



# 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,*  
*Staff Assistant, Linda Elmer, (414)-286-2232*  
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Monday, May 4, 2009

10:00 AM

Room 301-B, City Hall

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*Meeting convened: 10:05 A.M.*

*Jeanne Dawson present for Mr. Perez.*

*Also present:*

*Tom Mishefske and Art Dahlberg - Dept. of Neighborhood Services*

*Steve Mahan - Community Block Grant Administration*

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

**Excused** 2 - Davis and Perez

### 1. Review and approval of the minutes of April 6, 2009

*Ms Prioletta noted that on the second page, second full paragraph, it should read that HUD put the state, not WHEDA, on notice. Mr. Chernoff moved, seconded by Ms. Prioletta, for approval, of the minutes as amended.*

### 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.

*Ms. Prioletta noted that the number of foreclosures has increased. One possibility is that the economic consequences of job losses might be moving into the housing market. There are currently 15 applications in process - 6 for home ownership and 9 for rent-to-rehab projects in the Neighborhood Strategic Planning (NSP) areas. Eleven aldermanic districts have applications in process, with district 8 having the most with 3 applications on file. The Dept. of City Development is doing outreach and feels that applications will increase, based upon conversations with realtors. The Wisconsin Housing and Economic Development Association (WHEDA) is about to launch its rehab program, but Ms. Prioletta thinks that with WHEDA's financial limits on the percentage spent on rehab and the 20% downpayment requirement, buyers might have a hard time accessing these funds. Although the City could use its NSP funds for the downpayment, with WHEDA anticipating 375 loans, the City doesn't have NSP funds available.*

*The Dept. of City Development received 18 responses to the Request for Qualifications for developers interested in developing foreclosed housing under the NSP program and is currently looking into the backgrounds of those 18*

*companies/individuals. The Department wants these projects done in targeted neighborhoods to build synergy off of existing projects and has met with existing neighborhood groups to advance some of the existing neighborhood initiatives. There are have no applicants as of yet for the Buy in Your Neighborhood program. Pres. Hines noted that for the next 2-3 years, rather than selling vacant lots to Habitat for Humanity, as has been done, the City will be selling foreclosed properties to Habitat. Some vacant lots might be included if there are a number of them in the same area. The City is currently trying to sell the foreclosed, improved properties, via its web site, rather than retaining ownership. There are individuals out there who are purchasing foreclosed properties, per Ms. Priolella, so she is hopeful the City can sell these properties. Ald. Bauman is concerned that these houses will deteriorate if they fail to sell and he encouraged the Dept. to landbank these properties until the city can either rehab the properties or the market turns around. Ald. Bauman is also concerned that individuals might purchase these properties and put minimal money and minimal care into the building, which just becomes a blight to the neighborhood. The Department noted that the City could categorize the properties and landbank specific properties rather than all properties. Mr. Mahan noted that there are buyers, even low-income buyers, who only want new properties because they don't want to have to deal with any potential future problems.*

*Mr. Dahlberg noted that the Dept. of Neighborhood Services has met with mortgage companies and will be sending letters noting what their responsibilities are for their properties. The Dept. will begin monitoring these properties in an attempt to stabilize neighborhoods and will begin surveying properties to catch problems that may not have been caught through citizen complaints.*

*Mr. Mahan said that the state has not awarded any contracts as of yet for the federal funds. The City did get its \$1.4 million directly from the federal government, so it can move forward to some extent. The state has not responded to the Mayor's letter concerning the delay in the release of funds. The City has complained to the Housing and Urban Development agency about the delay in the release of funds. The state is meeting May 16th with all the jurisdictions, so that may speed up the release of money.*

### **3. Set next meeting date and agenda**

*June 1st at 10 a.m.*

*Meeting adjourned: 11:04 A.M.  
Linda M. Elmer  
Staff Assistant*