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CITY OF MILWAUKEE

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**STRONG**  
NEIGHBORHOODS PLAN

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## **2015 Progress Update**

Zoning, Neighborhoods, & Development Committee – July 16, 2015

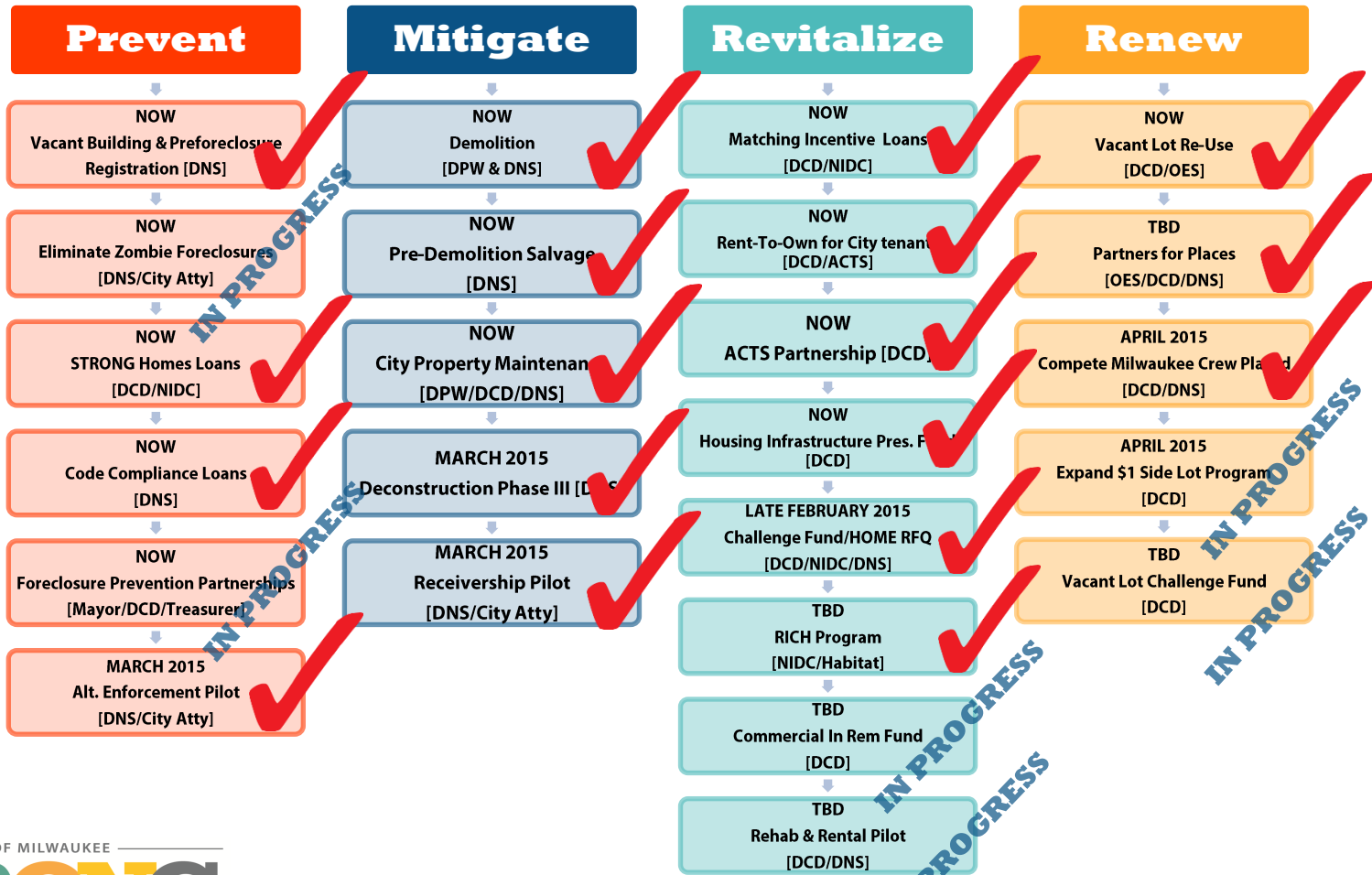
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# Strong Neighborhoods Plan

- Continue City work on foreclosure & blight
- 4 strategic goals
  - Prevent tax foreclosure & delinquency
  - Mitigate impact of blight & vacancy
  - Revitalize homes and neighborhoods
  - Renew vacant spaces
- Try new things – build them for success

# Work Plan - Feb. 2015



# Foreclosure Barometer

...as of June 30	2011	2014	2015 (vs. '11)
Bank Filings	2,217	1,930	892 (-60%)
Bank-Owned	~1,600	~1,400	~1,400 (-13%)
City Filings	463	683	848 (+83%)
City-Owned	854	854	948 (+11%)
Tax Delinquent (%)	8.1%	9.1%	7.7% (-5%)

- Foreclosure filings are down 60% since 2011 - **but**
- Bank-owned inventory is only down 20%
- City is selling at record pace
- Tax delinquency slowly improving
- Foreclosure → vacancy → tax delinquent dynamic still present

# Prevention

- **Work with Treasurer**
  - Connect delinquent taxpayers w/ counseling orgs
- **Work with City Attorney**
  - Eliminating “zombie” foreclosures
  - Increase lender accountability
  - Pilot new code enforcement strategies
- **Other Administration initiatives:**
  - Pre-notice to Municipal Service customers w/ balances
  - Connect delinquent borrowers w/ local counseling
  - Fund Metro Milwaukee Foreclosure Mediation Pgm.

# Prevention

	2015 Goal	2015 – YTD
Code Compliance Loans	33	29
STRONG Homes Loans	50	71

- **Code Compliance loans**

- Existing orders, low-income
- Deferred payment
- 5 loans in 2014, 29 approved YTD

- **STRONG Homes loans**

- Lend to “gap” in existing market
- Owners are “underwater”, low-moderate income, want a loan
- 71 loans closed YTD, funds exhausted

# Mitigation

- **Monitor buildings subject to foreclosure**
  - Expand foreclosure registry to include servicers
  - Inspection & maintenance of City-owned homes
- **Demolish and remove blighted property**
  - Mechanical demolition by contractors & DPW
  - Salvage [WasteCap] & deconstruction [Jake's]
  - Salvage & deconstruction connect w/ training programs

# Performance - Mitigation

	2015 - Goal	2015 - YTD
<b>Demolitions</b>	<b>150</b>	<b>60</b>
<b>Salvage Referral</b>	<b>-</b>	<b>71</b>
<b>Deconstruction Projects</b>	<b>15</b>	<b>16</b>
<b>DPW - Contractor RPP</b>	<b>40%</b>	<b>46%</b>





# Revitalization

- **Move City-owned property out of City inventory through numerous channels**
  - Record setting pace in 2015
  - Challenge Fund awards in June
    - Harambee & Century City
  - Low-Income Housing Tax Credits – challenging
  - Rental Rehab effort
  - Commercial In Rem Fund & commercial sales
    - 7 commercial closed YTD

# Performance - Revitalization

Sales	2014	2015 – June 30
City Direct [DCD]	292	160
Real Estate Brokers	110	62
Rent-To-Own/T3OP	2	6
ACTS	33	24
<b>TOTAL Residential</b>	<b>437</b>	<b>252</b>
<i>Owner-Occupant %</i>	52%	60%
<b>Est. Tax Base Restoration</b>	<b>\$18.8 M</b>	<b>\$10.8 M</b>



# Renewal

- **Activate vacant space**
  - “Adopt-a-lot” program established [CCFN 141898]
  - Lot improvements continuing
- **Connect other City efforts with City property**
  - Partners for Places & Home Gr/Own
  - Compete Milwaukee: 13 placements monitoring City homes
- **Vacant lot sales**
  - Seeking Council approval of \$1 lot sales expansion [CCFN 150379]

# Performance - Renewal

	2014	2015 – June 30
Vacant lot improvements	75	51
Vacant lot sales	99	109



# Moving forward

- **Three priorities:**
  - 1 Keep momentum going
  - 2 Focus on prevention through partnerships
  - 3 Increase private and other funding sources



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