

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: August 21, 2019

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Authorizing and requesting the Administrator, Department of Health and Human Services, Housing Division, develop a revolving loan fund to help residential property owners finance lead remediation as part of the Home Repair Program, authorizing a transfer of \$550,000 from Org. Unit 1945 Appropriation for Contingencies to Org. Unit 8000 Department of Health and Human Services, Housing Division, requiring remediation as a condition of sale of County-acquired tax-foreclosed properties with known lead contamination, and urging all County municipalities to create programs pursuant to 2017 Act 137

FISCAL EFFECT:

- | | |
|---|---|
| <input type="checkbox"/> No Direct County Fiscal Impact <input type="checkbox"/> Existing Staff Time Required <input checked="" type="checkbox"/> Increase Operating Expenditures (If checked, check one of two boxes below) <input type="checkbox"/> Absorbed Within Agency's Budget <input checked="" type="checkbox"/> Not Absorbed Within Agency's Budget <input type="checkbox"/> Decrease Operating Expenditures <input checked="" type="checkbox"/> Increase Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures <input type="checkbox"/> Decrease Capital Expenditures <input type="checkbox"/> Increase Capital Revenues <input type="checkbox"/> Decrease Capital Revenues <input checked="" type="checkbox"/> Use of contingent funds <input type="checkbox"/> Decrease Operating Revenues |
|---|---|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

| | Expenditure or Revenue Category | Current Year | Subsequent Year |
|-----------------------------------|---------------------------------|--------------|-----------------|
| Operating Budget | Expenditure | \$550,000 | \$0 |
| | Revenue | \$0 | \$0 |
| | Net Cost | \$550,000 | \$0 |
| Capital Improvement Budget | Expenditure | \$0 | \$0 |
| | Revenue | \$0 | \$0 |
| | Net Cost | \$0 | \$0 |

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
 - B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
 - C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
 - D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
- A. Approval of this resolution would allocate \$550,000 from Org. Unit 1945 Appropriation for Contingencies, to the Department of Health and Human Services, Housing Division to pair with the Home Repair Program, to enable Milwaukee County residential property owners, regardless of income, to borrow at a low interest rate, regardless of income, for home lead remediation. No more than 10 percent of the allocation may be used for administrative costs. The resolution also requires as a condition of sale, that any purchaser of a County-acquired tax-foreclosed property with a known lead contamination issue hazardous to human health, would have to remediate the contamination. Lastly, passage of the resolution would call upon County municipalities to create programs pursuant to 2017 Act 137.
 - B. This resolution would make a one-time allocation of \$550,000 from Org. Unit 1945 Appropriation for Contingencies to Org. Unit 8000 DHHS-Housing Division. DHHS-Housing may realize revenue gains in subsequent years as loan funds are repaid with interest. Such revenue could be reallocated toward more lead remediation loans. The value of such revenue would depend on the policies established by DHHS-Housing and the amount of money homeowners borrow.
 - C. The budgetary impacts for 2019 to provide low interest loans to homeowners would cost up to \$550,000, completely offset with a \$550,000 appropriation from the Appropriation for Contingencies for no fiscal impact to DHHS-Housing Division. This resolution does not authorize any additional appropriations to DHHS-Housing Division beyond 2019. Any

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

unspent or unencumbered funds in this appropriation would lapse at year's end. The current balance of the unallocated Appropriation for Contingencies Account is \$4,856,879.

D. No assumptions were used.

Department/Prepared By Ken Smith, Research and Policy Analyst, Office of the Comptroller

Authorized Signature *Ken Smith*

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required