



Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

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City of Milwaukee Zoning, Neighborhoods and Development Committee
Milwaukee Common Council
City Hall, Room 205

Dear Chairman Bohl and Committee Members:

This letter responds to your request for additional information regarding the frequency with which tax-foreclosed properties are inspected by the Department of City Development's real estate staff. DCD inspects all properties acquired through in rem foreclosure, including residential properties, commercial properties and vacant lots.

Drive-By Inspection

Four or five times a year, the City acquires large batches of tax foreclosed properties as the result of Circuit Court action. DCD receives a list of the addresses taken during each foreclosure case within a day or two of the court award of foreclosure. DCD real estate staff are then assigned to drive to each address for the purpose of taking notes about the property and photographing the exterior of the property. This is often referred to as the "Drive-By Inspection." This inspection is typically completed within 10 business days of acquiring title to the property.

Interior Inspection

The results of the Drive-By Inspection provide information that assists DCD with scheduling an "Interior Inspection." Interior Inspections occur in both vacant and occupied properties. The Interior Inspection generally occurs within 60 days of acquisition. If severe issues are reported by an occupant, DCD staff will see the house in the same day a complaint is made.

Every improved property is inspected by a DCD staff person, along with a Department of Neighborhood Services Neighborhood Improvement Program (NIP) inspector. Interior photos are taken during that inspection; for your information, I have provided a sampling of recent interior photos at the end of this memo. For property inspections where the property is found to be completely vacant properties "no trespassing signs" are posted.



Following the interior inspection, the DNS NIP inspector prepares a scope of work required for the property. The property condition, as described by the scope of work, and a comparative market analysis are used to determine whether the property will be put on the market or recommended for demolition.

Pre-Marketing Inspection & Ongoing Visits/Showings

The following steps are taken for each vacant residential property that is to be put on the market:

- 1) A contractor is sent to the property to clean out debris and items in the property.
- 2) The contractor posts the City “for sale” sign.
- 3) Staff perform a pre-marketing inspection to ensure that it is ready to be listed for sale.
- 4) The property is rekeyed or placed on lockbox by the locksmith.
- 5) The property is listed for sale to owner-occupants only.
- 6) Real estate agents show the property to any interested owner-occupant buyers.
- 7) If property is not sold during the owner-occupancy marketing period, it is then listed for sale, either by a real estate broker under contract with DCD, or on the extended listing on DCD’s real estate sales web site. Any licensed real estate broker may show a property on the DCD extended listing.
- 8) About half of the marketed properties are assigned to a real estate broker for listing. For those properties, the agent inspects the property before listing it for sale. The agent posts his or her agency’s “for sale” sign.
- 9) For properties listed by brokers, the broker or representative is contractually obligated to check the property every three weeks and report any change in conditions. If any urgent issues arise in the interim, real estate brokers are to report those concerns to DCD immediately. Reports are emailed to DCD and regularly received by the designated staff members.
- 10) If a broker, showing agent or another party such as a neighbor reports that the condition of the property has deteriorated significantly, DCD inspects again to determine whether the asking price should be reduced or the property should be referred for demolition.

Vacant Property Maintenance Visits

Throughout steps 1-7 above, DCD staff frequently visits the neighborhood where each property is located, inspecting and checking on maintenance of newly acquired properties and our existing inventory of properties. DCD staff and vendors are very responsive; when they see an issue, they report it so it can be rectified. DNS code enforcement staff, the Unified Call Center, Milwaukee Police Department personnel, and other staff also refer maintenance issues to DCD, which handles all issues accordingly. DCD also receives complaints from the general public directly, and handles those accordingly. When referrals are made to contractors or other departments to abate issues, both the request and any invoices generated are recorded in an internal database.

If a property is a Historic Infrastructure Preservation Fund Property, it is checked biweekly by the project manager, in addition to by other staff.

For **Occupied Residential Properties**, residents in the property report maintenance issues as they occur. Additionally, DCD property management staff reviews repair requests through home visits.

When a resident in a City owned property vacates:

- A. The residential unit and property common areas are inspected by DCD staff. The property is rekeyed to secure the premises.
- B. The property is cleaned out of any remaining items.
- C. If the property is not already on the market, a pre-marketing inspection will occur.

After items A, B and C are completed, DCD continues through the steps delineated above for vacant properties.

For **Commercial Properties**, staff performs a pre-marketing check, often attends broker showings of properties listed for sale, and checks on properties when out in the field. Many of the City-owned commercial properties are located near each other, on commercial corridors. Since Commercial staff is in the field multiple times per week, staff can review the condition of properties during their visits to other locations. Real estate brokers and interested buyers, as well as Business Improvement District (BID) staff and neighborhood residents, report issues to DCD, and DCD acts to rectify any issues. Certain commercial properties are checked on a very frequent basis by vendors and staff, especially including properties repeatedly found unsecured.

Why and how do City-owned properties become damaged?

Properties that are in comparatively good condition at the time of acquisition generally are either occupied, or sell relatively quickly. Not surprisingly, these properties are the most attractive to buyers, and DCD frequently receives multiple offers to purchase from interested buyers.

Unfortunately, most properties acquired through tax-foreclosure are in poor condition. There are many reasons for this.

- Approximately two-thirds of tax-foreclosed properties are vacant at the time the City forecloses for unpaid taxes. Often this means the maintenance required on the home outpaced the resources and capacity of the former owner.
- Many properties have been stripped and vandalized prior to the City taking title. Evidence that a property may have been vandalized includes green boards on the outside of properties, which are requested by the Milwaukee Police Department and

installed by DPW to secure an unsecured property. A significant number of properties are “green boarded” prior to City acquisition of the property. When a board up is performed at the request of DCD, plain brown boards are used. From time to time DCD paints boards the color of the home, but does not use green boards. The number of green boards observed in certain neighborhoods is indicative of the very active role MPD/DPW has in ensuring properties are secure as MPD requires DPW to board with green boards. Many “green boarded” homes are privately owned or bank owned.

- Significant deferred maintenance prior to acquisition often results in failure of property systems over time. For example, if the roof has been compromised 5 years prior to acquisition by the City, additional exposure to the elements will continue degradation of the premises over time).

What about properties referred for demolition?

When the interior inspection of a vacant property by DCD and DNS results in a recommendation that the property be demolished, DCD forwards that information to the local alderperson, and asks for authorization to refer the property to DNS for demolition. When the local alderperson authorizes demolition, the property is turned over to DNS, which seeks bids to raze it. DNS actively monitors the property until it is razed. If the local alderperson tells DCD that demolition is not authorized, DCD will market the property.

However, if the alderperson fails to respond to DCD’s request for authorization to demolish, the property is in limbo. Such properties get additional inspection on a complaint basis and a staff inspection no less than one time per year.

DCD and DNS meet regularly about our activities with respect to foreclosed properties, and we are committed to making process improvements. We ask you to assist us by responding promptly to DCD’s notification about properties that have been adjudged to be candidates for demolition. These properties are particularly vulnerable to additional vandalism and criminal activity. Working together, we can minimize their blighting influence.

Please contact me at 414-286-5732 with any questions about this information.

Best regards,

A handwritten signature in black ink, appearing to read "Amy E. Turim", with a large, stylized loop at the end.

Amy E. Turim
Real Estate Development Services Manager

Sample In Rem Interior Inspection Photos



