

Reply to Common Council File No. 150271
From DOA-Budget and Management Division
Note: This reply refers to proposed Substitute A

September 10, 2015

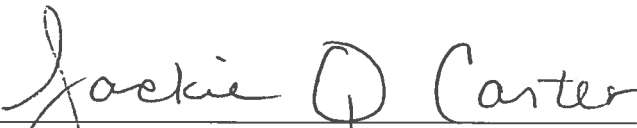
Ref: 13030

Common Council File 150271 contains a resolution to appropriate \$250,000 in additional funds to the STRONG Homes Loan Program.

The STRONG Homes Loan program was established in 2015 as part of the city's Strong Neighborhoods Plan (SNP). Funding is from the Capital Budget account "In Rem Property Program", which is the funding source for several SNP initiatives. The program provides loans for essential home repairs to homeowners who face challenges due to a mortgage balance that exceeds the value of the home, limited monthly income, or inability to access traditional financing. As of September 2, 2015, 87 loans have been approved or closed, and 25 applications are at or beyond the underwriting stage of the loan process. Obligated loan amounts total \$1,127,067. The current amount allocated for the program is \$1.25 million, which includes \$250,000 that was added to the initial \$1 million allocation.

The proposed substitute to File 150271 would redirect funds totaling \$250,000 from the Business Improvement Districts 2013 and Commercial In Rem Property Taxable 2015 accounts, and reallocate them to the STRONG Homes Loan Program. This would increase the program's capital to \$1.5 million, 50% above the initial allocation. The proposed substitute maintains the intent of the original file. However, funds are directed from sources that would not place significant limits on the department's ability to initiate economic and real estate development opportunities.

**RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 150271,
SUBSTITUTE A.**



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