

..Number

140765

..Version

PROPOSED SUBSTITUTE B

..Reference

131210

..Sponsor

ALD. BOHL, WADE, STAMPER, BAUMAN AND HAMILTON

..Title

Substitute resolution relating to the Milwaukee Housing Opportunities, Management and Employment ("HOME") Program.

..Analysis

This resolution creates a Milwaukee Housing Opportunities, Management and Employment ("HOME") Program to provide affordable housing for city residents, reduce unemployment and improve neglected and vacant properties.

The resolution directs the Department of City Development and other proper City officials to prepare a Request for Qualifications (RFQ) relating to the maintenance, improvement, management, marketing, rental and sale of selected City-owned and tax-foreclosed residential properties as part of the Milwaukee HOME Program.

The resolution further directs the Department of City Development and other proper City officials to present the RFQ to the Common Council for approval within 30 days of the adoption of this resolution.

The discussion document attached to this file provides additional information in support of this resolution.

..Body

Whereas, The Housing Authority of the City of Milwaukee (HACM) administers both public housing and the Section 8 Housing Choice Voucher Program, which helps renters by paying for any rent costs exceeding 30% of the renters' income; and

Whereas, There are over 12,300 families and nearly 2,000 elderly or disabled families currently on HACM's waiting lists for public, low-rent housing, and over 1,200 people on the Section 8 waiting list, a majority of whom are African American; and

Whereas, According to the HACM website, the waiting lists for low-income family housing and the Section 8 Program are currently closed, and, due to federal budget cuts, there are currently no plans to open these lists; and

Whereas, According to the Community Development Grants Administration's (CDGA) 2015-2019 Five Year Consolidated Plan and Strategy, the availability of housing units does not meet the needs of Milwaukee's population; and

Whereas, The City currently owns and maintains approximately 1,300 tax-foreclosed residential properties and approximately 3,000 vacant lots, and this inventory is likely to increase; and

Whereas, Neglected and vacant properties destabilize neighborhoods, drain public resources, diminish quality of life and economic opportunity, impede social equity, and become targets of illegal activity; and

Whereas, Because properties acquired through tax foreclosure are frequently neglected and low in value, leasing or selling City-owned properties is a lengthy and difficult process; and

Whereas, The City has an interest in a more efficient model in dealing with its inventory of real property, including seeking community development partners to maintain, improve, manage, market, rent and sell groups of properties in targeted geographic areas in order to maximize the impact of such renovation on the health and assessed value of neighborhoods; and

Whereas, Vacant properties might be returned to productive use through innovative approaches to property development and management, including affordable lease-to-own programs; and

Whereas, The renovation of distressed residential properties can provide employment and job training to Milwaukee residents; and

Whereas, The rapid growth of the City's inventory of tax-foreclosed properties has strained the limited property management staff resources at the Department of City Development; and

Whereas, Mayor Tom Barrett's Strong Neighborhoods Plan is an important first step in the administration of vacant and foreclosed properties; and

Whereas, The Strong Neighborhoods Plan Challenge Fund ("the Fund") proposed in Mayor Tom Barrett's 2015 budget provides funds to incentivize the acquisition and redevelopment of groups of properties within geographic target areas; and,

Whereas, The 2014 City Budget authorized \$200,000,000 Contingent Borrowing for purposes not contemplated at the time the budget was adopted; and

Whereas, Resolution File Number 131210, adopted January 22, 2014, authorized the issuance of general obligation promissory notes for various public purposes (the "Note Resolution"), not all of which will be needed in the next 6 months; and

Whereas, The City desires to use up to \$5 million of Contingent Borrowing to fund the Milwaukee HOME Program, to issue Contingent Borrowing within the amount authorized by the Note Resolution, and for the Contingent Borrowing to replace other

purposes in the Note Resolution that will not be needed in the next 6 months; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that there is created a Milwaukee Housing Opportunities, Management and Employment (“HOME”) Program; and, be it

Further Resolved, That the Department of City Development (“Department”) and other proper City officials are directed to prepare a HOME Request for Qualifications (“RFQ”) to solicit the interest of community development organizations and private development firms to maintain, improve, manage, market, rent and sell selected City-owned and tax-foreclosed residential properties as part of the Milwaukee HOME Program for the purpose of redeveloping 100 properties for affordable rental and home ownership; and, be it

Further Resolved, That the Department and other proper City officials shall present the RFQ to the Common Council for approval within 30 days of the adoption of this resolution; and, be it

Further Resolved, That the Strong Neighborhood Plan Challenge Fund, if approved in the 2015 City Budget, shall be used to provide initial renovation subsidies for development partners identified through the RFQ; and, be it

Further Resolved, That the evaluation of the RFQ shall award additional points for proposals that employ Milwaukee residents for housing rehabilitation activity; and, be it

Further Resolved, That the evaluation of the RFQ shall award additional points for proposals that create housing units affordable to low-income households paying 30% or less of their income on housing costs; and, be it

Further Resolved, That within 90 days of the issuance of the RFQ, the Department is directed to report its findings to the Common Council; and, be it

Further Resolved, That up to \$5,000,000 of Contingent Borrowing (the “Borrowing”) is authorized to be used to fund the Milwaukee HOME Pilot Program; and, be it

Further Resolved, That the Borrowing is an additional authorized borrowing purpose for the general obligation promissory notes authorized to be issued by Resolution File Number 131210, and that the Borrowing may be issued pursuant to the resolution within the aggregate amount of general obligation promissory notes authorized to be issued therein; and, be it

Further Resolved, That payments the City receives through the Milwaukee HOME Pilot Program shall be deposited into a revenue account to be created by the City Comptroller for further use in the program; and, be it

Further Resolved, That the implementation of the Milwaukee HOME Program shall be guided by the Milwaukee HOME Program Discussion Document, a copy of which is attached to this file.

..Requestor

..Drafter

LRB154272-2

Andrew R. VanNatta

10/6/14