

## Department of City Development

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Mayor Gary Becker  
Racine Common Council

Honorable Mayor and Members of the Council:

Through adoption of the Housing and Economic Recovery Act of 2008 the federal government has made funding available to mitigate local effects of the mortgage foreclosure crisis. In Wisconsin approximately \$39 million will be made available to local governments, Indian tribes, not-for-profit organizations, and housing authorities through a Request for Proposals process administered by the Department of Commerce. Eligible activities under the state's program include: purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties for eligible households; direct down payment/gap financing assistance to eligible homebuyers purchasing a foreclosed property; establishment of land banks for foreclosed homes in neighborhoods where property stabilization is required; demolition of blighted structures; redevelopment of sites; and delivery costs, including: establishing financing mechanisms for purchase and redevelopment of eligible properties.

Among Wisconsin municipalities Racine is one of the most adversely affected with foreclosures more than doubling in recent years, an unprecedented number of vacant properties, declining property values, and other indicators of distress in the housing market. Receiving funding under the Housing and Economic Recovery Act will help address the effects of the mortgage crisis in Racine. The Department of Commerce, has indicated that applications for funding will be due in mid-January. Please refer this matter to the Finance and Personnel Committee for review and recommendation.

Sincerely,

A handwritten signature in black ink, which appears to read "Brian F. O'Connell". The signature is written in a cursive style and is positioned above the printed name.

Brian F. O'Connell  
Director of City Development