



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, June 1, 2009

10:00 AM

Room 301-A, City Hall

Meeting convened: 10:04 A.M.

Present for Tony Perez - Jim Eigenberger from the Housing Authority.

Also present: Art Dahlberg and Tom Mishefske - Dept. of Neighborhood Services

Rocky Marcous - Commissioner, Dept. of City Development

Steve Mahan - Community Block Grants Administration

Jim Vohlstead - property owner

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

Excused 2 - Davis and Perez

1. Review and approval of the minutes of the May 4, 2009 meeting

Pres. Hines moved, seconded by Mr. Chernoff, for approval of the minutes. There were no objections.

Roll call taken at 10:10 A.M.

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

Excused 1 - Perez

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.

Ald. Bauman wanted to discuss the number of in-rem properties that the city will soon be acquiring. An ordinance (number 060444) was passed approximately a year ago related to in-rem properties; he does not think the Dept. of City Development is providing lists of in-rem properties to Council members as the ordinance requires. He is concerned that the city loses control when it sells these properties and they end up with owners who are unwilling or unable to maintain these properties and they become neighborhood problems and labor-intensive for neighborhood services staff. He is also concerned that building season is fast approaching and, with the economic stimulus funds available, the city needs to know which buildings are salvageable and

triage these buildings in terms of what levels they are at in terms of maintenance and building code violations.

Ald. Bauman submitted a proposed change to the current in-rem ordinance (Exhibit 1). Ms. Priolella noted that there are about 200 additional properties since the last meeting that are bank-owned or in-rem properties. Approximately 15% of the home-buying assistance funds and 20% of the rental rehabilitation funds have been committed so far, with 0% committed so far for the buy-in-your-neighborhood funds. Mr. Marcoux is hopeful that with the city's progress so far that it will be successful in obtaining more NSP 1 funds from the state. The Dept. of City Development is very willing to preserve housing, but funds are always an issue. The dept. is reluctant to mothball a large number of properties as there is no guarantee that viable buyers will appear in a timely manner. The Dept. of City Development is able to triage these properties, in conjunction with the local alderman, but there is not a strong market right now for existing homes that the city has improved. The dept. currently has a scope-of-work that's done for every property owned by the city that addresses code compliance and potential owners. Mr. Marcoux noted that the more work the city does, rather than a private individual, the less cost-effective it is as the city pays prevailing wages. Mr. Dahlberg noted that the Dept. of Neighborhood Services monitors the bank-owned buildings and if it sees a problem on the outside, it may require access to the inside by city staff.

The city still has \$1.2 million in funds that are currently uncommitted for new development; the Dept. of City Development is currently working with the Housing Authority and Habitat for Humanity for use of these funds. By the end of summer, the Dept. of City Development and Community Block Grants Administration will look at how the funds will be spent across the categories and will move funds as needed. Ald. Bauman is concerned that this is past the building season, but the departments both feel this deadline is viable. The home buying category requires the most lead time as the applicant must have completed eight hours of home buyer counseling, have private funding in hand and have an accepted offer on a house.

Ms. Priolella said that, for NSP 2 funds, which is the next version of the foreclosure funding, the process is a competitive one. The city will apply directly to the Department of Housing and Urban Development (HUD). The level of funding nationwide is about half (\$1.93 billion) of the NSP 1 funds and the applications are due by July 17th. HUD has already said that 72% of the distressed property in the state is in the city of Milwaukee. Nationwide, comparatively, the city calculated the city should get about \$14 million and will be asking for \$20 million. The City can provide data that it has a need for the funds and can track how these funds are spent. The state did approach the city about partnering with it, but the city will not partner with the state unless it benefits the city; it will not diffuse its applications. Ald. Davis would like the city to encourage homebuying counseling courses, which are partially funded by the city, to encourage its clientele to purchase city-owned and foreclosed properties, rather than purchase homes for sale through the private market.

3. Set next meeting date and agenda

June 22nd at 10 a.m.

Meeting adjourned: 11:17 A.M.
Linda M. Elmer
Staff Assistant