



Legislation Text

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ORIGINAL

030680; 091517

THE CHAIR

Resolution relating to procedures for initiating in rem foreclosure proceedings.

This resolution directs that the internal protocol for initiating the use of in rem foreclosure actions be modified to provide that four regular foreclosure filings be initiated during 2011 for tax-delinquent properties, as provided in the 2011 Proposed Executive Budget. The resolution specifies that these filings include expedited filings for those tax-delinquent residential properties that are found to be vacant or to be abandoned by the owners or by persons having control of the properties and that Common Council members and City departments identify as the most critical to blight prevention and redevelopment priorities.

Whereas, The City Treasurer generally refers delinquent-property taxes to the City's outside collection attorney for action using the in personam remedy; and

Whereas, In those situations where the in personam remedy is not effective and/or where the City is willing to own the delinquent parcels, the City Treasurer will bring regular in rem property tax foreclosure actions against those delinquent parcels under s. 75.521, Wis. Stats.; and

Whereas, There are circumstances where - either as a part of the City Treasurer's regular filings or on a separate basis - it is in the City's best interest to bring in rem actions to advance community preservation and improvement objectives; and

Whereas, Examples of such circumstances include, but are not limited to, instances where:

1. The City has approved agreements for conveyances of the delinquent parcels to third-party developers under s. 75.106, Wis. Stats., (a brownfield-redevelopment tool); or
2. The City wishes to acquire the property for blight elimination or other development reasons; or
3. The property is a nuisance or is otherwise a blighting influence, and City ownership and control of the parcel will mitigate or ameliorate the nuisance or blight.

; and

Whereas, An "Internal Protocol For Community-Improvement-In-Rem-Foreclosure" ("Protocol") was developed and implemented following adoption of Common Council Resolution File Number 030680 on September 23, 2003, which provides for in rem foreclosure proceedings involving brownfield redevelopment properties, blighted properties and nuisance properties; and

Whereas, Common Council Resolution File Number 091517, adopted on April 13, 2010, modified this internal protocol for in rem foreclosure proceedings to provide that residential properties determined to be vacant or abandoned be placed in rem foreclosure filings at the earliest lawful time following tax delinquency; and

Whereas, The recent economic downturn and distress in the residential property market have resulted in an increase in the number of vacant properties and properties that, though occupied, have been effectively abandoned by owners; and

Whereas, Vacant and abandoned properties contribute to neighborhood blight, depress neighborhood property values, foster arson, drug, gang and other criminal activity, and are likely to deteriorate if left vacant or abandoned over time; and

Whereas, It is appropriate for a Protocol to provide for in rem or expedited in rem foreclosure procedures for vacant or abandoned residential properties that are tax-delinquent; and

Whereas, It is in the interest of the public and the City to redevelop and return vacant and abandoned properties to occupancy and to ownership by responsible owners at the earliest possible time; and

Whereas, Acquisition by the City of vacant and abandoned tax-delinquent properties in an orderly and, where needed, an expedited process will assist in preventing deterioration of the properties and of the neighborhood: and

Whereas, Acquisition by the City of vacant and abandoned tax-delinquent properties does not relieve banks that own mortgage-foreclosed properties or properties in the foreclosure process of their responsibilities to register such properties with the City, maintain them in salable condition and market them to viable potential owners; and

Whereas, The 2011 Proposed Executive Budget includes additional funding from multiple sources to provide for:

1. Regular in rem foreclosure proceedings as well as expedited proceedings.
2. Management of City-owned parcels, including vacant lots.
3. Repair and rehabilitation of City-owned parcels so they are in salable condition.
4. Resources for the marketing and sale of City-owned properties.
5. Resources for proactive coordination with banks with respect to the maintenance and sale of their mortgage-foreclosed properties.
6. Demolition of properties acquired through the in rem process whose condition is blighting and beyond cost-effective repair.

; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Protocol and procedures adopted as a result of Resolutions File Number 030680 and File Number 091517, are modified to provide that residential properties determined to be vacant or abandoned be placed in in rem foreclosure filings on a regular basis, and on an expedited basis, if needed, through four foreclosure filings during 2011 following tax delinquency; and, be it

Further Resolved, That the Department of Neighborhood Services, the Department of City Development, and Common Council members shall coordinate efforts to identify tax-delinquent properties that are also vacant residential properties or properties that, though occupied, have been effectively abandoned by the owners, or the agents of the owners responsible for maintaining the properties, and may refer these properties to the City Treasurer and the City Attorney for in rem foreclosure proceedings at the earliest possible time; and, be it

Further Resolved, That the City Treasurer and City Attorney shall commence such foreclosure action as soon as feasible; and, be it

Further Resolved, That factors which may be considered as evidence of abandonment include, but are not limited to, inability to locate the owner of record, tax delinquency of more than one year, physical evidence that the property is not occupied, and evidence that the property is subject to mortgage foreclosure proceedings that have not resulted in a sheriff's sale or other transfer of ownership.

DOA - Budget Management Division
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Clerical correction -- jro -- 11/16/10