



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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Tuesday, October 27, 2009

3:00 PM

Room 303, City Hall

Meeting convened: 3:23 P.M.

Present 4 - Hines Jr., Prioletta, Davis and Perez

Excused 2 - Bauman and Chernof

1. Review and approval of the minutes of the August 31, 2009 Meeting

Mr. Perez moved for approval of the minutes. There were no objections.

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.

Ms. Prioletta, from the Dept. of City Development, provided members with the number of bank foreclosures, which has decreased from 1800 to 1300 since the end of last year. This may not be good news, however, as a number of banks seem to be dumping their properties and property sale values seem to be decreasing as a result of the market being flooded. There seem to be a number of out-of-state buyers buying property unseen and owners who are not professional property owners. The city tried to acquire a property for the land bank in the Metcalfe Park area, which had already been sold to an out-of-state owner with no local agent. Foreclosure filings have also increased; the city foreclosed on 300 properties, which is 2.5-3 times the number in years past. There is also a 15% increase in foreclosure filings since the end of 2008.

Ms. Prioletta noted that the mediation program has scheduled about 125 cases and have mediated 36 cases so far, with all but one in which the homeowner was able to keep the house. Oftentimes, the program can work out an agreement between the lender and the homeowner before even going into official mediation. The city had a brown bag luncheon for city employees, which attracted about 40 individuals. The Department has also done two large homeowner events, which attracted over 700 people. There is still a lot of interest in home purchases.

The City will not hear from the Department of Housing and Urban Development until the end of November/beginning of December if it will be receiving Neighborhood Stabilization Programming funds.

Ald. Davis is concerned about irresponsible property owners buying up property and he asked if the Department had any suggestions to combat this problem. Ms. Prioletta said that if the city really wanted to make a difference, something would need to be done at the front end at the time of purchase. The Department had considered offering a financial incentive to brokers who sell to owner occupants, rather than investors. The Department can come back to this body with a more detailed plan; a program similar to this was offered years ago as part of a Milwaukee Value program, which provided an incentive to those brokers who sell properties worth less than \$50,000. Another alternative is to offer a financial incentive to community organizations which locate homeowners. The financial incentives could also be modified based upon the area of the city. Ms. Prioletta will research this and discuss it at the next meeting.

Art Dahlberg, Department of Neighborhood Services, said that code enforcements have been concentrated in areas of the city where 15%-20% of the properties have been abandoned by the lending industry (25% of all properties citywide). This department is also running into problems with individuals/lending institutions who are not maintaining their properties as they should. Ald. Davis is concerned about abandoned properties that might have water service, which will cause a problem if pipes burst in winter. The Department will work with the Water Works to locate properties which no longer have water service and also to coordinate abandoned homes and cutoff of water service. Mr. Dahlberg thinks that if the Department can verify that a property is abandoned, then it can request that Water Works discontinue service.

President Hines would prefer that a service organization purchase a property rather than an out-of-state owner. He feels that if residents are supervised, which they typically are, they provide more stability to a neighborhood than transient renters. Ald. Davis has found that many group homes do not offer supervision to their residents, particularly in the summer time. President Hines would like to some city requirements related to annual inspections and monitoring of residents. The type of housing may need to be restricted in order to have residents support these types of housing as well as ensure that oversaturation does not occur within any areas of the city. Ms. Prioletta will research this possible use/program.

Tom Mishefske, Dept. of Neighborhood Services, noted that the Department has requested \$80,000 from the Common Council Contingent Fund to add \$50,000 to the demolition account to begin the demolition process on buildings which have raze orders issued by the city. The federal funds will reimburse the city once the property is razed, but will not pay for the upfront costs. Mr. Mishefske noted that only half of the raze orders will actually result in the property being razed. Ald. Davis is concerned that there is a property in his district that was scheduled to be razed a year ago, but has not yet been razed.

Ms. Prioletta noted that the city does not want to end up owning hundreds of properties, but does have a write-up on each of the properties with a plan for each property. The Department of City Development would also like to explore the use of tax credits through the Wisconsin Housing and Economic Development Association for use with foreclosed properties.

3. Set next meeting date and agenda.

The Staff Assistant will e-mail members to set the next meeting date.

*Meeting adjourned: 4:14 P.M.
Linda M. Elmer
Staff Assistant*