

We have found that properties in the foreclosure process have the potential to become blighting influences in a neighborhood. When they go abandoned, they provide an attraction point for activity not wanted in neighborhoods. Statistics from other communities show that 2 unsecured abandoned properties on a block will double the police calls for service when compared to similar blocks without unsecured buildings.

In an effort to combat these blighting influences, Milwaukee is shifting their approach on foreclosed property from responding to complaints with a random sampling of properties to a proactive approach in which properties are monitored on a monthly cycle. That monthly monitoring will evaluate the properties in foreclosure and will jointly hold the foreclosing entity and the owners responsible for maintaining the properties in a code compliant manner.

These steps are believed necessary when looking at the open orders on properties and conditions in the neighborhoods. Below is a chart of a scorecard of select entities that shows some of the volume of open orders.

<b>Recipient of Orders</b>	<b>Sept. 2010 Statistics</b>	<b>Nov. 2010 Statistics</b>	<b>% Change</b>	<b>Jan. 2011 Statistics</b>	<b>% Change</b>
Bank of America	115w/1275 violations	130 w/ 1487 violations	+16%	136w/ 1703 violations	+33%
Chase/JP Morgan	51 w/ 597 violations	48 w/ 554 violations	-5%	47 w/ 575 violations	-3.6%
Deutsche	137 w/ 1582 violations	103 w/ 1244 violations	-21%	101 w/ 1130 violations	-28%
US Bank	77 w/ 788 violations	60 w/ 532 violations	-32%	61 w/ 597 violations	-24%
Wells Fargo	92 w/ 1030 violations	100 w/ 1121 violations	+9%	92 w/ 1064 violations	+3%
Group of Five Totals	5272	4938	-6%	5069	-3.8%

To better facilitate the proactive approach it is proposed to require registration at the same time the intent to foreclose is filed. This will provide the City with critical contact information at the time of the filing. Currently the City charges \$35 to register an abandoned property in foreclosure. It is recommended to change the fee to \$250 to recoup some of the city expenses. Based on the attached analysis, the \$250 charge represents 42% of our baseline enforcement costs.

One real life example may put this in focus. The address is 1120 S. 11<sup>th</sup> Street. The property was subject of foreclosure in March of 09. As a result the owner left the property without any forwarding information. Since the foreclosure was filed DNS has had to respond to the property 28 times. In March of 2010 a fire occurred at the property.

After numerous calls and orders to clean up and secure the property, the City had to secure the property. More phone calls were made to request the property to be razed. Sixty days later the City was informed that the loan had been charged off and the owner could not be located. As a result the City razed the property at a cost in excess of \$10,000.