



Legislation Details (With Text)

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Title: A substitute resolution allocating unspent Rental Rehabilitation Housing Program capital funds to the Milwaukee Employment/Renovation Initiative.

Sponsors: ALD. COGGS, ALD. STAMPER, ALD. RAINEY, ALD. HAMILTON

Indexes: BUDGET, EMPLOYMENT

Attachments: 1. Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
12/17/2019	0	COMMON COUNCIL	ASSIGNED TO		
1/3/2020	1	CITY CLERK	DRAFT SUBMITTED		
1/9/2020	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/9/2020	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
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1/9/2020	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/14/2020	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	5:0
1/21/2020	1	COMMON COUNCIL	ADOPTED	Pass	14:0
1/30/2020	1	MAYOR	SIGNED		

191449

SUBSTITUTE 1

151197

ALD. COGGS, STAMPER, RAINEY AND HAMILTON

A substitute resolution allocating unspent Rental Rehabilitation Housing Program capital funds to the Milwaukee Employment/Renovation Initiative.

This substitute resolution allocates approximately \$580,000 in unspent capital funds from the Rental Rehabilitation Housing Program to the second phase of the Milwaukee Employment/Renovation Initiative.

Whereas, The City of Milwaukee ("City") has a large inventory of tax-foreclosed properties, including many that are vacant, with the largest concentration of properties in the 6th and 15th aldermanic districts; and

Whereas, The Department of City Development ("DCD") is responsible for implementing strategies that return foreclosed properties to productive use and private ownership that generates property tax revenue; and

Whereas, The 2015 City Budget included \$1 million in capital funding for the creation of

a Rental Housing Rehabilitation Program ("RHRP") to renovate City-owned vacant residential properties and operate them as a rental portfolio under City ownership; and

Whereas, Common Council File 151197, adopted December 15, 2015, awarded a contract to Friends of Housing, Inc. ("Vendor") to renovate and manage properties for the RHRP; and

Whereas, City capital funds spent to renovate properties in the RHRP portfolio averaged \$82,226 per property; and

Whereas, After completion of the renovation of five properties, at the request of the Vendor, DCD amended its contract to require only management of those five properties, with no further responsibility by the Vendor to renovate additional properties; and

Whereas, No more properties have been added to the RHRP portfolio, resulting in a balance of approximately \$580,000 in the RHRP account; and

Whereas, In 2017, the City implemented the Milwaukee Employment/Renovation Initiative Program ("MERI"), which provided modest grants to developers to purchase and renovate City-owned foreclosed properties; and

Whereas, The expenditure of \$983,000 through MERI resulted in the renovation of 104 properties and leveraged additional private investment of \$6.9 million; and

Whereas, DCD has developed a revised second phase of MERI ("MERI 2.0"), and is currently evaluating proposals from developers that wish to participate; and

Whereas, Under the revised guidelines for MERI 2.0, the expenditure of \$580,000 will leverage the purchase and redevelopment of approximately 23 properties, at an average investment of approximately \$25,000 in City capital funds per property; and

Whereas, All properties purchased for MERI 2.0 will pay property taxes; and

Whereas, The transfer of unspent RHRP funds to MERI 2.0 will result in redevelopment of a significantly larger number of properties than will continuation of RHRP; now, therefore, be it

Resolved, That the outstanding balance of the capital funds in Account No. 1910-0339-UR049150202 currently allocated for RHRP shall be allocated to MERI 2.0, and expended under the MERI 2.0 program guidelines; and, be it

Further Resolved, That expenditure of the reallocated funds will result in purchase and renovation of tax-foreclosed properties in the 6th and 15th aldermanic districts.

DCD:Martha.Brown:mlb

01/03/20