January 5, 2011

To the Honorable, the Common Council
of the City of Milwaukee

Honorable Members of the Common Council:

I have signed file 100639, a substitute ordinance relating to the registration of vacant buildings. As a result, this ordinance becomes law with an effective date of April 1, 2011.

My signature should not be interpreted to mean that I am in full support of the ordinance. I have serious concerns regarding certain provisions. My intent, with this letter, is to propose modifications to the ordinance that should be made prior to the April 1, 2011 effective date.

I support responsible procedures to monitor and regulate vacant and abandoned properties in a manner that prevents blight and that protects the City's fiscal interests. My administration developed and proposed the Vacant Building Registration Program in 2009 as a proactive response to the impact of foreclosure-driven property abandonments on neighborhood conditions. I appreciate the support the Common Council has provided in enabling this program to be implemented during 2010. In implementing the vacant building registration program, DNS conducted 10,084 inspections of suspected vacant buildings in 2010. As a result 3,866 properties are now listed in the registry and are now being monitored for code compliance issues. Approximately 2,100 orders with 5,700 violations have been issued as a result of this initiative.

My concerns with this file include the following:

1. The ordinance creates additional administrative responsibilities for the Department of Neighborhood Services (DNS) without funding. Multiple and competing service demands on DNS are causing difficult management decisions regarding the allocation of existing budget resources. This funding issue may be compounded as a result of recently-released federal regulations regarding the Neighborhood Stabilization Program Phase 3 (NSP 3) grant. These regulations limit the use of NSP 3 funds to a greater degree than was anticipated for the 2011

Budget. It's important that policy makers agree on how DNS should administer these responsibilities before the ordinance takes effect.

2. The ordinance establishes a charge for public safety services that are provided to non-compliant properties. This provision may cause operational impacts to the Fire and Police Departments in terms of the possible need for staff from these departments to appear at Administrative Review Appeals Board hearings that result from contesting such charges. I will oppose any additional funding for overtime, special duty or "court" time pay for these hearings. I will also oppose the implementation of any procedures that cause disruption to the daily operations of the Police and Fire departments and any procedural matters that do not have the approval of the Police Chief and Fire Chief. An operational plan to deal with these potential impacts should be reviewed by the Common Council and the impacted departments prior to implementing this charge.

3. The public safety charge may also have an unintended negative impact on the City's fiscal condition. I agree that owners of vacant properties who fail to comply with the Vacant Building Registration Program are imposing risk to neighborhood conditions and could generate demands for public safety response.

However, if such public safety charges are not in fact recovered by the City, the lien and special charge on the pertinent properties that result from the cost recovery provision will need to be considered as part of *in rem* foreclosure decisions, as they will add to the City's cost of foreclosure. Unpaid special charges for those properties not taken through foreclosure are likely to generate a tax levy impact on the Delinquent Tax Fund.

My Administration will work with the Common Council, the City Attorney, City Treasurer, and City Comptroller to resolve these issues of concern. I look forward to a cooperative approach to modifying this ordinance prior to April 1 so that the Vacant Building Registration Program is implemented successfully.

Sincerely,

/Tom Barrett

Tom Barrett
Mayor