



Legislation Text

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131632
SUBSTITUTE 1

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Substitute resolution authorizing the Department of City Development to enter into an agreement with ACTS Community Development Corporation, as part of the Strong Neighborhoods Plan, to increase sales of City-owned property for owner-occupancy and appropriating funds for this purpose.

This substitute resolution authorizes the City to enter into an agreement with ACTS under which ACTS will secure buyers for City-owned residential homes and will work with the buyers to prepare them for homeownership and assist them in making the repairs necessary to bring properties to a code compliant condition.

Whereas, The City of Milwaukee ("City") owns over 1,200 residential properties that it acquired by property tax foreclosure; and

Whereas, ACTS Community Development Corporation ("ACTS") has worked with the City in the past by acquiring City-owned tax foreclosed properties and reselling them for homeownership; and

Whereas, The City and ACTS wish to enter an agreement, materially and substantially consistent with a Term Sheet, a copy of which is attached to this Common Council File, whereby the City will provide ACTS with funding to expand the capacity of ACTS to increase its sales of City-owned properties for homeownership and establish a forgivable loan program to buyers of City homes; and

Whereas, ACTS will find buyers for City homes valued at \$15,000 or less that are within ACTS three target areas and will provide buyers with pre and post purchase homeownership counseling and assistance in the rehabilitation of the home they are purchasing to return it to a code compliant condition; and

Whereas, Consistent with the Strong Neighborhoods Plan, the City, by its Common Council, recognizes the public benefit of: returning City-owned properties to the tax rolls; restoration of tax foreclosed homes; stabilization of neighborhoods; reduction of blight; and fostering and promoting homeownership; and

Whereas, The Term Sheet and its provisions have been negotiated with ACTS; and

Whereas, The properties that will be used under the agreement with ACTS were acquired by the City by property tax foreclosure and under Milwaukee Code of Ordinances ("MCO") 304-49-2-b-1, are classified as neighborhood property that are habitable; and MCO 304-49-4-a, allows the Department of City Development ("DCD") the authority to convey neighborhood property that is habitable; and MCO 304-49-7, allows conveyances to designated persons; and

Whereas, In implementing the agreement with ACTS, DCD and ACTS will screen buyers for compliance with general buyer policies in MCO 304-49-8; and

Whereas, Under the agreement with ACTS, buyers will enter into a Purchase and Sale Agreement ("PASA") with the City whereby: for properties valued under \$15,000 that have been reserved by ACTS, the buyer will pay the City \$1,000 as the purchase price for the

property and ACTS a \$2,500 fee for ACTS' services, and the buyer will agree to cooperate with ACTS and the City to devise an individual restoration plan, and agree to perform work per a scope of work that the buyer and ACTS will establish, and the buyer will, at closing, take title subject to restrictive covenants requiring code compliance, homeownership and the property being subject to property taxation; and for properties valued over \$15,000 or which are on the City's extended or current listing, buyers will pay the City the accepted offer price for the property and ACTS will receive the normal and customary City real estate brokerage fee and the buyer will agree to cooperate with ACTS and the City to devise an individual restoration plan, and agree to perform work per a scope of work that the buyer and ACTS will establish, and the buyer will, at closing, take title subject to restrictive covenants requiring code compliance, homeownership and the property being subject to property taxation; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Common Council hereby approves the Term Sheet and authorizes the City and its appropriate officials to enter into an agreement with ACTS, materially and substantially consistent with the Term Sheet, and to take such actions, as are or may be necessary, to carry out such agreement entered into and the intent of this resolution, including, entering into PASA's with individual buyers identified by ACTS, and conveying properties to such buyers per those PASA's, the same being authorized and approved under MCO 304-49-4-a and 304-49-7; and, be it

Further Resolved, That the Common Council, under MCO 304-49-4-c and 304-49-7, recognizes that real estate closings contemplated by the ACTS agreement and PASA's for properties valued under \$15,000 will, in addition to the monetary consideration of the \$1,000 purchase price to the City, also have important nonmonetary consideration and public policy components, including property and neighborhood stabilization, promotion of health, safety and welfare, improvement to the properties, returning the properties to the tax rolls, blight reduction and promoting homeownership; and, be it

Further Resolved, That funding for the City costs under the agreement with ACTS shall be allocated from the Capital Improvements In Rem Property Program Account No. 1910-UR049140002 in the Home Buyer Assistance Subaccount No. 0339-1910-R999-UR049140100.

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