



# 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**  
**Fax: (414) 286-3456, E-mail: [lelmer@milwaukee.gov](mailto:lelmer@milwaukee.gov)**

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Monday, August 31, 2009

1:30 PM

Room 303, City Hall

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*Meeting convened: 1:35 P.M.*

**Present** 4 - Prioletta, Bauman, Chernof and Perez

**Excused** 2 - Hines Jr. and Davis

### 1. Review and approval of the minutes of the July 13, 2009 Meeting

*Ms. Prioletta moved, seconded by Mr. Chernoff, for approval of the minutes. There were no objections.*

*Roll call taken at 1:38 P.M.*

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

**Excused** 1 - Davis

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

**-- This item will include, but not be limited to, discussion of Council File 090459, an ordinance establishing the Housing Infrastructure Preservation Fund.**

*Ms. Prioletta noted that bank-owned foreclosures are down, but open foreclosure filings have increased, so the city is experiencing increasing numbers of filings at the Register of Deeds office. After talking to individuals in the field, this might be the beginning of the second wave due to the economy and job loss, rather than to sub-prime loans. In July, Marquette University began its foreclosure mediation programs between lenders and homeowners and there are 18 loans currently being mediated. Ms. Prioletta will provide an update on this program at the next meeting. The numbers should increase as outreach efforts about this program begin - right now it's currently just word-of-mouth.*

*There was also a foreclosure event at the United Community Center, with about 250*

*attendees. Other groups are also working on trying to decrease the number of foreclosure filings.*

*Ms. Prioletta has noticed that lenders seem to be more willing to deeply discount sale prices just to unload the foreclosed properties. Ms. Prioletta will bring nine months of data on buyers of these foreclosed properties. Roughly one-third of the foreclosed properties are being purchased by non-owner-occupants while about 75% of non-foreclosed properties are being purchased by owner-occupants. The Dept. of City Development will begin marketing the homes it owns in Neighborhood Stabilization Program (NSP) areas and include information on the NSP programs along with information on these specific properties. Properties purchased using NSP money also have high maintenance/rehabilitation standards, which is a benefit to the city.*

*Steve Mahan, Community Block Grants Association, noted that the land bank has been established and there is a file for immediate adoption at tomorrow's Council meeting to allow the land bank to accept funds. Sam Leichtling, Dept. of City Development, provided an overview of different neighborhoods and how foreclosures have affected them in terms of sale prices and owner occupation rates. Many lenders will accept a lower price in order to have a faster sale with no contingencies. The Dept. of City Development is going out to look at individual properties in high owner-occupied blocks for purchase by the city to land bank with the aim of re-selling these properties to owner-occupants. In many of the neighborhoods, there are few sales of non-foreclosed properties - the market just isn't there in these neighborhoods. Depending on the neighborhood, properties might also be acquired for demolition for creation of larger developments.*

*Ald. Bauman is concerned that non-profits may buy these properties and be unable to maintain and manage them, resulting in bad landlords. Pres. Hines feels that the nonprofits in his district do not wish to become landlords - instead they are buying up specific problem properties.*

*Ald. Bauman is also concerned because the Neighborhood Improvement Development Corp. (NIDC) will be making decisions without Council oversight, but Council members will be getting the phone calls complaining about any problems. Ms. Prioletta noted that the Council schedule prevents quick action, but Ald. Bauman felt that this is not a concern as special meetings can be held. Mr. Mahan felt that creating a limited liability corporation, which has been done, for taking in property would protect the city from any toxic assets, which might contain hazardous waste or have other legal issues. As a nonprofit, NIDC can also accept donations of property and the city has been hearing from lenders who are interested in donating their foreclosed properties. Ms. Prioletta noted that NIDC will notify the local council member if a property in his or her district is on the agenda.*

*Prior to acquisition, the Dept. of City Development will notify the local council member about any Milwaukee Neighborhood Reclamation Company (MNRC) meetings. MNRC is the landbank formed by NIDC which is a limited liability company. Ald. Bauman is concerned that the local council member will not be notified about those properties that aren't acquired. The Dept. of City Development wants the Council to review its criteria within the neighborhoods to see if it agrees with how properties will be acquired by the city. Ms. Prioletta noted that the Dept. of City Development can also provide a periodic inventory report to this body. Ald. Bauman wants to have the file scheduled for immediate adoption at tomorrow's Council meeting sent to committee so written guidelines can be added to the file prior*

*to Council adoption.*

*The Dept. of City Development will be doing brown-bag and after school presentations directed at city employees and Milwaukee Public Schools employees in an effort to create awareness and find potential buyers.*

*Mr. Mahan noted that the Housing and Urban Development office is looking for language in the city applications which includes funds for Cudahy and Milwaukee County as part of its "region." The city is the only jurisdiction that has an amended contract with the Dept. of Commerce, even though the standard contract seems to have archaic language and allows the federal government to pull the money at any time.*

*Art Dahlberg, Dept. of Neighborhood Services, noted that his department is continuing to do as many inspections as possible in an attempt to keep properties from dragging down neighborhoods. Of the five properties going through the razing process, only one will eventually be demolished as other alternatives are found for the other four properties.*

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

*Sept. 29th at 9 a.m.*

*Meeting adjourned: 2:41 P.M.  
Linda M. Elmer  
Staff Assistant*