



Community Development Authority (CDA) AGENDA BRIEFING MEMORANDUM

AGENDA DATE: June 2, 2022

SUBJECT:

City of Racine TID #23 Funding Allocation Plan

PREPARED BY:

Matthew Rejc, Assistant Director of City Development

EXECUTIVE SUMMARY:

Department of City Development - Division of Neighborhood Services has prepared a proposed allocation for up to \$500,000 in tax increment revenue generated by TID #23 for the purposes of neighborhood stabilization.

PROJECT BACKGROUND AND ANALYSIS:

The preliminary project plan for TID 23 was approved by Common Council through Resolution No. 1083-19 on September 30, 2019. Staff has been accepting rolling applications since February 3, 2022 and has received additional applications for the following programs:

- **Homeowner Repair Program:** This program largely replicates TID 8 Rebuild Racine program, allows up to \$10,000 per household to be used for repair of code violations.
- **Property Enhancement Program:** This product is designed to facilitate existing homeowner investment into permanent assets on their property via a 1:1 match of private dollars up to \$10,000 per property. All eligible expenses must relate to activities that will increase the assessed value of the property in question based on the sole opinion of the City Assessor.

Subtracting duplicative and ineligible applications, staff has so far received a total of 76 qualified applications. The maximum amount eligible to be used for each homeowner and in either program is \$10,000 per property. Staff received 63 applications for the Homeowner Repair Program and 13 applications for the Property Enhancement Program. The list of conditionally approved applicants is attached.

Following authorization to fund the qualified applicants, staff intends to continue reaching out to each applicant to verify the scope of work. Approximate funding amounts will be allocated and necessary contracts will be executed between the homeowner, contractor, and CDA as applicable. Funding will be disbursed directly to contractors upon verification that they have reached the requisite milestones in the project in question.

BUDGETARY IMPACT:

TID #23 has generated around \$530,000 since its creation, and is expected to generate similar amounts in subsequent years. This program is expected to be retained, and modified if necessary, throughout the life of the TID. The current number of approved applicants would exceed the amount of funding currently available in TID #23, but other funding sources, such as Intergovernmental Revenue funds, can bridge the gap until new revenue is obtained next year.

RECOMMENDED ACTION:

Staff recommends that the Community Development Authority of the City of Racine authorize staff to implement the programs as presented using up to \$760,000 in funding from TID #23.