



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes

JOINT COMMITTEE ON REDEVELOPMENT OF ABANDONED AND FORECLOSED HOMES

ALD. ROBERT BAUMAN, CHAIR

**Spencer Coggs, Preston Cole, Mario Higgins, Ald. Khalif
Rainey, Antonio Perez, Maria Priolella, and Ald. Russell
Stamper, II.**

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Tuesday, May 30, 2017

10:00 AM

City Hall, Room 301-B

Amended 5/25/17 -- Item #10a was added for administrative purposes.

1. Review and approval of minutes from the April 24th meeting.

Meeting convened: 10:06 A.M.

Ald. Rainey excused.

Mr. Coggs moved, seconded by Ald. Stamper, for approval of the minutes. There were no objections.

2. Communication from Milwaukee Water Works and the Health Department relating to workforce development, bids for lead lateral work and provision of water filters.

Ms. Jennifer Gonda, Milwaukee Water Works (MWW) Superintendent, said that MWW issued an RFP to contract with a private company to replace private laterals which has been done since the beginning of the year. The first bid for 50 contracts was awarded to one contractor and a second lot of 50 contracts has also been issued, which has been awarded to the same company, American Sewer, which is not Milwaukee based. The bids do require SBE and RPP participation. City crews will continue to do emergency work, but the private company will do non-emergency work and day cares. Only 22 day cares have responded to the city letters and signed waivers for the work. None of the contractors were local of the 5 respondents. Contractors said that a capacity of 50 is a lot, as well as all the related paperwork. MWW is looking into reducing the contract size from 50 to 25. The work is done by 2 crews of 3 individuals, so there isn't a lot of hiring occurring. There has been discussions with the plumber's union about creating a lead-certification apprenticeship. Under state law, MWW is not allowed to hire plumbers. American Sewer is using current staff and is only hiring one plumber so not a lot of potential hires. Typically the restoration work involves SBE or RPP workers. The bid was about \$550,000 for 50 contracts, but it probably won't be able to come in that low in the future. Commissioner Cole thinks this will be a wonderful opportunity to grow our own as the local firms can't handle the volume the city needs. The projects are averaging \$12,000 each. Even with new technologies coming, the basic work of excavating, restoring, dealing with trees, etc. will remain. Six point six million was budgeted for this with \$2.6 million being federal funds which needs to be used first. Sandy Rotar, Health Department, said the United Way raised \$75,000 for filtration units for residents. The city purchased 1,075 units from that and added some money

for a total of 1,800 filters. Eighty four percent of the filters that were provided went to the 9 zip codes that are in the target area, but only 43% went to homes with children under 6. It is anticipated they'll be purchasing 2,800-3,000 more filters and will focus on providing filters to more targeted, at-risk residents. The Health Dept. is looking at working with more organizations that work with those most at risk and also not to just distribute the bulk of them in a month or two, so they are available to those who come later. For next year's budget, for properties in the Housing Preservation Fund, Ald. Bauman would like to see the laterals replaced. The MOU did require that the agency check to ensure that the individual is using the filters, but they are not tracking that. Pitchers are provided to homeowners if they will be affected by sewer work or construction.

3. Communication from the Dept. of City Development relating to sale of city real estate and in particular to owner-occupant only restrictions on sales.

Martha Brown, Dept. of City Development, present on this item. Assistant City Attorney (ACA) Gregg Hagopian said it's difficult to replace private laterals without replacing the public laterals. Ald. Stamper would like to have the purchaser of city property have the cost of replacing lead laterals be taken from the sale price of a property. Ald. Stamper will work with the departments on his pending legislation requiring this. Ms. Brown said the city encourages owner-occupant sales by giving them "first crack" at a house during the first 30 days and a specific financing program for them and promoting home ownership through events throughout the year. A little over 50% are sold to owner-occupants and the deed requires they live there either two or five years. The department investigate complaints. The Dept. is considering rewarding owner occupation over time, rather than solely at the time of purchase. If this information is provided annually, they could be eligible to win prizes. Amy Turim, DCD, said they do have deeds that say the sale is to a rehabber who plans to sell it to an owner occupant. Other cities do this as well. The deed notes that it must be sold to an owner occupant. DCD does not verify this, but follows up on complaints. The code states that the local Council members can approve or disapprove sale of a property to an investor, which Ald. Bauman feels this is. Ald. Bauman had concerns about selling a property at 3002 W. Juneau to a rehabber who will then sell to a homeowner. The department is trying to sell properties in as many ways as possible. The department doesn't do annual monitoring, but the city will respond to complaints about an address, either through Neighborhood Services or the Police. ACA Hagopian said tweaks can be made while Ald. Bauman feels that it is really selling to investors and these deed restrictions are never enforced. The department does not review the previous work of rehabbers. Ms. Brown said rehabbers selling to future homeowners is a very small percentage. In the future, "investor sales" will now include flippers to homeowners.

4. Communication from the Treasurer's Office, Department of Neighborhood Services and the City Attorney's Office relating to efforts to pierce the corporate veil of legal entities such as LLC's that own real property in the City of Milwaukee in order to expedite the collection of funds owed the city and to expedite compliance with DNS orders.

ACA Adam Stephens said a report was submitted to the file and this will be updated for each meeting and includes Circuit and federal courts. There is also a chronic offender investigation going across departments of individuals who own a number of blighting properties, either due to property conditions or tenant behavior. One of the concerns of Council members is the time it takes to litigate, which the City Attorney's Office is working on. Ald. Witkowski said the report is aimed at nuisance properties,

rather than addressing the LLC problem. ACA Stephens said interdepartmental meetings are held monthly to address problem properties. Ald. Bauman is concerned that the number of affected properties isn't being reduced and he would like to see a plan to reduce the amount owed to the cities by LLCs. There will be a report on this next month on what the CA's Office is doing.

5. Communication from the Dept. of Neighborhood Services relating to demolition and deconstruction and discussion of the proposed ordinance.

Mr. Ron Roberts, Dept. of Neighborhood Services, present on this item. Ald. Bauman will be introducing an ordinance to require deconstruction on all buildings constructed prior to a specific date in the 1920s. Comm. Cole will be sending a couple staff members to see how similar legislation is working in Portland, Oregon. About 95% of demolitions in Portland are done by private contractors, although Portland is very different from Milwaukee in terms of land value and housing stock.

6. Communication from the Dept. of City Development on Housing Infrastructure Preservation Fund activities.

There were no items for discussion.

7. Communication from the Dept. of City Development on the Strong Home Loan Program.

Larry Kilmer said that lateral replacements are fundable through the program and applications are still being taken.

8. Communication from the Dept. of City Development on the Lease-to-Own Program.

Nothing new from what is currently in the file.

9. Communication from the Mayor's Office, Dept. of City Development and the City Attorney's Office relating activities, revenue and expenditures of the Strong Neighborhoods Plan.

Ald. Bauman would like to see where the sale proceeds go and how it's dispersed as part of the standard reports provided to this body. He thinks some of this money is unrecognized revenue. He would like to see the same information for rent collection. Mr. Perez thought there was a large difference in April - there was an error, which Ms. Taylor will correct.

10. Communication from the Department of City Development, Community Block Grant Administration, Dept. of Neighborhood Services, Police Department, City Attorney's Office, Assessor's Office and Treasurer's Office relating to the city's plan to remediate vacant, foreclosed, and abandoned homes. (Attachments to this committee contained in file 161359)

10a. [161359](#) Communication relating to the 2017 activities of the Joint Committee on the Redevelopment of Abandoned and Foreclosed Homes.

Sponsors: THE CHAIR

11. Set next meeting date.

*June 26th at 10 a.m.
12:00 P.M.*