to foster and maintain affordable housing, to reduce lead-based paint hazards, to reduce the number of families living in poverty, to develop institutional structure, and to enhance coordination among public and private agencies.

Actions planned to address obstacles to meeting underserved needs

Racine's experience has been that the predominant obstacle to meeting underserved needs is a lack of funding. City staff and elected officials will continue to work with affected agencies to identify alternate funding sources, which will enable them to meet a larger portion of the community's need. Such sources include funding from federal, state and local governments as well as the private sector. The City has built a considerable network of non-profit and for-profit partners who are able to assist in the furtherance of the goals identified in this plan, but additional financial resources are needed to truly expand impact.

Actions planned to foster and maintain affordable housing

During the 2021 program year, Racine will invest CDBG and HOME funds in the production or rehabilitation of affordable housing through its own housing rehabilitation loan program and work with non-profit and private partners, while also working with the FEC and other partners to counsel income-eligible prospective homeowners. HOME funds will be used to enhance the availability of affordable homeownership and rental opportunities, and may also be expended to provide tenant-based rent assistance. Racine will coordinate with developers seeking Section 42 low-income housing tax credits in ways that meet City priorities, and City officials will coordinate with the staff of the Housing Authority of Racine County to reach a larger number of eligible households collaborative use of resources.

Actions planned to reduce lead-based paint hazards

Racine has one of the most aggressive lead-based paint hazard reduction programs in the state of Wisconsin. Annually nearly 3,500 school-aged children are tested for lead poisoning. Those found to have been poisoned are referred for further evaluation and treatment and their homes are inspected to determine the environmental source(s) of lead. Parents are counseled on housing maintenance practices that will reduce or eliminate lead dust in the home. All these activities are carried out by the Racine Health Department, which also prepares public education materials and makes public presentations on lead-based paint hazards and how to avoid them. Racine will continue to participate in a HUD-funded joint Racine-Kenosha County program to increase awareness of the hazards of lead-based paint, and to eliminate those hazards through rehabilitation loans and grants.

The City of Racine offers CDBG-funded low-interest loans to participants in the HUD-funded Racine-

Kenosha program to cover any additional costs as needed and also rectify non-lead Housing Quality Standards violations in the occupied structures. The City's Neighborhood Services Division has adopted and continues to implement a series of procedures and policies, which comply with federal lead-based paint hazard reduction regulations. Private, not-for-profit housing organizations receiving CDBG and HOME grant funds are monitored for their compliance with the lead-based paint hazard regulations.

Actions planned to reduce the number of poverty-level families

The City has adopted these major strategies to achieve goals of poverty reduction:

1. Financial Empowerment

The City of Racine was selected last fall by the Cities for Financial Empowerment Fund (CFE Fund) to join a cohort of local governments that are planning to launch Financial Empowerment Centers. The CFE Fund, a national non-profit organization, is working to replicate the FEC model in up to fifty cities over the next few years. The City of Racine is working closely with the CFE Fund and key local stakeholders, including lead partner Housing Resources, Inc. (HRI), to design the Racine Financial Empowerment Center (FEC). Launching and sustaining the Racine FEC is critically important to achieving shared goals among local partners of increasing minority homeownership, supporting our workforce, reducing disparities, and growing the City's middle class. The FEC and HRI staff will provide in-depth technical assistance to participant households to build their credit scores, and enhance their ability to access and hold well-paying jobs as well as homeownership opportunities.

2. Improve Educational and Workforce Skill Attainment

In addition to leveraging the FEC, the City has also partnered with a number of local and national organizations to improve educational outcomes such as high school diploma attainment and HSED/GED attainment. The City is also committed to supporting workforce development initiatives to ensure that City residents have opportunities to enhance their skillsets and qualify for living wage jobs, which will provide a path for economic mobility among Racine residents who are currently unemployed or underemployed.

3. Provide Enhanced Healthcare Services

The City is committed to opening a Federally Qualified Healthcare Center (FQHC) at Julian Thomas Elementary School, which would provide reduced cost healthcare services to low-income households that are currently enrolled in Medicare or Medicaid, or are unable to afford premiums under a private insurance plan. This proposed FQHC is expected to come online in mid-2020, and will reduce healthcare

costs for many households that would also qualify to benefit from CDBG- or HOME-funded initiatives.

Actions planned to develop institutional structure

The City of Racine and its administrative departments will continue to participate in meetings and other activities of organizations such as the Homelessness and Housing Alliance of Racine County/Continuum of Care. Similarly, City staff maintains relationships with groups promoting the economic development of Racine and the Milwaukee-Racine metropolitan area and participates in the development of new partnerships to further that goal.

Actions planned to enhance coordination between public and private housing and social service agencies

During the 2020 program year, City staff and elected officials will continue to work with affected agencies to identify alternate funding sources, which will enable them to meet a larger portion of the community's needs. Such sources include funding from federal, state and local governments as well as the private sector. When the lack of institutional structure is the issue, City and elected officials will endeavor to work with interested parties to identify the appropriate organization or entity to address the issue.

Discussion:

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

The following address the program specific requirements at 91.220(I)(1,2,4).

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	80.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

No forms of investment outside of those identified in Section 92.205 are anticipated to be used in

the upcoming 5-year plan.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Recapture. The City of Racine will use the following recapture provisions in all cases that involve a direct subsidy to a buyer of a HOME-assisted property that reduces the purchase price from a fair market value to an affordable price. In the event of a voluntary or involuntary transfer of the property during the period of affordability, the City will recapture all or a portion of the direct subsidy from the homebuyer. HOME-funded direct subsidy may be provided as Down Payment Assistance (DPA) in the form of a loan. The loan is a recorded mortgage and promissory note that specify that the HOME subsidy (the DPA) will be recaptured (conversely, forgiven) on a pro-rata basis for the time the homeowner has owned and occupied the housing, measured against the required affordability period. The City of Racine intends to provide no more than \$14,999 in DPA to households depending on underwriting and subsidy layering, which amounts to a 5-year affordability period. The DPA will be forgiven at a rate of 20% per year until the loan is forgiven in its entirety. This is consistent with 24 CFR 92.254 (a)(5)(ii)(A)(2). If the net proceeds from a voluntary or involuntary sale are insufficient to repay the amount of the HOME subsidy, the City shall recapture the unforgiven balance due on the direct subsidy loan or 100 percent of net proceeds from the sale, whichever is less. If there are no net proceeds from the sale, no repayment is required. "Net proceeds" is defined as the sales price minus superior loan repayment and any closing costs incurred by the homebuyer.

Resale. The City of Racine will use the following resale provisions in all cases that involve a sale of a HOME-assisted property without a direct subsidy to the buyer. Such HOME-assisted properties sold during the period of affordability must be sold to a family that qualifies as a low-income family and will use the home as the family's principal residence.

The seller is entitled to a fair return on their investment, which is defined as the increase in value of owner equity and investment during the time that the owner owned the property. The maximum fair return is calculated by multiplying the original purchase price of the property by the cumulative percentage of change in the Housing Price Index (HPI) calculator of the Federal Housing Finance Agency (+1) plus the documented capital improvements at the property, then subtracting the original investment amount. For example, if a home was purchased in 2015 for \$50,000. The HPI for 2015-2019 stayed the same at +.03 for each year, which results in a cumulative percentage increase of .12. To calculate "fair return" one must multiply \$50,000 x 1.12 = \$56,000, plus documented improvements of \$4,000 would total \$60,000. The "fair return" to the seller would be the increase in value of \$60,000, minus the original investment of \$50,000 to equal a \$10,000 fair return. Capital improvements include but are not limited to: square footage added to a house's living space,

wholesale replacement of heating, ventilation, and/or air conditioning systems, accessibility improvements such as bathroom modifications or ramps, or the construction of a permitted accessory structure on the property.

HOME-assisted ownership properties that are subject to resale restrictions must also remain affordable to a reasonable range of low-income homebuyers. The City of Racine will annually calculate a maximum sale price based upon the amount that would be affordable to households earning between 70%-80% of area median income and paying not more than 30 percent of their annual income for principal, interest, property taxes, and insurance. The City of Racine may provide down payment or second mortgage assistance to sufficiently enhance affordability as needed.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The City may use HOME funds to assist the rehabilitation and construction of housing by non-profit and for-profit developers and CHDOs. In each case, the request for assistance will be reviewed in detail, including evaluation of other funding (not HOME) available for the project, and an underwriting analysis will be performed to ensure the development is not over-subsidized. When it is decided that assistance is necessary, the HOME assistance will be provided in the form of a loan. The terms of the loan will vary with the needs of the individual project, and may include length of the loan, interest rate (including zero interest), frequency of payment (including periods of deferred payment), and whether part of or the entire loan would be forgiven.

The applicable income and affordability restrictions will be recorded as a land use restriction on the project property. The period of affordability as determined by 24 CFR 92.254(a)(4) will be a factor in determining the length of the loan. The loan will be recorded as a mortgage and promissory note on the property.

In the event of a voluntary or involuntary transfer of the property during the loan term, the City will recapture all or a portion of the HOME assistance provided to the project if recapture provisions apply. If the net proceeds from a voluntary or involuntary sale are insufficient to repay the amount of the HOME subsidy that is due, the City shall recapture the balance due on the loan or 100 percent of net proceeds from the sale, whichever is less. If there are no net proceeds from the sale, no repayment is required. "Net proceeds" is defined as the sales price minus superior loan repayment and any closing costs incurred in the sale.

Sale of all properties subject to resale restrictions must be made in accordance with HUD requirements specified at 24 CFR Part 92 and the City of Racine's resale provisions. The City of Racine may recoup all HOME-funded costs associated with the any sale of HOME-assisted property that did not occur in accordance with those regulations.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

NA

**Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)

The written standards are provided as an attachment to the Plan.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The CoC has implemented two stages of its Coordinated Intake and Prioritization system. The first stage involves all providers utilizing the same data collection form. The form collects the required HUD Uniform Data Elements as well as additional data identified by the CoC so that it can be used as a uniform intake form. The second stage was the implementation of prevention and diversion coordinated intake. All persons are referred to a single agency. Households who have presented at shelter because they have been evicted are assessed to determine if they can return to the residence, or another residence temporarily while arrangements for housing can be made. Households who have received a termination of tenancy notice, but have not yet been evicted are assessed to determine if they have a legal defense to the eviction or if an agreement can be negotiated for the household to remain in the unit. The agency that is the single point of contact works with ESG financial services and mainstream providers when negotiating agreements involving rental assistance. Persons who have received a Sheriff's notice-meaning they have been evicted and the Sheriff will move them out of the residence if they don't voluntarily vacate-are prioritized in this system as they have the greatest need and likelihood of becoming homeless. Stage three will utilize IMPACT 211 as the single point of contact for all service components in the CoC. Persons needing prevention assistance can enter either through IMPACT 211 or directly through the current agency coordinating intake for those services. Stage four, which is the final stage, will be the use of VI-SPDAT and HMIS for housing prioritization for persons experiencing homelessness. This type of system will prioritize by greatest need, rather than first in time.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The CoC notifies the community of available funding using its website, community listservs, social media and traditional media outlets. Current recipients of funds and other agencies interested in applying for funds notify the CoC of their interest in applying for funding. A needs assessment is

done by the CoC annually. The results of the needs assessment and data are used to identify funding priorities, which includes both service component types and sub-population needs. The data utilized is generated from HMIS, as well as aggregate data reports submitted by victim services providers. Using this information the CoC holds a meeting to identify the needs, as well as the level of funding for each component. Agencies wishing to apply for funds indicate their interest in applying within specific categories.

A certification process has been implemented that each organization applying for funds must complete. The certification is a questionnaire consisting of questions about financial policies and procedures, audit and monitoring findings, conflict of interest policies, experience with HUD and other federal grants, and homeless participation on the agency board or policy making body. The performance of current recipients wishing to apply for funds is also reviewed. A scoring tool, which utilizes data from HMIS to generate a numerical score is used for the performance evaluation. New applicants, as well as current recipients also complete an experience questionnaire that generates a numerical score.

Using this information, the CoC makes a decision as to which agencies should be funded and final level of funding for each service component and agency. If an agency is not selected there is a right to appeal the decision to the City of Racine within a time frame that would allow an application to be submitted if the decision of the CoC is overturned. The selected agencies complete the consolidated application and it is submitted to the City of Racine. The application is then reviewed by the City of Racine.

The City of Racine may deviate from these procedures if immediate actions are needed to prevent, prepare for, and respond to coronavirus.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The CoC has participation from both currently and formerly homeless individuals. All agencies receiving ESG funds are required by the CoC to have a current or formerly homeless person on their Board of Directors or a policy making committee that decides program policies.

5. Describe performance standards for evaluating ESG.

The number of persons assisted, spending rate, and housing stability performance measure outcomes are utilized to evaluate ESG funded program delivery. Additionally, financial records and back-up documentation are reviewed to assure financial compliance. Client files and HMIS data are also reviewed for compliance and performance.

Housing stability performance measures that are currently being utilized are as follows:

Street Outreach: The number of households entering shelter or permanent housing is divided by the total number of households “engaged” by outreach to generate a percentage. A baseline, using data over a 2 year period would be used to identify performance markers. The CoC does not have any street outreach projects so a baseline does not exist at this time.

Shelter: The number of households exiting shelter to a permanent housing destination is divided by the number of households in shelter to generate a percentage. For on-going projects the percentages are compared to prior year percentages with an expectation that they should be the same or better than previous years. The percentages are also utilized to set a minimum expectation for new projects.

Prevention: The number of households remaining in permanent housing is divided by the number of households receiving prevention assistance to generate a percentage. Another method that is being used is to determine the percentage of households that do not enter shelter at 6 and 12 month intervals after last receiving prevention assistance.

Rapid Re-housing: The number of households remaining in permanent housing for a period of 6 months or more is divided by the number of households entering rapid re-housing to generate a percentage. Another measure that is being used to determine the percentage of households that remain in permanent housing at 6 and 12 month intervals after last receiving rapid re-housing assistance.

For all HOME rental activities, beneficiaries include families that would qualify at no more than 60% Area Median Income according to the Part V income calculation method and are otherwise eligible per HOME and Federal regulations. For HOME homebuyer activities, eligible applicants include families earning no more than 80% of Area Median Income. Specific programs within each of these two subsets, such as TBRA or homebuyer down payment assistance, can target specific populations within these income groups, but must not deviate outside the income brackets identified or other HOME regulations as applicable. The City of Racine may consider applications from eligible owners, sponsors, developers, subrecipients, and CHDOs to undertake any HOME rental or homebuyer activities.

The City of Racine typically releases HOME funds for rental programs or developments through a Notice of Funding Availability (NOFA) or Request For Proposals (RFP) process. HOME funds for homebuyer programs or homeownership development subsidies are also typically released via a NOFA or RFP, but

direct homebuyer assistance may be distributed on a first-come first-served basis to beneficiary homebuyers.

All information regarding applicable NOFAs or RFPs, or applications for direct assistance, will be available at the City of Racine NSD

webpage: <https://www.cityofracine.org/CityDevelopment/NeighborhoodServices/>

Attachments