



City of Racine, Wisconsin AGENDA BRIEFING MEMORADUM

AGENDA DATE:	November 30, 2017
SUBJECT:	Request by Great Lakes CCC for Funds to Rehabilitate a Single-Family House at 1432 Illinois Street
PREPARED BY:	Laura Detert, Manager of Housing and Community Development

EXECUTIVE SUMMARY:

Department of City Development - Division of Housing and Community Development requests that the Community Development Committee approve a resolution authorizing a \$50,000 loan and a \$60,000 grant of CDBG funds to Great Lakes Community Conservation Corps for rehabilitation of a single-family house at 1432 Illinois Street.

BACKGROUND & ANALYSIS:

Project Details: 1432 Illinois Street

- Great Lakes Community Conservation Corps ("Great Lakes CCC") plans the rehabilitation of a single-family house at 1432 Illinois Street.
- Great Lakes CCC requested a 30 year, 0% interest loan of \$161,630 of HOME funds for the project.
- The house will be rehabilitated as a component of Great Lakes' Racine Builds job training program. Great Lakes Community Conservation Corps (Great Lakes CCC) will provide on-the-job training for its Corps members/students to learn construction skills throughout the entire rehabbing process
- The design and construction of the structure requires substantial gut-demolition and rebuilding, including the redesign of the entire roof structure.
- The current building design and construction is not code compliant, and the garage was adapted to serve as an additional bedroom. The entire house is approximately 1,300 square feet.
- The finished house will be 3 bedroom, 1.5 bath
- Rehabilitation will include a new roof, HVAC, plumbing, and electrical.



- Great Lakes CCC acquired the property through a donation from Racine County, via the City of Racine, after an in-rem foreclosure action. The house is currently vacant.
- When the house is complete, Housing Resources, Inc. (HRI) will partner with Great Lakes CCC to recruit a first-time homebuyer.

Staff Recommendation

- Based on underwriting and program requirements, staff recommends a \$50,000 loan and a \$60,000 grant of Community Development Block Grant (CDBG) funds to rehabilitate the single-family house at 1432 Illinois Street.
- The \$50,000 loan of CDBG funds would have an interest rate of 0% with payoff at the time of house sale to a CDBG-eligible homeowner. Funds may be used for all CDBG-eligible expenses.
- \$60,000 of CDBG will be granted to the project for CDBG-eligible materials including roofing materials, HVAC, kitchen cabinets, plumbing, paint, drywall, and gutters.
- The house will be required to be sold to a low-to-moderate income homebuyer. No affordability period or deed restriction will be required.



BUDGETARY IMPACT:

There are sufficient CDBG funds for the recommended loan and grant. The funds were allocated to homeowner housing rehabilitation projects in the 2016 and 2017 City of Racine Annual Plans.

RECOMMENDED ACTION:

Staff recommends that the Community Development Committee approve a resolution to loan Great Lakes Community Conservation Corps \$50,000 and grant \$60,000 of CDBG funds for rehabilitation of a single-family house at 1432 Illinois Street.

Further, that the Mayor and City Clerk be directed to enter into a CDBG agreement with Great Lakes Community Conservation Corps consistent with its application and all applicable federal regulations.