

# CITY OF MILWAUKEE

# STRONG

## NEIGHBORHOODS PLAN

IMPACT REPORT • Q4 2015 • MAYOR'S OFFICE • MILWAUKEE.GOV/STRONG

In 2014, Mayor Barrett and the Common Council established the Strong Neighborhoods Plan as the City's "all hands on deck" approach to vacancy and foreclosure. The Plan seeks to build on Milwaukee's success in stabilizing the housing market, and continue the city's recovery from the foreclosure crisis. Since 2014, the Mayor and Council have allocated nearly \$36 million for Strong Neighborhoods. This quarterly bulletin will share the progress, successes, and challenges the City faces in meeting the Plan's goals.

### The plan has four strategic goals:

- **PREVENT** tax delinquency and tax foreclosure
- **MITIGATE** blight and ensure vacant properties do not deteriorate
- **REVITALIZE** neighborhoods through sales and rehab of tax-foreclosed property
- **RENEW** Milwaukee neighborhoods by activating vacant space

### Notable achievements and events in 2015 include:

- A total of 511 City-owned homes sold in 2015, as well as 245 vacant lots and 19 commercial properties
- Over \$26.8M in estimated taxable value resulting from those sales, reducing the tax burden on property owners
- Improvements to 137 vacant lots, including new gardens, orchards and pocket parks
- Wells Fargo and the Greater Milwaukee Foundation partnered with the Neighborhood Improvement Development Corporation to stabilize neighborhoods by offering matching grants up to \$3,000 per household for up to 75 homeowners in the Capital Heights, Havenwoods and Lincoln Village neighborhoods to perform exterior home improvements
- Friends of Housing, Inc. selected to renovate and manage 20-30 City-owned properties through the Rental Rehabilitation Program
- A total of 16 deconstruction projects completed and 176 properties referred for salvage
- Tax delinquency for the current levy is down 18% since December 2013
- The Environmental Collaboration Office expand their scope of work to include commercial corridor "streetscape" improvements to City and private lots along North Avenue between 5th and 20th street to install green infrastructure that will reduce stormwater runoff, wastewater treatment costs and flooding risks
- Ocwen Financial Corporation announces its commitment to Milwaukee homeowners by providing financial contributions to the Strong Homes Loan Program, conducting outreach events for local borrowers. and providing loan modifications for borrowers at risk of foreclosure

**Let's work together to build a stronger Milwaukee**

### Notable Common Council legislation in 2015:

**151197** – Authorized the Department of City Development to expend up to \$1M in funding to implement the Rental Rehabilitation Program that will transform City-owned vacant properties into affordable rental units

**151204** - Repeals the registration of residential mortgage loans in default due to voluntary agreements with mortgage loan servicers that eliminate any current need for the City to implement

### Upcoming Events

#### Homebuyer Orientation Session

*Learn about \$20,000 forgivable loan*

**Tuesday, March 15, 6-7:30p.m.**

Washington Park Library (Community Room),  
2121 N. Sherman Blvd.

[milwaukee.gov/HBA](http://milwaukee.gov/HBA)

#### Free Landlord Training

**Tuesday, March 1 & 2, 4:30p.m.-7:30p.m.**

Water Tower

4001 S. 6th St., 3rd Flr

*\*Must attend both evening sessions to receive certificate of completion*

**Wednesday, March 16, 8:30a.m.-3p.m.**

Water Tower

4001 S. 6th St., 3rd Flr

[milwaukee.gov/Landlordtraining](http://milwaukee.gov/Landlordtraining)

#### Take Root Milwaukee Homeownership Fair

**Saturday, March 26, 8a.m.-12p.m.**

State Fair Expo Center,  
8200 W. Greenfield Ave.

[realtorshomeandgardenshow.com](http://realtorshomeandgardenshow.com)

### Resources

[milwaukee.gov/strong](http://milwaukee.gov/strong)

Email contact: [strong@milwaukee.gov](mailto:strong@milwaukee.gov)

Sign up for E-notify to receive monthly City Real Estate E-newsletters and property updates via email. Subscribe to "City-Owned Homes" under New Property Sales Listings:

**[milwaukee.gov/CityRealEstateE-Newsletter](http://milwaukee.gov/CityRealEstateE-Newsletter)**



# 1 Prevent

## KEY INDICATORS

December 31 YTD totals	2014	2015
Filed bank foreclosures	1,815	1,771
Bank-owned properties (est.)	1,414	1,400
Tax foreclosures filed	893	848
Tax-foreclosures acquired	68%	63%

Since 2014

**18%**

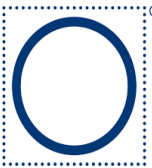
reduction  
in tax  
delinquency

**P**revention strategies keep properties out of tax foreclosure and bank foreclosure. There has been an 18% reduction rate in tax delinquency since 2014, and about 2,000 properties were kept out of the tax foreclosure pipeline. Bank owned inventory is unchanged and preventing bank foreclosure remains a focus.

In June, Milwaukee Water Works sent over 44,000 early notification letters to customers with delinquent balances eligible to be placed on tax bills. Deferred payment plan arrangements and transactions with Milwaukee Water Works increased over 35%, keeping owners out of tax trouble.

In 2015, the Strong Homes Loan and Code Compliance Loan programs made 125 loans, averaging approximately \$13,709 to assist homeowners with critical repairs. The 2016 budget includes \$2M to continue these prevention-focused programs.

Wells Fargo and the Greater Milwaukee Foundation have partnered with NIDC to create the Healthy Neighborhoods Minor Home Improvement Pilot Program. This new program launched in January 2016 and offers matching grants for homeowners to perform exterior home improvements. The program's goal is to complete 75 projects in three targeted neighborhoods including Capital Heights, Havenwoods and Lincoln Village. Wells Fargo, Greater Milwaukee Foundation and the NIDC will contribute up to 75% of the total project cost.



OCWEN

The Administration, the Council and the City Attorney have been working with banks and servicers to increase outreach to homeowners at risk of foreclosure. In January, Ocwen announced their commitment to Milwaukee residents. Their contribution includes:

- A financial contribution of \$225,000 to the Strong Homes Loan Program over the next three years
- Loan modifications for borrowers at risk of foreclosure
- Three outreach events per year for local borrowers
- Donation of properties to local community groups for rehabilitation

# 2 Mitigate

## KEY PERFORMANCE MEASURES

December 31 YTD totals	2014	2015
Demolitions	440	136
Salvage referrals	-	176
Deconstruction projects	-	16

**A** deconstruction and salvage pilot program launched this year in an effort to reduce landfill waste and salvage valuable building material. Jake's Wrecking Crew has completed 16 hybrid deconstruction projects. This program also created over 70 temporary jobs and training experiences for Milwaukee men and women, giving them skills necessary for work in the construction field.

Jake's is currently exceeding Residents Preference Program (RPP) and Small Business Enterprise (SBE) standards. A final summary with RPP and SBE totals for Strong Neighborhoods efforts in 2015 will be available in early March.

**176** properties  
referred for  
deconstruction  
and salvage

Before deconstruction begins, salvageable materials are removed from the property. These materials are sold at WasteCap's warehouse located on 21st and Michigan. They are open to the public and offer

a variety of items for interior and exterior restoration and construction. WasteCap continues to build capacity to expand the scope of materials that can be salvaged.

In 2015, a total of 136 blighted properties were demolished. The Department of Public Works's (DPW) "wrecking crew" completed 91 of those demolitions. This has a significant impact on restoring the health of neighborhoods throughout the City. The 2016 budget includes \$3M in funding to support the demolition and deconstruction of 207 properties.

This budget also includes funding to support a new effort to accelerate tax foreclosure. Selected vacant and abandoned properties will be subject to *in rem* filings after one year of tax delinquency instead of the current practice of three years. Early acquisition can prevent vacant homes from blighting otherwise stabilized neighborhoods.



▲ Deconstruction project in progress

# 3 Revitalize

## KEY PERFORMANCE MEASURES

December 31 YTD totals	2014	2015
City direct sales	292	339
ACTS Housing	33	39
Real estate brokers	110	135
City Rent-To-Own	2	17
<b>TOTAL</b>	<b>437</b>	<b>530</b>
Owner-occupancy rate	52%	61%
<b>Restored Tax Base (Est.)</b>	<b>\$18.8M</b>	<b>\$26.8M</b>

**S**ales of City-owned properties by the Department of City Development (DCD) broke records in 2015. A total of 511 residential properties were sold this year, with 61% of those sales going to owner-occupants. These sales add an estimated \$26.8 million to the tax rolls. The City sold it's **1,000th** property under the Strong Neighborhoods Plan in February 2016!

Sales are supported through various incentive loan programs and new initiatives to repair City-owned properties. The Homebuyer Assistance program offers fully forgivable loans up to \$20,000 to assist homebuyers with the rehabilitation of City-owned homes. In 2015, 85 applications were received for this program and dozens were pre-approved or closed.

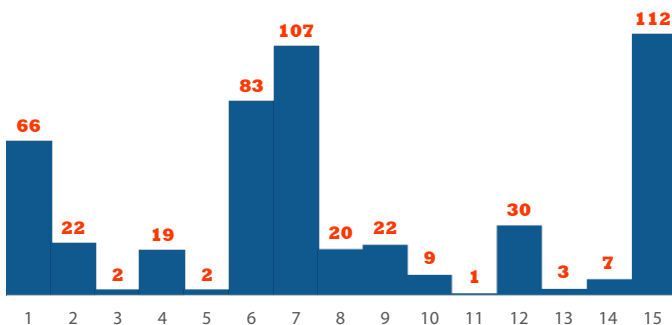
Productive commercial properties contribute to the overall health of neighborhoods. In 2015, 19 City-owned commercial properties were sold. Buyers of City-owned commercial properties have a "toolbox" of resources available to assist with revitalization efforts, including the facade and signage grant programs that reimburse up to 50% of improvement costs.



The Rental Rehabilitation program was finalized in December. Friends of Housing, Inc. has been selected to rehabilitate and manage these

properties as affordable housing units. Friends of Housing is currently working with DCD to identify 20-30 properties and prepare scope work and cost estimates for renovation. Work is scheduled to begin in early spring 2016 and includes 40% RPP and 40% SBE goals.

### Home Sales by Aldermanic District



# 4 Renew

## KEY PERFORMANCE MEASURES

December 31 YTD totals	2014	2015
Vacant lot sales	99	245
Vacant lot improvements	75	137

Since 2014

**147%**

increase in  
vacant lot  
sales

**V**acant lot improvements contribute to the health of neighborhoods. These improvements deter illegal dumping, remove blight and improve safety for residents. In 2015, 137 vacant lot improvements were completed adding value to those communities.



In 2015, the City sold 245 vacant lots which includes 17 commercial lots. Much of the success is due to a \$1 lot pilot program expanded this year allowing homeowners to purchase a vacant lot adjacent to their property. Each lot sold will now generate tax revenue of \$75 to \$150 per year and eliminate an average of \$320 in yearly maintenance cost.

Mayor Barrett's HOME GR/OWN program has made tremendous strides this year. The team has worked diligently to make improvements to City lots through sustainable design practices. The improvements have activated spaces that were once nuisances for residents. In 2015, HOME GR/OWN created six pocket parks and 14 orchards throughout the Northside of the City with a focus in the 6th, 7th and 15th Aldermanic Districts. These Districts have the largest amount City-owned vacant lots.

On South 5th Place, in Alderman Perez's district, residents completed a Community Improvement Project (CIP) that transformed a nuisance lot into communal space. Residents worked with the Southside Organizing Committee to design the space. The Neighborhood Improvement Development Corporation and the Greater Milwaukee Foundation committed over \$3,000 for this project.



Transformed  
vacant lot at  
2035 S. 5th  
Place





### Strong Homes Loan

*Partially  
Forgivable Loans*

#### Strong Homes Loan Now Accepting Applications

This program offers partially-forgivable loans up to \$20,000 to owner-occupants for emergency essential home repairs. It provides technical and financial assistance to owners who are current on their mortgage and property taxes. Loans are disbursed on a first-come, first-served basis. The demand exceeded funding in 2015. Applications can now be requested through NIDC, visit their website for more information.

[milwaukee.gov/Strongloan](http://milwaukee.gov/Strongloan)



#### Greenpath Offers Free Foreclosure Prevention Services

GreenPath Financial Wellness is a non-profit, third party, HUD certified credit counseling agency. A GreenPath housing advisor can help you understand the home buying process and prepare you for the requirements of homeownership. You can contact Greenpath or any HUD-certified counselor if you have financial concerns you would like to work out prior to beginning the homebuying process.

[greenpath.com](http://greenpath.com)



#### Take Root Milwaukee Sustains Home Ownership

Take Root Milwaukee supports efforts to sustain homeownership. They connect people with valuable resources that provide assistance to help them purchase and keep a home. Their professional housing counseling services and access to resources are provided free or at low-cost. Take Root and the City of Milwaukee are hosting a Homeownership Fair Saturday March 26 at the State Fair Expo Center. Check their website for more details.

[takerootmilwaukee.com](http://takerootmilwaukee.com)



#### Metropolitan Milwaukee Fair Housing Council Assists In Recovery

A Southside resident contacted MMFHC for assistance after realizing he was a victim of mortgage rescue scam. The resident received a mailing from an out-of-state law firm that claimed they could help lower his monthly payments. The homeowner agreed to send payments to the firm totaling \$12,000 but received a default notice from his lender. MMFHC filed a complaint with the Consumer Financial Protection Bureau (CFPB) which led to a refund of \$8,000 to the homeowner from the California Bar Association's client security fund. If you, a family member or a friend are concerned contact MMFHC.

[fairhousingwisconsin.com](http://fairhousingwisconsin.com)

**Get \$20,000 toward  
a City-owned home**



**Attend a  
Homebuyer  
Orientation  
Session**

#### Homebuyer Assistance Program

The Homebuyer Assistance Program provides funding to help prospective homeowners rehabilitate foreclosed homes that they will occupy as their primary residence. The program offers technical and financial assistance. Fully forgivable second mortgage loans of up to \$20,000 are available to assist with rehabilitation costs. A City Rehab Specialist will finalize a scope of work, obtain bids and select your contractor. Attend a Homebuyer Orientation Session to receive more information.

[milwaukee.gov/HBA](http://milwaukee.gov/HBA)

Available online at:  
[milwaukee.gov/strong/resources](http://milwaukee.gov/strong/resources)

Last update: 3/3/2016

