

**BLIGHT DESIGNATION SUMMARY
REDEVELOPMENT AUTHORITY AND
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE

September 17, 2009

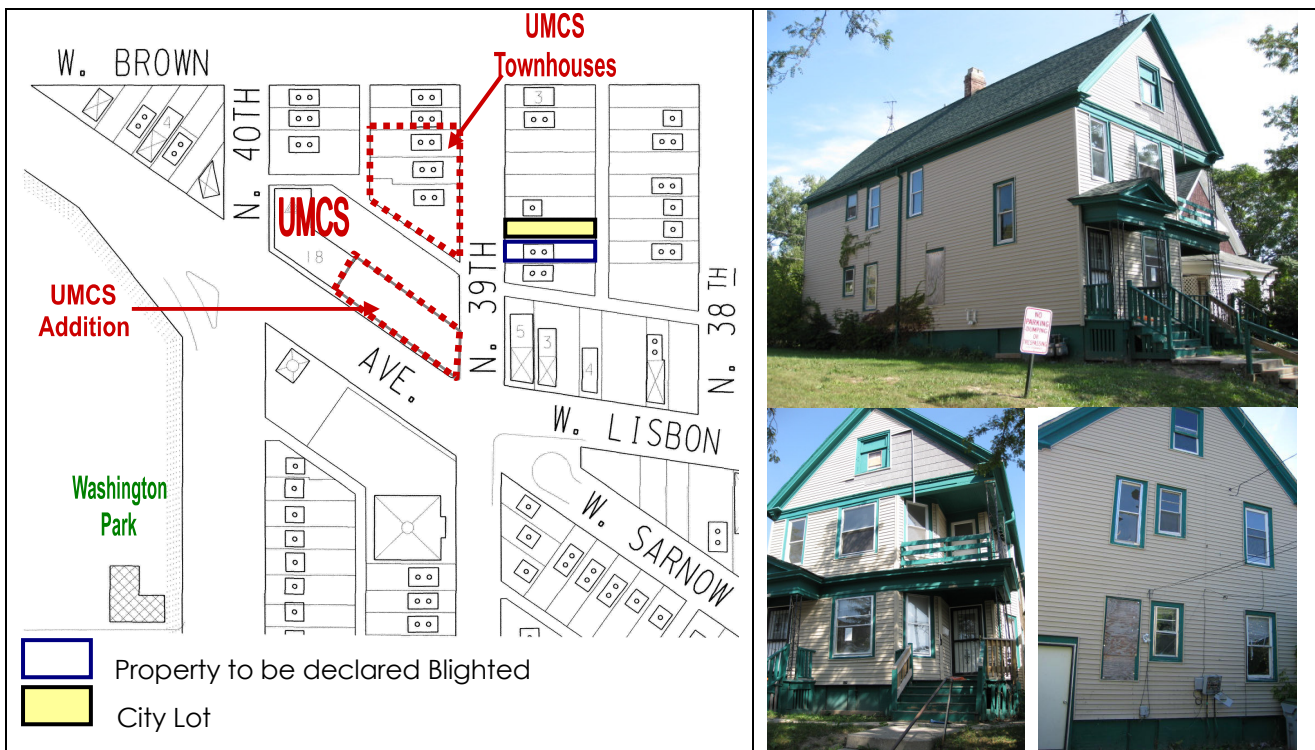
RESPONSIBLE STAFF

Elaine Miller, Real Estate Section (286-5732)

PROPOSED ACTIVITY

Declare a privately owned, foreclosed property in the Washington Park neighborhood blighted for acquisition using Community Development Block Grant/Spot Acquisition funds. This action also would authorize acquisition of the adjacent City-owned vacant lot in order to assemble a development site through a certified survey map.

The acquisitions target a foreclosed property across the street from a major redevelopment by United Methodist Children's Services. In 2007, the City sold land for UMCS townhomes – three side-by-side affordable duplexes. In 2008, the Authority helped facilitate expansion of UMCS's current building at 3940 West Lisbon by acquiring a blighted house at 3916 West Lisbon. The house and the adjacent City lot were conveyed to UMCS in December 2008 and construction is underway on the addition that will contain 24 affordable apartments and community space.



1922-24 North 39th Street

Owner: Federal National Mortgage Association (Fannie Mae) (2008 foreclosure)
Description: 2,476 SF duplex situated on a 3,600 SF lot. The house is vacant, partially boarded and with evidence of exterior and interior deferred maintenance. The underlying lot is unbuildable and situated South of a City-owned vacant lot, 1926 North 39th Street. The building condition and vacant status adversely affects UMCS's investment in the neighborhood.
Assessment: \$67,600

Tax Status: Current
Code Status: Some exterior, unabated violations.
Condition: Poor. All mechanicals and plumbing fixtures have been stripped from the house. Water damage is extensive as evidenced by warped floors and wall and ceiling damage. Exterior repairs include roof repair, window replacement, porch modification and foundation repair.



After acquisition, the structure will be demolished and the land assembled with the adjacent City lot to create a development site. The Authority will attempt acquisition of the adjacent foreclosed home at 1920 North 39th Street. The Authority will discuss potential development with UMCS or will market the lot for single-family infill housing.

BLIGHT FINDING

The properties can be considered blighted pursuant to Wisconsin Statutes for the following reasons:

- The house is in very poor condition, renovation costs would likely exceed the property value and the property condition has a negative impact on surrounding properties.
- The lots are undersized and have obsolete platting in relation to current development practices.
- The vacant status negatively impacts the surrounding neighborhood.

OFFER TO PURCHASE

Authority staff has reached verbal agreement with Fannie Mae to acquire the property for \$7,000. The property had been listed for sale for \$19,000. Fannie Mae requires a limited offer period with closing to occur on or before October 30th. The submitted offer is contingent on the Authority and the Common Council approving the blight designation and property acquisition.

FUTURE ACTIONS

Upon approval by the Redevelopment Authority and the Common Council, the Redevelopment Authority will close the transaction according to the terms of the Offer to Purchase. A deed for the adjoining City lot shall be executed by the Commissioner of the Department of City Development, or designee, for no monetary consideration.