



City of Racine, Wisconsin
AGENDA BRIEFING MEMORADUM

AGENDA DATE: February 21, 2022

SUBJECT:

HOME Investments Partnership funding for housing rehabilitation of two units by the Racine Revitalization Partnership

PREPARED BY:

Brendan Saunders, Manager of Neighborhood Services

EXECUTIVE SUMMARY:

Department of City Development – Division of Neighborhood Services request that the CDBG Advisory Board review the HOME Investment Partnership – CHDO Reserve applications and the Racine Revitalization Partnership funding recommendations.

BACKGROUND & ANALYSIS:

On December 27, 2021, The Racine Revitalization Partnership (RRP) submitted an application for HOME Investment Partnerships - Community Housing Development Organization (CHDO) Reserve funding to subsidize two residential unit rehabilitations within the designated Greater Uptown Neighborhood Revitalization Strategy Area (NRSA):

- 620 Hubbard St. - \$81,618
- 939 Center St. - \$82,800

Both are single-family homes and will be sold to income qualifying households making at or below 80% of the area median income.

The Racine Revitalization Partnership currently owns both units.

RRP has committed gap financing from Forward Community Investments (FCI), a non-profit Community Development Financial Institution (CDFI) based in Madison.

RRP is a certified Community Housing Development Organization (CHDO). The U.S. Department of Housing and Urban Development (HUD) requires that all communities receiving HOME funds, including the City of Racine, reserve 15% of all HOME funds for CHDO development projects.

Staff Recommendation

- Based on underwriting and program requirements, staff recommends authorizing up to \$81,618 in HOME funding for the rehabilitation of 620 Hubbard
- Based on underwriting and program requirements, staff recommends authorizing up to \$82,800 in HOME funding for the rehabilitation of 939 Center St.
- Program income as defined by HUD will be returned to the City after sale of the units to an income-eligible buyer.
- All properties must be sold to low-/moderate-income homebuyers. HOME-funded developments will require resale restrictions for up to 15 years.

BUDGETARY IMPACT:

There are sufficient HOME funds to fund the staff recommendation. Program income as defined by HUD will be returned to the City.

RECOMMENDED ACTION:

To allocate HOME funds to The RRP, as indicated by staff, and that the Mayor and City Clerk be authorized to enter into contracts with the organization pursuant to the funding allocations and Federal regulations.