



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

**AGENDA DATE:**

CDBG Advisory Board – January 13, 2025  
Common Council – January 21, 2025

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

**REVIEWED BY:** Veronica Seymour, Interim Housing Manager

**SUBJECT:** Communication sponsored by Mayor Mason requesting up to \$373,600.00 for new construction of a single-family building on City-owned property at 1644 S Memorial Dr.

**BACKGROUND & ANALYSIS:**

In 2018, the Department of City Development - Division of Housing and Community Development acquired the property at 1644 S. Memorial Drive using Community Development Block Grant (CDBG) funds. The parcel, measuring 4,356 square feet, previously housed a single-family home that was demolished in 2017. The property was purchased for \$8,000 from a private seller on the open market, free of any liens or back taxes.

The City of Racine has issued a request for bids for the construction of a new single-family home on parcel #9317133. After receiving two bids, the city has chosen to approve the proposal submitted by Doubled D Construction, with a bid of \$373,600.00. We are seeking approval to allocate \$373,600.00 in HOME funds for the construction of this new home. The sale of the property will adhere to HUD HOME regulations, including requirements for sale price, buyer qualifications, and the affordability period.

- *Sale Price:* All units must be sold at or below the *HOME Unit Sale Limits*, which are 95% of the area's median purchase price for the specified housing type (verified annually through the HUD Exchange).
- *Buyer Income Requirements:* Household income must be at or below 80% of the area median Income.
- *HUD Affordability Period:* The buyer must reside in the property for 15 years.

**Structure Characteristics:**

The new home will feature a four-bedroom, two-bathroom layout, with a full basement. The design includes bathrooms on both the first and second floors, along with a laundry room in the basement. The property will also feature both front and rear porches. A garage slab will be poured, allowing the future homeowner the option to construct a garage at their discretion. The estimated timeline for residential construction is 180 days from the start of the contract.

**Development Budget:**

\$373,600 – Total Construction Cost

*Note: program income after the sale of the property comes back into the HOME fund as program income.*

**BUDGETARY IMPACT:**

There are adequate HOME Funds available to cover the \$373,600 cost for the new construction of the home. Any income generated from the sale of the improved property will be reinvested into the HOME Fund.

**RECOMMENDED ACTION:**

To approve the use of up to \$373,600.00 in HOME funds to redevelop the property at 1644 S Memorial Drive and sell to a HOME-eligible homeowner.