

Tax-foreclosed properties 2014 sales update

Zoning Neighborhoods and
Development Committee
September 16, 2014

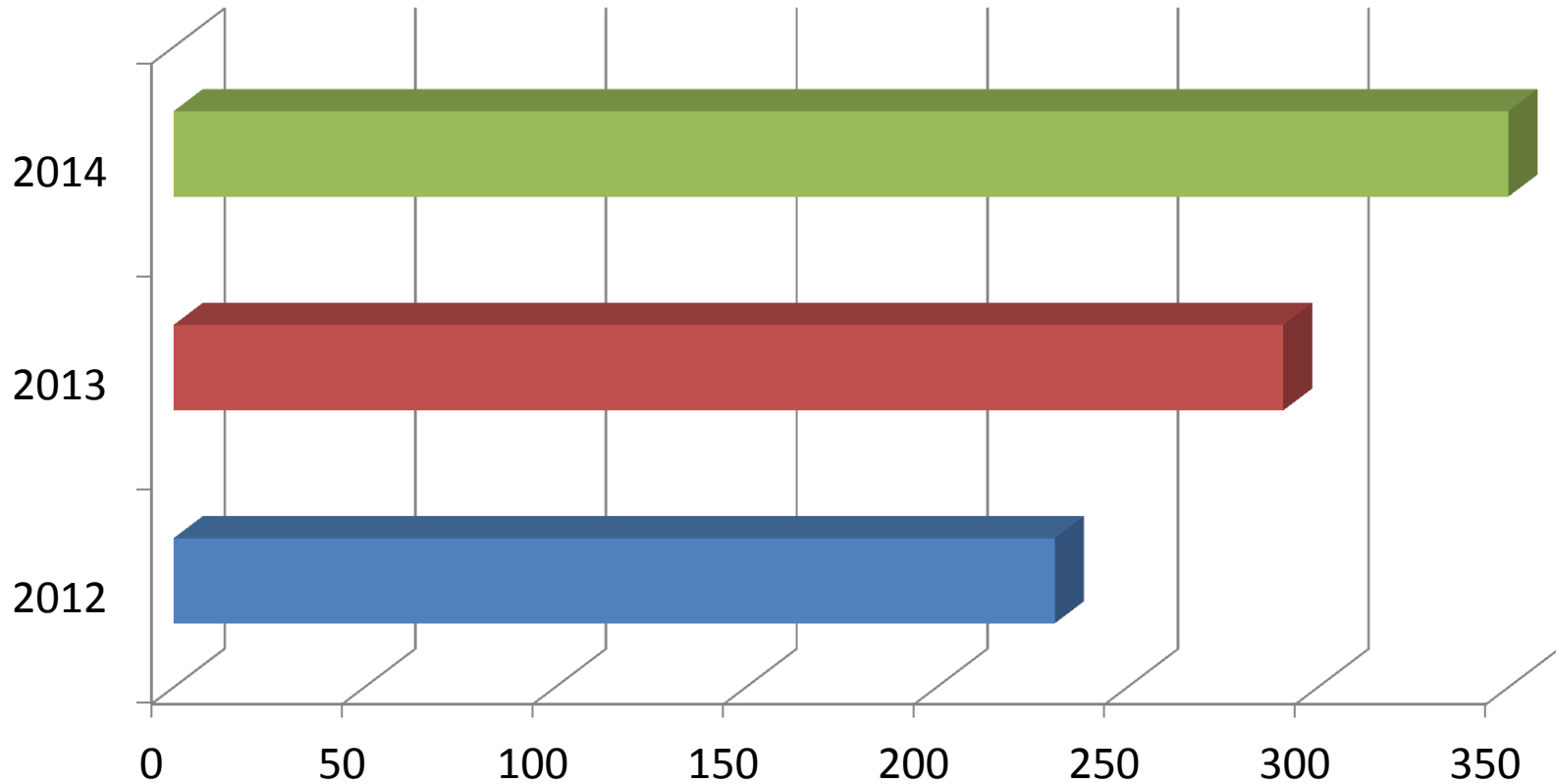
Today's files



- File #140635: \$1 sales to non-profit buyers
 - Authorize price reduction
 - Establish sales standards
- File #140569: Broker listing program
 - Make broker listing a permanent tool
 - Authorize expansion of the listing broker pool

2014: Increase sales by 20%

Sales



Traditional markets

- Individual buyers
 - Owner-occupants
 - Investors
- Developers
 - LIHTC-financed projects
- Non-profit organizations
 - Rehab for resale to owner-occupants



Initiatives to increase sales

- Outreach coordinator
 - Electronic communication (web, e-newsletter, social media)
 - Improved signage
 - Face-to-face marketing of properties and programs at 50+ events
 - Home ownership orientations at libraries
 - Broker outreach
 - Home buyer counseling agency briefings
 - Neighborhood events

City Real Estate E-newsletter - September 4, 2014



We can help make your dreams of homeownership a reality.

[Commercial Real Estate - Current Listing](#)

PROPERTY PHOTO	ADDRESS	TYPE	BLDG. SIZE	ASKING PRICE
	1239 South 11th Street Walker's Point Neighborhood Live-Work Space for Sale	Mixed-Use	2,430	\$40,000
	<ul style="list-style-type: none">• Assessor Records• Historic Land Use Investigation• Additional Photos			

[Learn more at our Homebuyer Orientation Sessions](#)



Attend the next session to learn more about the **Homebuyer Assistance Program**, which offers assistance from a rehab specialist and up to \$20,000 forgivable loans for the rehab of **City-owned homes**.

Tuesday, September 23, 2014, 6-7:30pm
Washington Park Library, 2121 N. Sherman Blvd.
(2nd Floor Meeting Room)

[Learn More](#)
DOWNLOAD FLYER

Initiatives to increase sales

- Forgivable loans
 - Homebuyer Assistance Program
 - 4 loans closed
 - 15 loans in the pipeline
 - 11 applications under review
 - Rental Rehabilitation program
 - 6 loans approved
 - 11 loans in the pipeline
 - Projects involving 62 properties awaiting word on LIHTC awards
- 3 lender partners

- 1 COUNSELING CERTIFICATE**
Complete 8 hours of homebuyer counseling from a HUD-approved Homebuyer Counseling Agency. *Waivers available for previous homeowners. View approved counseling agencies at: www.milwaukee.gov/NIDC*
- 2 BANK LOAN PRE-APPROVAL**
Receive a "pre-qualification" or "pre-approval" for your first mortgage from a local lender (or have documentation of available funds if using cash). Buyers must contribute at least \$1,000 of their own funds toward the purchase and rehabilitation of the property. *A list of participating lenders is available at: www.milwaukee.gov/NIDC*
- 3 HBA LOAN PRE-APPROVAL**
Submit application for Homebuyer Assistance pre-approval. *Homebuyer Assistance is not available if you have already purchased the City-owned property. Applicants must apply and be approved for the loan before purchasing the foreclosed property in order to be eligible.*
- 4 MAKE OFFER TO PURCHASE**
Work with a real estate agent to locate an eligible City-owned foreclosed property with 1-4 housing units. *Remember, foreclosed properties may need significant repairs. Allow 45 days between offer and closing date to develop final scope of work and finalize financing.*
- 5 TECHNICAL ASSISTANCE**
Work with City Rehabilitation Specialist to finalize scope of work, obtain bids and select your contractor. *Buyers may be required to make additional repairs beyond those identified in "code compliance" scope of work to minimize the chance that critical systems will require major repairs during the initial years of ownership.*
- 6 CLOSE ON NEW HOME & START REHAB**
Construction can begin after purchase. Your Rehabilitation Specialist will continue to work with you to ensure that work is done correctly and will approve payments to contractors. *Work must be complete within 90 days. One 90 day extension may be approved for weather related work.*
- 7 MOVE IN & ENJOY YOUR NEW HOME!**
Once you have lived in the property for five years after project completion, the HBA loan will be fully forgiven. *Loans are forgiven on an annual pro rata basis over a five year period. If a property is sold during the initial five year period, you must repay the loan balance.*

Initiatives to increase sales

- Tenant rent-to-own program
 - Provide home buyer counseling to existing City tenants, up to 2 years
 - 55 tenants working with counselor
 - Provide \$20,000 in home repairs for qualified tenants
 - Rehab contracts awarded for 9 properties; 6 more contracts in pipeline
 - Sell repaired house to tenant for \$1 after tenant completes home-ownership plan
 - 1 sale closed



Initiatives to increase sales

- Build capacity of ACTS to sell properties to low-income owner-occupants
 - City funds to increase staff
- 16 homes sold to ACTS YTD
- 2014 ACTS purchase goal: 36



HOME SALE EVENT
Come see the latest ACTS Property!

Thursday, May 29th
Open House 12:00 pm Raffle 12:30pm

1828 W. Kerney Place
5 bedrooms 2 bathrooms



\$3500
*Needs repairs to be ready for decent, safe, sanitary occupancy

Sign up at the event to be eligible to purchase this house for \$3500. Names will be drawn randomly to determine which individual gets the first chance to qualify for this opportunity. Buyer must commit to living in home for 5 years as owner-occupant. Other eligibility criteria available at actshousing.org.

**Questions? Call Hilaria Rios at 414-649-9762
or 414-389-0438**

[@actshousing](https://twitter.com/actshousing) fb.com/actshousing acts@actshousing.org actshousing.org

Receive Text Alerts on Home Sale Events! Text "ACTS" to 94253

Initiatives to increase sales



- Broker listing pilot
 - Use 5 private brokers to list and sell up to 100 City-owned properties
 - Choose brokers through competitive process
 - Pay \$2,000 minimum commission to listing brokers
- 81 houses sold; 5 sales pending

Property Details

2623 N 34TH ST, Milwaukee, WI 53210 Price: \$3,900



8 Photos

Single-Family

MLS Number: 1349045
 County: Milwaukee
 Bedrooms: 3
 Bathrooms: 1
 Total Rooms: 6
 Square Feet: 1,436
 Taxes: \$703 For 2012
 Year Built: 1907
 Garage: 1 Car Attached

Listed by:
 Broker: Jason Scott Realty & Management, LLC
 (414) 467-8665
 Agent: Jason Fernhaber
[E-Mail Me](#)

[Printable Brochure](#)
[E-Mail to a Friend](#)
[Map this Property](#)

Mortgage Payments
 The approximate monthly Principal & Interest payment for this property would be \$18.84.
[View Details](#)
 Use our [Mortgage Payment Calculator](#) to determine a more exact payment estimate.

Schools

- District: Milwaukee

Remarks

This property is open to investors as well as owner/occ. Perfectly sized 1.5 story. This single family home is ready for some love. Has 3 bedrooms, 1 bath, 1 car garage that is detached. Come see today before it's gone! This one will go fast! Calling all investors! Come check out the Homebuyers Assistance Program! App fee is waived on city owned properties. Please refer to the link on PDF to view map provided to see if the particular property qualifies (See MLS Docs)

Room Layout

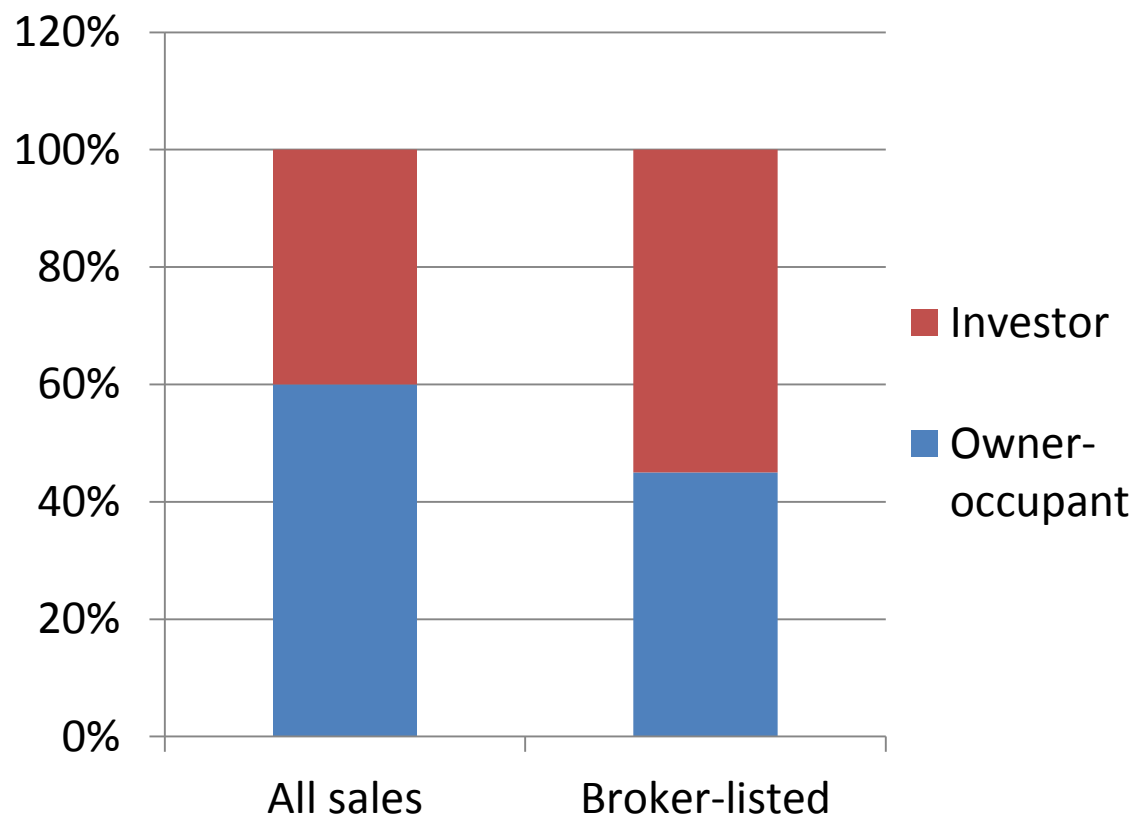
Room	Level	Dimension
Living Room	Main	
Kitchen	Main	
Master Bedroom	Upper	



2014 sales year-to-date



- 227 properties sold
 - 81 broker-listed
 - 99 City-listed
 - 47 sales to non-profits
- Customers
 - 60% owner-occupants
 - 40% investors



\$1 sale to non-profits (140635)



- For non-profit and faith-based buyers:
 - Property price reduced from \$1,000 to \$1.00 plus closing costs.
 - Eligible properties
 - Property priced at less than \$20,000.
 - Property on market for at least 60 days.
 - Buyers must demonstrate rehab, marketing, management experience.
 - Investment property fully taxable.

Broker listing (140569)



- November 2013: Council approved sale of up to 100 properties by up to 5 brokers
- September 2014: 81 properties sold; 5 more closings this week
- File would:
 - Add broker listing to marketing toolbox permanently
 - Allow use of up to 10 listing brokers