



Legislation Text

File #: 191173, Version: 1

191173

SUBSTITUTE 1

141256, 150238, 180808

ALD. HAMILTON, STAMPER, AND COGGS

Substitute resolution directing the sale of neighborhood property and approving a Strong Neighborhoods Challenge Fund Grant to the 30th Street Industrial Corridor Corporation in partnership with Impact Seven, or Assignee.

This substitute resolution provides site control for City properties and approves a grant of up to \$240,000 to a partnership involving 30th Street Industrial Corridor Corporation and Impact Seven or Assignee to provide gap financing for the purchase and renovation of approximately 25 City-owned, tax-foreclosed properties in the Garden Homes and nearby neighborhoods.

Whereas, On December 16, 2014, the Common Council of the City of Milwaukee ("Council") adopted File No. 141256, which approved a Request for Qualifications ("RFQ") for the Challenge Grant Fund Program ("CGFP") to solicit interest from community development organizations and private development firms to acquire and renovate City-owned tax foreclosed properties ("in rem properties") for affordable homeownership and rental opportunities in concentrated geographic areas; and

Whereas, \$1,000,000 in funding was appropriated in the 2015 Strong Neighborhoods budget to establish CGFP as a pilot program; and

Whereas, On September 25, 2018, the Council adopted File No. 180808, awarding a CGFP grant of \$240,000 to Pastors United Milwaukee ("Pastors United") to purchase and renovate properties in the Garden Homes neighborhood; and

Whereas, Pastors United has been unable to complete the project, and will not use the CGFP grant; and

Whereas, A partnership of the 30th Street Industrial Corridor Corporation and Impact Seven ("Developer") intends to apply in December 2019 for an allocation of Low Income Housing Tax Credits ("LIHTC") to purchase and renovate approximately 25 in rem properties to provide affordable rental opportunities in Garden Homes and other nearby neighborhoods in the 30th Street Industrial Corridor; and

Whereas, Low property values in these neighborhoods make the costs of extensive renovation infeasible without City subsidy; and

Whereas, The sale, renovation and re-occupancy of the subject properties will preserve existing housing stock and improve the quality of life for neighborhood residents; and

Whereas, The development partnership includes a long-standing community organization that has served north side neighborhoods for many years and a respected Community Development Financial Institution; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of City Development ("DCD") is directed to enter into a Purchase and Sale Agreement with Developer for the properties listed in the Term Sheet attached to this file as Attachment A, with the understanding that individual properties may be exchanged for other properties in the City's in rem inventory as needed to ensure project success; and, be it

Further Resolved, That a CGFP grant of up to \$240,000 shall be made available to Developer in accordance with the Term Sheet; and, be it

Further Resolved, That funding for City costs under this CGFP grant shall be allocated from the Capital Improvements In Rem Program Account No. 1910-UR04916002 and 1910-UR04917002; and, be it

Further Resolved, That if Developer is not awarded LIHTC financing for the project in spring 2020, the properties will be released for general marketing, and CGFP funds shall be allocated to other housing programs that support the redevelopment of in rem properties; and, be it

Further Resolved, That the appropriate City officers are authorized to take such acts as are necessary to implement the provisions and intent of this resolution, including signing and causing the City to enter appropriate development agreements with recipients, to be prepared by DCD in consultation with the City Attorney's Office.

DCD:Martha.Brown.mlb

11/11/19