



# 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, February 23, 2009

11:00 AM

Room 301-G, City Hall

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*Meeting convened: 11:06 A.M.*

*Also present:*

*Tom Mishefske, Dave Krey and Ron Roberts - Dept. of Neighborhood Services*

*Steve Mahan - Community Block Grant Administration*

*Richard Withers - Legislative Reference Bureau*

*Jim Sayers - Dept. of City Development*

**Present** 4 - Hines Jr., Prioletta, Davis and Bauman

**Excused** 2 - Chernof and Perez

### 1. Review and approval of the minutes of the February 16, 2009 meeting

*Ms. Prioletta noted one correction. In the second page, third paragraph, it says if projects were approved quickly, they'd deteriorate; it should read if they weren't approved quickly, they'd deteriorate. Ald. Hines moved, seconded by Ald. Davis for approval of the minutes as amended. There were no objections.*

*Roll call taken at 11:11 A.M.*

**Present** 5 - Hines Jr., Prioletta, Davis, Bauman and Perez

**Excused** 1 - Chernof

### 2. Update from the Department of City Development and the Community Block Grant Administration related to the city's plan for dispersal of Neighborhood Stabilization Program Funds.

*Mr. Sayers has been in contact with companies that can deconstruct buildings or that can partner with other agencies to work on deconstruction projects, as well as to provide training opportunities for individuals in the Youth Build program through the Office of Workforce Development. Mr. Roberts, Dept. of Neighborhood Services, prepared a current demolition list and a rehabilitation list for this meeting; the department tears down less than 50% of the buildings it condemns.*

*The Department of Neighborhood Services did work with private companies on deconstruction opportunities eight years ago; a misunderstanding was that the company thought it would be referred quality properties for deconstruction, while the department was referring nuisance properties, which might have had fires or were already in poor condition with few items worth salvaging. Ald. Bauman noted that the primary objective of deconstruction is job training, not salvage value. Ald. Davis was concerned that deconstruction projects on the same property might drag out for*

months, but the city would begin on a small-scale with companies to ensure that deadlines can be met and companies do not take responsibility for properties than they cannot handle in a timely manner. All salvaged materials are being donated to the Habitat for Humanity Restore store. The Dept. of Neighborhood Services has three properties lined up as candidates for demolition/deconstruction that would be ready to go on April 1. \$1.3 million of the total funds is budgeted for demolition.

The Dept. of City Development noted that there is talk of having another \$2 million in federal funds available in September/October for projects along the same lines. The City is hoping to be in a good position to get some of those funds. The Dept. of City Development is hoping to have an open house with the Emerging Business Enterprises (EBE) program to highlight the small, non-professional-developer projects, such as Buy in Neighborhood and rent to own projects and to put a spotlight on the EBE businesses registered with the city. Ald. Davis wanted to know how many EBEs are actually certified and responding to work on these projects, which the Dept. will be providing to him after the open house.

The Dept. of City Development will pre-approve developers, through a request for qualifications (RFQ), for projects with 20 units or more; then those applicants will be forwarded to this committee, then possibly a Council committee. Ald. Hines, based upon the tight deadlines, wanted the Council involved only if legislative action is needed. The Dept. wants to target neighborhoods that have other development activities occurring or active neighborhood groups to act as support for these developments. Development activities would be limited to neighborhoods selected by the Dept. and a corresponding list of properties to be developed.

The Dept. has been working with the City Attorney's Office to set up a land bank program. The City Attorney recommended setting up a separate limited liability corporation with its own board of directors, with members included from the Council, Redevelopment Authority and other entities. The city would ensure it had a disposition strategy at time of acquisition, rather than just holding the property. Mr. Mahan noted that land banking is illegal under community block grant standards, so a focus on disposing of the property, rather than holding it, is a good policy for the city to follow. Although the land bank money can be used over a 10-year period, the Dept. would prefer to have a focus on turning the property over within 12 months of acquisition.

Ms. Priolella said that the National Community Stabilization Trust has been successful in negotiating with owners of 70% of all the in-rem properties nationwide. If the city were to become involved with the Trust, the city could have the right-of-first-refusal on in-rem properties, as well as being able to purchase them at a slight discount. The city could also purchase a number of properties that are being handled by the same servicers (banks and mortgagors) at a higher discount. The Trust acts as a go-between and does not take title to any of the properties. Ms. Priolella provided the Trust with a list of the areas the city might be interested in and the Trust is currently going through its lenders to see which ones own properties in those areas. The Trust does not preclude you from working one-on-one with any servicer for a specific property. The Committee endorsed the idea of the Department pursuing this.

### 3. Set next meeting date and agenda

March 9th at 10 A.M.

*Meeting adjourned: 12:03 P.M.*  
*Linda M. Elmer*  
*Staff Assistant*