



Department of City Development
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MEMORANDUM

FOR MEETING DATE: February 2, 2017

TO: Community Development Committee

FROM: City Development Staff

RE: Housing Department CDBG Grant Request
1531 Packard Avenue

The Housing Department, a division of the Department of City Development, is requesting \$140,000 CDBG funds reallocated from the Housing Repair Loan Program 2015 Homeowner and Rental Match to purchase and rehab a duplex at 1531 Packard Avenue (photo A). This property is located in Uptown, a targeted impact neighborhood.

The City of Racine will acquire the home through a bankruptcy sale for \$19,000. The building is currently vacant and is not habitable. Each housing unit has 3 bedrooms and 1 bathroom. The building does not have a garage.

The building will require a complete gut rehab with the installation of Energy Star/energy efficient appliances and climate control. The rehab plan calls for in the installation of a fence in the backyard for privacy and security. After project completion the building will be sold to an income-eligible homeowner or a market-rate homeowner and an income-eligible tenant. It is anticipated the new home will sell for at least \$65,000.

The CDBG funds requested were allocated via Res.15-0327 in 2015 for Homeowner and Rental Match through the Housing Repair Loan Program. Lower-than-expected housing loans were made in 2015-2016 and these funds will expire in 2017. The match program will remain open and still will contain some match funds for 2017.

Staff recommends that the Community Development Committee move to recommend that the Department of City Development be approved to reallocate \$140,000 of CDBG 2015 Homeowner and Rental Match funds consistent with its application and federal regulations for the purposes of rehabbing a 2-unit house.

Fiscal Note: There are sufficient CDBG funds available to meet this request. 2015 Homeowner and Rental Match funds will expire in June 2017.



(Photo A)

