



## Request for Proposals (RFP) Pilot Property Reactivation Program

### RFP Information

Issue Date: April 29, 2019  
Closing Date: May 31, 2019

### Contact

Purchasing  
730 Washington Ave., Room 105  
Racine, WI 53403  
Phone: (262) 636-9143  
purchasing@cityofracine.org

### Applicant Information – Must Be Completed and Submitted by All Applicants

<b>Organization Name:</b>	Click here to enter text.	
<b>Contact Name:</b>	Click here to enter text.	
<b>Address:</b>	Click here to enter text.	
<b>City:</b> Click here to enter text.	<b>State:</b> Click here to enter text.	<b>Zip:</b> Click here to enter text.
<b>Phone:</b> Click here to enter text.	<b>Fax:</b> Click here to enter text.	
<b>E-Mail:</b> Click here to enter text.		

### Return Applications and Required Attachments by 4:00 p.m. May 31, 2019

#### TO:

Purchasing  
730 Washington Ave., Room 105  
Racine, WI 53403

Clearly mark on the envelope the property address that you are applying for.

### REQUESTS FOR REASONABLE ACCOMMODATION

The City of Racine's Department of City Development (hereafter referred to as the "City") will provide reasonable accommodation to allow for equal participation in the Request for Proposal (RFP) application process. To request a reasonable accommodation, please contact Brendan Saunders at 262.636.9197 or email [Brendan.Saunders@cityofracine.org](mailto:Brendan.Saunders@cityofracine.org). This document will be provided in alternate formats, upon request.

## **ACCESS TO REFERENCED DOCUMENTS**

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This document contains active hyperlinks. Prospective applicants who are unable to access the Internet may request copies of the documents referenced in this RFP by contacting Brendan Saunders at 262.636.9197 or email [Brendan.Saunders@cityofracine.org](mailto:Brendan.Saunders@cityofracine.org).

## **NOTICE OF SOLICITATION**

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In addition to providing required notification via the City's publication of record, *The Racine Journal Times*, the City will provide notification to all known interested parties and to other organizations and individuals currently on the Department's e-mail distribution list. Any individual or organization wishing to be added to the Department's e-mail distribution list in order to receive future RFPs can make such a request by contacting Brendan Saunders at 262.636.9197 or email [Brendan.Saunders@cityofracine.org](mailto:Brendan.Saunders@cityofracine.org). This RFP and related materials are also posted on the following City-administered website:

<https://www.buildupracine.org/available-properties/racine-development-projects/>

Failure of the City to notify any interested party or parties directly regarding the availability of this RFP shall not void or otherwise invalidate the RFP process.

## **DESCRIPTION OF SOLICITED SERVICES**

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The City has created a process for transferring properties to entities that demonstrate the financial, technical, legal capacity to redevelop the properties and return them to viable uses that benefit the surrounding neighborhoods and property-owners.

Application forms will now be accepted through this RFP process, during which all eligible entities interested in purchasing tax foreclosed properties owned by the City may apply. Given the critical role that non-profit housing developers play in the community and their often limited financial capacities, they will be given preferential scoring along with interested owner occupants.

Applicants/Purchasers must demonstrate financial and technical capacity to rehabilitate the subject property. A performance deposit will be kept from each purchaser to ensure rehabilitation completion and compliance with applicable timeframes. Properties with existing structures must be rehabilitated such that all major life-safety systems comply with local codes within 180 days, at a minimum, as specified on the associated Property Information Sheet. This can be accomplished by completing all repairs listed as "Essential Repairs" on the Property Information Sheet and requesting an inspection from the City. A specified amount of funds will be held as a performance deposit the City is able to verify compliance with program regulations and submitted applications. The City of Racine may also use other legal instruments or remedies available to it to ensure compliance as needed.

All properties sold in "as-is" condition, with applicable lead based paint disclosures for structures built prior to 1978. City provides no warranties as to the conditions of the property/ies. No walkthroughs of the properties will be undertaken during the RFP period.

## **ELIGIBLE APPLICANTS**

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The City will transfer properties to qualified organizations. All buyer entities must meet the below qualifications:

- Entity must have been in operation for at least 12 months, or be comprised of agencies that have been in operation for at least 12 months
- Must demonstrate experience in residential renovation or the ability to contract with qualified

contractors.

Proposals will be rejected from any party (as an individual or as part of an entity) who:

- Is delinquent in the payment of any property tax, special assessment, special charge or special tax to the City of Racine or Racine County.
- Has outstanding judgments from the City or County.
- Has outstanding health, building, or zoning code violations or orders from the City's Health Department or Building Department that are not actively being abated as determined by the Chief Building Inspector or the Director of the Health Department.
- Owned property in the County that, at any time within the past 5 years, the County acquired by means of property-tax foreclosure.
- Has been convicted of a felony determined by the City Attorney to reasonably cause neighborhood or community concern with respect to neighborhood stability, health, safety or welfare.

For homeownership projects, an applicant organization must provide documentation of experience in the acquisition and rehabilitation of residential properties for homeownership, and prepare a marketing strategy/plan for sale of the property to an owner-occupant. Members of the team that will be involved in renovation and marketing must be identified and applicable credentials provided.

For lease-to-own or rental projects, an organization must provide documentation of experience in the acquisition and rehabilitation of residential investment properties, including property management experience. Lease-to-own proposals must be part of a formal lease-to-own system with specific rules on underwriting, length of the rental period, and other related requirements explicitly stated. Members of the team that will be involved in renovation and property management must be identified. If a non-profit organization intends to hold properties as an investor, the property shall be subject to real estate taxes.

If the buyer does not have previous experience in residential renovation, the buyer must submit information that demonstrates that team members (general contractor, real estate agent, property manager, etc.) have previous relevant experience that will ensure the project's success.

Applications will be received and evaluated for each property independently. Single applications for multiple properties will not be accepted. Applicants who choose to apply for multiple properties must submit individual applications for each property they intend to redevelop.

New construction activities may not result in the creation of a principal structure with a gross floor area of less than 1,000 square feet or a valuation of less than \$120,000 after completion of the structure.

## **COMPLETION TIMEFRAMES**

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Properties with existing structures must be rehabilitated such that all major life-safety systems comply with local codes within 180 days, at a minimum, as specified on the associated Property Information Sheet. The owner of the property must call for an inspection to confirm that the "Essential Repairs" have been completed within 180 days. If this standard is not met, then the City will keep the applicant's performance deposit and may take legally available enforcement actions to reclaim the property. Properties with existing, habitable structures must be occupied within one year of the transfer of the property to the buyer.

All properties with no principal structure must be improved upon by the buyer with a completed principal structure, as certified by obtaining a certificate of final inspection, within two years of the property transfer to the buyer. The property must be occupied within three years of the property transfer.

The City of Racine may elect to impose additional requirements on a case-by-case basis depending on

property specific conditions or applicant capacity. These items could include, but are not limited to, imposing additional insurance requirements, requiring rehab funds to be escrowed, requiring a rehabilitation bond, or recording of covenants and/or mortgages to secure the use of the property.

**ANTICIPATED TIMELINE**

The following anticipated timeline is subject to change, at the discretion of the City:

Due Date	Task
April 29, 2019	RFP issued to known interested applicants, and posted on the City’s website.
May 15, 2019	Questions from prospective applicants are due via email/in writing no later than <b>4:30 p.m.</b>
May 22, 2019	The City’s written response to each question submitted will be sent to all known prospective applicants for whom the City has a valid e-mail and/or postal address. The responses will also be posted on the City’s Website
<b>May 31, 2019</b>	<b>Application submission deadline <u>no later than 4:00 pm.</u></b>
June 18, 2019	Initial recommendations are provided as communications to Common Council for referral to the Finance and Personnel Committee
July 8, 2019	Members of the Finance and Personnel Committee hear applicant and staff presentations, evaluate applications, and make recommendations on the proposals submitted, 5:00 p.m., City Hall, 730 Washington Ave., Racine, WI 53403.
July 16, 2019	Members of the Common Council approve disposition decisions. 7:00 p.m., City Hall, 730 Washington Ave., Racine, WI 53403.
August, 2019	Quitclaim deeds and other legal instruments prepared and provided to selected buyers and properties are transferred

**APPLICATION EVALUATION AND CRITERIA**

All qualifying offers to purchase properties will be scored according to the scoring criteria established in the RFP process. Scoring criteria will be reviewed for each property individually. In situations where applicants have identical scores, either a coin toss or random drawing will prevail.

Qualifying applications from homebuyers for purchase, rehabilitation, and owner occupancy, along with applications from non-profits or for-profit entities for acquisition, rehabilitation, and resale for owner occupancy or rental housing, will be accepted, reviewed, and if necessary, scored against each other in the case of multiple applicants of these types to determine which offer will be accepted. Qualifying applications for new construction on unimproved properties will also be scored according to these criteria.

Other outcomes besides homeownership will also be considered subject to the following standards:

- Side-lot acquisitions and other lot mergers will only be considered for properties that are either non-conforming with the City of Racine Zoning Ordinance or have less than 40 feet of street frontage
- Commercial activities will not be incentivized through the scoring criteria, but may be permitted on a case-by-case basis only if permitted by the City of Racine Zoning Ordinance

Applications will be scored based on their proposed scope of work and description of activities on the

site. Applicants who do not complete their originally stated applications may be prevented from applying in the future, receive a point penalty on future applications, or may be subject to other recourse legally available to the City of Racine, including the possibility of the City recapturing ownership of the property.

## **UNACCEPTABLE SUBMITTALS**

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Applications submitted that are not responsive to the minimum requirements of the solicitation are unacceptable and shall not be considered. Unacceptable applications are those which are subject to at least one (1) of the following shortcomings:

1. Application lacks firmly committed financing in the amount required for the property in question, as listed under “Essential Repairs” and “Acquisition” in the Property Information Sheet.
2. Applicant is not able to demonstrate sufficient technical expertise to complete the project as presented, or the submitted pro forma for a new construction activity is insufficient.
3. Application does not include the signed assurance document.
4. Does not meet the deadline for submittal.
5. Does not include **ALL** the **required** information and documents as identified as part of the application and does not submit in the required format.

## **CONTACT**

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Purchasing  
730 Washington Ave., Room 105  
Racine, WI 53403  
Phone: (262) 636-9143  
[purchasing@cityofracine.org](mailto:purchasing@cityofracine.org)

## **QUESTIONS FROM APPLICANTS AND RESPONSE BY THE CITY**

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Inquiries regarding the content of this RFP must be submitted to the City in writing, no later than the date and time indicated in the Anticipated Timeline section of the RFP. Questions received after this date and time will not be answered. Questions may be submitted electronically to [purchasing@cityofracine.org](mailto:purchasing@cityofracine.org) or via U.S. mail to the contact person identified in the Contact Section of this RFP. The City will time- and date-stamp all questions received via U.S. mail.

No later than the date indicated in the Anticipated Timeline section of the RFP, the City will provide a written response to each question received, and, as applicable, will issue any resulting addendum to this RFP. A response will be provided electronically via email to the applicant, and simultaneously to any other interested party who has provided the City with a valid email address. Responses will also be posted on the City’s website.

## **INSTRUCTIONS FOR SUBMITTAL**

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Applications will be considered as submitted and the City will not contact the agency for corrections to the applications. Applications postmarked prior to the deadline but not received by the City by the deadline will be considered unresponsive and are ineligible for consideration. Applicants are strongly encouraged to carefully review the instructions and anticipated timelines associated with this announcement.

Applicants must submit their application electronically to [purchasing@cityofracine.org](mailto:purchasing@cityofracine.org), or in hard copy with attention to Purchasing at the address listed above, providing one (1) complete application with attachments, along with an original signature on the Acknowledgement of Required Assurances including any required documents and attachments. Applicants must use the forms provided.

**Responses which do not contain the signed original and required number of copies, including all required attachments, will be deemed unresponsive and will not receive further consideration.**

The application must be signed by a person authorized to bind the agency in a contract. **ALL** pages, including attachments must be numbered, either electronically or by hand.

Covers, three-ring binders, bound reports, and brochures must not be used. The application and attachments must be submitted in a manner to allow for ease of copying. No staples, paper clips, binder clips, or odd size pages must be used. The application and attachments must be submitted on standard letter sized paper (8 ½ x 11”) only.

Each page of the response must be numbered and document footers must contain the name of the applicant organization.

## **OWNERSHIP OF MATERIAL**

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Responses, applications, and other materials submitted in response to this request become the property of the City, are documents of public record, and will not be returned. By submitting an application, applicants acknowledge and agree that they and/or their organization claim no proprietary rights to the ideas or approaches contained in the applications.

## **PROPOSAL COSTS AND PAYMENT OF CONTINGENT FEES**

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The City is not liable for any costs incurred by an applicant prior to the issuance of a contract. All costs incurred in response to this solicitation are the responsibility of the applicant, including travel costs to attend workshops, presentations, public meetings, and/or contract negotiation sessions.

## **ACCEPTANCE OF TERMS AND CONDITIONS**

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By submitting a response to this RFP, the applicant acknowledges and accepts all terms and conditions of this request and all City and State regulations and requirements related to the delivery of the eligible activities. If the applicant is awarded a contract, the applicant’s application will become part of the contract agreement. The applicant is bound by the terms of the application unless the City agrees that specific parts of the application are not part of the agreement. The City reserves the right to introduce different or additional terms and/or conditions during final contract negotiations. Applicants will be required to enter into formal agreements with the City that will convey properties and secure the City’s interest in compliance with the established deadlines as described in this RFP.

## **RIGHT TO REJECT OR NEGOTIATE**

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The City reserves the right to reject any or all applications, if such a rejection is in the City’s best interest. This RFP is a solicitation for offers and shall not be construed as an offer, a guarantee, or a promise that the solicited services will be purchased by the City. The City may withdraw or modify this notification at any time and for any reason without liability to applicants for damages, including, but not limited to, bid preparation costs.

Additionally, the City reserves the right to negotiate with selected applicants and may request additional information or modification from an applicant. When deemed advisable, and before a contract is issued, the City reserves the right to arrange an on-site visit/review to determine the applicant’s ability to meet the terms and conditions described in this RFP.

## **CONTRACT AWARD AND NOTIFICATION TO SELECTED APPLICANTS**

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Decisions regarding final disposition of properties to applicants solicited by this announcement will be made as indicated in the Anticipated Timeline section of this RFP.

Final awards will be made electronically to the organization’s current email address on record. Quitclaim deeds will be recorded by the City of Racine following payment for recording costs by the entity that has

been awarded each property. The City intends to transfer the properties in question to the selected applicants as soon as practicable following Common Council decision on disposition recommendations.

## **RIGHT TO APPEAL**

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Applicants whose applications are not selected have the right to appeal the decision of the City, limited to procedural errors in the selection process. In the event that no such procedural errors are found to have occurred, the decision of the City shall be final.

An aggrieved applicant may, within seven (7) business days after the selection of prospective eligible projects, appeal in writing to the Director of City Development or their designee. The appeal must state all facts and arguments upon which the appeal is based. The Director, or the appointed Designee, will review the content of the City's solicitation document (RFP), the applicant's application, and the facts which form the basis for the appeal. The Director, or the appointed Designee, will render a written decision within thirty (30) business days of the receipt of the appeal.

## **CANCELLATION OF APPLICATION**

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The City reserves the right, with or without cause, to cancel any contract resulting from this RFP with a thirty (30) calendar day written notice sent by certified mail, return receipt requested, to the applicant's address of record, as indicated on the applicant's application to this RFP (or last known address on file).

## **NOTIFICATION OF REQUIRED ASSURANCES**

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Applicants who are awarded the right to purchase a property agree to provide services in accordance with the requirement of the contract, and with the statutes, regulations, requirements, and policies identified below, including but not limited to:

**Conflict of Interest:** The Applicant covenants that no person who presently exercises any functions or responsibilities in connection with the City of Racine's Neighborhood Services Division has any personal financial interest, direct or indirect, in this Agreement. The Applicant further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Applicant further covenants that in the performance of this project/application, no person having any conflicting interest will be employed. Any interest on the part of the Applicant or its employees must be disclosed to the City.

**Changes to Scope:** For agencies that are awarded with the opportunity to purchase City properties, if any changes are made to the scope, location, and/or beneficiaries of the program, the agency will be responsible for any costs associated with public notices placed in the Racine Journal Times the City's legal paper of record, notifying the public of the programmatic change.

**Environmental Review:** All projects that include Federal funds, or may include Federal funds at some time in the future, will need to have an environmental review completed in accordance with the National Environmental Protection Act (NEPA). The scope of the environmental review will depend on the nature and size of the project. If the project requires an environmental assessment (EA) level review as defined in HUD regulations, the City may need to incur costs related to the completion of the EA. If this is the case, the cost will be passed on to the applicants a project cost. Once the funding application is received, the applicant cannot take any choice limiting actions until the EA is complete. Choice limiting actions include the acquisition of property, beginning construction activities, signing binding contracts, etc. If a choice limiting action is taken without the EA being completed, it will disqualify the project for federal funding.

HUD only allows the use of purchase and sale contracts conditioned on completion of the environmental review for the purchase of existing one to four single family units. Conditional purchase contracts cannot be used for any other acquisition project (i.e. multi-family housing projects with more than four

units). The responsible entity or applicant may enter into a purchase option on these projects if the option agreement meets the standards of Part 58.22(d). (Applicants will need to work with City staff to ensure that the option agreement meets the requirements of Part 58.22(d)).

Regulations at 24 CFR Part 58.22 make it clear that a recipient, any participant in the development process (including public or private nonprofit or for profit entities) or any of their contractors may not commit HUD or non-HUD funds on a project until the environmental review process has been completed and the Request of Release of Funds and related certification have been approved, if needed.

**Racine Works:** The Racine Works regulations may apply to applicants under this program. Please see the documents describing the requirements of Racine Works attached to the scoresheet for more information.



## **ACKNOWLEDGEMENT OF REQUIRED ASSURANCES**

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**This page must be signed and submitted with the application.** Applications which do not contain a signed Acknowledgement of Required Assurances are ineligible for consideration.

By submitting the accompanying application and by my signature on this document, I understand and agree that any award resulting from this solicitation will require compliance with the signed agreement and with the regulations, requirements, and policies identified below, including but not limited to:

- Compliance with the ordinances, regulations, and policies of the City of Racine;
- Compliance with federal and state laws requiring the safeguarding and disclosure of confidential information.
- Purchase of comprehensive liability insurance and bonding, as required by the City;
- Completion of an annual financial audit, and/or as applicable, providing the City with a copy of the organization's audited financial statement, if applicable;
- Completion and subsequent renewal of background checks for all employees, volunteers, or interns who will or may have unsupervised contact with children or vulnerable adults;
- Certification that the firm, association, corporation, or any person in a controlling capacity or any position involving the administration of federal, state, or local funds is not currently under suspension, debarment, voluntary exclusion, or a determination of ineligibility by any agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by any agency within the past three (3) years; does not have a proposed debarment pending; has not been indicted, convicted, or has not had a civil judgment rendered against said person, firm, association, or corporation by a court of competent jurisdiction in any matter involving fraud or misconduct with the past three (3) years.
- Certification that the firm is not bankrupt or under an administration appointed by the Court, or under proceedings leading to a declaration of bankruptcy; and provide any pending or known legal actions against the company.
- Certification that, in the past seven (7) years, the organization has not had any bankruptcy proceedings initiated against the applicant or any member of the applicant's team (whether or not closed) and that there are no bankruptcy proceedings pending by or against the applicant regardless of the date of filing;
- All pending or known litigation/court action(s) have been disclosed in the application.
- Certification that the applicant presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The applicant further covenants that in the performance of this project/application, no person having any conflicting interest will be employed.

**Application Approval and Signature: The signatory declares that he/she is an authorized official of the applicant organization, is authorized to make this application, is authorized to commit the organization in financial matters, and will assure that any funds received as a result of this application are used for the purposes set forth herein.**

[Click here to enter text.](#)

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Printed Name and Title

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Signature

Click here to enter text.

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Agency

Click here to enter text.

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Date

## List of Subject Properties

	<b>Property</b>	<b>Condition</b>
1	1637 Packard Ave	Existing single-family structure
2	1445 Clark St	Existing single-family structure
3	1644 Holmes Ave	Existing single-family structure
4	1530 Holmes Ave	Existing single-family structure
5	1624 Holmes Ave	Grass-covered single-family lot
6	1633 West Blvd	Grass-covered single-family lot
7	1543 West Blvd	Existing single-family structure
8	1024 Thirteenth St	Grass-covered single-family lot
9	1233 Schiller St	Existing single-family structure
10	939 Center St	Existing single-family structure
11	233 Jones St	Grass-covered single-family lot
12	1644 S. Memorial Drive	Grass-covered single-family lot
13	1602 Phillips Avenue	Grass-covered single-family lot
14	1801 Mead Street	Vacant commercial structure with vacant apartments above
15	1138 Racine Street	Grass-covered single-family lot
16	1308 Howe Street	Grass-covered single-family lot
17	1317 Albert Street	Grass-covered single-family lot
18	1422 Marquette Street	Grass-covered double lot
19	1805 Mead Street	Grass-covered single-family lot

**Pilot Property Reactivation Program Scoring Table**

Buyers **must** meet general buyer guidelines and minimum qualifications stated in the RFP document. The scoring criteria below will be used to determine property awards if multiple qualified offers are received. Applicants must attach sufficient evidence to support claims made through the scoring as part of their applications to receive points.

<b>Category</b>	<b>Points Earned</b>	<b>Score</b>
<b>Additional Investment Proposed</b>	<b>2 points (20 points max)</b> - Awarded for each additional \$5,000 the applicant proposes to invest in the property beyond the minimum amount required to rectify “essential repairs”.	
<b>Strength of Financing</b>  Note: All buyers must meet the minimum qualification of demonstrating sufficient financing to acquire the property and rectify all repairs listed on the scope of work as “Essential Repairs.” Applications that do not meet this standard will not be considered.	<b>20 points max</b> - Awarded for applicant’s proposed use of cash on hand to finance the entire homeownership project, provided that the applicant demonstrates that the cash on hand has no restrictions that would conflict with those of the City of Racine as stated in the Request for Proposals document.  <b>15 points</b> - Awarded for applicants who demonstrate sufficient financing for the homeownership project through a commitment or pre-qualification from a bank for the specific property  <b>10 points</b> - Awarded for applicants who demonstrate sufficient financing for the homeownership project through a letter of credit	
<b>Non-Profit/Individual Homebuyer</b>	<b>30 points</b> - Awarded if the buyer is either currently a non-profit as demonstrated by a certification letter from an appropriate government source and the application shows an intent to redevelop the property for homeownership purposes, or the applicant is an individual who is seeking to acquire the subject property for owner-occupancy	
<b>Environmental Sustainability</b>	<b>5 points (20 points max)</b> – Awarded for each sustainability standard that the applicant commits to reaching. Sustainability standards are listed in Exhibit A (attic insulation, foundation insulation, etc.)	
<b>Neighborhood Character</b>	<b>10 points max</b> – Awarded to applicant whom agrees to either maintain features of an existing structure that are compatible with neighborhood architectural identity, or design a newly built structure so as to complement existing styles in the neighborhood. Applicant demonstrates awareness of neighborhood context in the description of the proposed project as stated in the application.	
<b>Use of Tax Credits or Opportunity Zone Financing</b>	<b>5 points</b> – Awarded for each homeowner-related tax credit program that the buyer is eligible for and intends to apply for, such as the Wisconsin Homeowner's Preservation Tax Credit, the homestead credit, or other State or Federal tax credits  <b>5 points</b> – Awarded for securing financing from a Qualified Opportunity Fund or a Qualified Opportunity Zone Business	

<b>Workforce Development</b>	<p><b>10 points</b> – Awarded for applicants who agree to abide by Racine Works (more information attached as Exhibit B)</p> <p><b>10 points</b> – Awarded for applicants who agree hire a Disadvantaged Business Enterprise (DBE) certified through the State of Wisconsin, or eligible for certification and becomes certified within one year</p> <p><b>10 points</b> – Awarded for hiring a union-affiliated contractor</p> <p><b>10 points</b> – Awarded for agreeing to hire from an existing Racine-based pre-apprenticeship program</p>	

Score earned: \_\_\_\_\_ / 150 = \_\_\_\_\_

## **Exhibit A: Environmental Sustainability Standards**

Applicants are eligible for points in each of the categories below if they are able to commit to ensuring that each of the systems are upgraded to the work standards listed underneath each underlined system. Applicants are awarded five points for each underlined system upgraded to the required level, and applicants do not need to commit to meeting the upgraded standards for all systems to earn points. These standards are based in part on the Focus on Energy standards for Wisconsin residents, and more information can be found on them at [www.focusonenergy.com](http://www.focusonenergy.com). Applicants **are not** required to work directly with Focus on Energy. Meeting any one of the six standards below will earn the applicant five points, up to a maximum of 20.

### Attic Insulation

- Open cavity with insulation of R38 or greater, or closed cavity filled with insulation of any R-level

### Foundation Insulation

- At least 50% of the sill, foundation wall, or foundation ceiling must be improved with insulation of R5 or greater

### Wall Insulation

- Cavity filled with insulation of any R-level

### Heating and Cooling

- Installation of at least one pre-qualified heating and cooling system component as defined by Focus on Energy at <https://focusonenergy.com/residential#program-heating-and-cooling>. Click on “Show Details” and then “Equipment Qualifications” to see the specifications
- Installation of an Energy Star-certified smart thermostat

### Windows

- All windows replaced or installed at the property are Energy Star-certified low-emissivity (Low-E) windows

### Energy Star Appliances

- Installation of at least one home appliance that carries the Energy Star label

## **Exhibit B: Racine Works**

Ordinance 0008-18 – Racine Works

An ordinance to amend Chapter 46, Articles II, of the Municipal Code of the City of Racine, Wisconsin.

Part 1: Repeal and Recreate Section 46-41 of the Municipal Code of the City of Racine, Wisconsin, as follows:

Sec. 46-41. - Racine Works Program.

(a) Purpose. U.S. Department of Labor statistics show that the unemployment rate in the City of Racine is one of the highest in the state and is consistently higher than other parts of the State of Wisconsin. The City of Racine Common Council finds that the high unemployment rate, especially among low and moderate income groups, has a substantial adverse impact on the social and economic fiber of the entire community. The Racine Works Program is designed and intended to reduce unemployment by creating work opportunities for Racine residents and by retaining current jobs of residents through imposition of a requirement that, for certain public works contracts, a designated percent of hours worked under the contract be performed by qualified low-income Racine residents

(b) Definitions. The following words and phrases have the meaning indicated for this section:

*Direct financial assistance* means the value of below-market land sales, any direct subsidies to developers, and city expenditures for private improvements, with a combined value of \$1 million or more, as determined by the director of city development, targeted specifically to a project. It includes the value of tax increment financing and below-market-rate loans provided by the city.

*Eligible resident* means an individual who resides in the City of Racine, Wisconsin, for contracts awarded by the city, or an individual who resides in a municipality served by the water utility for water utility contracts and whose income does not exceed the area Housing and Urban Development (HUD) income limits set forth for low- or very low-income households, as of the date of hire, which is 80 percent of the county median income, as determined annually by HUD. Such residents shall have completed at a minimum a pre-apprentice program geared toward a specific trade. Residents who possess an apprenticeship or journeyman status shall also be eligible provided their current income status make them eligible.

*Racine Works Program (RWP)* means the residents' preference program created and implemented in this section.

*Qualified low income resident* a person who has completed a pre-apprentice, apprentice, or journeyman program or status in a particular trade such as carpentry, cement finishing, iron worker, plumbing, electrical, and similar trades. Qualifying contract means (1) a public works contract, as defined in Wis. Stats. § 66.0901(1)(c), awarded by the city or its water utility in an amount greater than \$200,000.00 and is paid by city source funds for city public works contracts or by water utility funds for water utility contracts, (2) a contract for site preparation, including, but not limited to, razing of buildings, filling, grading, and other similar work, or (3) a construction contract or contract for site preparation awarded by a developer for a development that received direct financial assistance from the city or from the redevelopment authority. A contract shall constitute a qualifying contract irrespective of the funding source to the fullest extent possible considering the requirements of state and federal law.

*Qualifying work* means all labor, including skilled and non-skilled labor, and including but not limited to, general laborer, labor performed in journeyman, sub-journey, pre-apprenticeship, apprenticeship, and on-the-job training programs.

*Worker hours* means the total hours qualifying work performed pursuant to a qualifying contract, whether those workers are employed by the contractor or any subcontractor. In determining the total worker hours to be furnished at a construction site, the number of hours devoted to all tasks customarily performed on a construction site shall be included, whether or not such tasks are performed on the construction site. Worker hours includes work performed by persons filling apprenticeships and participating in on-the-job training programs and work performed by supervisors and superintendents on job sites who are not hourly wage workers.

(c) *Applicability; exceptions.* RWP applies to all qualifying contracts, excepting that in exceptional circumstances where the commissioner of public works for department of public works contracts, or the general manager of the water utility for water utility contracts, determines that substantial grounds exist to exempt a contract from RWP, such as where a contract requires special skill or experience, then the commissioner of public works for department of public works contracts or the general manager of the water utility for water utility contracts, may exempt such contracts from RWP.

(d) *Worker hours requirement.* Contractors performing work under a non-exempt qualifying contract shall employ or ensure employment of eligible residents in the work under such contract and subcontracts to the extent that eligible residents perform qualifying work in the amount of 20 percent of the total worker hours.

(e) *Verification; documentation.* The contractor shall, upon completion of each nonexempt qualifying contract, and before final payment under the contract is requested, certify by affidavit whether it has complied with RWP. Such affidavit shall include the name, street address, municipality of residence, race, gender, and total hours worked of each employee used for the contract, including such records of subcontractors for work under subcontracts. Such certification shall submit such affidavit to the city affirmative action/human rights officer. Contractors shall maintain personnel records listing the name, address, race, and gender of each employee used for the contract as well as payroll records that provide information from which compliance with RWP requirements can be determined, including such records of subcontractors for work of eligible residents under the subcontract. The contractor shall provide such documents to city upon reasonable notice during the pendency of the contract and shall maintain such payroll records for a period of at least three years after city's final payment under the contract. Contractors and

subcontractors shall permit a city representative to engage in on-the-job interviews with employees to assist in determining compliance with RWP.

(f) *Administration.* RWP shall be administered by the city affirmative action/human rights officer, who shall provide prospective contractors with information regarding RWP, with forms required for compliance certification, who shall also determine compliance with RWP requirements. The affirmative action/human rights officer shall, on a semi-annual basis, provide the common council with information regarding RWP and the common council shall review the program and determine whether to enact revisions to RWP.

(g) *Prohibition and penalty.* No contractor or agent thereof shall fail to employ and use on non-exempt qualifying contracts eligible residents for at least the percent of qualifying work specified in this section. Upon failure of a contractor or agent to timely submit the affidavit required under paragraph (e), above, such contractor or agent shall be prohibited from bidding on any qualifying contract until such affidavit is submitted. Upon failure of a contract or agent thereof to fail to employ and use on non-exempt contracts eligible residents for at least the percent of qualifying work specified in this section, such contractor or agent thereof may be cited for such failure. Upon conviction, such person shall forfeit \$10,000, or two and one-half percent of the total cost of the qualifying contract as awarded, whichever is greater, plus statutory court costs.

(h) *Debarment.* If after recommendation of the public works and services committee, the due process board determines that a contractor or agent thereof has failed to employ eligible residents under a non-exempt qualifying contract in the percentage required in this section, or if upon recommendation of the general manager of the water utility, the due process board finds that a contractor or agent thereof has failed to employ eligible residents under a non-exempt qualifying contract in the percentage specified in this section, the common council, for department of public works contracts, and the water works commission, for water utility contracts, may not award any contract to such person unless otherwise recommended by the public works and services committee and approved by the common council or recommended by such general manager and approved by the water works commission, respectively, or unless three years have elapsed from the date the due process board made its determination, or three years have elapsed from the date of final determination by a court of competent jurisdiction that is adverse to the contractor, whichever is later.



Part 2: This ordinance shall take effect upon passage by a majority vote of the members-elect of the City Common Council and publication or posting as required by law.

City of Racine Ordinance 0008-18 – Racine Works, was adopted and is currently in effect for all projects awarded by the City of Racine in an amount greater than \$200,000. As outlined in this Ordinance, 20% of the total worker hours need to be performed by eligible residents.

**FAILURE TO PAY THE CORRECT WAGES MAY RESULT IN:**

1. Prohibition from bidding on comparable projects if affidavit regarding Racine Works Program Compliance is not submitted as required on each project.
2. Citation to the contractor in an amount of \$10,000, or 2.5% of the total contract amount awarded, whichever is greater, plus statutory court costs.
3. Debarment of the contractor from bidding contracts let by the City of Racine for a three year period.

**PLEASE AVOID ANY SUCH PENALTIES BY PAYING THE RACINE  
WORKS WAGES ON ALL ELIGIBLE PROJECTS.**