



Legislation Text

File #: 001702, **Version:** 2

001702
SUBSTITUTE 2

ALD. HENNINGSEN

Substitute resolution authorizing and directing the Commissioners of Public Debt to issue and sell Housing Rehabilitation Revenue Bonds in a principal amount not to exceed \$5,000,000 for the purpose of creating a Housing Rehabilitation Revolving Loan Fund.

This Resolution authorizes and directs the Commissioners of Public Debt to issue and sell Housing Rehabilitation Revenue Bonds in a principal amount not to exceed \$5,000,000 for the purpose of creating a Housing Rehabilitation Revolving Loan Fund to make home rehabilitation loans to credit-worthy homeowners, residing within the Community Development Block Grant area or any housing built before 1946, who are not eligible for participation in existing home rehabilitation loan programs because their income exceeds the program limits and who do not qualify for conventional home-equity loans from private lending institutions because they have not built up enough equity in their property or have too high a loan-to-value ratio.

Whereas, Existing home rehabilitation loan programs serve to assist and encourage eligible homeowners to reinvest in residential property within the Community Development Block Grant area as part of an overall neighborhood economic stabilization strategy; and

Whereas, Eligibility for participation in existing home rehabilitation loan programs is subject to residency within the Community Development Block Grant area and income limits and the interest rate and terms of the loan are dependent upon the income and family size of the applicant; and

Whereas, Homeowners, who are not eligible for participation in existing home rehabilitation loan programs because they do not reside within the Community Development Block Grant area or because their income exceeds the program limits, may also find that, although they may be credit-worthy, they do not qualify for conventional home-equity loans from private lending institutions because they have not built up enough equity in their property or have too high a loan-to-value ratio; and

Whereas, The creation of a Housing Rehabilitation Revolving Loan Fund would help to encourage the homeowners, residing within the Community Development Block Grant area or any housing built before 1946, who are not being served by existing home rehabilitation loan programs or private lending institutions to reinvest in their residential property in support of the overall neighborhood economic stabilization strategy; and

Whereas, The City formed the Neighborhood Improvement Development Corporation (NIDC) for the purpose of fostering housing and neighborhood development for the benefit of the City and its citizens; and

Whereas, A Housing Rehabilitation Revolving Loan Fund, financed by the proceeds of a \$5 million

revenue bond issue, could be administered by the NIDC to make loans to assist credit-worthy homeowners residing within the Community Development Block Grant area or any housing built before 1946 in rehabilitating their residential property; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Common Council declares its purpose to sell housing revenue bonds in the amount of \$5,000,000 for a project undertaken for a public purpose, to- wit: for the creation of a Housing Rehabilitation Revolving Loan Fund to make home rehabilitation loans to credit-worthy homeowners, residing within the Community Development Block Grant area or any housing built before 1946, who are not eligible for participation in existing home rehabilitation loan programs because their income exceeds the program limits; and, be it

Further Resolved, That the Commissioners of the Public Debt are authorized and directed to issue and sell Housing Rehabilitation Revenue Bonds in a principal amount not to exceed \$5,000,000, if such bond issue can be structured without a tax levy subsidy by deducting the principal and interest for two years out of the proceeds of such bond sale; and, be it

Further Resolved, That the cost of issuing the bonds shall be paid for from the proceeds of the bond sale, or deducted from same, and that the project account or accounts shall be credited with the net proceeds of the sale or sales; and, be it

Further Resolved, That the NIDC is authorized to provide for the administration of the Housing Rehabilitation Revolving Loan Fund, the establishment of the loan terms and the underwriting criteria; and, be it

Further Resolved, That upon receipt and deposit of the bond proceeds, the City Comptroller is authorized and directed to transfer the bond proceeds to NIDC accounts for the expenditure of the bond proceeds in accordance with the intent of this resolution.

LRB01285-2
RGP
10/26/01