

**Opportunities for HACM/City Collaboration
Regarding Tax-Foreclosed Properties**

Staff members from the Housing Authority and Department of City Development have identified the following opportunities for ongoing collaboration to advance the goal of ensuring responsible management and disposition of tax-foreclosed properties. In some cases, these strategies are already in place, and can be expanded. Some of these ideas are new, and staff from both agencies have agreed to jointly pursue them.

- 1) In partnership with the Housing Authority, DCD will evaluate the inventory of tax-foreclosed properties in specified geographic areas to identify properties that provide opportunity for HACM initiatives. Such opportunities may include:
 - a. Control and repurposing of properties proximate to HACM development activity. (This strategy was used when HACM undertook the redevelopment of Westlawn. DCD staff identified several nearby in rem properties that could be used to house tenants displaced during construction.)
 - b. Redevelopment of tax-foreclosed properties, particularly multi-family buildings, as public housing replacement units.
 - c. Identification of a target neighborhood with high foreclosure concentration that would be a competitive candidate for a federal Choice Neighborhood Initiative grant. A CNI grant, in combination with City resources, would provide significant support to transform and revitalize the target neighborhood.

To date in 2013, HACM has purchased three tax-foreclosed properties from the City for \$1 each.

- 2) The Housing Authority is willing to evaluate vacant tax-foreclosed properties as candidates for scattered site public housing units, provided that City resources are available to undertake required renovation of these properties. The Authority's non-profit affiliate, Friends of Housing, is a locally-designated Community Housing Development Organization and receives federal housing funds through the Community Development Grants Administration. These funds might provide a source for renovation capital.
- 3) In 2014, the Housing Authority will apply to the Wisconsin Housing and Economic Development Authority for affordable housing tax credits to finance redevelopment of a group of tax foreclosed properties purchased from the City of Milwaukee.
- 4) Section 8 rent vouchers can be used as mortgage payments. Staff from both agencies will work together to market vacant tax-foreclosed units to voucher holders through production of marketing materials, a special homebuyer event for voucher holders, and personal outreach.
- 5) Several HACM staff members are licensed real estate brokers, and have the ability to submit offers to purchase tax-foreclosed property to DCD. If these individuals bring in offers on behalf of the HACM community (public housing residents, individuals who hold rent vouchers issued by HACM, and individuals on the HACM waiting list), the Housing Authority will earn the standard broker commission paid on the sale of in rem properties (minimum \$1500).

- 6) In the past, the Housing Authority has purchased City-owned vacant lots for new scattered site development. HACM will continue to evaluate vacant lots for this purpose and purchase when the lots meet their needs.
- 7) At the request of HACM, the Department will initiate the accelerated in rem process to acquire property that HACM wishes to control in connection with development efforts or other initiatives.
- 8) The Housing Authority public safety office will continue to accept after-hours calls reporting emergency maintenance needs from tenants of tax-foreclosed properties. The Friends of Housing organization will continue to provide after-hours emergency response to such calls, upon direction of the DCD property manager. This procedure has been in place for several years.

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