



CDBG Advisory Board | City of Racine, Wisconsin  
Agenda Briefing Memorandum

**AGENDA DATE:**

CDBG Advisory Board – April 8, 2024  
Common Council – April 15, 2024

**PREPARED BY:** Brittany Brown, Compliance Specialist

**REVIEWED BY:** Cathy Anderson, Economic Development and Housing Manager

**SUBJECT:** Communication sponsored by Mayor Mason regarding Habitat for Humanity's request for the CHDO reserve/operating funds and HOME funds, for a total of up to \$850,495.00, to build three new homes on the vacant lot located on the corner of Geneva St. and West St. (parcel #276000002879000).

**BACKGROUND & ANALYSIS:**

The City of Racine remains steadfast in its commitment to the timely construction of safe and affordable housing options for its residents. In furtherance of this goal, the city has established a partnership with Habitat for Humanity (H4H) to facilitate the construction of three new homes. These homes are designated for sale to low-to-moderate-income families within the 2024 calendar year.

Habitat for Humanity will be the developer to construct these three new residences on three newly split parcels. This collaborative effort not only aims to provide much-needed housing options for families in need but also contributes to the Lincoln King Redevelopment Plan and ongoing revitalization efforts with the city.

**Structure Characteristics:**

Habitat for Humanity (H4H) is embarking on the construction of three distinct homes as part of its collaboration with the City of Racine. The proposed homes include:

1. A spacious four-bedroom, two-bathroom home.
2. Two inviting three-bedroom, two-bathroom homes.

Each of these residences will boast the convenience of a bathroom on both the first and second floors, enhancing accessibility and functionality for the families who will call them home. Additionally, a first-floor laundry room will be a practical inclusion in each of the homes. Designed with both comfort and community in mind, all three homes will feature both front and rear porches, providing inviting spaces for relaxation and social gatherings.

Habitat for Humanity is seeking HOME/CHDO funds not to exceed a total of \$850,495.00. It is noteworthy that any sales profit derived from these homes will be reinvested back into the City of Racine as program income, ensuring a sustainable cycle of community support.

**Operating Budget: \$85,494.65**

\$85,494.65 - CHDO operating funds

**Development Budget: \$900,000**

\$135,000 – Habitat for Humanity contribution (15% required)

\$99,007 – CHDO Reserve funds

\$665,993 – HOME-funded Construction Cost (grant/loan)

*Note: Proceeds from the sale of the three properties will be disturbed as follows: Habitat for Humanity will retain a percentage for future builds per a development agreement and the remaining proceeds will be returned to the City as program income.*

**BUDGETARY IMPACT:**

There are sufficient HOME Funds to facilitate the loan and grant for the development of three new homes. Program income received will be redirected back into the HOME Fund.

**RECOMMENDED ACTION:**

Staff recommends that the CDBG Advisory Board approve the distribution of HOME funds up to \$99,007 of CHDO Reserve Funds, \$85,494.65 of CHDO Operating Funds, and \$665,993 of HOME-funded Construction funds to Habitat for Humanity.