



Department of City Development

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MEMORANDUM

FOR MEETING DATE: February 2, 2017

TO: Community Development Committee

FROM: City Development Staff

RE: Housing Department NSP1, and NSP3, HOME Request
1538 Packard Avenue

The Housing Department, a division of the Department of City Development, is requesting up to \$250,000 of NSP1 and NSP3 funds for the construction of a new, single-family house at 1538 Packard Avenue.

The house will be 3 bedroom, 2 bathroom, with a two-car detached garage. When complete, the house will be sold to an income-eligible homeowner. It is anticipated the new home will sell for \$110,000.

The City of Racine intends to acquire the lot at 1538 Packard Avenue from the County of Racine after tax foreclosure. The lot is currently empty (Photo A). This property is located in Uptown, a targeted impact neighborhood.

The planned 1468 sq ft, single-family house will use the same floor plan and design of 931 Center and 1721 Villa (Photo B), both built using the Neighborhood Stabilization Program (NSP) with general contractor "hard" costs of approximately \$232,000 each. The Housing Department's application includes \$14,000 of HOME funds to be used if NSP funds are not sufficient at time of construction to cover the budgeted construction contingency. If additional construction costs are not needed or NSP funds are available through program income, HOME funds will not be used.

Staff recommends that the Community Development Committee move to recommend that the Department of City Development be authorized to use up to \$250,000 of NSP1 and NSP3 funds and up to \$14,000 of HOME funds for the purposes of building a single-family house consistent with its application and federal regulations for sale to an eligible homeowner.

Fiscal Note: There are sufficient NSP 1, NSP 3, and HOME funds available to meet this request.



(Photo A)



(Photo B)