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FOR INFORMATION CALL

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Ald. Robert J. Bauman
(414) 286-2221

Housing stock, affordable housing get boost from Common Council

The Common Council has approved a new **Housing Stock Improvement Program** making interest-free forgivable loans available to eligible owner occupants who agree to undertake home renovation and maintenance projects.

The resolution **adopted Tuesday** (September 23) by the full Council creates a Housing Stock Improvement Program (HSIP) for owner-occupants of one- to four-unit residential properties to maintain or improve their properties through interest-free loans forgivable upon 10 years of consecutive owner-occupancy from the date of loan approval. The program is targeting homeowners who are current on their mortgage and property taxes, but because of the dramatic decline in assessed value (in some neighborhoods 35% to 50%), are unable to take out second mortgages for major repairs or improvements as they no longer have equity in their home.

State statutes provide that after the date on which a tax incremental district ("TID") created by the City of Milwaukee pays off the aggregate of all its project costs, the life of the district may be extended for one year and the additional tax incremental revenues used to benefit affordable housing and to improve the housing stock in the city. In September 2013 – in accordance with state statutes -- the Common Council adopted File No. 130460, an ordinance providing for the extension of TIDs for one year to benefit affordable housing and improve the housing stock in the city.

Alderman Robert J. Bauman, the author of the HSIP resolution, said several factors in recent years have caused property owners to put off improvements and maintenance projects, and HSIP is meant to help owner-occupants tackle those deferred projects.

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Housing stock improvement/ADD ONE

“It is clear that the maintenance and improvement of Milwaukee’s housing stock is integral to the preservation of the city’s tax base and the stabilization of its neighborhoods,” the alderman said. “This program carries no additional costs for taxpayers and helps improve our housing stock – it is quite clearly a ‘win-win’ initiative for the city.”

To participate in the forgivable loan portion of the HSIP, an owner occupant must meet several requirements, including:

- The property owner must be current on property taxes against the property and against any other property owned in the city, if applicable, or is on an approved payment plan.
- The property owner must be current on the repayment of any existing mortgage on the property and on any other property owned in the city, if applicable, and these properties are not in foreclosure.
- The loan-to-assessed value ratio of the mortgage outstanding against the property is 90 percent or greater at the time of application.
- The property owner must be current on any utility payments on the property.
- Homeowner’s insurance must be current on the property or will be reinstated as a result of approved projects.
- Prior to loan disbursement, the property owner matches between 0 and 50 percent of approved project costs, depending on income thresholds determined by the NIDC and less the determined value of any match credit.
- The property does not have any outstanding Department of Neighborhood Services orders upon completion of approved HSIP projects.

The HSIP will be administered by the Neighborhood Improvement Development Corp. The measure was co-sponsored by **Alderman José G. Pérez** and **Alderman Nik Kovac**.