

In-Rem Procedures

1. Inventorying new In-Rems
 - a. DCD staff conducts drive by inspections
 - b. A Photo is taken of each property
 - c. Property condition observations are noted regarding
 - i. Whether the property is occupied
 - ii. Whether the property is vacant
 - iii. Whether the property is already boarded
 - iv. The exterior condition of the property
 - v. The condition and type of the neighboring properties
2. Full property inspections are scheduled to classify properties in three categories: habitable, uninhabitable or special mothball.
 - a. Habitable properties -- no tenants
 - i. Property is boarded and may be cleaned out. A no trespassing sign is posted at the property.
 - ii. A Dept. of Neighborhood Services NIP inspector tours the property and prepares a scope of work indicating what repairs must be made so the property complies with the City's property maintenance code. Cost estimates for the work are calculated.
 - iii. DCD establishes a sale price, and lists the property for sale.
 - iv. During the period of DCD ownership, department assumes responsibility for ongoing maintenance activities, such as replacing boards that have been removed or damaged, shoveling sidewalk in front of the property, and mowing the grass at the property.
 - b. Habitable properties – occupied by tenants
 - i. DCD staff visits tenant to establish lease and monthly rent obligation. Tenants who wish to purchase the property themselves are connected with a community organization such as ACTS or Select Milwaukee to undergo homebuyer counseling, repair credit, etc.
 - ii. As landlord, DCD makes repairs to the property to correct unsafe situations.
 - iii. DNS NIP inspector tours the property and prepares a scope of work per a-ii above.
 - iv. DCD establishes a sale prices, and advertises the property for sale.
 - v. Tenants are required to vacate the property upon sale.
 - c. Uninhabitable properties – no tenants
 - i. Property is boarded.
 - ii. Property is referred to the Dept. of Neighborhood Services for demolition as funding permits.
 - iii. During the period of DCD ownership, department assumes responsibility for ongoing maintenance activities, such as replacing boards that have been removed or damaged, shoveling sidewalk in front of the property, and mowing the grass at the property.
 - d. Uninhabitable properties – occupied by tenants

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- i. Tenant is given a notice to vacate because of unsafe conditions at the property.
- ii. Property is boarded.
- iii. Property is referred to DNS for demolition as funding permits.
- iv. During the period of DCD ownership, department assumes responsibility for ongoing maintenance activities, such as replacing boards that have been removed or damaged, shoveling sidewalk in front of the property, and mowing the grass at the property.
- e. Special mothball properties
 - i. This classification refers to properties with architectural or historic significance.
 - ii. Property is boarded.
 - iii. DCD staff prepares a scope of work to identify major issues required to stabilize the property (new roof, foundation repair, porch replacement, etc.). In some cases, the scope includes cosmetic work such as exterior painting in order to make the property more marketable.
 - iv. DCD staff implements the scope of work, using funds from the City's Housing Infrastructure Preservation Fund.
 - v. Upon completion of stabilization work, the property is marketed for sale. Buyers are advised that these properties require additional interior renovation prior to occupancy.
 - vi. During the period of DCD ownership, department assumes responsibility for ongoing maintenance activities, such as replacing boards that have been removed or damaged, shoveling sidewalk in front of the property, and mowing the grass at the property.

DCD markets foreclosed properties according to rules established by City ordinance.

- 1) Non-profit housing organizations may purchase habitable properties before they are listed for sale. Houses are offered to such groups for \$1,000/property, for the purpose of redeveloping them for home-ownership. ACTS Community Development Corporation is the largest such buyer of tax-foreclosed houses.
- 2) For-profit affordable housing developers are a key market. For the last several years, the City has sold packages of 20-30 properties to such developers. A typical sales price is \$5,000 per property. Developers use federal Low Income Housing Tax Credits to finance the purchase and renovation of tax-foreclosed properties as affordable rental properties for 15 years. Several such developments have been structured as rent-to-own projects, in which tenants will be eligible to purchase the properties after the 15-year rental period expires.
- 3) Individuals purchase properties for both owner-occupancy and as investment property. For the first 30 days that properties are listed on the market, they may be sold only to individuals who will own and occupy them. Properties not sold within 30 days of listing are available for sale to investors, unless the local alderman does not authorize investor

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sales. When individuals wish to make an offer, they must do so through a licensed real estate broker.

Tax-foreclosed property available for public sale is listed on the **Multiple Listing Service**; on the web site of the Department of City Development (www.city.milwaukee.gov/CityHouses), and on the City's foreclosed property web site (www.milwaukeehousinghelp.org). Available property is also advertised at community home-ownership events.