

Department of City Development

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October 29, 2009

Mayor John Dickert
Racine Common Council
730 Washington Avenue
Racine, WI 53403

Honorable Mayor and Members of the Council:

The Department of City Development has now had three months' experience administering the Neighborhood Stabilization Program (NSP), which is intended to combat the effects of the foreclosure crisis in Racine. To date the City has negotiated or closed on the purchase of ten properties. Based on experiences with those houses and others on the market the program budget has been revisited and revised as shown on the attached table. Please refer the revised NSP budget to the Finance and Personnel Committee for review and recommendation.

Sincerely,

A handwritten signature in cursive script that reads "Joseph Heck".

Joseph Heck
Assistant Director of City Development

Attachment

**Neighborhood Stabilization Program Budget: Racine, WI
(Revised October 29, 2009)**

<u>Activity Name</u>	<u>Activity Component</u>	<u># Units</u>	<u>Estimated Unit Cost</u>	<u>Estimated Total Cost</u>	<u>WI Commerce Budget Category</u>
Demolition/New Construction (Redevelopment)					
	Acquisition	3	\$ 35,000	\$ 105,000	D
	Demolition	3	\$ 10,050	\$ 30,150	D
	New Construction	3	\$ 90,000	\$ 270,000	E
	Homebuyer Education	3	\$ 600	\$ 1,800	B
SUBTOTAL				\$ 406,950	
Rehabilitation Loans to Purchasers					
	Homebuyer Education	8	\$ 600	\$ 4,800	B
	Rehabilitation Loans	8	\$ 25,000	\$ 200,000	B
SUBTOTAL				\$ 204,800	
Purchase/Rehab/Resale					
	Acquisition & Rehabilitation	12	\$ 90,000	\$ 1,080,000	B
	Pre-purchase Costs	12	\$ 2,500	\$ 30,000	B
	Carrying Costs	12	\$ 4,000	\$ 48,000	B
	Homebuyer Education	12	\$ 600	\$ 7,200	B
SUBTOTAL				\$ 1,165,200	
Housing Subtotal				\$ 1,776,950	
Program Administration					
	Lead-based Paint Risk Assessments	15	\$ 400	\$ 6,000	Admin.
	Property Appraisals	20	\$ 800	\$ 16,000	Admin.
	Property Inspections	15	\$ 500	\$ 7,500	Admin.
	Construction Administration	15	\$ 5,130	\$ 76,950	Admin.
	Program Monitoring & Reporting			\$ 26,821	Admin.
SUBTOTAL				\$ 133,271	
Contingency				\$ 26,012	
GRAND TOTAL				\$ 1,936,233	

Note: WI Commerce Budget Categories: B-Acquisition/Rehab/Resale; D-Demolition of Blighted Structures; E-Redevelopment