

**Grantee: Milwaukee, WI**

**Grant: B-08-MN-55-0006**

**July 1, 2009 thru September 30, 2009 Performance Report**

**Grant Number:**

B-08-MN-55-0006

**Obligation Date:**

03/18/2009

**Grantee Name:**

Milwaukee, WI

**Award Date:**

03/18/2009

**Grant Amount:**

\$9,197,465.00

**Contract End Date:**

03/18/2013

**Grant Status:**

Active

**Review by HUD:**

Reviewed and Approved

**Submitted By:**

No Submitter Found

## Disasters:

### Declaration Number

NSP

## Plan Description:

As an entitlement community, the City of Milwaukee was awarded \$9.2 million in Neighborhood Stabilization Program (NSP) funding under the Housing and Economic Recovery Act of 2008. The attached Neighborhood Stabilization Plan Amendment provides a proposed plan of how the City will utilize those funds to address the issue of foreclosed properties in its community. NSP funding is only one component of a broader community strategy to address the issues of foreclosures in the City of Milwaukee. For the last two years, the City of Milwaukee and many partners in the community have been working to address foreclosure issues and the impacts of subprime and predatory lending in the community. In September, Mayor Tom Barrett convened the Milwaukee Foreclosure Partnership Initiative (MFPI) a public-private partnership made up of lenders, foundations and community stakeholders with the primary goal of addressing the foreclosure crisis using a three tiered approach: Prevention, Intervention and Stabilization. Milwaukee's Common Council convened the Special Joint Committee on Redevelopment of Abandoned and Foreclosed Homes to guide the City's efforts for the use of NSP funding. The regulations for the NSP program provide that NSP funding can only be used to address abandoned and foreclosed properties those which have already been foreclosed on and for which ownership has transferred. NSP funding cannot be used to assist homeowners who are being foreclosed on, or who are in danger of losing their homes to foreclosure. The City and its partners recognize that intervention and prevention strategies for homeowners and prospective homeowners are critical to addressing the foreclosure issue in Milwaukee and are working through the MFPI to create and implement programs and resources to address these important issues in the community.

## Recovery Needs:

As an entitlement community, the City of Milwaukee was awarded \$9.2 million in Neighborhood Stabilization Program funding under the Housing and Economic Recovery Act of 2008. The attached Neighborhood Stabilization Plan Amendment provides a plan for how the City will utilize those funds to address the issue of foreclosed properties in the community.

NSP funding will provide a considerable resource for the City's foreclosure efforts. However, it is important to note that Milwaukee's approach to the foreclosure crisis goes beyond tackling the issue of abandoned and foreclosed properties. It includes coordinated efforts to assist homeowners in danger of foreclosure, as well as establish a framework to address the root causes of foreclosures with the goal of preventing similar problems in the future.

The Problem--Foreclosures are resulting in significant costs for Milwaukee homeowners and neighborhoods.

Increasing numbers. For the first nine months of 2008, foreclosure filings in City of Milwaukee were up 35% compared to the same period in 2007. There are currently 1,619 bank owned foreclosed properties and 138 City owned foreclosed properties in Milwaukee neighborhoods. Looking forward, there are over 4,000 open foreclosure filings that are likely to result in additional vacant and abandoned properties.

Disproportionate impact. In Milwaukee, foreclosures and the related issues of subprime and predatory lending disproportionately impacted Milwaukee's poorest neighborhoods and low-income and minority families. There were over 17,800 subprime loans originated in Milwaukee County in 2005 and 2006, totaling over \$1.7 billion. In 2006, 59% of all of the mortgages issued in Milwaukee's Community Development Block Grant Area were either subprime or high interest mortgages. In 2006, over 2/3 (69%) of African American borrowers obtained high cost mortgages compared to less than 1/3 (30%) of whites.

Loss of homeownership. Over half of the subprime lending activity in Milwaukee was refinancing loans for existing homeowners. Long term homeowners, who have been a stabilizing force for City neighborhoods, are being displaced. Home equity, which is the single largest source of wealth building for most low and moderate income families, is being erased.

Effect on renters. Tenants are being impacted as well, as evictions are up significantly, and increasing numbers of them are foreclosure related. Many foreclosed homeowners turning to the rental market for housing are having difficulty securing rental property due to damage to their credit rating caused by the foreclosure.

Neighborhood impacts. Two-thirds of the bank owned foreclosures have open building code violations. Board ups have increased over 50% and vacant house fires have doubled. Left unattended, foreclosed properties are attractions for nuisance and criminal behavior.

A Coordinated Approach--There are a number of comprehensive and thoughtful initiatives that are currently underway that will complement and strengthen Neighborhood Stabilization Program efforts.

The Strategies to Overcome Predatory Practices (STOPP) Initiative has worked since 2002 through the Milwaukee Metropolitan Fair Housing Council in collaboration with local and state organizations to raise awareness of predatory and subprime lending activity and to provide consumer education and outreach in the community. Local housing counseling agencies have been providing foreclosure counseling services. Local academic institutions have provided research, education and consumer outreach within the community. Foreclosure Task Forces have been implemented by the City of Milwaukee and through the sponsorship of the U.S. Department of Housing and Urban Development to address neighborhood issues, intervention efforts and legislative reforms relating to the foreclosure issue.

In September, Milwaukee Mayor Tom Barrett launched the Milwaukee Foreclosure Partnership Initiative (MFPI), a public-private partnership made up of lenders, foundations real estate professionals, government representatives and community stakeholders to coordinate and focus efforts to address the foreclosure crisis in Milwaukee. The MFPI is utilizing a three-pronged approach to address not only the issue of abandoned and foreclosed homes, but the issues of foreclosure prevention and intervention as well. Over 100 individuals representing a broad range of community interests are currently participating in MFPI workgroups to create strategies and increase resources to address foreclosures in Milwaukee. Milwaukee's Common Council has also convened the Special Joint Committee on Redevelopment of Abandoned and Foreclosed Homes to guide the City's efforts for the use of Neighborhood Stabilization Program funding.

The NSP Plan--The proposed plan for the use of NSP funding has been designed to utilize a number of different strategies to address the issue of foreclosed homes in City neighborhoods. The plan recognizes that a one size fits all approach will not meet the need of neighborhoods impacted by the foreclosure issue. It includes a set of tools that build on existing programs, as well bring new ones to the effort. Proposed activities include those which promote homeownership, affordable rental housing, blight elimination and the improvement of City neighborhoods. The plan includes roles for government, residents, nonprofits, developers, lenders, and the real estate community because all are important to achieving results.

Given the sheer number of foreclosed properties in the City, as well as the number of open foreclosure filings likely to result in increased numbers of abandoned and foreclosed homes, every effort will be made to leverage Neighborhood Stabilization Program funding and seek additional resources for the City's efforts.

The NSP Substantial Amendment is available for review on our website: [www.milwaukee.gov/cdbg](http://www.milwaukee.gov/cdbg). (City of Milwaukee).

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$8,869,340.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$8,869,340.00

Program Funds Drawdown	\$475,058.16	\$649,616.79
Obligated CDBG DR Funds	\$1,346,768.19	\$1,640,615.82
Expended CDBG DR Funds	\$483,625.86	\$658,184.49
Match Contributed	\$0.00	\$0.00
Program Income Received	\$8,568.00	\$8,568.00
Program Income Drawdown	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	\$99.99	\$0.00
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$1,379,619.75	\$0.00
Limit on Admin/Planning	\$919,746.50	\$420,915.80
Limit on State Admin	\$0.00	\$0.00

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

### Overall Progress Narrative:

NSP Activity Report for period ending September 30, 2009

Department of City Development

For the period ending September 30, 2009 (the second quarter of the NSP 1 Program), the Department of City Development, continued activities under all of the NSP activity categories it is responsible for. This included the following:

Homebuyer Assistance, Rental Rehabilitation, and Buy In Your Neighborhood Activities

>Homebuyer Assistance, Rental Rehabilitation and Buy in Your Neighborhood Activities continued through September 30.

Program guidelines, materials and documents for all of the activities were refined. Staff also continued outreach and informational meetings with local lenders, realtors and homebuying counseling agencies.

Home Buyer Assistance (HBA) Program The HBA Program provides forgivable loans to owner occupant purchasers of foreclosed homes. The loans range from \$10,000 to \$30,000, with the amount of assistance varying by the buyer's income and the location of the home. In order to simplify the Program, relatively minor adjustments to calculating the amount of assistance were made. The revisions, which are listed on the website, are:

	Income less than 80% AMI Amount of assistance:	Income more than 80%, but less than 120% AMI Amount of Assistance
>		
>		
>Program Area	\$20,000*	\$10,000* (Projects with total purchase plus rehab costs less than \$50,000 are capped at 20% of the total).
>		
Incentive Area	\$30,000*	\$20,000*

\*1. City-owned properties may only receive assistance for rehabilitation (not purchase). The amount of assistance for City-owned properties cannot exceed the cost of rehabilitation.

2. Assistance may not exceed 1/2 of the total project (acquisition plus rehabilitation) cost; limit for condominiums is 1/3 project cost.

3. The NSP Program reserves the right to limit the amount assistance to any project if additional federal/City resources are being utilized.

As of September 30, 15 HBA loans were approved, and another 16 were in process.

**Rental Rehabilitation (RR) Program** The RR Program provides forgivable loans to responsible investors who purchase a foreclosed home. Loans range from \$7,500 to \$17,500 per dwelling unit, and require at minimum a 1:1 match from the investor. The level of assistance is determined by the level of rehabilitation and the income targeting requirements agreed to be the landlord (higher amount of assistance is available for landlords who agree to meet the 50% AMI targeting requirement). Through June 30, 43 applications were received and 11 projects (20 units) were approved.

**Buy In Your Neighborhood (BIYN) Program** The BIYN Program provides low-interest loans to neighborhood-based investors. The purchased home must be within 3 blocks of the buyer's principal residence. Banks typically require a 30% downpayment for investment properties. BIYN loans up to 20% of the purchase price of the foreclosed home, so that the buyer only has to bring 10%. BIYN may be combined with Rental Rehabilitation.

BIYN is a specialized program. No applications have been received through September 30. Staff contacted lenders who have participated in the past, but unfortunately none are interested in participating in the Program. Staff are considering alternative Program design in order to implement BIYN.

**Land Bank**

The Milwaukee Neighborhood Reclamation Company, LLC was created in August, and as of September 30 ready to do business. As of September 30, two offers to purchase were submitted.

**Acquisition, Rehab and Resale (Acq/Rehab)**

The Acq/Rehab Program involves the purchase and rehabilitation of foreclosed properties for homeownership. Two properties were identified for the program and will be rehabbed for homeownership. As of September 30, one property (2 units) is under construction and there is an accepted offer to purchase a second 1 unit building.

**Vacant Land Initiative and Rental Development Large Projects**

Vacant Land Initiative involves the reuse of vacant land resulting from the demolition of abandoned, foreclosed and blighting structures. It includes the redevelopment of vacant property as affordable housing, as well as the reprogramming of sites that are unsuitable for redevelopment for beneficial neighborhood use, including urban gardens, green space, and for stormwater management purposes.

**Rental Development - Large Projects** the purchase and rehabilitation of foreclosed homes for affordable rental housing, but involved the large scale acquisition of properties - generally 25-100 units, including scattered site units. For both the Vacant Land Initiative and Rental Development - Large Projects activities, the City issued a Request for Qualifications ("RFQ") to assemble a team of qualified developers, owners and managers of residential housing who can assist them in their efforts to address the foreclosure problem in City neighborhoods. Based on responses to this RFQ, the City will establish and maintain a list of qualified entities that are interested in, and capable of purchasing, developing, selling and/or owning and managing foreclosed housing in a manner that meets the requirements of the NSP 1 program and preserves and enhances City neighborhoods.

The City received 18 responses to their RFQ, as of September 30 made a determination of eligible participants. 4 firms were accepted.

## Project Summary

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00
NS1100000000, ADMINISTRATION	\$0.00	\$246,357.17	\$919,746.00	\$420,915.80
NS1200000000, HOMEBUYER ASSISTANCE	\$0.00	\$114,577.00	\$1,668,000.00	\$114,577.00
NS1300000000, VACANT LAND INITIATIVE	\$0.00	\$0.00	\$1,300,000.00	\$0.00
NS1400000000, ACQUISTION/REHAB/RESALE PROGRAM	\$0.00	\$0.00	\$380,500.00	\$0.00
NS1500000000, RENTAL REHABILITATION	\$0.00	\$34,360.00	\$984,375.00	\$34,360.00
NS1510000000, RENTAL REHABILITATION (MULTI-FAMILY	\$0.00	\$0.00	\$328,125.00	\$0.00
NS1600000000, RENTAL DEVELOPMENT - LARGE PROJECTS	\$0.00	\$0.00	\$900,000.00	\$0.00
NS1610000000, RENTAL DEVELOPMENT - LARGE PROJECTS	\$0.00	\$0.00	\$300,000.00	\$0.00
NS1700000000, BUY IN YOUR NEIGHBORHOOD	\$0.00	\$0.00	\$240,000.00	\$0.00
NS1800000000, DEMOLITION	\$0.00	\$79,763.99	\$1,312,500.00	\$79,763.99

## Activities

**Grantee Activity Number:** NS1100100211

**Activity Title:** NS1100100211

**Activity Category:**

Administration

**Project Number:**

NS1100000000

**Projected Start Date:**

10/01/2008

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

ADMINISTRATION

**Projected End Date:**

02/01/2013

**Responsible Organization:**

Comptroller's Office

**Overall**

**Jul 1 thru Sep 30, 2009**

**To Date**

**Total Projected Budget from All Sources**

N/A

\$84,500.00

**Total CDBG Program Funds Budgeted**

N/A

\$84,500.00

**Program Funds Drawdown**

\$19,439.20

\$19,439.20

**Obligated CDBG DR Funds**

\$84,500.00

\$84,500.00

**Expended CDBG DR Funds**

\$19,439.20

\$19,439.20

**Match Contributed**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Program Income Drawdown**

\$0.00

\$0.00

**Activity Description:**

Program Administration will be used for the reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include (but not limited to) salaries, wages and related costs of staff engaged in program administration, which includes (but is not limited to) providing information about the program, preparing program budget and schedules, preparing reports, and other costs for goods or services needed for administration of the program.

**Location Description:**

N/A

**Activity Progress Narrative:**

The following quarterly activities were accomplished by the Comptroller's Office in the quarter ended 9/30/09:

- 1) Reviewed and Approved Project Budget and Amendments
- >2) Establish/Amend Budget Lines
- >3) Reviewed vendor contracts and Common Council Resolutions
- >4) Reviewed and processed project set-ups
- >5) Prepared and processed draws in DRGR
- >6) Reviewed and approved vouchers for payment

**Performance Measures**

**No Performance Measures found.**

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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**Grantee Activity Number:** NS1100200151

**Activity Title:** NS1100200151

**Activity Category:**

Administration

**Project Number:**

NS1100000000

**Projected Start Date:**

10/01/2008

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

ADMINISTRATION

**Projected End Date:**

02/01/2013

**Responsible Organization:**

Community Development Grants Administration

**Overall**

	<b>Jul 1 thru Sep 30, 2009</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$147,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$147,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$2,933.33
<b>Obligated CDBG DR Funds</b>	\$144,066.67	\$147,000.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$2,933.33
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Program Administration will be used for the reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include (but not limited to) salaries, wages and related costs of staff engaged in program administration, which includes (but is not limited to) providing information about the program, preparing program budget and schedules, preparing reports, and other costs for goods or services needed for administration of the program.

**Location Description:**

N/A

**Activity Progress Narrative:**

Community Development Grants Administration (CDGA) continues to monitor the overall program management of the NSP funded activities. Such activities include budget approvals, review set-ups and feasibility packets etc. CDGA receives and reviews all the necessary forms required for compliance reporting.

**Performance Measures**

**No Performance Measures found.**

**Activity Locations**

**No Activity Locations found.**

**Other Funding Sources Budgeted - Detail**

**No Other Match Funding Sources Found**

## Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

---

**Grantee Activity Number:** NS1100300191

**Activity Title:** NS1100300191

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

NS1100000000

**Project Title:**

ADMINISTRATION

**Projected Start Date:**

10/01/2008

**Projected End Date:**

02/01/2013

**National Objective:**

N/A

**Responsible Organization:**

Department of City Development

## Overall

## Jul 1 thru Sep 30, 2009

## To Date

<b>Total Projected Budget from All Sources</b>	N/A	\$688,246.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$688,246.00
<b>Program Funds Drawdown</b>	\$226,917.97	\$398,543.27
<b>Obligated CDBG DR Funds</b>	\$397,331.70	\$688,246.00
<b>Expended CDBG DR Funds</b>	\$226,917.97	\$398,543.27
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

## Activity Description:

Program Administration will be used for the reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include (but not limited to) salaries, wages and related costs of staff engaged in program administration, which includes (but is not limited to) providing information about the program, preparing program budget and schedules, preparing reports, and other costs for goods or services needed for administration of the program.

## Location Description:

N/A

## Activity Progress Narrative:

- 1) Overall progress Narrative for Administration
  - > Program Administration was used for the reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include (but are not limited to) salaries, wages, and related costs of staff engaged in program administration, which includes (but is not limited to) providing information about the program, preparing program budget and schedules, preparing reports, and other costs for goods or services needed for administration of the program.

## Performance Measures

No Performance Measures found.

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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**Grantee Activity Number:** NS120010000A

**Activity Title:** Homeowner Financial Assistance

**Activity Category:**

Homeownership Assistance to low- and moderate-income

**Project Number:**

NS1200000000

**Projected Start Date:**

04/01/2009

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

HOMEBUYER ASSISTANCE

**Projected End Date:**

02/01/2013

**Responsible Organization:**

Department of City Development

**Overall**

**Jul 1 thru Sep 30, 2009**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$1,290,400.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$1,290,400.00
<b>Program Funds Drawdown</b>	\$83,348.00	\$83,348.00
<b>Obligated CDBG DR Funds</b>	\$151,480.00	\$151,480.00
<b>Expended CDBG DR Funds</b>	\$87,394.00	\$87,394.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$4,046.00	\$4,046.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

The activity will provide soft second mortgage financing to owner occupant purchasers of foreclosed homes.

**Location Description:**

The program will be targeted to the neighborhoods of greatest need. Within these neighborhoods, consideration will be given to those neighborhoods which have experience a net loss in homeownership as a result of the foreclosure issue.

**Activity Progress Narrative:**

1) Overall progress Narrative for Homebuyer Assistance  
>Home Buyer Assistance (HBA) provides soft second mortgage financing to owner occupant purchasers of foreclosed homes. Families earning less than 120% of AMI are eligible for a 0% second mortgage for up to \$30,000 toward the purchase/rehab of a foreclosed home. HBA increases affordability for low income homeowners, and increases access to credit in a market with diminished financing products for affordable homeownership.

The amount of assistance for individual purchase transactions is dependent on the income of the purchaser and the target area. Purchases in neighborhoods with the highest levels of distress ("Incentive Area") are eligible for higher levels of financing. Similarly, the level of assistance provided to homebuyers varies based on income, with the lowest income beneficiaries being eligible for higher amounts of assistance.

Each property is inspected to insure that it meets the rehabilitation standards for the program. When rehabilitation is required, technical assistance is provided to prepare a scope of work and insure that rehabilitation is completed in a timely manner and consistent with the rehabilitation standards for the program.

The minimum affordability period for assistance under this activity is 5 years. Consistent with HOME requirements, the affordability requirements will be:

>Assistance Amount	Period of Affordability
>\$15,000 or less	5 years
>10,000-\$40,000	10 years
>\$40,000+	15 years

A mortgage and a restrictive covenant is recorded on the property to ensure that the affordability requirements are met. If a property is sold prior to expiration of the affordability period, it will require payment of the loan. In limited circumstances, (e.g., change of job, significant family event, etc.), the loan may be assumable by another qualified low income purchaser. Each homebuyer receives at least 8 hours of homebuyer counseling through the City's network of local home buying counseling agencies.

A list of foreclosed properties in targeted neighborhoods is posted on the City's foreclosed website with information on financing opportunities and resources available for homeownership. The Department works with local lenders, realtors, homebuying

counseling agencies and community organizations to market opportunities under the program to prospective homeowners.

2) Progress towards Activity

>Although the number of purchased units is lower than planned, the applicants currently enrolled show that in the Program the number of units is ahead of scheduled.

3) Progress towards National Objective

>All units are located in eligible census tracts and the number of buyers less than 50% AMI exceeds initial goals.

### Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	5	0/0	0/0	5/10

### Activity Locations

Address	City	State	Zip
5420-20A W. Louise Pl.	Milwaukee	NA	53216
3039-41 N. Sherman	Milwaukee	NA	53210
4048 N. 67th St.	Milwaukee	NA	53216
224 W. Saveland Ave.	Milwaukee	NA	53207
4029 N. 11th St.	Milwaukee	NA	53209

### Other Funding Sources Budgeted - Detail

#### No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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**Grantee Activity Number:** NS120020000A

**Activity Title:** Homebuyer Counseling

**Activity Category:**

Homeownership Assistance to low- and moderate-income

**Activity Status:**

Under Way

**Project Number:**

NS1200000000

**Project Title:**

HOMEBUYER ASSISTANCE

**Projected Start Date:**

04/01/2009

**Projected End Date:**

02/01/2013

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Department of City Development

**Overall**

**Jul 1 thru Sep 30, 2009**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$69,100.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$69,100.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$7,000.00	\$7,000.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

The activity will provide soft second mortgage financing to owner occupant purchasers of foreclosed homes.

**Location Description:**

The program will be targeted to the neighborhoods of greatest need. Within these neighborhoods, consideration will be given to those neighborhoods which have experienced a net loss in homeownership as a result of the foreclosure issue.

**Activity Progress Narrative:**

Funds were obligated during this quarter. Addresses will be reported when expenditures occur.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/10

**Activity Locations**

No Activity Locations found.

**Other Funding Sources Budgeted - Detail**

No Other Match Funding Sources Found

**Other Funding Sources**

**Amount**

No Other Funding Sources Found

Total Other Funding Sources

<b>Grantee Activity Number:</b>	<b>NS120030000A</b>
<b>Activity Title:</b>	<b>Homebuyer Assistance - 25% Set -Aside</b>

**Activity Category:**

Homeownership Assistance to low- and moderate-income

**Project Number:**

NS1200000000

**Projected Start Date:**

04/01/2009

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

HOMEBUYER ASSISTANCE

**Projected End Date:**

02/01/2013

**Responsible Organization:**

Department of City Development

<b>Overall</b>	<b>Jul 1 thru Sep 30, 2009</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$708,500.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$708,500.00
<b>Program Funds Drawdown</b>	\$31,229.00	\$31,229.00
<b>Obligated CDBG DR Funds</b>	\$76,077.00	\$76,077.00
<b>Expended CDBG DR Funds</b>	\$31,963.00	\$31,963.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$734.00	\$734.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

The activity will provide soft second mortgage financing to owner occupant purchasers of foreclosed homes.

**Location Description:**

The program will be targeted to the neighborhoods of greatest need. Within these neighborhoods, consideration will be given to those neighborhoods which have experienced a net loss in homeownership as a result of the foreclosure issue.

**Activity Progress Narrative:**

1) Overall progress Narrative for Homebuyer Assistance  
 >Home Buyer Assistance (HBA) provides soft second mortgage financing to owner occupant purchasers of foreclosed homes. Families earning less than 120% of AMI are eligible for a 0% second mortgage for up to \$30,000 toward the purchase/rehab of a foreclosed home. HBA increases affordability for low income homeowners, and increases access to credit in a market with diminished financing products for affordable homeownership. The amount of assistance for individual purchase transactions is dependent on the income of the purchaser and the target area. Purchases in neighborhoods with the highest levels of distress ("Incentive Area") are eligible for higher levels of financing. Similarly, the level of assistance provided to homebuyers varies based on income, with the lowest income beneficiaries being eligible for higher amounts of assistance. Each property is inspected to insure that it meets the rehabilitation standards for the program. When rehabilitation is required, technical assistance is provided to prepare a scope of work and insure that rehabilitation is completed in a timely manner and consistent with the rehabilitation standards for the program. The minimum affordability period for assistance under this activity is 5 years. Consistent with HOME requirements, the affordability requirements will be:

>Assistance Amount	Period of Affordability
>\$15,000 or less	5 years
>10,000-\$40,000	10 years
>\$40,000+	15 years

A mortgage and a restrictive covenant is recorded on the property to ensure that the affordability requirements are met. If a property is sold prior to expiration of the affordability period, it will require payment of the loan. In limited circumstances, (e.g., change of job, significant family event, etc.), the loan may be assumable by another qualified low income purchaser. Each homebuyer receives at least 8 hours of homebuyer counseling through the City's network of local home buying counseling agencies.

A list of foreclosed properties in targeted neighborhoods is posted on the City's foreclosed website with information on financing opportunities and resources available for homeownership. The Department works with local lenders, realtors, homebuying counseling agencies and community organizations to market opportunities under the program to prospective homeowners.

2) Progress towards Activity

>Although the number of purchased units is lower than planned, the applicants currently enrolled show that in the Program the number of units is ahead of scheduled.

3) Progress towards National Objective

>All units are located in eligible census tracts and the number of buyers less than 50% AMI exceeds initial goals.

## Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	3	0/0	0/0	3/10

## Activity Locations

Address	City	State	Zip
6700 N. 54th St.	Milwaukee	NA	53223
6201 N. 95th St.	Milwaukee	NA	53225
2222-24 N. 49th St.	Milwaukee	NA	53208

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

**Grantee Activity Number:** NS150010000A

**Activity Title:** Rental Rehabilitation

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

NS1500000000

**Project Title:**

RENTAL REHABILITATION

**Projected Start Date:**

04/01/2009

**Projected End Date:**

02/01/2013

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Department of City Development

Overall	Jul 1 thru Sep 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$328,125.00
Total CDBG Program Funds Budgeted	N/A	\$328,125.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$46,496.00	\$46,496.00
Expended CDBG DR Funds	\$46.00	\$46.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$46.00	\$46.00
Program Income Drawdown	\$0.00	\$0.00

**Activity Description:**

This program will provide resources for the rehabilitation for vacant foreclosed properties by private landlords for the purpose of providing affordable rental opportunities.

**Location Description:**

The program will be targeted to the neighborhoods of greatest need. Within these neighborhoods, consideration will be given to those neighborhoods which have experienced a net loss in homeownership as a result of the foreclosure issue

**Activity Progress Narrative:**

1) Overall progress Narrative for Rental Rehabilitation Program  
> The Rental Rehabilitation program provides resources for rehabilitating vacant foreclosed properties by private landlords. When the rehab is completed, the landlords provide affordable rental opportunities. The program is modeled after the City of Milwaukee's existing Rental Rehabilitation program. The program offers forgivable loans, on a matching funds basis, to pay for repairs and property improvements. Property owners will be screened, and only those with good records with the Department of Neighborhood Services ("Building Inspection") and those who pay their property taxes on time, will be eligible for participation. Depending on their prior experience level, participants may be required to attend the City of Milwaukee's landlord training program.

Loans limits for the NSP Rental Rehabilitation Program are \$17,500 per unit, with a required 1-for-1 match coming from the property owner. Each property is inspected and technical assistance is provided to prepare a scope of work and insure that rehabilitation is completed in a timely manner and meets the rehabilitation standards for the program.

The minimum affordability period of assistance under this activity is 5 years. Consistent with HOME requirements, the affordability is:

Amount of Assistance	Period of Affordability
>\$15,000 or less	5 years
>\$15,000-\$40,000	10 years
>\$40,000+	15 years

A mortgage and a restrictive covenant is recorded on the property to insure that the affordability requirements are met. If a property is sold prior to the affordability period has expired, it requires repayment of the loan. In limited circumstances, a new buyer may assume the loan if they agree to all the conditions, including affordability.

A list of foreclosed properties in targeted neighborhoods is posted on the City's foreclosure website with information on financing opportunities and resources available for the program. The City works with local lenders, realtors, community organizations and the Apartment Association of Southeastern Wisconsin to market opportunities under the program to responsible landlords. In addition, the City works with participating landlords to develop criteria under which homeowners and

tenants displaced as a result of the foreclosure crisis could be considered for units acquired and renovated under the program.

2) Progress towards Activity

> Although the number of clients approved for rehab loans is lower than planned, the applicants currently enrolled show that the Program number of units is ahead of schedule.

3) Progress Towards National Objective

> All units are located in eligible census tracts and the set aside for renters less than 50% AMI is on target to meet Program goals.

### Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	1	0/0	0/0	1/40

### Activity Locations

Address	City	State	Zip
2466-68 N. Teutonia	Milwaukee	NA	53206

### Other Funding Sources Budgeted - Detail

#### No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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**Grantee Activity Number:** NS150020000A

**Activity Title:** Rental Rehabilitation - 25% Set-Aside

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

NS1500000000

**Project Title:**

RENTAL REHABILITATION

**Projected Start Date:**

04/01/2009

**Projected End Date:**

02/01/2013

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

Department of City Development

**Overall**

**Jul 1 thru Sep 30, 2009**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$656,250.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$656,250.00
<b>Program Funds Drawdown</b>	\$34,360.00	\$34,360.00
<b>Obligated CDBG DR Funds</b>	\$210,936.00	\$210,936.00
<b>Expended CDBG DR Funds</b>	\$38,102.00	\$38,102.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$3,742.00	\$3,742.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

This program will provide resources for the rehabilitation for vacant foreclosed properties by private landlords for the purpose of providing affordable rental opportunities.

**Location Description:**

The program will be targeted to the neighborhoods of greatest need. Within these neighborhoods, consideration will be given to those neighborhoods which have experienced a net loss in homeownership as a result of the foreclosure issue

**Activity Progress Narrative:**

1) Overall progress Narrative for Rental Rehabilitation Program  
> The Rental Rehabilitation program provides resources for rehabilitating vacant foreclosed properties by private landlords. When the rehab is completed, the landlords provide affordable rental opportunities. The program is modeled after the City of Milwaukee's existing Rental Rehabilitation program. The program offers forgivable loans, on a matching funds basis, to pay for repairs and property improvements. Property owners will be screened, and only those with good records with the Department of Neighborhood Services ("Building Inspection") and those who pay their property taxes on time, will be eligible for participation. Depending on their prior experience level, participants may be required to attend the City of Milwaukee's landlord training program. Loans limits for the NSP Rental Rehabilitation Program are \$17,500 per unit, with a required 1-for-1 match coming from the property owner. Each property is inspected and technical assistance is provided to prepare a scope of work and insure that rehabilitation is completed in a timely manner and meets the rehabilitation standards for the program. The minimum affordability period of assistance under this activity is 5 years. Consistent with HOME requirements, the affordability is:

Amount of Assistance	Period of Affordability
>\$15,000 or less	5 years
>\$15,000-\$40,000	10 years
>\$40,000+	15 years

A mortgage and a restrictive covenant is recorded on the property to insure that the affordability requirements are met. If a property is sold prior to the affordability period has expired, it requires repayment of the loan. In limited circumstances, a new buyer may assume the loan if they agree to all the conditions, including affordability. A list of foreclosed properties in targeted neighborhoods is posted on the City's foreclosure website with information on financing opportunities and resources available for the program. The City works with local lenders, realtors, community organizations and the Apartment Association of Southeastern Wisconsin to market opportunities under the program to responsible landlords. In addition, the City works with participating landlords to develop criteria under which homeowners and

tenants displaced as a result of the foreclosure crisis could be considered for units acquired and renovated under the program.

2) Progress towards Activity

> Although the number of clients approved for rehab loans is lower than planned, the applicants currently enrolled show that the Program number of units is ahead of schedule.

3) Progress Towards National Objective

> All units are located in eligible census tracts and the set aside for renters less than 50% AMI is on target to meet Program goals.

## Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	8	0/0	0/0	8/35

## Activity Locations

Address	City	State	Zip
2568 N. 34th	Milwaukee	NA	53210
3400-02 W. Scott	Milwaukee	NA	53215
2422 S. 7th	Milwaukee	NA	53215
2395 W. Walnut	Milwaukee	NA	53205
2510 W. Juneau	Milwaukee	NA	53233
2747 N. 56th	Milwaukee	NA	53210
911 S. 26th	Milwaukee	NA	53204
2600 N. 53rd	Milwaukee	NA	53210

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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**Grantee Activity Number:** NS180010000A

**Activity Title:** Demolition

**Activity Category:**

Clearance and Demolition

**Project Number:**

NS1800000000

**Projected Start Date:**

04/01/2009

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

DEMOLITION

**Projected End Date:**

02/01/2013

**Responsible Organization:**

Department of Neighborhood Services

Overall	Jul 1 thru Sep 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$1,312,500.00
Total CDBG Program Funds Budgeted	N/A	\$1,312,500.00
Program Funds Drawdown	\$79,763.99	\$79,763.99
Obligated CDBG DR Funds	\$228,880.82	\$228,880.82
Expended CDBG DR Funds	\$79,763.69	\$79,763.69
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

**Activity Description:**

This program will be used to demolished approximately 75 structures representing the properties most severely blighted and detrimental to neighborhood stability.

**Location Description:**

The program will be targeted to the neighborhoods of greatest need. Within these neighborhoods, consideration will be given to those neighborhoods which have experienced a net loss in homeownership as a result of the foreclosure issue

**Activity Progress Narrative:**

The current economic conditions and the rise in the number of foreclosures has resulted in a significant number of mortgage foreclosures and a significant increase in the number of vacant of vacant buildings. Vacant buildings often become abandoned and dilapidated because they are not maintained by their owners. Because these buildings are not managed or monitored they may facilitate drug dealing or other criminal activity, may harbor vermin, attract trespassers, attract nuisance activity, may be damaged by vandals or arsonists, and invite dumping, trash, graffiti and other debris.

Vacant buildings contribute to blight by causing a decrease in property values and discouraging neighbors from making improvements to their buildings, encouraging neighbors to move out of the neighborhood and discouraging persons from moving into the neighborhood.

This forces the city to spend additional public safety resources on vacant buildings, as well as staff time to secure and monitor these buildings. The Department of Neighborhood Services uses NSP funds to remove neighborhood blight by razing and removing distressing and unsafe buildings from Milwaukee's neighborhoods.

The department issues raze orders to the owners of distresses properties. DNS works with owners and other interested parties to establish property restoration agreements when appropriate. Where the building physical condition and/or the economics (cost) make a restoration unfeasible, NSN will raze the structure.

Razing the building removes the blight from the neighborhood. This will help improve property values, increase economic vitality, reduce crime and nuisance activity, and improve the overall quality of life for the neighborhood.

DNS works with citizens, aldermen, community groups, the Milwaukee Police Department and other city Departments to choose candidates for demolition that will provide the most benefit to the affected neighborhoods.

**Performance Measures**

This Report Period			Cumulative Actual Total / Expected		
Low	Mod	Total	Low	Mod	Total

# of Properties 0 0 7 0/0 0/0 7/75

### Activity Locations

Address	City	State	Zip
2421 N. 10th	Milwaukee	NA	53206
2726 N. 2nd	Milwaukee	NA	53212
2182 N. 44th	Milwaukee	NA	53208
1115 W. Keefe	Milwaukee	NA	53206
2412 N. 2nd	Milwaukee	NA	53212
2444 N. 38th	Milwaukee	NA	53210
2312 W. Clarke	Milwaukee	NA	53206

### Other Funding Sources Budgeted - Detail

#### No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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