



## Legislation Text

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**File #:** 181544, **Version:** 1

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### 181544 SUBSTITUTE 1

#### ALD. PEREZ

Substitute resolution relating to contracts between the Department of City Development and Friends of Housing Corporation.

This resolution directs the Department of City Development to work with the City Attorney to explore the feasibility of terminating all contractual relationships with the Friends of Housing Corporation and requires Common Council approval for any subsequent contractual arrangements between the City and Friends of Housing Corporation.

Whereas, Friends of Housing Corporation (FOH) was established by the Housing Authority of the City of Milwaukee (HACM) in 1996 to provide property management services to City agencies and non-profit organizations in Milwaukee; and

Whereas, FOH has since evolved into a privately-run property management service provider; and

Whereas, FOH manages five scattered-site City-owned tax-foreclosed properties under a November 1, 2016, contract with the Department of City Development; and

Whereas, While under management by FOH, City-owned properties have repeatedly been inspected by the Department of Neighborhood Services (DNS) for code violations related to debris, large furniture, and tall grass and weeds in outdoor areas; and

Whereas, FOH also manages scattered-site properties on behalf of the Neighborhood Improvement Development Corporation (NIDC) under a November 30, 2015, contract; and

Whereas, While under management by FOH, NIDC-owned properties have been inspected by DNS for code violations relating to scattered piles of construction debris, debris/litter scattered in alleys, large-item debris/litter in yards, and weeds and tall grass in front yards; and

Whereas, The Executive Director of FOH, Armando Gutierrez, is the registered agent for apartment buildings owned by MGCAT LLC at 1305-1311 W. Madison St., in the 12<sup>th</sup> Aldermanic District ("the Madison St. property"), which are marketed on the Friends of Housing website under Project Restore; and

Whereas, The Madison St. property has been repeatedly inspected by DNS, leading DNS to issue orders to correct code violations as follows:

10/29/2018	Repair or replace defective window screens
10/29/2018	Repair or replace defective concrete or masonry porch steps
10/29/2018	Replace mortar missing from exterior wall

08/03/2018           Solid waste violation  
12/20/2017           Fire extinguisher missing  
12/20/2017   Seal furnace smoke pipe to chimney to ensure a fume proof connection

; and

Whereas, In September 2018, FOH failed to correct a garbage and litter nuisance code violation at 1305 W. Madison St., forcing the City to engage a contractor to correct the violation; and

Whereas, On September 6, 2016, following a history of nuisance activities that led to police services at the Madison St. property, the Chief of Police issued a Notice of Nuisance Premises for the Madison St. property under s. 80-10 of the Code of Ordinances; and

Whereas, On December 6, 2017, the Chief of Police found that two units within the Madison St. property were drug houses under s. 823.113, Wis. Stats.; and

Whereas, On December 6, 2017, following multiple nuisance activities that again led to police services at the Madison St. property, the Chief of Police issued a second Notice of Nuisance Premises against the Madison St. property; and

Whereas, Friends of Housing failed to respond to or provide an abatement plan as required by each Notice of Nuisance Premises; and

Whereas, On four separate occasions in 2018 the Police Department, having provided services at the Madison St. property related to nuisance activities, requested that the Department of Neighborhood Services place special charges and administrative fees totaling \$6,618 against the Madison St. property as permitted under the Code for nuisance premises; and

Whereas, On August 16, 2018, the Chief of Police determined that, having been billed four times for the costs of police services within one year of the issuance of the 2017 Notice of Nuisance Premises, the Madison St. property was a chronic nuisance premises under s. 80-10-6 of the Code of Ordinances; and

Whereas, FOH is therefore responsible for managing the Madison St. property as a chronic nuisance premises and drug house to the detriment of neighbors and the surrounding community; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of City Development is directed to work with the City Attorney to explore the feasibility of terminating all contractual relationships with the Friends of Housing Corporation; and, be it

Further Resolved, That the Department of City Development shall report to the Common Council on the status of contractual relationships with the Friends of Housing Corporation within 90 days; and, be it

Further Resolved, That Common Council approval is required for any subsequent contractual arrangement between the City and Friends of Housing Corporation.

LRB173386-2  
Dana J. Zelazny  
March 18, 2019