COUNTY OF MILWAUKEE Inter-Office Communication

DATE: March 23, 2015

TO: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services

Prepared by James Mathy, Housing Administrator, Housing Division

SUBJECT: From the Director, Department of Health and Human Services, requesting authorization to a

accept a settlement of a Milwaukee County Home Repair loan for Mary Dishinger in the

amount of \$471.30

Issue

The Director of the Department of Health and Human Services is requesting authorization to accept a settlement of a Milwaukee County Home Repair loan for Mary Dishinger in the amount of \$471.30.

Background

Since 1993, Ms. Mary Dishinger of 4407 S. Packard Avenue has received eight Home Repair loans and paid six of the loans in full. Two loans remain from 2011 with a balance remaining of \$32,325.00. Ms. Dishinger had health issues and has moved on to assisted living. The home has been vacant for over a year and on the market. While the home has been vacant, it has been broken into and severely damaged. The property has been a challenge for the City of Cudahy. The outstanding taxes on the property total \$38,252.56.

The current estimated fair market value is of the property in the current condition is \$49,000.00 according to a market analysis provided by Nicholson Realty, Inc. The offer to purchase received and presented to the County for the short sale is for \$47,500.00. After taxes and fees there will remain only \$471.30 to pay the Home Repair loan, but the entire outstanding tax bill of \$38,252.56 would be paid in full. Ms. Dishinger has requested settlement of her loans for \$471.30.

Though HUD does not give clear guidance on recapture of funds for homeowner rehabilitation, there are guidelines for homebuyer programs. At the point of sale, HUD will allow for the settlement of loans based on market conditions. The goal is to recoup funds without a burden to the owner. Staff recommends adoption of a resolution authorizing settlement of the Dishinger home repair loans based on the offer presented for the amount of \$471.30.

Recommendation

It is recommended that the County Board of Supervisors authorize the Director, Department of Health and Human Services, or his designee, to accept a settlement of a Home Repair Loan for Mary Dishinger in the amount of \$471.30.

Huila Color

Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
Raisa Koltun, County Executive's Office
Kelly Bablitch, County Board
Teig Whaley Smith, Director, DAS
Josh Fudge, Director, Office of Performance, Strategy & Budget
Steve Cady, Research Director, Comptroller's Office
Jill Suurmeyer, Research & Policy Analyst – Comptroller's Office