

# Memorandum

To: Joint Committee on Redevelopment of Abandoned and Foreclosed Homes

From: Amy E. Turim

Date: January 27, 2020

Subject: Rehab-to-Rent Program update

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## Program Summary:

Idea suggested at Strong Neighborhoods budget hearing: 2014 budget  
\$1,000,000 Capital budget amendment (Sponsors Coggs and Stamper): 2015 budget  
Request for Proposals: issued August 2015 – due October 2015  
Common Council Committee Hearing to authorize expenditure of funds: December 2015  
Contract fully executed: June 2016  
Renovation work started: July 2016  
First lease start: November 2016  
Last lease start: February 2018

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**Expenses:** Renovation and pre-renovation expenditures as of December 2019: \$426,000  
Average cost per completed home: \$82,200

**Account balance:** \$574,000 including repair contingency funds

**Income:** Deposit to the General Fund Program to Date: \$45,000

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## Common Council File 191449

Sponsors: Coggs, Stamper, Rainey, Hamilton

Adopted: January 21, 2020

Purpose: Allocate unspent program capital funds to the Milwaukee Employment/Renovation Initiative

### **Goals:**

Use unspent funds to leverage additional investment from developers  
Impact/renovate substantially more properties based on cost per property (\$25,000 ME/RI vs. \$82,200 RHTR)  
Return distressed properties to the tax rolls  
Provide greater work opportunities for unemployed and underemployed individuals, as well as SBE firms

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## Home Renovation

Completed homes to date: 5 single family homes

- 1116 West Keefe Avenue (District 6)
- 3342 North 12<sup>th</sup> Street (District 6)
- 3336 North 17<sup>th</sup> Street (District 6)
- 2744 North 24<sup>th</sup> Street (District 15)
- 2309 West Cherry Street (District 15)

Workforce Measures (as of January 5, 2018)	Required per contract	Reported
SBE Participation	40%	64%
RPP Hours	40%	51%

Total Funds Paid to SBE Contractors \$280,000 (rounded)

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## Property Management

Rented properties to date: 5 single family homes (100% of completed homes are leased and occupied)

Average monthly rent per home: \$760

Gross rent per month: \$3,775

Major Repair – Replace sewer lateral at 2309 West Cherry Street

Gross Income Year to Date (September 2019) \$34,445

Operating expenses Year to Date (September 2019): \$15,477.63