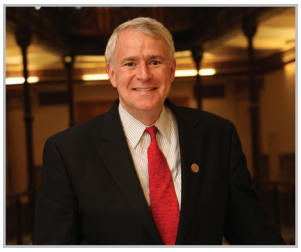


CITY OF MILWAUKEE

STRONG NEIGHBORHOODS PLAN

IMPACT REPORT • Q3 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 $24 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 Q3 2015 include:

- A total of 382 City-owned homes sold, as well as 173 vacant lots and 13 commercial properties
- Over $16.4 million in estimated taxable value resulting from those sales, reducing the tax burden on property owners
- The Strong Neighborhoods Challenge Fund awarded projects to the Housing Authority, Northwest Side Community Development Corporation/Gorman to rehab 30 City homes in Century City and Harambee
- Over 116 properties on the demolition list have been referred for material salvage or hybrid deconstruction through September 2015
- Nationstar Mortgage announced their donation of $500,000 to the Strong Homes Loan program and a commitment of $30M in loan modifications for Milwaukee homeowners over the next 3 years
- An early notice letter from Milwaukee Water Works resulted in a 12% increase in call center volume year-over-year and a 34% increase in deferred payment plan agreements reducing, tax foreclosure risks
- A Harambee Realtor Co-Op event took place Friday, October 2 with Alderwoman Coggs, Riverworks Development Corporation, Harambee Great Neighborhood Initiative, Westcare Wisconsin, GMAR, local realtors and representatives from various City Departments walking through Harambee in an effort to identify community assets to build upon existing developments in the area to increase homeownership

Notable Common Council legislation in Q3 2015:

150271 – Resolution appropriating an additional $250,000 to the Strong Home Loans program

150721– Resolution accepting a $500,000 donation to the City for the Strong Home Loans program from Nationstar Mortgage, LLC and $30M in financial assistance through loan modifications over the next 3 years

150555: Comptroller's audit report on the City's *in rem* foreclosure process and residential real estate management, with no major findings or deficiencies.

Upcoming Events

Homebuyer Orientation Session
Learn about $20,000 forgivable loan
Tuesday, November 10, 6-7:30pm
Washington Park Library Community Room,
2121 N. Sherman Blvd.
milwaukee.gov/HBA

5th Annual Housing Resource Fair with Alderwoman Coggs and Alderman Stamper
Saturday, November 10, 10am-2pm
UACB Lee Campus
921 W. Meinecke Ave.
Featuring information from City Departments, DCD Real Estate and NIDC, plus workshops available
milwaukee.gov/NIDC

Take Root Milwaukee/City of Milwaukee Homeownership Fair
Saturday, March 26, 8am-12pm
State Fair Expo Center,
8200 W. Greenfield Ave.
takerootmilwaukee.com

Resources

For program information, data, downloads and more, visit:

milwaukee.gov/strong

Email contact: **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

Let's work together to build a stronger Milwaukee

1 Prevent

KEY INDICATORS

September 30 YTD totals	2014	2015
Filed bank foreclosures	1,815	1378
Bank-owned properties (est.)	1,414	1,400
Tax foreclosures filed	893	848
% Tax-foreclosures acquired	68%	63%

Since 2014
5%
reduction in tax delinquency

Bank-owned inventory accounts for 54% of total foreclosed properties in the city. These homes are more likely to be tax delinquent and vacant and affect the health of neighborhoods by decreasing home values and putting a larger tax burden on current homeowners.

The Administration and City Attorney are actively working with servicers and Federal agencies to get those properties moving back to the market. Examples include:

- In August, Nationstar Mortgage announced their donation of $500,000 to the Strong Homes Loans Program and their commitment of up to $30M for loan modifications to Milwaukee homeowners over the next 3 years

- Nationstar also participated in co-branded mailings with Select Milwaukee sending 730 mailings to delinquent customers as part of an outreach strategy to workout loan modifications

- The City of Milwaukee, Hope Now and Take Root held a Foreclosure Mitigation event in August that connected 197 households who are mortgage delinquent with housing counselors and servicers

KEY PERFORMANCE MEASURES

Loan Programs	2015 Goal	Sept 30,2015
Strong Home Loan		
# of loans	50	88
Loan amount	$1,000,000	$1,162,067
Code Compliance Loan		
# of loans	35	21
Loan amount	$500,000	$235,916

Two prevention-focused loan programs exceeded goals for 2015. The Code Compliance Loan program and Strong Homes Loan program have a combined total of over 100 loans that have closed as of September 30 to assist city homeowners, and a combined value of over $1.4M.

2 Mitigate

KEY PERFORMANCE MEASURES

September 30 YTD totals	2014	2015
Demolitions	440	119
Salvage referrals	-	110
Deconstruction projects	-	16

The 2015 budget set a goal of demolishing or deconstructing 170 properties. To date, 119 demolitions have been completed with an additional 108 demolitions in queue or out for bid to be completed by year-end.

The Department of Neighborhood Services (DNS) continues to work at an incredible pace to prepare buildings for demolition and salvage. The Department of Public Works (DPW) "wrecking crew" performs demolitions on City-owned properties. To date, DPW has completed 65 of the total 119 demolitions. This in-house approach continues to add capacity and flexibility to remove blight. The DPW demolition crew handles almost entirely residential properties, and has recently taken on several mixed-use commercial properties as their proficiency has increased.

The 2016 goal is to complete 207 demolitons and deconstructions with a focus on expanding the number of deconstruction and salvage projects. DNS will continue to make referrals to Waste Cap for salvageable materials to be sold at their facility on 21st and Michigan.

Waste Cap is continuing to build capacity to expand the scope of materials that can be salvaged, including working with training and non-profit organizations to build skills.

Salvage and deconstruction increased this year as an alternative to traditional demolition. As of September 30, 110 properties have been referred for salvage and 16 deconstruction projects have been completed with an additional 12 properties to be referred for salvage by year-end.

3 Revitalize

KEY PERFORMANCE MEASURES

	2014 Final	2015 – Sept 30
City direct sales	292	243
ACTS Housing	33	34
Real estate brokers	110	93
City Rent-To-Own	2	12
TOTAL - Residential	**437**	**382**
Owner-occupancy rate	*52%*	*58%*
Restored Tax Base (Est.)	**$18.8M**	**$16.4M**

Sales of City-owned homes are on track to out-perform 2014 sales. The owner-occupancy rate on home sales is 58% year-to-date. As of September 30, City direct sales account for 63% of the 382 total sales.

The Rental Rehabilitation program was added as an amendment to the 2015 City budget. An RFQ went out in August for developers and management teams. Responses have been received and are currently under review. A contract will be in place by the end of the year and work is scheduled to begin in early spring 2016.

STRONGBLOCKS

The City partners with numerous organizations to assist potential homeowners in purchasing and maintaining homes. Strong Blocks offers affordable home ownership with their 21-month rent-to-own program. Strong Blocks currently has 19 homes available in their portfolio with 7 of those purchased from the City. They have worked with the City to reduce City-owned inventory while making homeownership attainable for many residents.

Milwaukee Prosperity Rentals is a partnership between the City, Brinshore Development and Maures Development Group. This project was funded with Low-Income Housing Tax Credits. A total of 35 units will be restored and rehabbed in both the Lindsay Heights and Harambee neighborhoods. Of these units, 6 are duplexes, 19 are single family homes and 1 four-unit building. All 26 properties were tax foreclosed City-owned homes. The rehabilitation phase has been completed for 20 properties and all have been leased. The remaining 6 are scheduled to be completed in December 2015.

4 Renew

KEY PERFORMANCE MEASURES

	2014 Final	2015 – Sept 30
Vacant lot sales	99	173
Vacant lot improvements	47	76

Since 2014 **74%** increase in vacant lot sales

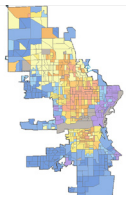
Vacant lot improvements contribute to the overall health of a neighborhood by the removal of blight, deterring of illegal dumping and activation of public spaces for residents.

As of September 30, the Strong Neighborhoods Plan has completed 76 vacant lot projects. The 76 lot improvement projects have improved 123 City parcels. To date, 173 lots have been sold this year, nearly doubling the amount sold in all of 2014.

An example of activated spaces is taking place on South 5th Place in Alderman Perez's district. The residents are working with the Southside Organizing Committee, Alderman Perez's Office, DNS, DPW, the Mayor's Office and MPD to address multiple housing and public safety issues. They broke ground recently on a Community Improvement Project (CIP) that will transform a vacant lot into a gathering space for residents with garden beds and benches.

Home Gr/OWN was recently named a winner of the SxSW Eco International Places by Design contest in the Urban Strategies category for their Partners for Places project, Ezekiel Gillespie Park. This project was made possible through a number of partnerships including UWM's Community Design Solutions who provided the design. Construction was provided by Simon Landscaping, the Energy Exchange & Walnut Way's Blue Skies Landscaping, which employed residents from the neighborhood.

STRONG Updates



TRF THE REINVESTMENT FUND

Getting Smart on Neighborhoods

The Reinvestment Fund, based in Philadelphia, is hosting their inaugural Community of Practice gathering in Milwaukee November 10 and 11. Representatives from 9 cities, including Milwaukee, will gather at the Greater Milwaukee Foundation to discuss neighborhood strategies and the use of the Market Value Analysis (MVA). City departments are working currently on ways to better use the MVA philosophy and data to improve work in neighborhoods and target City efforts in ways that improve neighborhood outcomes and market conditions.

trfund.com/policy/public-policy/market-value-analysis

Map Milwaukee

Information is a powerful weapon to fight vacancy and blight. The **Strong Neighborhoods Plan** map service is available online. Launched in late 2014, the service lets residents, developers, and City staff see up-to-date information on City-owned property, bank foreclosures, demolitions, and more. Developed without additional staffing or costs, the map service allows searching, downloadable data, and connects residents with Click For Action to report problems with property on their blocks.

milwaukee.gov/mapmilwaukee

Housing Resource Guide

For Homeowners and Homebuyers

Revised Housing Resource Guide Now Online

From duplexes to bungalows, old Victorians to new single family construction, there is a house in Milwaukee to fit every preference and price range. Whether you are looking for help in repairing your Milwaukee house, or are interested in purchasing a home of your own, this guide will help you in your work. We welcome and appreciate your investment in the City and your neighborhood!

milwaukee.gov/strong/prevent

Milwaukee Water Works

Water Works Early Notification Cuts Risk of Tax Delinquency

Milwaukee Water Works mailed over 44,000 notification letters this summer to customers that were at risk of having charges sent to their tax bills in November. This resulted in a 12% increase in call center volume year-over-year, and a 34% increase in deferred payment plan agreements, reducing tax foreclosure risks. Further results of this effort will be available in November 2015.

milwaukee.gov/water

select MKE milwaukee

Achieving, preserving, sustaining the dream of homeownership

Select Milwaukee Asisists Homeowners with Mortgage Modifications

Select Milwaukee is a nonprofit homeownership counseling organization. Homeowners that participate in the National Foreclosure Mitigation (NFMC) Program are twice as likely to achieve a mortgage modification. Select Milwaukee can slao serve as an advocate if you are already in the foreclosure process. Specialists are trained to review financial information with you and discuss programs that may be available to help you avoid foreclosure. A representative will contact your lender in order to include them in the mediation process and reach a mutually agreeable solution.

selectmilwaukee.org

Available online at:
milwaukee.gov/strong/resources

Last update: 11/2/2015

CITY OF MILWAUKEE STRONG NEIGHBORHOODS PLAN

City of Milwaukee

MILWAUKEE

Produced by the City of Milwaukee
Office of the Mayor and Department of City Development