



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, 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, September 23, 2019

10:00 AM

City Hall, Room 301-B

1. Review and approval of the minutes of the May 6th, June 17th and July 29th meetings.

Unofficially convened: 10:07 A.M.. Officially convened: 10:08 A.M.

Jim Klajbor moved for approval of the minutes for the past three meetings. There were no objections.

Members present: Maria Prioletta, Ald. Khalif Rainey, Jim Klajbor, Ald. Russell Stamper and Ald. Robert Bauman

Members excused: Tony Perez and Mario Higgins

2. Communication from the Department of City Development and the City Attorney's Office relating to ensuring the owner-occupant requirements are enforced.

This item was included under discussion of item #3,

3. Communication from the Department of City Development and the City Attorney's Office relating to the status of the 2807-09 W. State Street investigation.

Ald. Bauman stated that this property was sold by the city with the contingency of owner-occupancy, which has not been met. The city spent \$128,000 to fix up the property and sold it for \$75,000 to an investor who lives in Glendale.

Asst. City Attorney Jeremy McKenzie said the deed lays out a procedure for enforcement for the owner-occupancy restriction. Both certified mailings came back as undeliverable. The city also posted a notice on the property to let occupants know what is happening. The owner says that he does live there - he provided a driver's license with that address on it and a mailbox at that location. Mr. Yves LaPierre, Department of City Development, did not go into the property. Mr. Bates, the owner, came up to the property with two other individuals who arrived in the same car. At some point, the neighbors will need to provide affidavits as to what they have or have not seen. The driver's license was issued on September 10th. The city will be continuing its process to verify residency and work through the legal system. The City Attorney's Office is familiar dealing with real estate fraud. Amy Turim, Dept. of City Development, said that the department does do some administrative checks, but not necessarily verifying residency periodically. This owner does have a strong relationship with a church in the neighborhood and there were no reasons for alarm prior to the sale of the property. There are 883 city-owned properties, with 150 of those being

commercial properties.

Since there have been only 57 Housing Infrastructure Preservation properties since 2010, the average cost of public investment is fairly substantial and only 40 having been sold, Ald. Bauman said that those properties should be closely monitored. He also thought the city should also have been more leery of why someone is moving from a \$200,000 single family ranch home in Glendale to to a \$7,500 duplex in Milwaukee. Mr. Klajbor recommended putting deadlines into the deeds so that a date of residency can be established and a timeline to achieve this.

4. Communication from the City Attorney's Office regarding state litigation against the owner of 2819 W. State Street.

Asst. City Attorney Heather Hough said that the city is investigating the LLC which owns this property, as well as the Wisconsin Attorney's General's office, which will be bringing a state action against the LLC. The city worked with the state and there have been some amended pleadings and orders. The litigation started in early 2018, with the investigation starting in 2017. The city's investigation came out of the LLC trying to reclaim a city-owned property and evicting the person who lived there and fixed up the property and had paid the property taxes directly to the LLC. Asst. City Attorney Tom Miller said that the pre-trial is scheduled for January 2020 and will be a complicated case involving the out-of-state LLC.

5. Communication from the Department of City Development relating to progress to meeting the 10,000 affordable housing goal set by the mayor, including the number of units built to date.

Kate Pawasarat, Budget Office, provided a report for file 181452. Strong Home loans are also included as part of this program with a complete list provided as part of the report. It is anticipated that Gorman will be doing scattered-site housing in the 7th aldermanic district. Ald. Rainey would like to see multi-units in his district. Ms. Prioletta will speak with Ald. Rainey in private about trying to recruit apartments to his district. Ald. Bauman would like a breakdown of the 725 homes to learn which programs are generating the most homes.

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

Mr. Yves LaPierre does not know how much money this program will get in 2020. The program currently has \$133,000 available.

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

Ms. Rhonda Szallai said that 68 homes have been closed to date and one scheduled for the end of this month and one the end of October. Ms. Szallai said that many tenants do want to own, but their income to debt ratio can't sustain home ownership.

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

Ms. Amy Turim said there are 5 homes in the portfolio with one tenant who is financially struggling. The contractor could not do the renovation work and the

department is working with Ald. Stamper and Ald. Coggs to see if they want to continue this program due to the high renovation costs.

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

Mr. Larry Kilmer said updated numbers are in file 181452 and he read through them at the table. With the Strong Loans Program, the default rate mirrors the private market, with staff contacting those individuals who have fallen behind to get them back onto a payment plan and paid up. Up to 25% of the loan is forgivable after a 10-year period. Ald. Stamper would like the RICH program numbers added to this report.

10. 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.

Nick Sinram, Budget Office, said that all is going well.

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

Ms. Steph O'Connor said that 50 loans have been approved and have about \$10,000 reserved if there is an emergency prior to the end of the year. They also have 10-12 loans approved for 2020.

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

Mr. Tom Mishefske that there is a deconstruction contractor under contract who is currently hiring and training his workers. He will meet with the DNR and the Health Department about how to do things safely for both his workers and the neighborhood. The first building to be deconstructed will be 3041 N. 6th St. hopefully in October. The contract is to do 50 deconstructions; this contractor is currently contracted to do 12 buildings. The work can be done during the winter.

Mr. Chris Kraco said the contractor is leasing a yard from DCD. There are currently 47 projects either already razed, been put out to bid or in another stage. Mr. Kraco said 25-30 have been razed. Most of the demolitions will be completed this year. The department will start notifying the Council members, via e-mail, when demolition will actually begin.

13. Communication from the City Attorney's Office regarding updates on neighborhood revitalization litigation.

Asst. City Attorney Tom Miller said the City Attorney's Office has been busy. The Rasheed case is scheduled for early October. The balance of the 150 properties is still held by Mr. Rasheed with too many properties that are still boarded and vacant. Mr. Rasheed's personal home was foreclosed on by the bank.

14. Public Comment

Ms. Stephanie Holt is attempting to purchase 2903-05 N. 48th St. from the city. She felt both the asking price and scope of work were not in line. She applied for a city forgivable loan and NIDC had a different scope of work. After some months, the asking price was reduced and the closing date extended. She would like to know why DCD has been so resistant and she would like to be made whole and a reasonable offer to make a fair market value be offered. Mr. Larry Kilmer said the buyer has a low bid. Mr. Rainey would like the city to encourage credit-worthy African Americans to purchase homes. He will introduced a resolution to ensure she is able to purchase this property and other communication files will be scheduled to look at how the city sets property sales and scope of work numbers.

15. Set next meeting date.

October 21st at 10 A.M.

16. [181452](#) Communication relating to the 2019 activities of the Joint Committee on the Redevelopment of Abandoned and Foreclosed Homes.

Sponsors: THE CHAIR

Meeting adjourned: 12:01 P.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>.