



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.

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Tuesday, January 15, 2019

10:00 AM

City Hall, Room 301-B

Roll call taken at 10:05 A.M.

Present: 5 - Bauman, Prioletta, Perez, Stamper, Higgins

Excused: 3 - Cole, Coggs, Rainey

1. Review and approval of the November 26th meeting minutes.

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

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

There is no new information to report so the department was not present.

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

Ms. Rhonda Szalli said 64 tenant occupants have closed since 2014 and 18 active tenants are working on closing. ACTS Housing has additional resources as the city is limited on how much it can spend per unit; ACTS adds money and can obtain low-interest loans. The city typically handles single family units while ACTS helps them buy a duplex. Ms. Prioletta said that ACTS has both a rehab staff and financial counseling staff and encourages sweat equity with the buyers. The city could do more, but wants to assess the tenants' financial situation so they're not put into a situation where they can't be successful. The city will begin receiving more in-rem properties and so there should be more activity.

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

Ms. Amy Turim said 5 homes are fully rented and the rent is being paid regularly. The previous contractor, Friends of Housing, is no longer able to renovate properties; they were doing both renovation and management. She would like to meet with Ald. Coggs and Ald. Stamper together to see if they want to continue the program as it is or use the existing funds for another program. She is not sure if Friends wants to manage the properties. The program handled 5 homes over 3 years. The rent for the single-family homes is \$795-\$895 per month and are very nice homes. The homes were rehabbed at about \$78,000 per home.

Roll call taken at 10:20 A.M.

Present: 6 - Bauman, Prioletta, Perez, Stamper, Rainey, Higgins

Excused: 2 - Cole, Coggs

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

Mr. Larry Kilmer said that the 2018 data is in and included in the file. They closed 57 projects totaling \$872,000 for the strong home loans program. The income limits haven't changed for this program since its inception in 2015. The philosophy of this program was to preserve housing stock, rather than assist people. Ald. Bauman has a lot of neighbors who are underwater with their mortgages, at times even up to \$100,000. This program was created to help homeowners who couldn't get a loan as they have no equity in their property due to the decreased property value since the home purchase. Mr. Kilmer said they do track individuals who they turn away from this program. For programs under this umbrella, they have issued over 70% of contracted funds to minority contractors. The homeowners select the contractors they work with, not the city.

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.

Mr. Nicholas Sinram, Budget and Management Office, said the 2019 budget has a \$2 million increase, now at \$11 million, to increased rehab. Mr. Eric Pearson said that the document in the file shows actual expenditures for the year because capital projects tend to go over a number of years. The city does do progress payments, but does not pay for work up front.

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

Emily McKeown said that for 2018, 52 loans were approved with an average loan amount of roughly \$13,000. Loan recipients were typically 60 years old, owned a home for 19 years and had an average median income of \$19,000. This program serves a very low-income group and the city selects the contractors. Every inspector is handing out a letter to every homeowner to assist them in fixing their houses. There is a

waiting list for this program, but they are always talking about this program.

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

This was discussed a week ago at the Zoning, Neighborhoods and Development Committee. Mr. Tom Mishefske, Acting Commissioner of the Dept. of Neighborhood Services, said the city has 5 contractors interested in doing deconstruction and there is \$1.2 million in the 2019 budget for this. The department will meet next month with the top proposers. Heiner Giese, Apartment Association of Southeastern Wisconsin, has photos of properties that should be demolished rather than deconstructed. If he were living in these neighborhoods, he would like the blight removed as soon as possible. He has some specific properties that are owned by the city that he is concerned about. Ald. Bauman feels that the absentee landlords are responsible for these problem city-owned properties.

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

Atty. Adam Stephens, Nicole Larson and Heather Hough at the table with Heiner Giese. There aren't a lot of updates, but some of the cases are in bankruptcy court. One problem landlord did fix all of the orders on his properties, pushed forward by the bankruptcy court. There have been a few sales for both Choudry and Rashid properties, the cases of which both are being appealed, but the city is still proceeding in its usual manner. The City Attorney's Office is working with DNS and Housing First on eviction prevention actions. DNS, through monitoring the sheriff's sales, has basically stopped problem landlords from purchasing properties. Since November, the CA's office has involved itself in 5 confirmation of sales with DNS doing the legwork to investigate purchasers and the purchasers have come in and paid the city the amounts due. The timelines are tight to prevent the sale, but it is getting money owed to the city and the bad actors are no longer even bidding on the properties. The CA's office is also investigating the requests for return of in-rem properties and that is also working.

Mr. Giese, Apartment Association of Southeastern Wisconsin, strongly supports stopping bad actors from bidding at sheriff's sale and the Association got a \$2500 grant to use for \$100 vouchers for people to use who attend the city's landlord tenant training.

10. Public Comment

Ald. Jose Perez would like a communication file at the next meeting on billing of nuisance properties under s. 80-10, Milw. Code of Ordinances. MPD sets the fees, but DNS processes the fees and put them on the tax roll. One property did not get billed \$10,000.

Mr. Paul Mozina asked if TIF financing could be aggregated to focus on a neighborhood to assist in removing blighted properties. TIF financing is controlled by state law, according to Ald. Bauman and Ms. Prioletta, and the city does what it can.

11. Set next meeting date.

Monday, Feb. 25th at 10 a.m

[181452](#)

Communication relating to the 2019 activities of the Joint Committee on the Redevelopment of Abandoned and Foreclosed Homes.

Sponsors: THE CHAIR

Meeting adjourned: 11:07 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>.