

Department of City Development

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January 18, 2008

Honorable Mayor and Members of the Common Council
City of Racine
Racine City Hall
730 Washington Avenue
Racine, WI 53402

Dear Mayor and Council Members:

End-of-the-year assessment of the Housing Department's financial position has revealed that program income generated by principal and interest payments, loan payoffs, and other sources was down over 20 percent from 2006. During that same time, the Department's loan funds were used for a variety of special projects including the purchase and renovation of Uptown commercial properties, the Weed and Seed Individual Development Accounts (IDA) program, rehabilitation of the former Southside Revitalization Corporation properties, and purchase of a new COP House location on Hamilton Street. Most recently the Housing Loan Board of Review approved a construction loan to the Racine Community Outpost for a new COP house at 12th and Villa Streets.

While the Loan Board is confident that these investments will be recouped in the long run, the Housing Department finds itself momentarily short of funds for the Housing Rehabilitation Loan Program. On behalf of the Loan Board, I am requesting an allocation of \$200,000 from the Local Option Fund to replenish the Housing Department's loan funds. Please refer this request to the Community Development Committee for review and recommendation.

If you have questions, or need additional information, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Brian F. O'Connell".

Brian F. O'Connell
Director of City Development and Chair of the Housing Loan Board of Review