



City of Racine, Wisconsin
AGENDA BRIEFING MEMORADUM

AGENDA DATE:	November 9, 2017
SUBJECT:	Tax delinquency policy for homeowner repair loans and/or code compliance grants
PREPARED BY:	Laura Detert, Manager of Housing and Community Development
EXECUTIVE SUMMARY:	<p>Department of City Development - Division of Housing and Community Development requests the Loan Board of Review discuss the current loan/grant policy regarding homeowners with property tax delinquency.</p>
BACKGROUND & ANALYSIS:	<p>Chapter 3 of the Housing Rehabilitation and General Administration Policy & Procedures Manual ("Eligibility Requirements") contains the policy:</p> <p><i>6. At all times during the application process and the term of the loan, have all real estate taxes and special assessments paid or under a City-approved payment schedule.</i></p> <p>The City of Racine encourages payment of all property taxes and doesn't advocate any policy that rewards tax delinquency. At the same time, many homeowners a year behind in property tax payments are in need of property repair assistance, particularly when ordered by the City of Racine for building code violations. These homeowners would otherwise be eligible for homeowner repair loans or code compliance grants but for the tax delinquency.</p> <p>Housing and Community Development within the Department of City Development encourages the Loan Board of Review to assess the current tax delinquency policy and determine if the policy is meeting the goals of:</p> <ol style="list-style-type: none">1. Maintaining/ increasing homeownership within the City.2. Assisting low-to-moderate residents.3. Maintaining the city's building stock. <p>The Loan Board of Review has a responsibility to oversee the housing repair loan revolving loan fund and ensure policies are fair, legal, and in the best interest of the program and City as a whole. Housing and Community Development requests the Loan Board of Review discuss the current policy along with consultation with representatives from the City Attorney's office and take action on any revisions to the Policy & Procedures Manual.</p>
BUDGETARY IMPACT:	No property tax delinquencies or other liens may be paid using public funds on behalf of homeowners.
RECOMMENDED ACTION:	

Staff recommends that the Loan Board of Review discuss tax delinquency policies and procedures with representatives from the City Attorney's office and, if desired, take corresponding action amending the Housing Rehabilitation and General Administration Policy & Procedures Manual.