

Reply to Common Council File No. 150271
From DOA-Budget and Management Division

July 15, 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. To date, \$947,752 of an initial \$1 million allocation has been expensed or obligated for 74 loans. Because of high demand, an additional \$250,000 was reallocated from the Homebuyer Assistance (HBA). The additional reallocation from the HBA program will allow the Department of City Development (DCD) fund approximately 20 more loans.

File 150271 would redirect funds from other DCD accounts, including the Advanced Planning Fund, 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 Advanced Planning Fund provides funding for development activities such as plan studies, market analysis, design charettes, recording and design fees, and other planning expenses. Projects that have recently been funded by the Advanced Planning Fund include; Menomonee Valley, Brown Deer Corridor, and the Lakefront Gateway. This resolution would significantly limit planning resources for such economic and real estate development opportunities throughout the City of Milwaukee.

File 150271 also redirects funding from accounts for which authority may or may not have expired under a new accounting rule regarding carryover of capital appropriations. The Budget and Management Division is recommending that this file be held until available balances can be confirmed and alternative funding sources can be identified. This information should be available for the September 16th meeting of the Finance and Personnel Committee.

RECOMMENDATION: HOLD COMMON COUNCIL FILE NUMBER 150271.



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