



Legislation Text

File #: 130300, **Version:** 2

130300

SUBSTITUTE 2

111511, 130034, 130035, 130222

ALD. HINES, BAUMAN, DAVIS AND MURPHY

Substitute resolution appropriating and transferring \$639,600 from the 2013 Contingent Fund for expenses of the Department of City Development and the Department of Public Works relating to preserving, managing, marketing and sale of City-owned foreclosed properties.

This resolution appropriates and transfers \$639,600 from the 2013 Contingent Fund Account to 3 accounts:

1. An amount of \$525,000 to the Vacant Lot Maintenance Special Fund Account of the Operations Division of the Department of Public Works for expenses related to the cost of maintaining vacant lots and City-owned improved properties including mowing and snow and ice removal.

2. An amount of \$114,600 to the salaries & wages and operations accounts of the Department of City Development to support 4 positions through the calendar year relating to the management and marketing of City-owned properties including properties that may become eligible for conveyance to qualified tenants.

Whereas, As the result of *In Rem* tax foreclosures, the Department of City Development reported that 950 improved properties were owned by the City on May 21, 2013, the large majority of which are residential properties; and

Whereas, The City has filed *In Rem* tax foreclosure proceedings on 791 properties in 2013 and 388 additional properties appear to be eligible for *In Rem* foreclosure filing before the end of 2013, and

Whereas, Recent experience has resulted in City acquisition of more than 2/3 of the properties placed in foreclosure, and it is estimated that between 780 and 885 additional properties will be acquired by the City as the result of foreclosure filings in 2013; and

Whereas, The need for additional staffing support due to the expiration of the federal Neighborhood Stabilization Program and the expansion of lease-to-own initiatives reflected in Common Council File Number 111511 has contributed to an immediate need for resources to sustain efficient and effective management and disposition of City-owned foreclosed properties; and

Whereas, A coordinated effort is planned by the executive to:

1. Continue property rehabilitation, marketing and sales efforts initiated through the federal Neighborhood Stabilization Program (NSP).

2. Initiate a lease-to-own program for *In Rem* foreclosed properties.

3. Provide resources and improved oversight of mowing and snow and ice removal for vacant lots and City-owned properties.

; and

Whereas, These activities are an integral part of a larger program that include:

1. Review of funding allocation from all available sources.

2. Coordination with recommended reprogramming of Community Development Block Grant and federal HOME Investment Partnerships funding as reflected in Common Council Files numbered 130034, 130035 and 130222.

3. Increased demolition of seriously blighted properties.

4. Repair and improvement of the condition of properties for the lease-to-own program.

5. Addressing challenges to the sale of *In Rem* properties to investors resulting from factors that include the decline in tax credit subsidy levels provided by the Wisconsin Housing and Economic Development Authority.

6. Planning initiatives in 2014 to continue and expand programs previously funded through NSP, establish an aggressive demolition program and develop an initiative for vacant lot disposition.

; and

Whereas, The Department of City Development intends, upon approval of funding, to support 4 positions effectively doubling the *In Rem* staff capacity; and

Whereas, Following approval of funding, the Department of City Development intends to submit a communication file to amend the Positions Ordinance, Common Council File Number 120741, by deleting footnote (N) related to 2 of 3 existing positions and establishing position authority for 1 additional Program Assistant II as follows:

1. One Community Outreach Liaison (N)(Y) (Housing Development) to move to Real Estate & Development to coordinate the lease-to-own program.

2. One Housing Rehab Specialist (N)(Y) (Housing Development) to provide technical support for the lease-to-own program.

3. One Housing Program Specialist (Y) (Housing Development) to handle Homebuyer Acquisition/Rental Rehab.

4. One Program Assistant II to provide administrative support in Real Estate & Development.

; and

Whereas, The 2013 City Budget provided \$5 million for the Common Council Contingent Fund, with no expenditures to-date; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that \$639,600 shall be appropriated and transferred from the 2013 Common Council Contingent Fund (#0001-9990-C001-006300) (2013) in the following amounts:

\$525,000 to the Department of Public Works Vacant Lot Maintenance Special Fund Account (#0001-5450-R551-006300) (2013), for expenditures consistent with this resolution.

\$80,300 to the Department of City Development Salaries and Wages Account (#0001-1910-R999-006000) (2013), for expenditures consistent with this resolution.

\$34,300 to the Department of City Development Operating Expenditures Account (#0001-1910-R999-006300)(2013), for expenditures consistent with this resolution.

; and, be it

Further Resolved, That the City Comptroller and other appropriate City officials are directed to take all action necessary to fulfill the intent of this resolution.

LRB147236-3.0
Richard L. Withers
06/25/2013