



Substantial Amendment for the Neighborhood Stabilization Program

Background

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 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.