

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44

(ITEM) From the Director of County Economic Development, Department of Administrative Services, requesting authorization to implement a 2014 Foreclosure Mitigation Initiative using \$837,693.75 of the 2014 Economic Development Fund, by recommending adoption of the following:

A RESOLUTION

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

WHEREAS, the 2014 Budget established that 25 percent of proceeds collected from the sale of the University of Wisconsin-Milwaukee 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 the 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”; and

WHEREAS, as of October 31, 2013, the inventory of government foreclosed structures in Milwaukee County is 1,228, and it is anticipated that more than 1,200 will be added in 2014; and

WHEREAS, the inventory of foreclosed houses is increasingly depleted in value where the rehabilitation cost is 150 percent 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 rehabilitation costs of a foreclosure are approximately \$40,000 per unit; and

WHEREAS, the rehabilitation 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 County 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; and

45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68

BE IT FURTHER RESOLVED, the 2014 Foreclosure Mitigation Initiative (2014 FMI) shall include at least the following terms and conditions:

- The 2014 FMI Funds shall be used for 0 percent loans, not to exceed \$20,000 per unit.
- The loans shall be for the rehabilitation of tax foreclosures within Milwaukee County and shall require a matching contribution from the borrower.
- Up to 10 percent of 2014 FMI Funds may be used to cover the administrative costs of operating the 2014 FMI.
- The 2014 FMI shall be prioritized towards housing that is occupied by a referral from a County Department to the Housing Division.
- To the extent practical, 2014 FMI Funds shall be used to complement and leverage other government housing resources.
- Projects utilizing 2014 FMI Funds shall contain additional apprenticeship and training requirements, using existing agencies whenever possible.
- 2014 FMI Funds, and related administrative costs, shall be expended only to the extent the funds are available from proceeds received by the County that are attributable to the 2014 Economic Development Fund Allocation.

ag
12/12/13
H:\Shared\COMCLERK\Committees\2013\Dec\ECD\Resolutions\13-918.docx