



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes SPCL. JNT. CTTEE. ON THE REDEVELOPMENT OF ABANDONED AND FORECLOSED HOMES

ALD. ROBERT BAUMAN AND STEVE CHERNOF, CO-CHAIRS
Ald. Joe Davis, Sr.; Ald. Willie L. Hines, Jr.; Antonio Perez, and Maria Prioletta,
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Monday, January 26, 2009

10:00 AM

Room 301-G, City Hall

Meeting convened: 10:07 A.M.

Also present:

Dave Krey and Tom Mishefske - Dept. of Neighborhood Services

Steve Mahan - Community Block Grant Administration

Richard Withers - Legislative Reference Bureau

Suzanne Dennik - Dept. of City Development

Present 5 - Hines Jr., Prioletta, Davis, Bauman and Chernof

Excused 1 - Perez

1. Review and approval of the minutes of the October 24, 2008 meeting

Ald. Davis moved, seconded by Ald. Hines, for approval of the minutes. There were no objections.

Roll call taken at 10:10 A.M.

Present 6 - Hines Jr., Prioletta, Davis, Bauman, Chernof and Perez

2. Update from the Department of City Development related to the city's plan for consideration and approval of plans of action to be submitted to the United States Department of Housing and Urban Development.

Ms. Prioletta reported that funding through the Community Block Grant Administration will probably be available in March. Any areas of the city with a rating score of 7 or above (out of a scale of 1-10, with 10 being the worst) of risk factors are able to receive funding. The majority of the city is included for available funding based upon the rating scale of risk factors for areas of greatest need, which were determined by the US. Dept. of Housing and Urban Development. The City will directly receive \$9 million.

The city has also applied for part of the \$38 million received by the state. The department worked with various agencies and foundations to submit one application, rather than having the agencies and foundations directly submit for these funds. Ms. Prioletta thought that the agencies would not be directly asking for money, but would work with the city to identify needs. The agencies did agree to not submit applications to the state, but the city could not stop them from submitting applications. The city requested \$10 million from the state. Mr. Mahan indicated that the state will make its decision on funding in mid-February.

The Dept. of City's Development's goal is to have some procedures in place by mid-February so when the funds become available, programs can begin immediately. The Department is meeting regularly the Community Block Grant Administration and other city departments and the Department is working on a comprehensive foreclosure web site, which should be up by the end of the week. A review committee or process to approve dispersal of funds to specific agencies still needs to be put in place. The Dept. of Neighborhood Services does have a dynamic list of demolition candidates to which funds can be applied as soon as they become available. Mr. Mishefske will provide the list to all members of the Common Council broken down by districts. Northcott Neighborhood and Pragmatic Construction are both interested in deconstruction, so the Dept. of City Development met with them last week. The Dept. of City Development will create an article about foreclosed properties that Council members can put into their newsletters.

On a monthly basis, the Dept. of City Development will provide Council members with a report on all the foreclosed properties within each district and how it compares to the city. The Dept. of City Development and Community Block Grant Agency want transparency in who gets these funds and either a committee or a one or two-page document might be created to rank submissions. The other issue is that agencies will be applying, as well as individuals who have never applied for funds, which will probably require two standards for submission of funds. The Department of City Development could create standards that need to be met related to training, home ownership and financial stability for individuals, as they currently have for some of their programs. The money will be held in an escrow account until the work has been completed, then the funds will be dispersed. Mr. Mahan noted that with the current high bank standards, it will be more difficult for individuals to get mortgages, which might result in fewer applications for the Buy in Your Neighborhood program.

Even for awarding funds for use by city departments, a transparent process needs to be created. Thresholds need to be established as regards to what can be administered by a city agency versus those projects that need Council approval. Mr. Mahan would support a threshold as this entire project will be audited by the Inspector General. Ald. Hines was more supportive of those with rent-to-own plans, rather than keeping units as rental units. For those programs targeted at individuals, it might be enough to just continue administering these programs as the city currently has been.

Mr. Perez provided members with a copy of an article on CNNMoney.com relating to the number of foreclosed homes (Exhibit 1)

The next meeting will be on February 16th at 10:00 A.M.

Meeting adjourned: 11:04 A.M.