



Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

Rocky Marcoux
Commissioner
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Deputy Commissioner
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Members of the Common Council
City Hall, Room 205

Dear Council members:

File #140612, scheduled for action at the September 23, 2014 Council meeting, imposes a new restriction on the sale of tax-foreclosed "neighborhood" property, that is, property with one to four residential units. The proposed ordinance provision would require that the sale of each property receive the personal approval of the local alderperson or the approval of the full Common Council.

When the Dept. of City Development sells properties, we are acutely aware of the importance of selling to new owners who will be good neighbors. For that reason, Council members are asked to indicate their preference regarding sale of each property in their district to owner-occupants and investors. Once offers to purchase are received, DCD staff screen prospective buyers for several factors, including whether they have delinquent property taxes on other properties they own in Milwaukee; whether they have unaddressed code violations on other properties they own; whether the city of Milwaukee has an outstanding judgment filed against the buyer; and whether the buyer has been convicted within the past five years of a criminal offense that could be destabilizing to a neighborhood. If a buyer passes these screenings, we close the sale. If a buyer fails on any of these issues, we reject the offer.

These layers of Aldermanic input and buyer scrutiny are imposed to minimize the risk that a City property sale will destabilize a neighborhood. At the same time, these screening practices make City-owned property less competitive in the marketplace. A buyer who purchases a home from a private seller is exposed to none of the scrutiny undertaken by the City.

Since 2010, the Department has sold more than 900 residential properties to buyers that passed the screenings required by current ordinance. We are aware of very few instances in which a Council member has raised a concern about a particular buyer, and believe the current system of screening and buyer approval is transparent, efficient and effective. Because file #140612 provides no standards that would be applied by a Council member in approving or disapproving a buyer, and because the aldermanic approval process would delay the approval of offers to purchase, we fear that adoption of this file will discourage buyer interest in City-owned property and negatively impact sales. We urge you to take this concern into account as you vote on the proposed ordinance change.

Sincerely,

Martha L. Brown
Deputy Commissioner

