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FOR INFORMATION CALL

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Ald. Michael J. Murphy
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Nonprofits can buy city-owned foreclosures for \$1, additional marketing to continue

Qualifying nonprofit organizations will be allowed to purchase certain city-owned, tax-foreclosed properties for one dollar, under legislation approved today by the Milwaukee Common Council and authored by **President Michael J. Murphy**, with the co-sponsorship of Council Members **Russell W. Stamper II, Robert Bauman, Willie C. Wade, Nik Kovac and Ashanti Hamilton**.

At the same time, efforts to market such properties will receive additional support from private real estate brokers. Alderman Murphy said other adopted legislation that he co-sponsored will expand a pilot program that has met with significant success.

"I'm glad to see this pilot program exceeding our expectations," Alderman Murphy said. "Using real estate brokers to market the city's stock of foreclosed properties has turned out to be an excellent example of a public-private partnership with the potential to benefit property owners citywide."

Last November, the Common Council directed the Department of City Development to establish a nine-month trial program that would select five real estate brokers to market up to 100 tax-foreclosed properties. DCD reported that, as of mid-July, the real estate brokers selected in a Request for Qualifications had sold 67 properties, with 18 more offers accepted pending closing.

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Foreclosed property sales/ADD ONE

Legislation approved today by the Common Council ([file #140569](#)) directs DCD to select five more brokers to participate in the program, for a total of 10, and allows them to market all 1,000 of the foreclosed properties currently owned by the city.

Alderman Murphy said this legislation will work well together with the resolution authorizing one-dollar property sales to qualifying nonprofits, improving upon the substantial headway made over the last year in selling city-owned foreclosed homes.

“I was recently contacted by Common Ground, a remarkable nonprofit that is interested in purchasing and rehabilitating some of the properties to which the City of Milwaukee holds the deeds,” Alderman Murphy said. “But they needed assistance from the city in order to maximize the good they can do.”

The city previously charged nonprofits \$1,000 for foreclosed properties. But under [file #140635](#), which was also approved today by the Common Council, qualifying nonprofits can pay \$1 to acquire a property that has been on the market for at least 60 days, as long as the city’s asking price for that property is not greater than \$20,000.

Qualifying nonprofits must be a registered 501(c)(3) organization with demonstrable experience in residential renovation. Buyers are required to show proof of financing for renovation work prior to closing, and the property will be subject to real estate taxes if the buyer maintains it as an investment. Buyers must conform to other applicable city policies.

“This is yet another good step toward moving city-owned foreclosures off of the auction block and onto the tax rolls,” Alderman Murphy said. “Instead of accumulating blight and negative equity, these properties can once again become someone’s home.”