



**City of Milwaukee**  
**Neighborhood Stabilization Program 2 (NSP2)**  
**Program Update**

*Department of City Development*  
*City of Milwaukee*  
*April, 2013*



# City of Milwaukee Neighborhood Stabilization Program

## NSP Programmatic Activities Administered by DCD:

	NSP 2		NSP1		Grand Total NSP 1 & 2	
Activity	Expended	Units	Expended	Units	Expended	Units
Homebuyer Assistance	\$1,083,600	48	\$1,552,400	96	\$2,636,000	144
Rental Rehabilitation	\$818,800	52	\$1,062,400	82	\$1,881,200	134
Acquisition/Rehabilitation	\$7,495,000	64	\$2,654,800	28	\$10,149,800	92
Rental Development-Large Projects	\$4,685,200	282	\$441,200	12	\$5,126,400	294
New Construction	\$3,244,200	184	\$1,289,100	81	\$4,533,300	265
Landbank	\$1,350,300	78	\$1,219,700	80	\$2,570,000	158
Landbank – City Owned Properties	\$117,400	112	N/A	N/A	\$117,400	112
Leveraged Loan Fund	-0-	2	N/A	N/A	\$0	2
<b>Total (as of February 2013)</b>	<b>\$18,794,500</b>	<b>822</b>	<b>\$8,219,600</b>	<b>379</b>	<b>\$27,014,100</b>	<b>1,201</b>

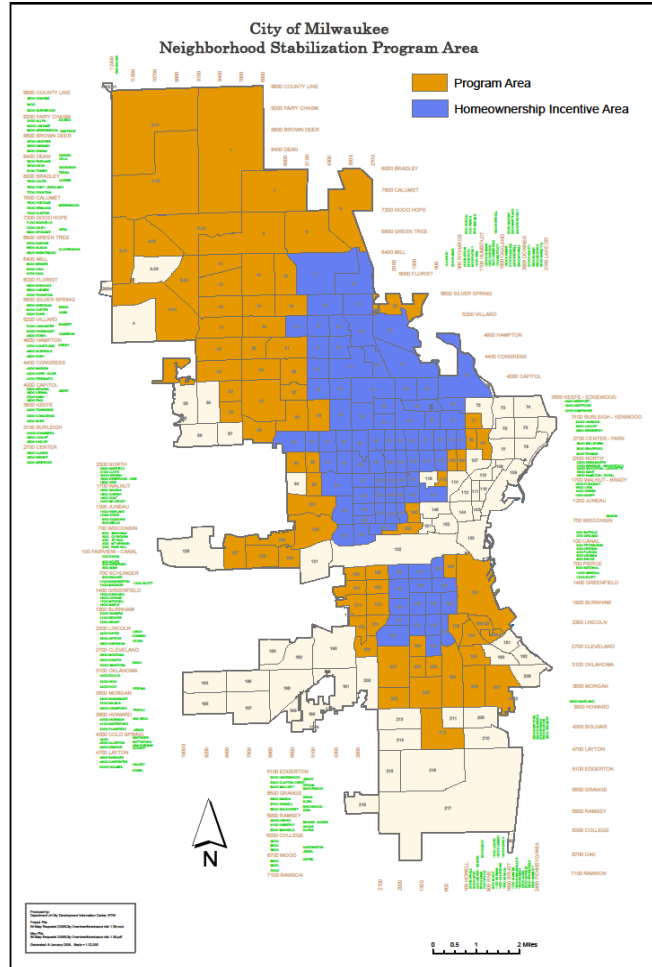
**NSP 1 and 2 funds have leveraged an additional \$130 million of investment**



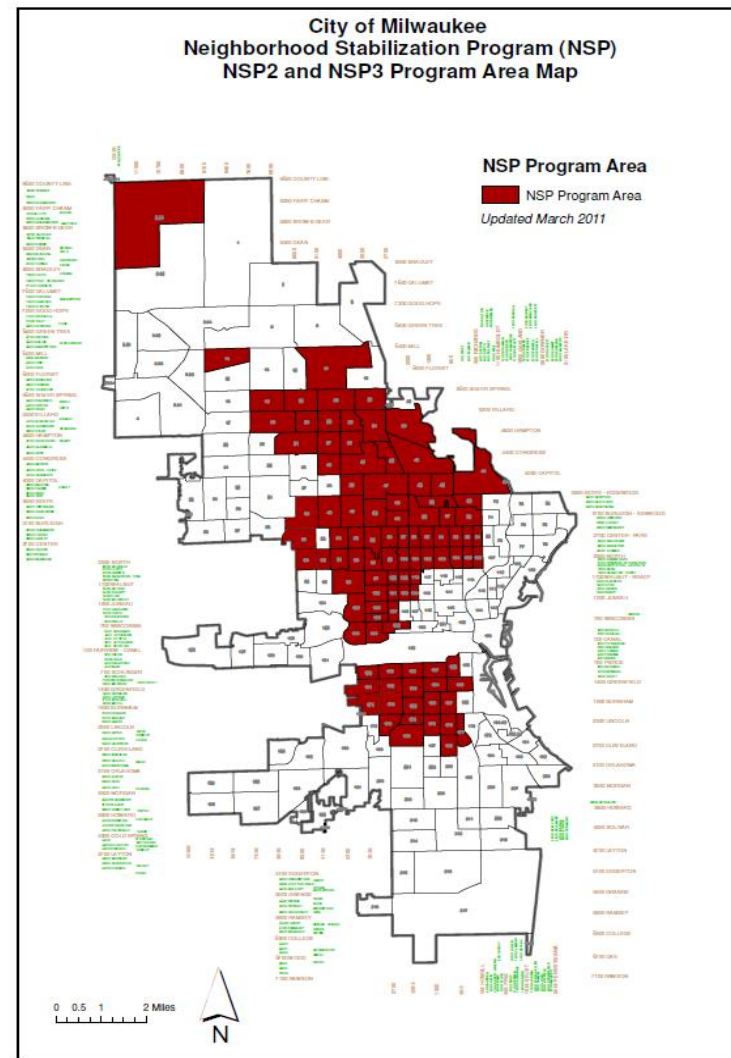
Neighborhood Improvement  
Development Corporation  
*In partnership with the City of Milwaukee*



# NSP 1 Program Area



# NSP2 Program Area



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# NSP 2 Homebuyer Assistance Program

**Provide homebuyers with forgivable second mortgages of up to \$30,000 to assist with the purchase and rehabilitation of foreclosed homes.**

## Expended:

**NSP 1: \$1,552,400**  
96 housing units

**NSP 2: \$1,083,600**  
48 housing units





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# NSP Homebuyer Assistance Program

## Project Spotlight: 503 N 29<sup>th</sup> St.

### Before:



Home boarded-up and significantly distressed as a result of 16+ months of vacancy.



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# NSP Homebuyer Assistance Program

## Project Spotlight: 503 N 29<sup>th</sup> St.

### After:



3BR, 2 Bath Home purchased out of foreclosure for **\$40,000** (City Assessed Value: **\$170,700**)

Buyers received homebuyer counseling from CYD and received **\$30,000** forgivable NSP loan to assist with needed rehabilitation, in addition to first mortgage from US Bank.



Work included new windows, a complete roof tear off, electrical and plumbing updates, new mechanicals and new drywall throughout the home.

Buyers' current monthly housing payment is **\$641**, which is less than the **\$650** rent this family of five was paying prior to purchase.

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# NSP Homebuyer Assistance Program

## Project Spotlight: 3036 N 13<sup>th</sup> St.

### Before:

Tenant occupied property acquired by City of Milwaukee through tax foreclosure in 2011. 800 square foot home most recently assessed by the City for **\$13,700**. Would pose a significant marketing challenge if vacant.



Long-term tenant worked with ACTS Housing to receive homebuyer counseling and assistance with qualifying for a mortgage.

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# NSP Homebuyer Assistance Program

## After: **Project Spotlight: 3036 N 13<sup>th</sup> St.**

Buyer qualified for 15-year first mortgage loan from PyraMax Bank and a **\$14,999** NSP Homebuyer Assistance Loan for needed rehabilitation. Monthly housing payment is **\$185**.



Sale closed in March of 2012 and renovation is complete.



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# NSP Homebuyer Assistance Program

## Project Spotlight: 425-427 N 33<sup>rd</sup> St.

Distressed property acquired by City of Milwaukee through tax foreclosure in 2011. Deferred maintenance of this Merrill Park home resulted in significant required rehabilitation which would not be feasible with traditional mortgage products.



Buyer combined US Bank first mortgage with NSP Homebuyer Assistance to purchase property for **\$21,450** and fund **\$52,000** of needed repairs. Buyer's monthly housing cost payments will be **\$434**.

Sale closed in January 2013 and rehabilitation is underway.

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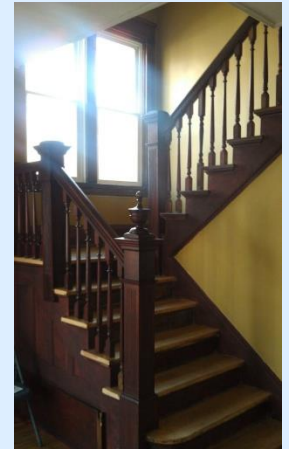
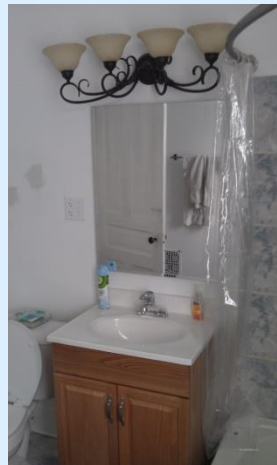
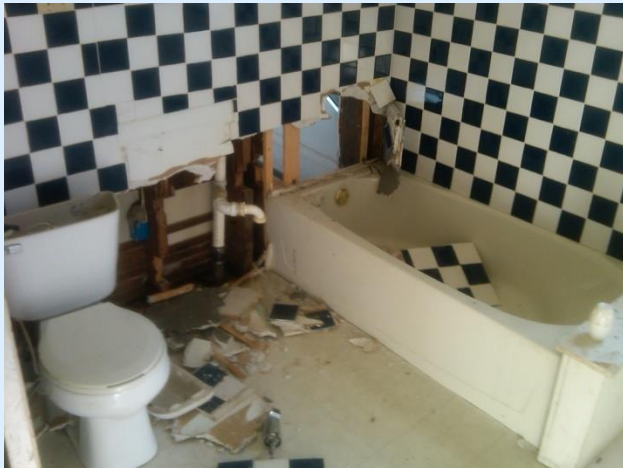
# NSP Homebuyer Assistance Program

2432 N. 28<sup>th</sup> St.

**Before:**



**After:**





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# NSP Homebuyer Assistance Program

## Additional Completed Projects



**4822 N 66<sup>th</sup> St.**



**3378 N 40<sup>th</sup> St.**



**2439 N 4<sup>th</sup> St.**



**5842 N 43<sup>rd</sup> St.**



**1244 S 36<sup>th</sup> St.**



**3324 S 14<sup>th</sup> St.**

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# NSP Rental Rehabilitation Program

**Provide responsible investors with forgivable second mortgages of up to \$17,500 per unit, on a matching funds basis, to assist with the rehabilitation of foreclosed homes.**

## Expended:

**NSP 1: \$1,062,400**  
94 housing units

**NSP 2: \$818,800**  
52 housing units



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# NSP Rental Rehabilitation Program

## Project Spotlight: Bender Ave. Existing Conditions





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# NSP Rental Rehabilitation Program

## Project Spotlight: Bender Ave.

Focusing concentrated and coordinated investments to reduce foreclosures and increase quality of life.

**Ten properties (40 units)** in a small area rehabilitated through NSP Rental Rehab and NSP Large Project Activity (NSP1 and NSP2) or in pre-construction. Over **\$700,000** in NSP investment has leveraged an even greater amount of private investment.



**8227 W Bender**



**7723 W Bender**



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# NSP Rental Rehabilitation Program

## Project Spotlight: Forge Milwaukee

Forge Milwaukee LLC. (Josh Jeffers) project to rehabilitate five distressed, City owned tax foreclosed duplex properties to provide high quality affordable housing.

Project involved job training partnership with Northcott Neighborhood House.

**Before:**



**After:**



**4957 N 36<sup>th</sup> St.**

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# NSP Rental Rehabilitation Program

## Additional Completed Projects



**136 W Meinecke Av.**



**817 S 23<sup>rd</sup> St.**



**2549 S 9<sup>th</sup> St.**



**911 S 26<sup>th</sup> St.**



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# NSP Acquisition/Rehabilitation Program

**Acquire and rehabilitate targeted foreclosed properties for resale to eligible owner occupant homebuyers who have completed 8 hours of homebuyer counseling.**

## Expended:

**NSP 1: \$2,654,800**  
28 housing units

**NSP 2: \$7,495,000**  
64 housing units



**Program income generated (to date)  
to support additional NSP activity: \$2.3 million**

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# NSP Acquisition/Rehabilitation Program

2402 N. 46<sup>th</sup> St.

Before:



# NSP Acquisition/Rehabilitation Program

2402 N. 46<sup>th</sup> St.

After:





# NSP Acquisition/Rehabilitation Program

4107 N 15<sup>th</sup> St.

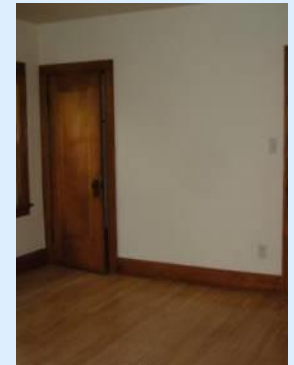
Before:



# NSP Acquisition/Rehabilitation Program

4107 N 15<sup>th</sup> St.

After:





# NSP Acquisition/Rehabilitation Program

4381 N 26<sup>th</sup> St.

Before:





# NSP Acquisition/Rehabilitation Program

4381 N 26<sup>th</sup> St.

After:



# NSP Acquisition/Rehabilitation Program

1227 North 28<sup>th</sup> Street

Before:





# NSP Acquisition/Rehabilitation Program

1227 North 28<sup>th</sup> Street

After:



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# NSP Acquisition/Rehabilitation Program

3003 N 46<sup>th</sup> St.

Before:

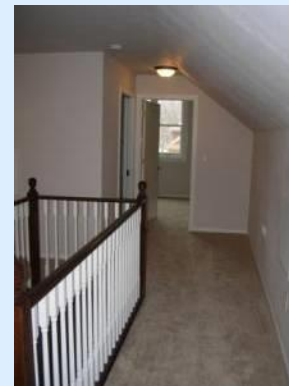




# NSP Acquisition/Rehabilitation Program

3003 N 46<sup>th</sup> St.

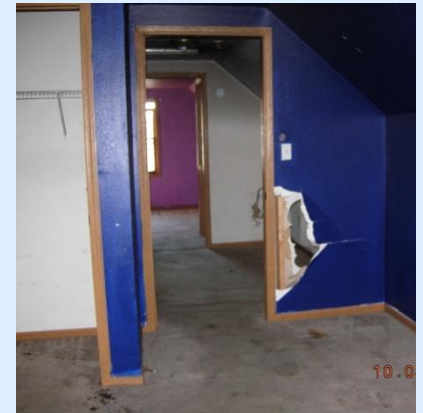
After:



# NSP Acquisition/Rehabilitation Program

2146 N 11<sup>th</sup> St.

Before:



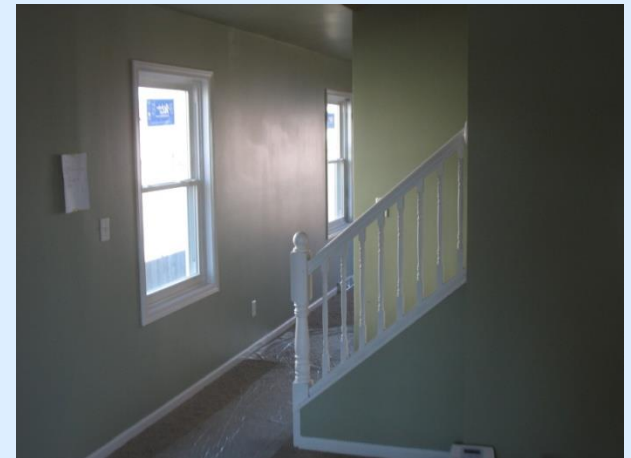


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# NSP Acquisition/Rehabilitation Program

2146 N 11<sup>th</sup> St.

After:



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# NSP Acquisition/Rehabilitation Program

**2401 N 4<sup>th</sup> St.**

**Before:**





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# NSP Acquisition/Rehabilitation Program

**2401 N 4<sup>th</sup> St.**

**After:**



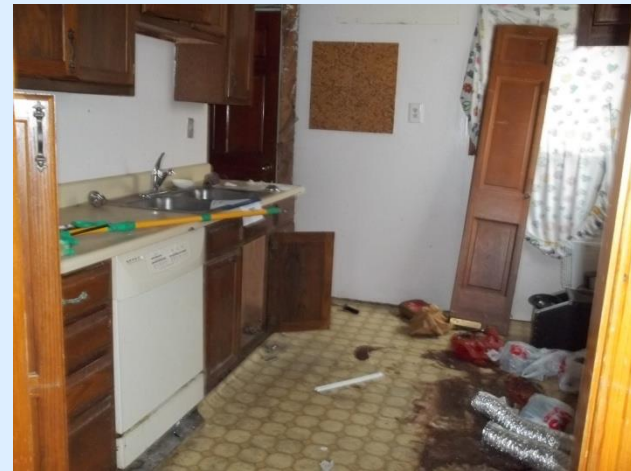


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# NSP Acquisition/Rehabilitation Program

**7311 W Sheridan Av.**

**Before:**

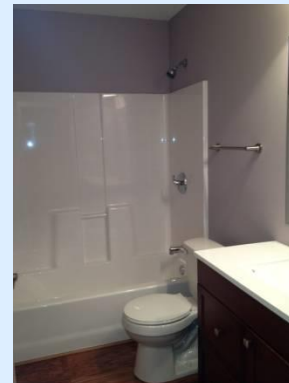


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# NSP Acquisition/Rehabilitation Program

**7311 W Sheridan Av.**

**After:**



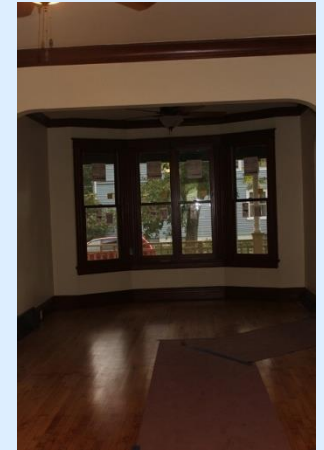


# NSP Acquisition/Rehabilitation Program

**Before:**



**After:**



**1004 S. 37<sup>th</sup> St.**





# NSP Acquisition/Rehabilitation Program

**Before:**



**1609 S. 37<sup>th</sup> St.**

**After:**



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# NSP Acquisition/Rehabilitation Program

**Before:**

**After:**



**814 N 26<sup>th</sup> St.**

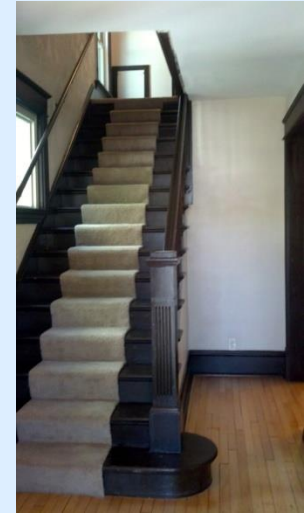




# NSP Acquisition/Rehabilitation Program

**Before:**

**After:**



**1124 S 21<sup>st</sup> St.**





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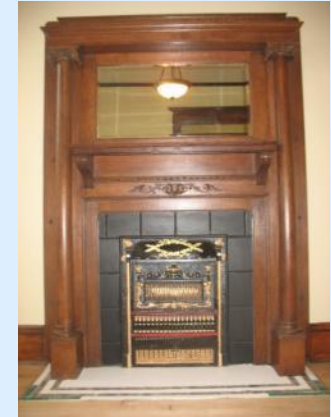
# NSP Acquisition/Rehabilitation Program

**After:**

**Before:**



**2205 N 16<sup>th</sup> St.**



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# NSP Acquisition/Rehabilitation Program

**After:**

**Before:**



**3821 W Roosevelt**





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# NSP Acquisition/Rehabilitation Program

**SOLD!!!**



**2962 N 51<sup>st</sup> St - \$105,000**



**2816 S 11<sup>th</sup> St - \$87,500**



**3880 N 26<sup>th</sup> St. - \$79,400**



**1639 S 37<sup>th</sup> St. - \$95,000**



**2100-02 N 42<sup>nd</sup> St. - \$95,000**



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# NSP Landbank

**Milwaukee Neighborhood Reclamation Company LLC (MNRC)  
created to acquire strategic foreclosed properties for  
rehabilitation or demolition using NSP funds.**

## Expended:

**NSP 1: \$1,219,700**  
80 housing units

**NSP 2: \$1,350,300**  
78 housing units

Maintenance of City owned properties  
**\$ 117,400**  
112 housing units

**Program income generated (to date)  
to support additional NSP activity: \$795,000**





# NSP Landbank

## Project Spotlight: 3315 W Lisbon Ave.

Purchased out of foreclosure  
in September 2011

27 Open code violations

History of nuisance activity

House to be razed by DNS

City owned vacant lots to either  
side



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# NSP Landbank

## Project Spotlight: 2409 N 4<sup>th</sup> St.



Purchased out of foreclosure  
in January 2013

On DNS reinspection list because of multiple  
unabated code violations.

NIDC rehabilitating home to the south. This  
property targeted for eventual rehabilitation  
to protect that investment.

Partnered with DNS and SecureView to utilize  
property for pilot “clear boarding”  
demonstration in interim.





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# NSP Landbank

## Sample Projects



2412 N 45<sup>th</sup> St. - \$1 House



1124 S 21<sup>st</sup> St. – Acquisition/Rehab



1244 S 36<sup>th</sup> St. –  
Homebuyer  
Assistance



3710 W Lisbon – Rental Rehab



1904 W Arrow – Side Lot

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# NSP Large Rental Projects

**Provide gap financing for the acquisition and rehabilitation of foreclosed properties for quality, affordable rental.**

## Expended:

**NSP 1: \$ 441,200**  
12 housing units

**NSP 2: \$4,685,200**  
282 housing units

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# NSP Rental Development – Large Projects

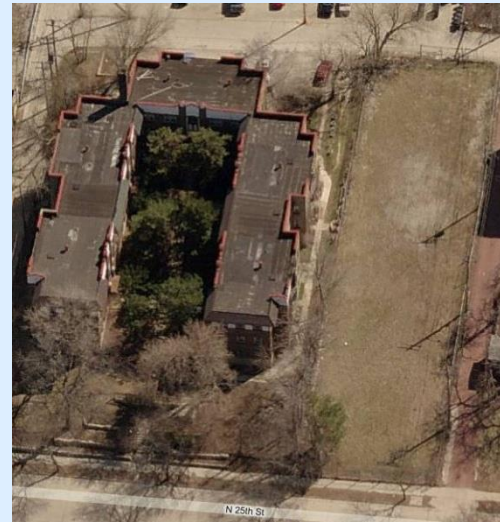
## 924 North 25<sup>th</sup> - 30 unit vacant building

Foreclosed by Wachovia Bank in 2009

Assessed Value: \$775,000

Ogden Realty was able to negotiate donation of the property

Adjacent to vacant City owned lot at 940 North 25<sup>th</sup> which was transferred to Ogden as green space for the project

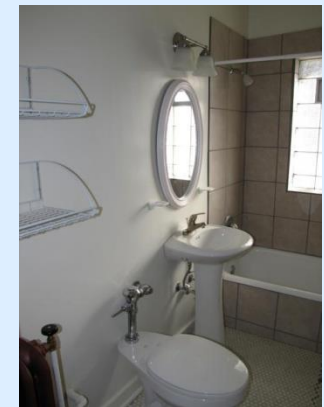
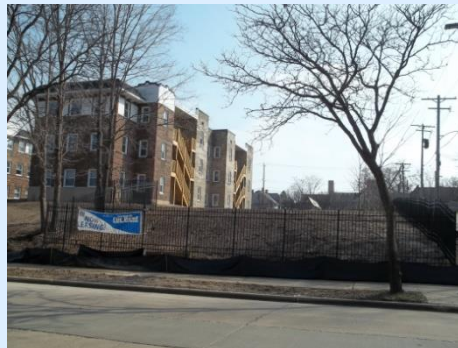




**Before:**



**After:**



# NSP Large Rental Projects Rehabilitation

## Northside Neighborhood Initiative

Rehabilitation of 20 scattered city owned duplexes in the Washington Park, Amani and Metcalfe Park neighborhoods.

Gorman & Company Developer

Partnership with Northcott Neighborhood – employed 28 residents to perform interior demolition, drywall and carpentry

### 2850 North 25th



Before



After

### 1824 North 33rd



Before

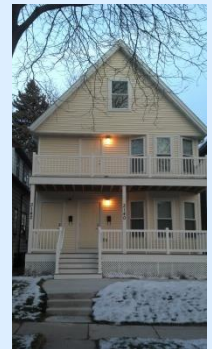


After

### 3140 North 24<sup>th</sup> Pl.



Before



After

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# NSP New Construction

**Provide gap financing for the construction of new housing on foreclosed and vacant land**

**Expended:**

**NSP 1: \$1,289,100**  
81 housing units

**NSP 2: \$3,244,200**  
184 housing units



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# NSP Vacant Land Initiative – New Construction

## United Homes



Construction of 24 new infill housing units on City owned foreclosed land at 27<sup>th</sup>-29<sup>th</sup> and Center



Partnership of United Christian Church and Star United Homes

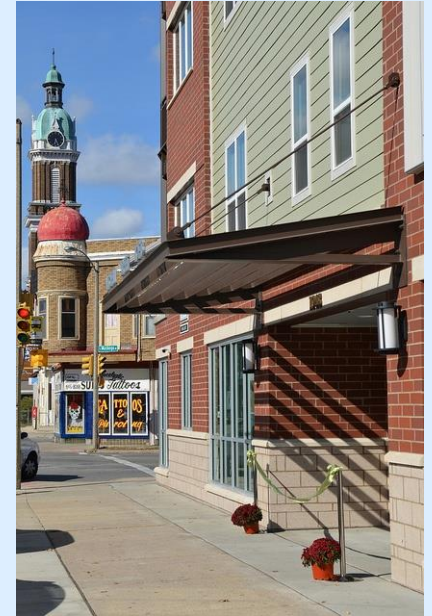
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# NSP Vacant Land Initiative – New Construction

## Mitchell Market Lofts



Development of 24 unit apartment building at 20<sup>th</sup> and Mitchell built on vacant City land.



Year round farmers market on ground floor operated by Growing Power



Developers Tina Anderson and Sherry-Terrell Webb – ACRE graduates

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# NSP Vacant Land Initiative – New Construction

## Northside Homes



Utilized low income housing tax credits

Job training program partnership with Northcott Neighborhood employed 28 residents

Construction of 40 new infill single family housing units on City owned foreclosed land in the Metcalfe Park and North Division neighborhoods

Gorman & Company Developer





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# NSP Contracting

## SECTION 3

Section 3 is a HUD program to ensure that economic opportunities created by HUD funds are provided to low income residents of impacted communities and the businesses that employ them. HUD has set a goal for 10% of all covered contracts be awarded to Section 3 contractors.

### For NSP2 Projects completed to date:

- 27%** of covered construction contracts were awarded to Section 3 businesses (62% Section 3 participation in the Acquisition/Rehab program and 21% Section 3 Participation in the large projects programs.)
- 58** different Section 3 contractors worked on NSP2 funded projects

### MBE/SBE/WBE and Section 3

**33%** of contracts in the Large Projects and Acquisition/Rehab activities were awarded to either Section 3 or City MBE/SBE/WBE contractors

### MINORITY CONTRACTOR PARTICIPATION

For the NSP 2 Homebuyer Assistance and Rental Rehab Programs (small jobs where the property owner chooses their contractor) minority contractor participation was **40%**.



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# Jobs

It is estimated that NSP 2 activity created or retained over **600** jobs.\*

*\*based on the level of rehabilitation work and new construction activity and using methods established by the National Association of Homebuilders*

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# NSP and Tax Foreclosed Properties

**\$117,400** in NSP2 funds utilized to maintain in rem properties.

**Over 300** housing units were built or rehabilitated using in rem properties or vacant land utilizing over **100** City owned vacant lots and over **100** City owned In Rem properties.

**76%** of large rental and new construction projects utilized City owned land or in rem properties.

Estimated value added to the tax base: **\$13.4 million**