

Communication file from the Department of City Development:
Local Investor Buyer Program

OWNS:

Ownership, Wealth,
Neighborhood Stabilization



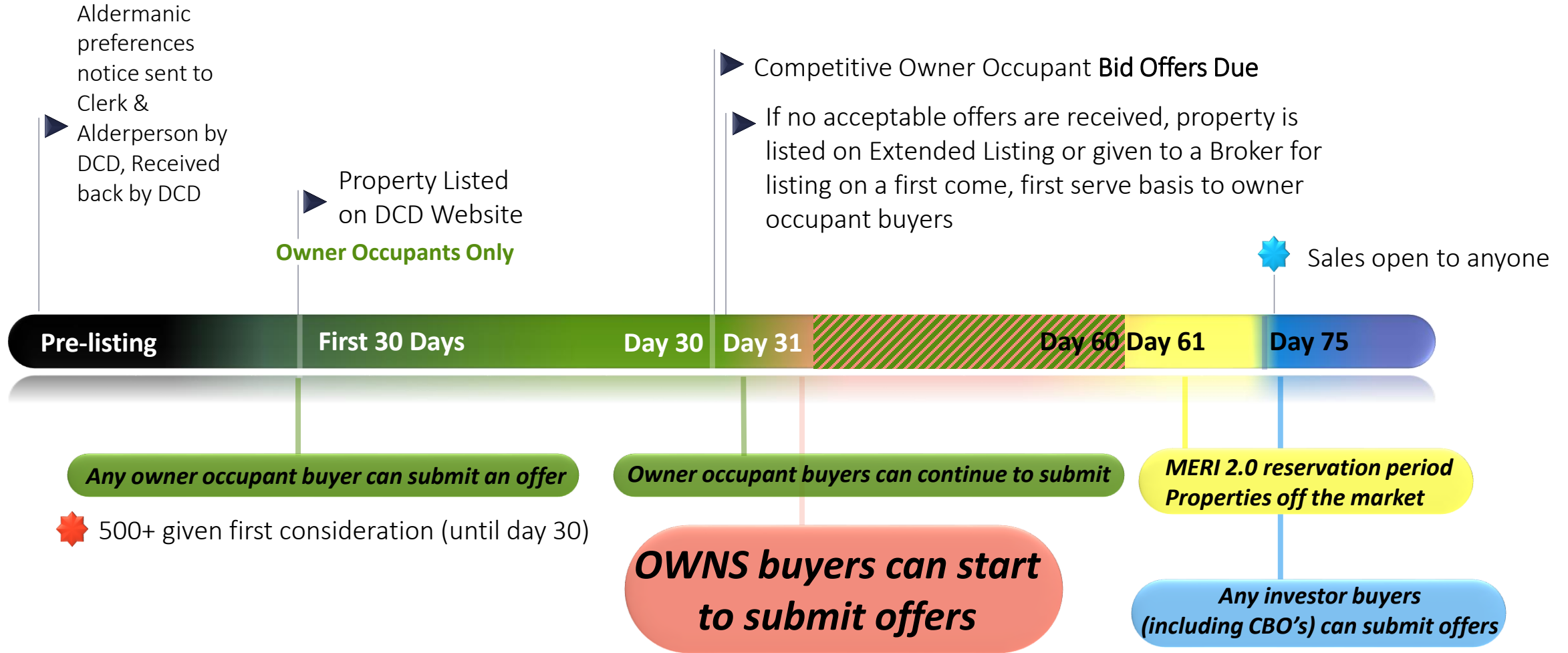


- **OWNS Goal:** Incentivize existing homeowners to buy City of Milwaukee owned properties, for rental purposes, *in their neighborhood.*
- **OWNS Premise:** Local owner investors will be more accountable and attentive to an investment property *near their owner-occupied residence.*



- **OWNS Focus:** 500' from owner-occupant buyer's homestead residence. Buyer must be on title on the homestead residence and prove residency.
- **Dual Incentive approach for OWNS:** Real Estate and NIDC (Rental Rehab).

Department of City Development Residential Sales Process Updated for OWNS





Buyer Priority

All things being equal:

- 1) Owner-occupant buyers
- 2) OWNS buyers



Process

OWNS Buyer Letter



- Program limited to 1-to-4 unit residential property (Neighborhood Property under MCO 304-49).
- OWNS buyer must satisfy General Buyer Policies and establish Proof of Funds to buy and to complete Essential Repairs (like any buyer).
- OWNS buyer pays investor performance deposit for timely completing Essential Repairs (like any investor buyer).
- Landlord Training certificate required (like any investor buyer).

OWNS Financing Option – Rental Rehab Loan

Rental Rehab is a 5-year forgivable loan program offered by NIDC that requires 50% matching funds.

- Increase standard forgivable loan amount from standard \$14,999 max/unit to \$20,000 max/unit
- Allow funds that OWNS buyer uses to buy the City-owned property (purchase price) to count as matching funds (up to 50%) for NIDC loan award purposes.
- Remove tenant income maximums for OWNS buyer purchases.
- Retain/impose NIDC's rent limits for 5 year OWNS buyer holding period.
- 5 year holding period required, breach \$5,000 liquidated damages