

REVISED

File No.
(Journal)

(ITEM), A resolution requesting authorization for a 2014 Foreclosure Mitigation Initiative to be funded through the 2014 Economic Development Fund, to be administered jointly by the Economic Development Department and the Housing Division of Milwaukee County, by recommending adoption of the following.

RESOLUTION

WHEREAS, County Board Resolution 11-601 created the Economic Development Fund; and

WHEREAS, the 2014 Budget established that 25% of proceeds collected from the sale of UWM Innovation Campus shall be contributed to the Economic Development Fund (“2014 Economic Development Fund Allocation”); and

WHEREAS, County Board Resolution 11-601 specifically allows for the expenditure of 2014 Economic Development Fund Allocation for “housing development,” to increase “tax base not only on land Milwaukee County sells,” and “address ‘gap’ needs in the marketplace,”

WHEREAS, as of October 31, 2013, the inventory of government foreclosed structures in Milwaukee County is 1228, and it is anticipated that more than 1,200 will be added in 2014; and

WHEREAS, the inventory of foreclosed houses are increasingly depleted in value where the rehab cost is 150% of the value, which necessitates gap financing; and

WHEREAS, the lost revenue and direct cost to taxpayers in Milwaukee County of government owned foreclosures is estimated at over \$3.6 Million annually; and

WHEREAS, the expected average rehab costs of a foreclosure are approximately \$40,000 per unit, and

WHEREAS, the rehab construction sector has proven to be an excellent opportunity for workforce development training for Milwaukee County Residents, now therefore,

BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby authorizes the Director of Economic Development, and the Administrator of the Housing Division to implement a Foreclosure Mitigation Initiative using \$837,693.75 of the 2014 Economic Development Fund Allocation (“2014 FMI Funds”); and

46 BE IT FURTHER RESOLVED, the 2014 Foreclosure Mitigation Initiative (2014
47 FMI) shall include at least the following terms and conditions:
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- 49 (a) The 2014 FMI Funds shall be used for 0% loans, not to exceed \$20,000 per
50 unit.
- 51 (b) The loans shall be for the rehabilitation of tax foreclosures within Milwaukee
52 County and shall require a matching contribution from the borrower;
- 53 (c) Up to 10% of 2014 FMI Funds may be used to cover the administrative costs
54 of operating the 2014 FMI Initiative.
- 55 (d) The 2014 FMI Initiative shall be prioritized towards housing that is occupied
56 by a referral from a County Department to the Housing Division.
- 57 (e) To the extent practical, 2014 FMI Funds shall be used to complement and
58 leverage other government housing resources.
- 59 (f) Projects utilizing 2014 FMI Funds shall contain additional apprenticeship and
60 training requirements, using existing agencies whenever possible.
- 61 (g) 2014 FMI Funds, and related administrative costs, shall be expended only to
62 the extent the funds are available from proceeds received by the County that
63 are attributable to the 2014 Economic Development Fund Allocation.
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