



City of Racine, Wisconsin

AGENDA BRIEFING MEMORADUM

AGENDA DATE:

August 8, 2022

SUBJECT:

Limit Open Grants for Owner Occupied Repair Loans Funded With Community Development Block Grant (CDBG)

PREPARED BY:

Dora Garcia, Consumer Lending Specialist

EXECUTIVE SUMMARY:

Any "Owner Occupied Repair Loan" borrower may only have one (1) open grant from any source.

BACKGROUND & ANALYSIS:

Borrowers (of owner occupied properties) of CDBG loan funds receive a match grant of \$1:\$1 up to \$10,000 when borrowing loan funds. The grants forgiveness is at the rate of 20% annually on the anniversary of the loan/grant closing date; also, the borrower's loan is at a very low interest rate and most borrowers have up to a twenty (20) year term to pay off the loan with no pre-pay penalties. Note: upon complying with the terms of the grant, it will be satisfied and the borrower(s) may request other grants that may be available.

BUDGETARY IMPACT:

None

RECOMMENDED ACTION:

Allow staff to update the HOUSING REHABILITATION AND GENERAL ADMINISTRATION POLICY & PROCEDURES MANUAL