



Department of City Development
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MEMORANDUM

FOR MEETING DATE: May 11, 2016

TO: Community Development Committee

FROM: City Development Staff

SUBJECT: Housing Department HOME Grant Request
1920 and 1924 Slauson Avenue

The Housing Department, a division of the Department of City Development, is requesting \$235,000 to build a 1,619 square foot, 3 bedroom, two bathroom home with a two car attached garage for sale to an income eligible homeowner at 1920 and 1924 Slauson Avenue. It is anticipated that the new home will eventually sell for \$95,000.

The City of Racine intends to acquire the lots at 1920 and 1924 Slauson Avenue from the County of Racine who will acquire the properties through foreclosure actions. There were once derelict structures on both lots that were raised by the City Building Department and both lots are currently empty (Photos A and B). Both properties have tax liens greatly exceeding their property values, making redemption by the owners highly unlikely.

The single-family house the Housing Department intends to build will use the same floor plan and design of 1923 Mead Street and 1232 Schiller (Photo C), both of which were built using the Neighborhood Stabilization Program with general contractor "hard" costs of approximately \$220,000 each. The Housing Department's application includes \$3,000 of construction contingency.

Staff recommends that the Community Development Committee move to recommend that the Mayor, City Clerk, and Director of City Development be authorized to execute a written agreement with the Housing Department consistent with its application and federal regulations for \$235,000 of HOME funds for the purpose of building a single-family house for-sale to an eligible homeowner.

Fiscal Note: There are sufficient HOME funds available to meet this request.

PHOTO A:



House on left is now demolished.

PHOTO B:



PHOTO C:

