



**City of Racine, Wisconsin**  
**AGENDA BRIEFING MEMORADUM**

**AGENDA DATE:** December 10, 2018 Finance and Personnel Committee

**SUBJECT:**

Communication from the Manager of Housing and Community Development requesting the City accept 1937 Racine Street from Racine County and transfer the deed to Racine Habitat for Humanity for the purpose of redevelopment.

**PREPARED BY:**

Matthew Rejc, Manager of Housing and Community Development

**EXECUTIVE SUMMARY:**

The property at 1937 Racine Street is recommended to be received from Racine County, which was acquired by the County through the in rem tax foreclosure process. Racine Habitat for Humanity approached City Development staff about acquiring this property in November 2017. The property is currently a grass-covered lot on which Habitat proposes to construct a single-family home.

Going forward, any properties acquired by the City from Racine County through the tax foreclosure process will be subject to a public request for proposals process that will be open to all buyers who are interested in acquiring and redeveloping the City-owned properties. Applicants for properties will be required to have a firm financing plan for the subject properties, and must demonstrate the capacity to complete the proposed projects. Since the request for proposals process for disposition of tax foreclosed properties acquired by the County was set in motion following Habitat's proposal for 1937 Racine Street, staff recommends transferring the property to Habitat contingent on Habitat's satisfaction of the City's requirements.

**BACKGROUND & ANALYSIS:**

The property at 1937 Racine Street is a grass-covered lot that was recently acquired by Racine County via the in rem tax foreclosure process, and donation of the property has been requested by the City for redevelopment.

Any transfer to Habitat will include a written agreement with the City detailing that:

- Property transfer is contingent on financing availability.
- All work will be performed with proper building permits and the buildings will be in compliance with City building codes before resale.
- Certificate of occupancy (completion of construction/rehabilitation) must be obtained within two years of receiving the property.
- Habitat must comply with all Federal regulations associated with these properties should Federal funding be used on this property.
- The City intends to execute appropriate legal instruments prior to transfer of the property that will allow the City to regain ownership of the property if Habitat is not compliant with any of the above stipulations or, if applicable, Federal regulations.

Ultimately, the goal of this property transfer is to redevelop the parcel and to return it to the tax rolls. The redevelopment and sale of this parcel will generate revenue for Habitat and an affordable homeownership opportunity for an eligible home buyer.

**BUDGETARY IMPACT:**

Habitat will reimburse the City for title transfer, recording, or any other applicable fees, estimated at approximately \$30.

**RECOMMENDED ACTION:**

That the Finance and Personnel Committee recommend approval of the acceptance of 1937 Racine Street from Racine County and transfer of the deed from the City of Racine to the Racine Habitat for Humanity, with conditions as recommended by staff.