City of Milwaukee



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 Roberts Staff Assistant: Linda Elmer, 286-2231 Fax: 286-3456, lelmer@milwaukee.gov Legislative Liaison: Aaron Cadle, 286-8666, acadle@milwaukee.gov

Monday, November 22, 2021	10:00 AM	City Hall, Room 301-B

This is also a virtual meeting. Those wishing to view the proceedings are able to do so via the City Channel - Channel 25 on Spectrum Cable - or on the Internet at http://city.milwaukee.gov/citychannel.

1. Review and approval of the June 7th meeting minutes.

Meeting convened: 10:03 A.M. Members present: Erica Roberts, Ald. Robert Bauman, Jim Klajbor, Ald. Khalif Rainey and Mario Higgins Members excused: Ald. Russell Stamper, Maria Prioletta and Tony Perez Ms. Roberts moved, seconded by Mr. Klajbor, for approval of the minutes. There were no objections.

2. Discussion relating to the implementation and execution of housing initiatives funded through ARPA.

Ms. Amy Turim and Aaron Helt, Dept. of City Development, present on this matter. Mr. Helt said as of the end of September there were 136 grants put out and all funds are now depleted for the Down Payment Assistance Program. ARPA funds probably won't be sufficient for the end of 2022. Ms. Turim isn't sure if the ARPA funds can be moved between programs; she thinks they may need to be Council action to re-allocate funds. Currently the department has taken a list of its demo properties and all that have been marketed for more than 60 days and assess them for inclusion in a program and how to move them along the track in that program. There are 257 total properties and they also want to work with DNS to determine which properties do need to come down. Ald. Bauman provided a list of properties in his district. Ms. Turim said the department intends to meet the 90-day target to create a plan. They are working on making the properties more sale-able, even if they aren't sold to the current tenants. The department intends to use the funds as needed, rather than committing specific amounts to specific programs.

3. Discussion relating to the use of future ARPA funds for housing initiatives.

This item was discussed under item #2.

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

Mr. Yves LaPierre said they are working on cleaning up a property in the Garden Homes district. A couple of houses in Ald. Bauman's district would be suitable for this program.

Michael Gosman - ACTS housing - they usually spend \$50,000-\$70,000 per property, so being able to spend \$100,000 per property is very viable. They are exploring creating a development element to ACTS.

One option is to have private groups do the rehabbing while the city provides the needed funds rather than have the city act as the contractor.

Mr. LaPierre noted that the goal is to not spend all the amounts on one property while Ald. Bauman supports gut rehabs of properties in historic districts on a block that has numerous owner occupants, such as 2825 W. State St.

The department may also package properties together for developers with a mix of higher/lower profit on specific properties. The department is also aware that some neighborhoods are in flux in regards to home ownership and they wish to support this.

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

Rhonda Szallai said 5 additional properties were sold since June and are scheduled to close on another one on Dec. 3rd, for a total of 79 properties. They also ask if tenants are interested in the program. Material costs have increased quite a bit, so that has caused a problem. Ald. Bauman asked why a cap is still needed on this program; Ms. Turim will look at this as the city cannot use federal funds and end up displacing someone.

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

Mr. Aaron Helt said 5 loans have been approved with 4 applications in progress. The department is increasing the maximum income for 2022

7. Communication from the Department of City Development relating to the Down Payment Assistance Program.

This was discussed under item #2.

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

Ms. Keishla Ortiz said the goal was to complete 54 loans this year and they have already completed 53 loans. Tom Mishefe said \$800,000 annually was allocated, but with additional funds of \$1 million in 2022. They will be seeking additional funding for future years. The department has an on-going system of allocating funds.

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

Mr. Tom Mishefske said the hope is to reduce the number of properties on the list. He will also generate a list of private demolitions by aldermanic district. The department is working with the Dept. of City Development and the local Council members and looking at the commercial buildings on the list.

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

Assistant City Attorney Heather Hough and Gregg Hagopian present. There is a written update in the file. Ald. Bauman asked if the city could go after Hyundai or Kia as a defect in how easy they are to steal. Mr. Rashead agreed to sell off his properties, but the arbitrator and judge allowed many of the properties to be sold to his heirs. However, his lawyer is requesting relief on behalf of the heir LLCs. Action against Joe Barrada is being pursued by the state, not the city. ACA Hough said the state is coming close to a settlement with Kaja, who is another problem landlord in the city.

11. Public Comment

There was none.

12. Set next meeting date.

Will be decided in the future. Ald. Rainey would like to add TIDs being closed and funds used for housing.

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.

<u>201626</u> Communication relating to the 2021 activities of the Joint Committee on the Redevelopment of Abandoned and Foreclosed Homes.

Sponsors: THE CHAIR