



City of Racine, Wisconsin
AGENDA BRIEFING MEMORADUM

AGENDA DATE: November 9, 2018
SUBJECT: FY 2018 CDBG Contract for Building Division - Demolition
PREPARED BY: Matt Rejc, Manager of Housing and Community Development
EXECUTIVE SUMMARY: Department of City Development - Division of Housing and Community Development requests that the Community Development Committee recommend approval of a contract with the Building Inspection and Zoning Division for demolition activities.
BACKGROUND & ANALYSIS: <p>The 2018 Annual Action Plan process has set aside \$35,000 for slum/blight remediation activities outside of the Greater Uptown Neighborhood Revitalization Strategy Area (NRSA), and \$26,790 for spot blight removal within the NRSA. Activities under these categories are typically undertaken each year to eliminate specific conditions of blight or physical decay on a spot basis. No applications for this activity were received during the 2018 CDBG funding round.</p> <p>Based on interest in funding for eligible slum/blight activities, staff released a Notice of Funding Availability (NOFA) to gather applications. City staff received two responses, including one from the Department of Parks, Recreation, and Cultural Services' Forestry Division for stump grinding, as well as one from the Building Inspection and Zoning Division for demolition activities.</p> <p>The Building Division has proposed to demolish four (4) blighted and abandoned residential structures using the full amount of funds available, and could scale their project down to two (2) structures for demolition using \$41,790. The elimination of substandard dwelling units has multiple positive impacts on the City's neighborhoods, as it helps to stabilize property values and eliminate hazards to area residents. Demolition sites often act as prime locations for redevelopment activities, since non-profits and other developers can easily build new homes on the lots.</p> <p>Demolition activities were previously undertaken in 2017 through a contract for \$25,000. The Building Division is actively using the funds and expects the 2018 CDBG funding to supplement their demolition activities in the upcoming year. The CDBG funding for demolition activities functions to supplement and extend the Building Division's City-funded demolition activities.</p>
BUDGETARY IMPACT: The proposed contract would use \$18,360 of the \$35,000 set-aside for City-wide slum/blight remediation activities and \$23,430 of the \$26,790 in slum/blight funds proposed for use in the NRSA.
RECOMMENDED ACTION: Housing and Community Development Division staff recommend approval of an inter-departmental contract with the Department of City Development for \$41,790 related to demolition activities in eligible areas.