



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

AGENDA DATE:

CDBG Advisory Board – October 9, 2023
Common Council – October 17, 2023

PREPARED BY: Brittany Brown, Compliance Specialist

REVIEWED BY: Cathy Anderson, Economic Development and Housing Manager

SUBJECT: Communication sponsored by Alderman Coe on behalf of Racine Revitalization Partnership (RRP), requesting the use of HOME CHDO reserve funds and HOME Grant funds in the amount of \$436,000 for the purpose of building two new homes at the corner of Twelfth Street and Highland Ave. by Racine Revitalization Partnership.

BACKGROUND & ANALYSIS:

Racine Revitalization Partnership (RRP) is the City of Racine’s current operating CHDO (Community Housing Development Organization). RRP obtained 1107 Twelfth Street and 1204 Highland Avenue from the City of Racine via a transfer of Deed in 2018. These two lots were obtained from the County without structures and surveyed to build a triplex. The property was resurveyed on June 26, 2023, to accommodate a revised plan of two single-family homes. The receipt of funding from HOME sources will allow RRP to provide new homes for low to moderate-income families. The Highland lots are located in a low to moderate area of Racine.

Structure Characteristics:

The homes will contain three- bedrooms, two -baths, and a full basement. The homes also feature a bath on both the second and first floors. The homes feature a first-floor laundry room. Both homes will include a front and rear porch. A garage slab will be poured for the homeowner’s future build of a garage if they choose. The projected residential construction period is 180 days from the contract start date.

Racine Revitalization Partnership is requesting \$218,000 (per structure) totaling a request of \$436,000 in HOME funds. RRP will be receiving HOME funds from FY18 and FY19. The Racine Revitalization Partnership has secured funds from FCI of \$285,000 towards the construction of the two newly built homes. The sales profit from both homes will be returned to the City of Racine as program income.

Development Budget:

\$721,000 – Total Construction Cost for both homes

\$285,000 – FCI Loan for both homes

\$436,000 – HOME grants for both homes (*program income after the sale of the properties comes back into the HOME fund as program income*).

BUDGETARY IMPACT:

There are sufficient HOME Funds to cover both grants to facilitate the development of both new homes. Program income received will be redirected back into the HOME Fund.

RECOMMENDED ACTION:

Staff recommends that the CDBG Advisory Board recommends approval of a grant of up to \$436,000 from HOME to fund the RRP project.