

Milwaukee Foreclosure Partnership Initiative

*Current Landscape and Implementation of
Recommendations to Date*



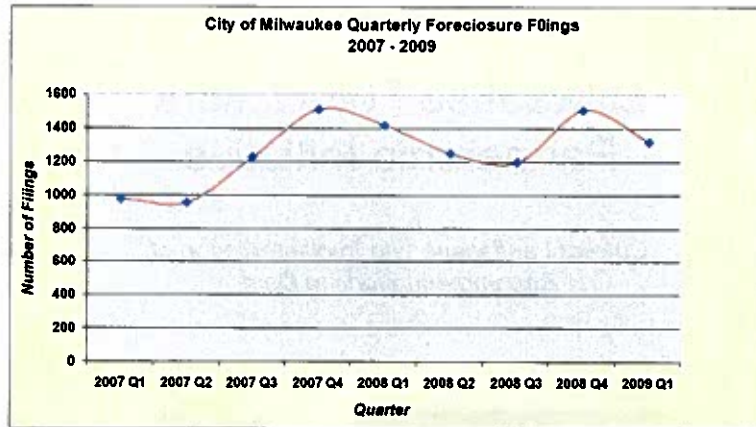
**June 25th,
2009
City of
Milwaukee**

MFPI Implementation of Final Recommendations Update

City of Milwaukee Foreclosure and Real Estate Market Trends

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Foreclosure Filings



City of Milwaukee Foreclosure Filings:

• January 1 – May 31, 2007: 1,586
 • January 1 – May 31, 2008: 2,275
 • January 1 – May 31, 2009: 2,184

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Sheriff Sales



*Q1 2009 total is preliminary

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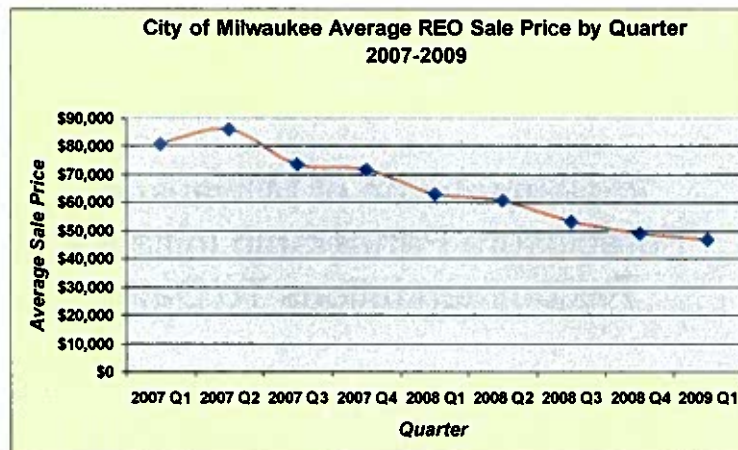
Lender Owned Properties



*Q1 2009 total is preliminary

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Sales Price Trends

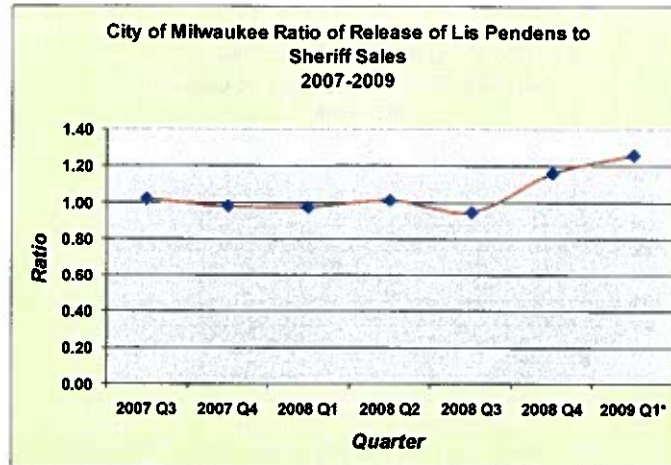


Average Sale Price of Foreclosed Homes:

Q1 2007: \$80,727
 Q1 2009: \$46,657
 % Change: -42.2%

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Foreclosure Outcomes



*Q1 2009 total is preliminary

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Implementation of Milwaukee Foreclosure Partnership Initiative Recommendations To Date

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Prevention Workgroup Recommendation #1:

Form a Homeownership Consortium

Work to Date:

- **Milwaukee Homeownership Consortium Launched May 19, 2009.**
- **Administered by The Urban Economic Development Association of Wisconsin (UEDA).**
- **Funding commitments totaling \$40,000, with \$10,000 pledged to market and support homeownership outreach events.**

Next Steps:

- **Next meeting scheduled for June 30, 2009.**
- **A subgroup is working to set priorities, goals and proposed first year activities which will be presented to larger group.**
- **Consortium will collectively market homeownership and the importance of homeownership education.**

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Prevention Workgroup Recommendation #2:

Advocate for Legislative Protection for Consumers

Work to Date:

- **Tenants rights during foreclosure have been expanded by recent State and Federal legislation.**
- **Mortgage scam legislation passed at State level.**
- **Assembly Speaker Sheridan created a statewide STOP Foreclosure Taskforce to look at a wide variety of foreclosure prevention issues and recommend legislation.**
- **Foreclosure mitigation legislation (Sen. Taylor), moratorium legislation (Rep. Young), and mortgage broker legislation (Sen. Sullivan and Rep. Richards) are among the state legislative initiatives being discussed as ways to protect consumers.**
- **On the national level, the House of Representatives has passed anti-predatory lending legislation, and legislation has been introduced in the House to modernize the Community Reinvestment Act (CRA) to include all lenders, not just banks that take deposits.**

Next Steps:

- **Continue to advocate for legislative protections for consumers.**

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Intervention Workgroup Recommendation #1:

Operate a Centralized Hotline

Work to Date:

- **Money Smart Committee has agreed to continue to fund and operate centralized hotline throughout 2009.**
- **The hotline diverts foreclosure related calls directly to local non-profit housing counseling agencies.**

Next Steps:

- **Find a permanent host for this service.**

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Intervention Workgroup Recommendation #2:

Increase Foreclosure Counseling Capacity

Work to Date:

- **\$110,000 has been committed to increasing foreclosure counseling capacity by local funders.**
- **Additional commitments are expected.**
- **STOPP workgroup is planning multiple foreclosure outreach events for 2009 (next event in August).**

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Intervention Workgroup Recommendation #3:

Launch a Court-Based Foreclosure Mediation Program

Work to Date:

- **Milwaukee Foreclosure Mediation Program (MFMP) funded by \$100,000 from the City of Milwaukee, \$152,654 (up to \$310,000 over first two years) from the State of Wisconsin Department of Justice, and \$40,000 from Helen Bader Foundation.**
- **Marquette University will administer program.**
- **Four nonprofit housing counseling agencies have committed to provide foreclosure counseling support services to MFMP.**
- **Milwaukee County Circuit Court will implement local administrative rule to support program and provide office space.**

Next Steps:

- **Hiring process underway for staff positions.**
- **Program start date of July 1, 2009.**

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Intervention Workgroup Recommendation #4:

Offer a Rescue Refinance Product

Work to Date:

- **WHEDA designed refinance program and is soliciting lender commitments.**
- **State set aside funding in 2009 budget.**

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Stabilization Workgroup Recommendation #1:

Aggressively Monitor and Preserve Vacant Properties

Work to Date:

- **Enforcement underway of Abandoned Property in Pre-foreclosure Ordinance.**
- **DNS is targeting priority enforcement area for aggressive code enforcement efforts.**
- **Outreach through community partners, neighborhood organizations, Milwaukee Police Department, literature drops and presentations.**

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Stabilization Workgroup Recommendation #2:

Leverage and Utilize Resources for the Acquisition and Disposition of Foreclosed Homes

Work to Date:

- **Neighborhood Stabilization Program (NSP) launched in April utilizing \$9.2M in federal funds.**
- **Additional NSP funds received from State of Wisconsin. Focus on Energy has also committed leveraged funds for energy efficiency upgrades.**
- **City has begun to utilize NSP funds to assist owner occupants and investor owners purchase and rehabilitate foreclosed homes.**
- **NSP staff has met regularly with realtors, lenders, neighborhood groups and housing counselors to coordinate NSP programming and leverage additional resources.**
- **Job creation measures have been incorporated into NSP efforts (contractor outreach, EBE loan pool, deconstruction).**

Next Steps:

- **Continue to utilize NSP funds in neighborhoods of greatest need.**
- **Submit application by July 17 for additional NSP funds (NSP2) made available through American Recovery and Reinvestment Act.**

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Stabilization Workgroup Recommendation #3:

Issue a Request for Proposals for Development Partners

Work to Date:

- **DCD issued Request for Qualifications (RFQ) for partners with demonstrated development capacity to partner in NSP activities.**
- **18 responses were received. Evaluations have included property inspections and cross-checks with DNS and Treasurer's Office records.**

Next Steps:

- **Issue "short-list" of NSP development partners for large scale development.**
- **Work with development partners to initiate projects.**

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Stabilization Workgroup Recommendation #4:

Establish a Land Bank Entity

Work to Date:

- **Neighborhood Improvement Development Corporation (NIDC) board has approved the creation of a limited liability corporation to act as a land bank for the purposes of acquiring and disposing of foreclosed properties.**
- **The "Milwaukee Neighborhood Reclamation Corporation" is in the process of incorporation.**
- **The City has established a relationship with the Neighborhood Community Stabilization Trust (NCST) to assist in the acquisition of foreclosed properties and access discounted "first look" and "bulk" properties.**

Next Steps:

- **Begin to strategically acquire foreclosed properties in target neighborhoods.**
- **Work with development partners and neighborhood groups to identify appropriate end uses for these properties.**

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1337 N. 39th St.



•NIDC purchased home from Wells Fargo using funds donated by Harley Davidson Foundation

•NSP funds will be used for demolition.

•Habitat for Humanity will build new home on cleared lot.

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1337 N. 39th St.



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Stabilization Workgroup Recommendation #5:

Create a Program to Support Neighborhood Investors

Work to Date:

- Local Initiatives Support Corporation (LISC) convened exploratory meetings.
- NSP Rental Rehab and Buy in Your Neighborhood Funds are available for neighborhood owners.

Next Steps:

- What should be done to move this recommendation forward?

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Stabilization Workgroup Recommendation #6:

Link Buyers to Foreclosed Homes

Work to Date:

- City launched website www.milwaukeehousinghelp.org.
- NSP Homebuyer Assistance funds and WHEDA Neighborhood Advantage loans are available for the purchase of foreclosed homes.
- Counseling agencies, realtors and community organizations are engaging in community outreach and have conducted tours of homes.

Next Steps:

- Homeownership Consortium and Housing Agencies are planning large scale marketing effort.
- Continue to aggressively champion homeownership in Milwaukee neighborhoods.

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www.milwaukeehousinghelp.org



Milwaukee Foreclosure Partnership Initiative: Learn about the process...

Foreclosure Resources

- Homeowners: Help facing foreclosure**
- Homebuyers: Help purchasing a foreclosed home**
HSP - Homebuyer Assistance Program
- Renters: Help for renters affected by foreclosure**
- Investors and Neighborhood Owners: Help purchasing a foreclosed property**
HSP - Homebuyer Assistance Program & Rental Rehabilitation Program
- Neighbors: Is a foreclosed property causing problems in your neighborhood?**

BUILDING Stronger neighborhoods

The City of Milwaukee is building stronger neighborhoods through an initiative to address rising mortgage foreclosures

Neighborhoods across the city are being impacted by increasing numbers of foreclosures. Long term homeowners are facing the prospect of losing their home to foreclosure and vacant and abandoned foreclosed properties are negatively impacting city neighborhoods.

The City of Milwaukee and a broad coalition of partners have been working to address the problem of foreclosures in the City of Milwaukee. These efforts are comprehensive and address the foreclosure problem in a number of ways:

- Prevention efforts** – to expand outreach efforts and increase education for homeowners and potential homebuyers
- Intervention efforts** – to assist homeowners facing foreclosure
- Stabilization efforts** – to address vacant and abandoned properties in City neighborhoods

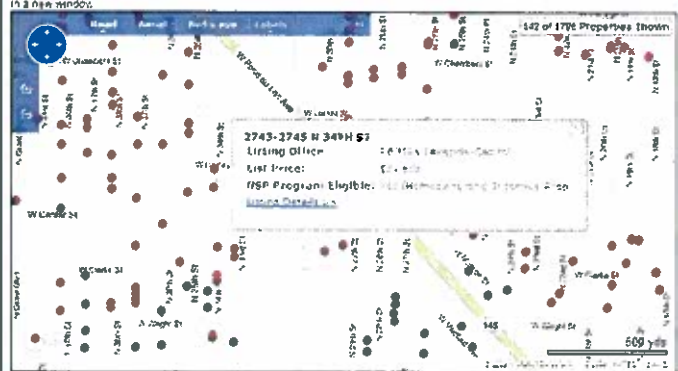
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www.milwaukeehousinghelp.org

Street Name:
Owner Name:
Property Type:
Zip Code:
Aldermanic District:

☐ Only display properties with an MLS Listing
 ☐ Only display properties in the HSP Program area

Clicking on "Listing Details" for an individual property will open listing information provided by www.mls.com in a new window.



DCD has partnered with MLS to provide listing details for those REOs listed on MLS.

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