



PLANNING AND DEVELOPMENT

400 LA CROSSE STREET | LA CROSSE, WI 54601 | P: (608) 789-7512 | F: (608) 789-7318

Memorandum

To: Community Development Committee

From: Caroline Gregerson & Dawn Reinhart

Date: March 30, 2021

Re: **Approval of re-allocation for \$75,000 in CDBG-CV2 Funds from La Crosse County Contact tracing to new project.**

La Crosse County Public Health Department contacted me last week that they want to rescind the \$75,000 to make it available for another purpose. I recommend funding an existing program or agency. Staff looked at current need and the amount of funds allocated is sufficient to fund requests from Small Business Grant applicants. Two other proposals emerged. Staff is requesting that the Committee fund one of the other two proposals. Depending on future proposals, staff would recommend that the one that is not funded by CDBG funds, be considered to be funded with future City funds from the federal government. Both proposals cannot be funded, one should be funded. Both are valuable and staff seeks Committee input on which one to select. Staff will then inform the State of Wisconsin of the decision and they will amend the grant agreement with the City accordingly.

CDBG CV-2 Salvation Army

\$75,000 (approximately 3-6 months of support for vouchers)

- \$10,000 for case management support
- \$65,000 for motel vouchers (or direct payment for motel if needed) for families experiencing homelessness
- Matching funds for \$40,000 for motel vouchers
- Motel vouchers offer flexibility in terms of location and requires less staffing (requires 24-hour staffing).
- This would fund 1000 hotel night rooms at \$65 per night. Only paying for rooms as needed.
- Covid-19: Then do not need to be in a group shelter
- Motel has stayed full (average of 20-22 families at any given time)
- Without these funds, then the Salvation Army will be placing more families into group shelter and hoping to get additional funds from future federal allocation, which is still uncertain
- Could be launched immediately, at motel project is expiring at the end of month

CDBG CV-2 Mortgage Relief Program

Staff reached out to Altra Federal Credit Union (La Crosse's primary mortgage lender) and Marine Credit Union. Altra currently has 70 homeowners in their service who are delinquent on mortgage

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payments. Altra is in the process of obtaining specific info for City of La Crosse residents ONLY and La Crosse County Residents. At this time, it is unknown if the delinquency is directly related to COVID; however, is greater than typical. Marine Credit Union has 13 properties in the City of La Crosse that are more than 90 days delinquent.

The forbearance and foreclosure moratorium have been extended through June 30, 2021.

<https://www.whitehouse.gov/briefing-room/statements-releases/2021/02/16/fact-sheet-biden-administration-announces-extension-of-covid-19-forbearance-and-foreclosure-protections-for-homeowners/>.

This is important to know as the homeowner would not be eligible to access the program while they are in their forbearance period. The program may start off slow. A forbearance is something that you need to request and not all homeowners are doing so. The homeowner will still need to make the payments up when the forbearance period is over. It is not loan forgiveness.

- Fund at \$75,000, maximum \$10,000 per person or up to 6 months of consecutive assistance. (La Crosse County is funded at \$1 million for this program).
- Eligible CDBG Activity: Emergency Income Payment up to 6 months of CONSECUTIVE assistance.
- Funds cannot be used for government expenses such as; property taxes, utility payments or special assessments
- Would amend existing agreement.
- Eligible for delinquent mortgage payments, with evidence of pending foreclosure and at-risk of homelessness OR delinquent mortgage payments to due economic loss because of Covid-19 (reduction of hours),
- 51% of the program participants must be 80% CMI or below
- Property owner must not be in forbearance.
- Not possible to fund the program at 50%.
- Goal is to prevent foreclosures and keep people in their homes during Covid and help the economically while they have a loss of income due to Covid-19
- Couleecap is currently hiring for the position, hoping to launch by mid-May
- Would amend existing agreement with Couleecap to include this objective in their existing agreement for Rental Assistance.