



**Department of Neighborhood Services**  
Inspectional services for health, safety and neighborhood improvement

**Preston D. Cole**  
Commissioner

**Thomas G. Mishefske**  
Operations Manager

January 6, 2017

Alderman Michael Murphy, Chair  
Judiciary and Legislation Committee  
Office of the City Clerk  
200 E. Wells Street, Room 205  
Milwaukee, WI 53202

RE: Communication File #161148

Dear Alderman Murphy,

Below please find the Department of Neighborhood Services' response to the questions posed in your December 28, 2016 letter:

**1) How many LLC-owned residential properties are failing to correct code violations in a timely manner?**

There are currently **181** LLC-owned residential properties failing to correct code violations in a timely manner.

These properties are already included in DNS's monthly reinspection program, which was designed to address problems properties where the owners have failed to correct code violations in a timely manner.



**2) Which LLCs own multiple properties which are failing to correct code violations in a timely manner?**

Currently, **23** LLCs own more than one property with code violations that have not been corrected in a timely manner.

The list of the 23 LLC owners, and the number of properties each owns with persistent unabated violations, is below.

AFFORDABLE REAL EST LLC (3)	HORKAN PROPERTIES LLC (4)	MVF PROPERTIES LLC (2)
CITY WIDE INVESTMENTS LLC (5)	KAJA HOLDINGS 2 LLC (3)	PAK RENTAL & CONSTRUCTION LLC (8)
DIVINE MOMENTUM REAL ESTATE LLC (6)	LIR PROPERTIES LLC (3)	PREMIER SOLUTIONS HOLDINGS ONE LLC (2)
EXTRA SHARP INVESTMENTS LLC (4)	MADISON ENERGY LLC (2)	SFAH LLC (2)
F & S REALTY LLC (5)	MANY BLESSINGS REAL ESTATE GROUP LLC (2)	SKYLINE BUSINESS MGMT LLC (2)
GMAC MORTGAGE, LLC (2)	MIDWEST COMMERCIAL FUNDING LLC (2)	STEAVENTS GROUP II LLC (2)
HARDIN REAL ESTATE ACQUISITION & MGMT LLC (2)	MILWAUKEE LIVING LLC (2)	WI HOME BUYERS NETWORK LLC (3)
HENRYS INVESTMENT GROUP LLC (3)	MINNOWA LLC (2)	

**3) Which are the 10 most egregious LLC-owned properties with uncorrected code violations?**

While DNS does not maintain data on the top 10 most egregious properties, we do maintain data on the most egregious property owners.

Each building code violation order received by an LLC-owner may contain a high number of individual code violations. Many LLC-owners with multiple properties in the DNS monthly reinspection program have received orders with a high number of individual violations:

- PAK Rental and Construction LLC – 8 properties – 254 violations
- Divine Momentum Real Estate LLC – 6 properties – 111 violations
- LIR Properties LLC – 3 properties – 117 violations
- Extra Sharp Investments LLC – 4 properties – 113 violations
- GMAC Mortgage LLC – 2 properties – 79 violations
- City Wide Investments LLC – 5 properties – 70 violations
- Metro Real Estate LLC – 1 property – 62 violations
- FN Housing LLC – 1 property – 61 violations
- Milwaukee Living LLC – 2 properties – 40 violations
- Midwest Commercial Funding LLC – 2 properties – 39 violations

**4) How many LLC-owned residential properties have been placarded in each of the last 5 years (2011-2015)?**

The following number of LLC-owned properties have been placarded in each of the last five years:

2011 – 107  
 2012 – 208  
 2013 – 193  
 2014 – 185  
 2015 – 132

**5) Which LLCs that are currently failing to correct code violations in a timely manner have had properties placarded in the past?**

In total, 62 LLC-owners that have failed to correct code violations in a timely manner also own properties receiving placard orders in the last 5 years. The list of LLC-owners is below.

AFFORDABLE REAL EST LLC	OSHO INVESTMENTS LLC
BELLA FINANCIAL SERV LLC	PAK PROPERTIES I LLC
BELL'S DREAM PROP LLC	PAK RENTAL & CONSTRUCTION
BHAVI MANAGEMENT LLC	PMG DEVELOPMENT LLC
BP MOTEL 94 LLC	POGALL LLC
CITY WIDE INVESTMENTS LLC	PREFERRED PROPERTIES MS LLC
DIVINE MOMENTUM REAL ESTATE	PREMIER HOLDINGS TWO LLC
E & G INVESTMENTS LLC	PREMIER REAL EST INV LLC
ELLIS INVESTMENTS LLC	PRINCETON COMMERCIAL
EXTRA SHARP INVESTMENTS	PROP MGMT SPECIALISTS LLC
F & S REALTY LLC	QUALITY REAL ESTATE
F MARKET STRAIGHTS LLC	REGGIN LLC
FIRST PROPERTY DEVELOPMENT	REO ACCEPTANCE CORP II LLC
FN HOUSING LLC	ROYAL CROWN INVESTMENTS LLC
FROM START TO FINISH	SECOND PROPERTY DEVELOPMENT
HARDIN REAL ESTATE	SEDONA PROPERTIES LLC
HAYWOOD HOT RODS LLC	SG PROPERTY
HENRYS INVESTMENT GROUP LLC	SKYLINE BUSINESS MGMT LLC
HORKAN PROPERTIES LLC	SKZ, LLC
JMS COMFORT LIVING LLC	SPRING FINANCIALS, LLC
KAJA HOLDINGS 2 LLC	SWD & NAT REAL ESTATE LLC
LASUICITA PROPERTIES LLC	T OLLIE INVESTMENT LLC
LIR PROPERTIES LLC	THIRD PROPERTY DEVELOPMENT
M & M LUXURY PROPERTIES	TKO HOLDINGS LLC
MANY BLESSINGS REAL	TONYS HOME IMPROVEMENT LLC
METRO REAL ESTATE LLC	TRINITY FACILITIES MGMT LLC
MILW INCOME PROP LLC	URZUA LLC
MILWAUKEE LIVING LLC	WASHINGTON HEIGHTS PROP LLC
MILWAUKEE'S BEST	WELLSPRING RENTALS LLC
NILE PROPERTIES LLC	WI HOME BUYERS NETWORK LLC
NTO LLC	ZARKAM LLC



**6) How does the fact that a property is owned by an LLC impede the correction of code violations in a timely manner, and what is being done to work around this impediment?**

The fact that a property is owned by an LLC does not impede enforcement of code violations. The Department of Neighborhood Services' enforcement procedure applies to LLC and individual owners alike. DNS has a number of strategies that can be invoked when owners fail to correct code violations in a timely manner, regardless of the ownership structure. Please see the attached document for further explanation on the code enforcement process.

The Department of Neighborhood Services has worked closely with the City Attorney's Office to explore a number of enforcement strategies for LLC-owners. Ideas under consideration include the following:

- Increase the number of receivership cases filed
- Increasing collaboration and information sharing between departments.
  - The Treasurer's Office will provide information regarding entities owning multiple properties that receive taxbills in one envelope.
  - DNS will share information regarding egregious code violators and pursue keeping these violators from qualifying for property tax installment plans.
- Lifting/increasing the maximum forfeiture on Building and Zoning (B&Z) cases
- Reinstating the Nuisance Property Program (MCO 80.12)
  - Recreating the program to conform with the law changes of Wisconsin Act 176
- Creation of city-wide RRI-like program
  - Similar to program recently created in the City of Oshkosh
- Tenant Resources
  - Tenant training to inform renters of their rights
  - Creation of a tenant-specific hotline to report code violations and guarantee anonymity.

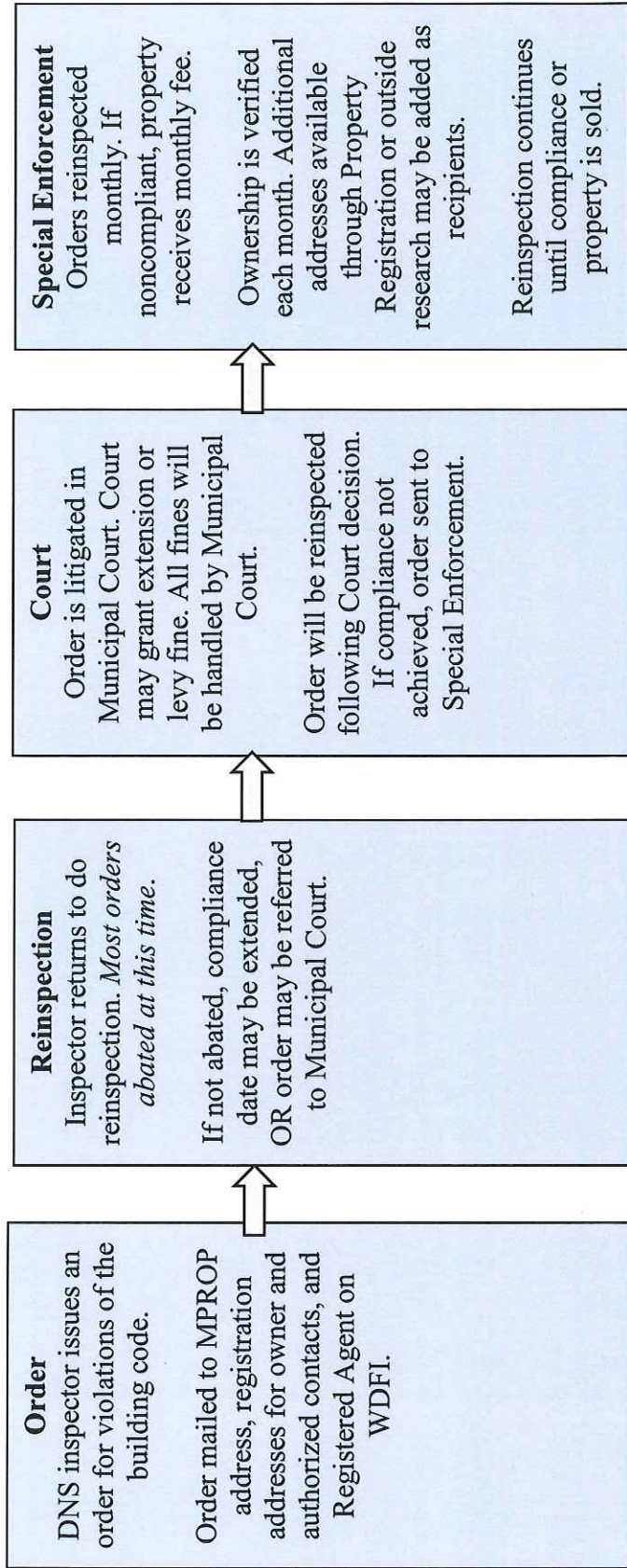
I look forward to discussing this information with you at the Judiciary and Legislation Committee hearing on Monday, January 9<sup>th</sup>, 2016.

Sincerely,



Preston D. Cole  
Commissioner, Department of Neighborhood Services

## DNS Inspection Procedure for LLC Owners



At any time, the above process may be interrupted by any of the following:

