



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, Ald. Russell Stamper, II, and Erica
Lewandowski**

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**Legislative Liaison: Aaron Cadle, 286-8666,
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Monday, March 2, 2020

10:00 AM

City Hall, Room 301-B

1. Review and approval of the minutes of the January 27th meeting.

Meeting convened: 10:04 A.M.

Members present: Jim Klajbor, Erica Lewandowski, Mario Higgins, Tony Perez

Members excused: Maria Prioletta, Ald. Khalif Rainey, Ald. Russell Stamper

Mr. Klajbor moved, seconded by Mr. Higgins, for approval of 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. Amy Turim said two properties closed in February and four new tenants are interested.

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

Ms. Amy Turim said the remainder of the funds were re-allocated to a different program, which is going very well.

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

Mr. Larry Kilmer said that the Strong Home Loan program approved 5 loans, with 81 applications in process. Homebuyer assistance has approved one loan and 4 applications. They attended 4 outreach events this year.

6. Communication from the Department of City Development on the bulk sale of foreclosed properties.

RECESS: 10:20 A.M.

RECONVENE: 10:31 A.M.

Ald. Perez said he was curious about in-rem bulk sales and the history of it, as he was getting confusing information on the sale of 10 properties or more since 2011. This file is to clear up some of the confusion. Aaron Cadle, Legislative Reference Bureau, said he sorted the 320 properties, by developer, which projects received other funding, etc. Martha Brown, Dept. of City Development, said there are a number of documents in file 191282 relating to bulk sales. The city began bulk sales when the foreclosure crisis was in full force. From 2008-2019, 5800 improved properties have been foreclosed on by the city, resulting in a large workload for a number of city departments. The federal Neighborhood Stabilization Program (NSP) was also created to assist cities in dealing with the foreclosed properties. The city got permission to use state and federal funds and tax credits and located developers which had capacity to manage a number of properties. Over time, six developers did projects and rental projects used state financing (LIHTC). All of the NSP projects were monitored by CDBG, DCD, HUD and WHEDA, depending on the funding sources. The city received \$40 million in funds. DCD also has a bulk purchasing program, up to 5 houses for \$25,000, for smaller investors. In order to participate, buyers have to meet specific criteria. Since 2011, 360 properties have been sold. Since 2012, 194 properties have been sold to 35 small investors.

The department finds bulk sales to be an effective way to sell foreclosed properties. The majority of LIHTC financing has been for multiple-family units, but some are also one- and two-family dwellings and they are affordable housing; these units have waiting lists. The sum of all 3 lists provided by DCD adds up to 554 units. Ms. Turim said a background search is done on each of the buyers for each purchase.

Ald. Perez wanted to get information on the total funding for development, to see how the funding was arranged for these bulk-sale developments. Ald. Perez is concerned is that developers have come and talked to the department and it seems to go nowhere.

7. 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. Nick Sinram, Office of Budget and Management, said the 2019 books are closed and everything is on track so far. They are actually below appropriation and that will be use for carryover into 2020. Underspending was in the 10,000 homes category; this money was set aside for larger projects and DCD has a plan for that.

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

Ms. Steph O'Connor said nothing has really changed - one loan was paid back from 2016 in full.

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

Mr. Tom Mishefske and Chris Kraco, Dept. of Neighborhood Services, present on this item. Mr. Mishefske said the totals are only habitable dwellings, with garages being

listed as a separate detail in the breakout. This includes both city and privately owned buildings. There are 3 bid packages that have gone out that incorporate 31 one-and two-family buildings, all for mechanical demolition.

A notice has been set to the deconstruction contractor noting that he is in default of the contract and the department is issuing another RFP to get a new contractor. The contractor has the ability to determine what his or her capacity is.

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

Assistant City Attorney Adam Stephens said he will do individual briefings. They have finished the trial in the Northridge demolition case and a decision should be made in April.

11. Public Comment

There were no members of the public present.

12. Set next meeting date.

May 4th at 10 a.m.

[191282](#)

Communication relating to the 2020 activities of the Joint Committee on the Redevelopment of Abandoned and Foreclosed Homes.

Sponsors: THE CHAIR

Meeting adjourned: 11:04 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>.