

**FACTUAL REPORT IN SUPPORT
OF FINDINGS CONTAINED IN
RESOLUTION DESIGNATING RECOVERY ZONE AREAS OF THE CITY**

(a) The Recovery Zones have experienced significant poverty:

- Milwaukee has the eighth-highest rate of poverty among large cities in the United States with 26.2%, or 143,000 people living below the federal poverty line. In 2000, the city's poverty rate was 21.3%. Thirty-eight percent of children in Milwaukee live below the poverty line.

(b) The Recovery Zones have experienced significant unemployment:

- The unemployment rate for the City of Milwaukee, for May of 2009 was 11.4%

(c) The Recovery Zones have experienced a significant rate of home foreclosures:

- In 2008, there were 5,359 foreclosure filings in the City of Milwaukee - an increase of 15% compared to 2007. (Historically, in Milwaukee County, there was an average of 2,617 foreclosure filings per year from 2000-2005.)
- There are currently over 4,800 open foreclosure filings in the City.
- There are currently 1,744 lender owned foreclosed properties in the City of Milwaukee. Many of these properties are owned or controlled by out of state lenders and servicers, with no local presence or ties to the community.
- Many of the neighborhoods hardest hit are also neighborhoods where the City and its partners have made significant investments over the past several years.
- Subprime lending activity in Milwaukee County peaked in 2005 – increasing from \$7.7 million in 1993 to over \$1 billion in 2005. Many of these loans have terms of repayment which escalate into higher payment schedules 2-3 years after they are issued; therefore, it is likely that significant numbers of these loans will now be reaching interest rate reset dates that may result in increasing numbers of defaults and foreclosures.
- In Milwaukee, the subprime lending activity disproportionately impacted Milwaukee's poorest families. In 2006, over half (59%) of the mortgages issued in the Community Development Block Grant Area were either subprime or high-interest mortgages. Subprime lending disproportionately affected low-income and minority borrowers.

(d) The Recovery Zones have significant general distress:

- Portions of the city have been designated by the U.S. Dept. of Housing and Urban Development as a Renewal Community.
- The Economic Development Administration of the U.S. Dept. of Commerce has designated portions of the city as an Economic Impact Area due to continuing high unemployment and the incidence of poverty.
- Portions of the city have been designated by the U.S. Dept. of Housing and Urban Development as eligible to receive Community Development Block Grant funding