



City of Racine, Wisconsin

AGENDA BRIEFING MEMORADUM

AGENDA DATE: February 21, 2022 Finance and Personnel Committee

SUBJECT:

Communication sponsored by Mayor Mason requesting the City transfer 233 Jones Street, 1801 Mead Street, 1805 Mead Street, 1422 Marquette Street, 1317 Albert Street, and 1637 Packard Avenue to the City of Racine Community Development Authority for the purpose of redevelopment and sale to homeowners.

PREPARED BY:

Matthew Rejc, Assistant Director of City Development

EXECUTIVE SUMMARY:

The properties at 233 Jones Street, 1801 Mead Street, 1805 Mead Street, 1422 Marquette Street, and 1317 Albert Street were acquired by the City of Racine for redevelopment purposes. The City of Racine Community Development Authority (CDA) has allocated funding for constructing five single-family houses on the property. The property at 1637 Packard Avenue has been allocated up to \$215,000 in Community Development Block Grant (CDBG) funding for rehabilitation through Common Council Resolution #0770-21. Staff recommends transferring all properties to the CDA for development and resale purposes.

BACKGROUND & ANALYSIS:

The CDA authorized acceptance of \$4,000,000 in Federal American Rescue Plan Act (ARPA) funds from the City of Racine on August 17, 2021, \$1,500,000 of which is to be dedicated toward "housing priorities, specifically homeownership and land banking" through CDA Resolution 21-14. A further \$6 million was then allocated to the CDA by the Common Council on November 16, 2021. Through CDA Resolution 22-2, the CDA has authorized using up to \$1,500,000 on new construction of five homeownership housing units on 233 Jones Street, 1801 Mead Street, 1805 Mead Street, 1422 Marquette Street, and 1317 Albert Street. Further, up to \$215,000 in CDBG funding has been allocated toward the rehabilitation of the City-owned property at 1637 Packard Avenue through Resolution #0770-21.

Transferring the properties to the CDA prior to development provides several advantages. Namely, doing so allows the CDA to manage sale of the property to homeowner-occupants. Sale of City-owned properties to end users through the current process can be time-consuming due to committee and Common Council schedules. If potential property sales fall through, then sale of the property to another owner may not be facilitated until the following Common Council meeting, which could prevent sale for weeks or months at a time.

Furthermore, development on CDA properties instead of City-owned properties limits the liability of the City if insurance claims, subsurface discoveries, or other unexpected events should occur during the development process.

BUDGETARY IMPACT:

Transfer of each property will require \$30 in recording fees, totaling \$180 in transfer fees.

RECOMMENDED ACTION:

That the Finance and Personnel Committee recommend approval of transfer 233 Jones Street, 1801 Mead Street, 1805 Mead Street, 1422 Marquette Street, 1317 Albert Street, and 1637 Packard Avenue to the City of Racine Community Development Authority for the purpose of redevelopment and sale to homeowners.