



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 Prioletta, and Ald. Russell
Stamper, II.**

Staff Assistant: Linda Elmer, 286-2231

Fax: 286-3456, lelmer@milwaukee.gov

**Legislative Liaison: Aaron Cadle, 286-8666,
acadle@milwaukee.gov**

Monday, November 26, 2018

10:00 AM

City Hall, Room 301-B

Meeting convened: 10:08 A.M.

*Members present: Preston Cole, Mario Higgins, Ald. Robert Bauman, Ald. Russell
Stamper, Jim Klajbor for Spencer Coggs and Tony Perez*

Members excused: Maria Prioletta and Ald. Khalif Rainey

1. Review and approval of the July 9th, September 10th and October 17th minutes.

*Mr. Klajbor moved, seconded by Mr. Higgins, for approval of all the minutes. There
were no objections.*

**2. Communication from the Department of City Development on Housing Infrastructure
Preservation Fund Activities.**

There were no new matters to report on this item.

3. Communication from the Department of City Development on the Lease-to-Own Program.

*Ms. Rhonda Szallai said there are 5 properties she is working with are in the 1st, 6th,
7th and 14th aldermanic districts.*

**4. Communication from the Department of City Development relating to the Rehabilitation to
Rent Program.**

*Ms. Amy Turim said that there are 5 houses that have been renovated since 2015 and
Friends of Housing is managing the property. The rent is reasonably affordable and
the houses cost about \$82,000 to renovate and Friends of Housing will no longer be
doing the renovation. There is \$500,000 remaining in the 2018 budget and she wants
to meet with Ald. Coggs and Ald. Stamper about what future they want to see for this
program. The department is seeking companies to take over this contract to manage
these properties. Mr. Perez sees doing the rehab within the costs as being quite the
challenge and it ends up being more of a community service. Money is made off of*

the rehab, not the rental, so there is a very small profit margin, if the company is lucky. Ms. Brown said that the Hamburger Mary's lot sale, which was \$160,000, was handled as a standard vacant lot sale and the money dispursed in the usual manner.

5. Communication from the Department of City Development on the Strong Home Loan Program.

Mr. Larry Kilmer, Dept. of City Development, went over the numbers in his report, contained in file 171233. They have attended or organized 58 community events so far this year. The housing inventory of city foreclosures has been less this year and there has been a lag in taking, so that has reduced potential inventory for the program.

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

This item was held as staff from the Mayor's Office could not be present.

7. Communication from the Department of Neighborhood Services relating to the Compliance Loan Program.

Steph O'Connor, said 57 loans have been approved and 34 have been issued with a total expenditure of a little less than \$500,000. The income limit was raised from 50% to 60% of Milwaukee county median income, so a few more applications may be coming in for the program.

8. Communication from the Department of Neighborhood Services relating to demolition and deconstruction.

*Part of this discussion is contained under item #9.
Ald. Bauman is concerned that the deconstruction program wasn't even allowed to function for a year before it was jettisoned as being un-doable. Mr. Mishefske said that around 39 buildings could be demolished/deconstructed if \$1,000,000 is set aside in the 2019 budget. Ald. Bauman is concerned as the Dept. of Neighborhood Services isn't saying it needs more funds, although it is evident to him that this amount is woefully inadequate. DNS did get some state money a few years ago, \$10,000 per building, and they still have about 25 more buildings that they can demolish, out of 100 total. Mr. Mishefske provided a breakdown of the demolition inventory (attached to file 171233). Demolitions are more efficient if they are grouped in one area and bundled. Mr. Chris Kraco said about 400 mechanical razes, having DPW crews assisting, could be done in one year.*

9. Communication from the City Attorney's Office relating to legal proceedings against landlords with nuisance properties.

Atty. Kail Decker, Asst. City Attorney, said the appeals are still pending for Mr. Choudry and Mr. Rashid. There are no briefs yet. Ald. Bauman questioned what avenues the city has pursued to obtain the assets of the defendants. Ald. Bauman is concerned about the number of privately owned properties that are fire damaged and yet not being demolished or deconstructed by the city. The percentages are roughly 50% privately owned and 50% owned by the city. The building is razed at the city's

cost, the taxes aren't paid and the city forecloses and the owner has no assets to seize, so the city ends up with the bill and a vacant lot. Ald. Stamper asked if there was a deadline as to how long a burned out building could remain on a block. Mr. Tom Mishefske, Dept. of Neighborhood Services, said finding contractors is always an issue. An emergency demolition is about \$15,700 and a deconstruction would be \$30,000-\$40,000. A communication file on deconstruction is being introduced tomorrow and will go before Zoning, Neighborhoods and Development Committee this upcoming cycle. Ald. Bauman is very concerned with the amount he perceives as being too small for demolition in the 2019 budget. The trustee gets information from the proposed buyer and the City Attorney's Office investigates them for any relationship between the proposed buyer and Mr. Choudry and Mr. Rashid. The city has also objected to two bidders at sheriff's sales for those potential buyers who owe back taxes to the city. One bidder has contacted the city and said he is coming in to pay the back taxes. DNS staff is at the sales and contacts the city attorney's office and an investigation is done prior to confirmation, which takes place 2-4 weeks following the sale. The Kohn law firm will begin doing the background searches as they are labor-intensive and it is better having a professional agency doing this.

10. Communication from the Department of City Development on efforts to verify and enforce owner-occupancy requirements for properties purchased from the city.

Ald. Bauman said that all the properties in his district that were refurbished with Housing Infrastructure Preservation funds, he's received complaints on. Ms. Martha Brown, Dept. of City Development, said that the department has received very few complaints on these properties and does investigate these complaints. In the Concordia neighborhood, these properties have generated complaints, per Ald. Bauman. At one of the properties, the original owner, Mr. Holman, deeded the property to himself and another relative and that relative is currently living there. At this property, the DNS code issues were fixed and the appropriate Certificate of Appropriateness was obtained for the work done. The City Attorney's Office does investigate possible violations of the deed restrictions. Ms. Amy Turim said the department now has a mechanism to catch individuals who are subject to owner occupant restrictions on other city sales. A problem property on N. 29th street is a duplex; the first floor is occupied by a tenant and the second floor is being rehabbed by the owner for his occupation. Mr. LaPierre will contact Ald. Bauman about the proposed buyer for 2813 W. Kilbourn Ave.

11. Communication from the Department of City Development and Mayor's Office on programs intended to utilize the \$1.7M 10,000 homes initiative appropriation approved in the budget.

Mr. Larry Kilmer and Amy Turim, Dept. of City Development, will get on the aldermen's calendars to talk to them about this.

12. Public Comment

No members of the public present who wished to speak.

13. Set next meeting date.

Monday, Jan. 14th at 10 a.m.

14. [171233](#) Communication relating to the 2018 activities of the Joint Committee on the Redevelopment of Abandoned and Foreclosed Homes.

Sponsors: THE CHAIR

Meeting adjourned: 11:23 A.M.

Linda M. Elmer

Staff Assistant

This meeting can be viewed in its entirety through the City's Legislative Research Center at <http://milwaukee.legistar.com/calendar>.