



DEPARTMENT OF  
**CITY DEVELOPMENT**

**T<sup>3</sup>OP:**  
**Tenant Transition To  
Ownership Program**

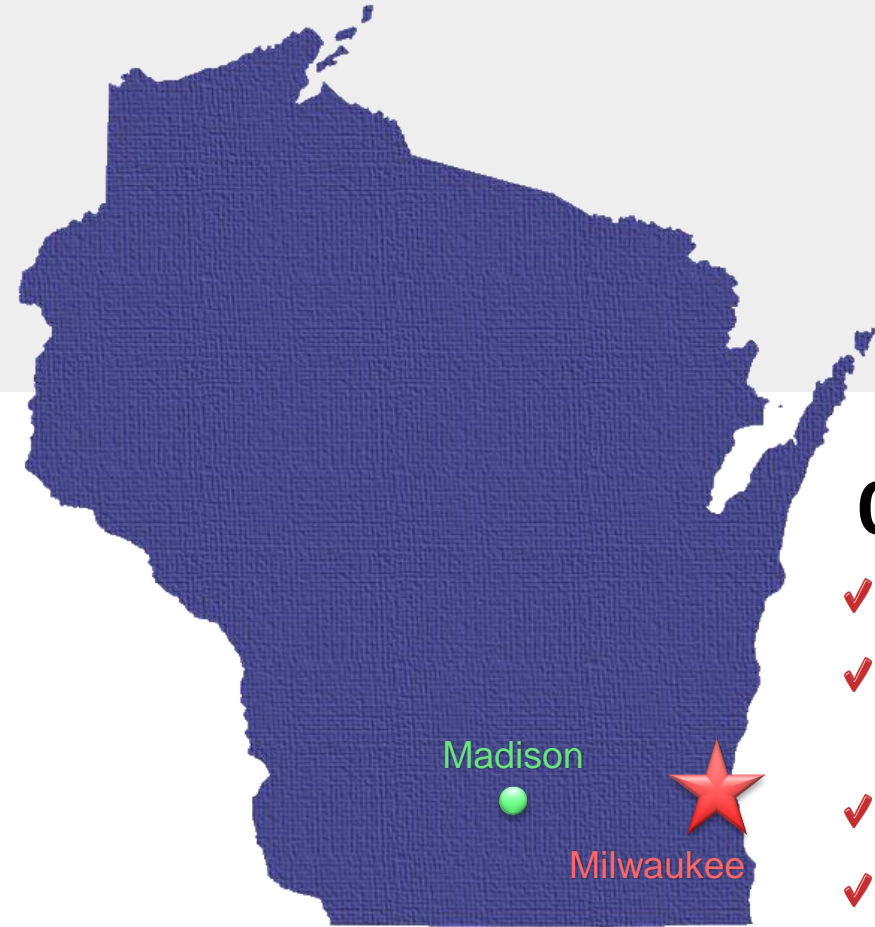
**Make It Home Learning Cohort  
August 25, 2022**

# City of Milwaukee Data

- Population 577,222
- \$134,100 Median Home Value
- \$43,125 AMI
- 41% Owner-Occupied Housing

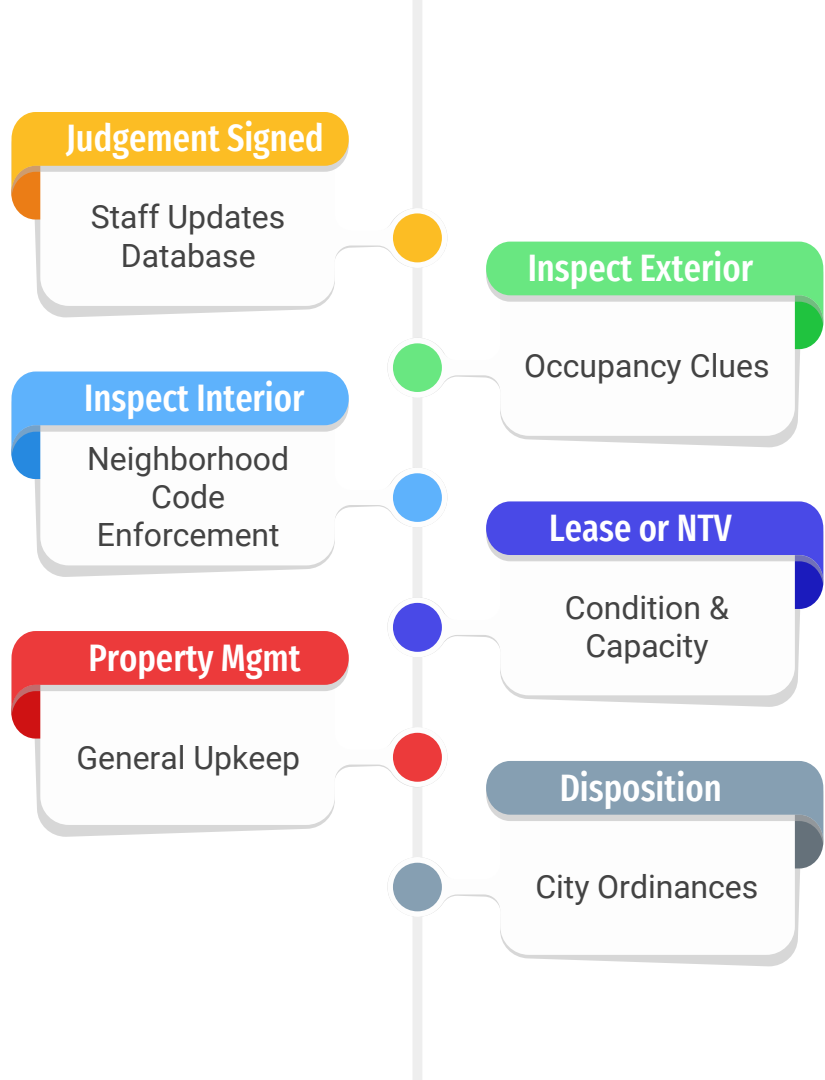
## City of Milwaukee Tax Foreclosure

- ✓ Milwaukee is the only City of the 1<sup>st</sup> Class
- ✓ Collections, then foreclose against property (*in personam*, then *in rem*)
- ✓ Provide payment to other taxing jurisdictions
- ✓ Free and clear title, act as landbank



# Acquisition Timeline

- ✓ 3 – 4 Times Annually
- ✓ Residential
- ✓ Commercial
- ✓ Vacant Lots



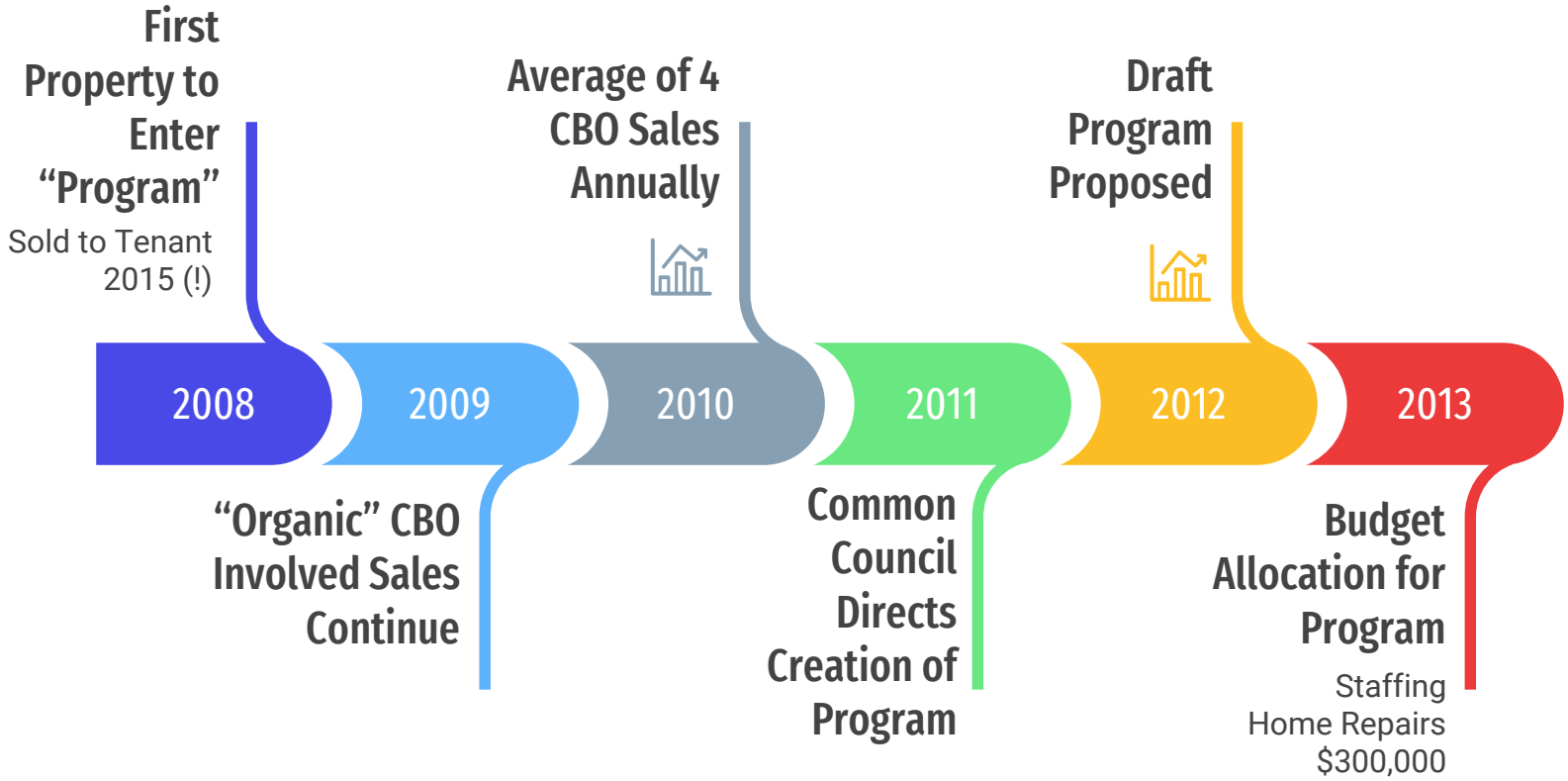


T<sup>3</sup>OP:

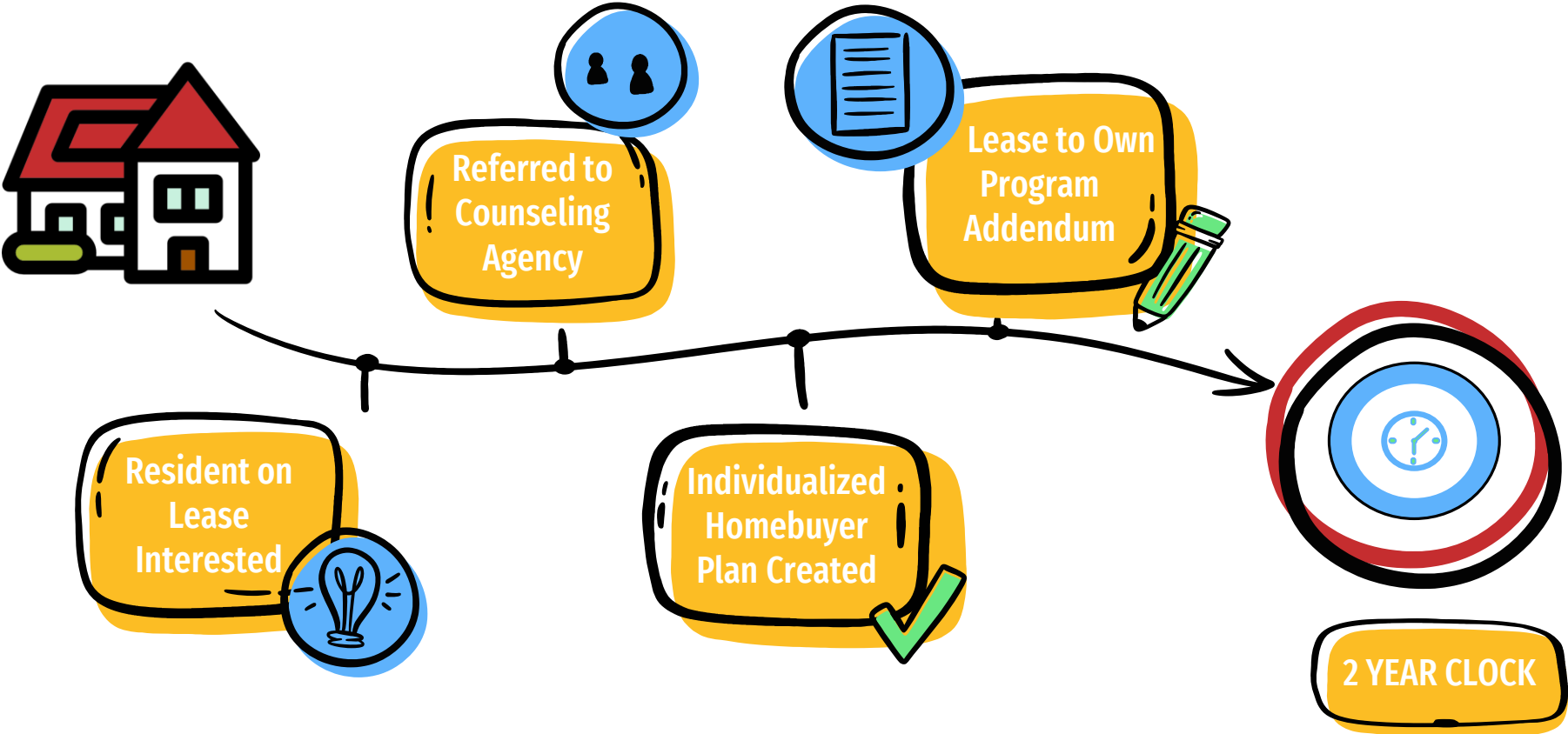
Tenant Transition To  
Ownership Program

... Sort Of

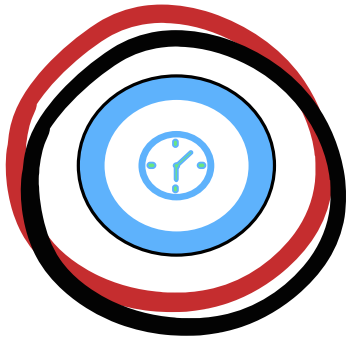
# Program Creation



# 2013 Program Implementation: Homes < \$15,000 in Repairs \*



\* Including Self Help/DIY Repairs



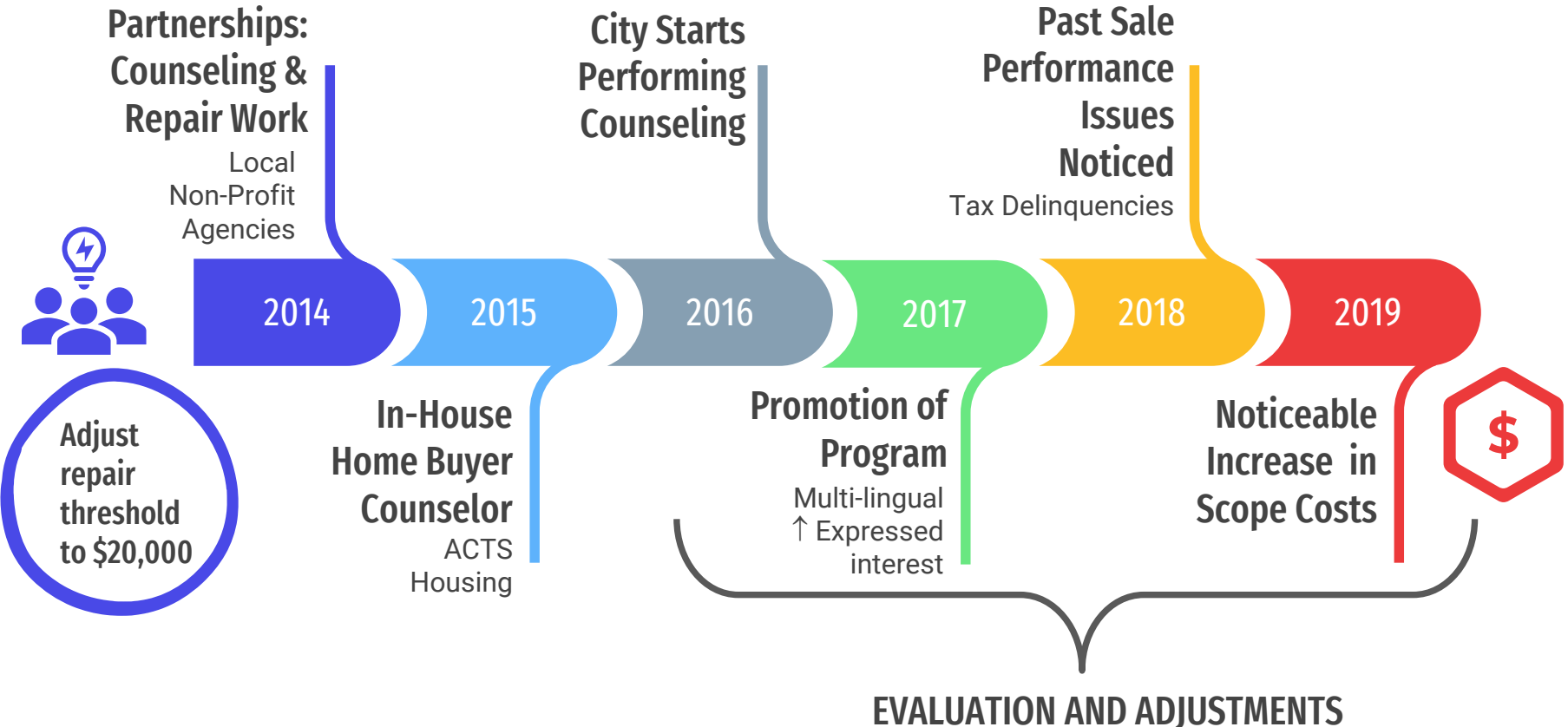
## 2013 PROGRAM DETAILS

- ✓ Tenant participant home choice (if repairs > \$15,000)
- ✓ Neighborhood Code Enforcement Inspector provides repair estimate through normal scope procedure
- ✓ Up to \$10,000 of \$15,000 in repairs paid by City
- ✓ Individualized Housing Plan to include credit repair, budgeting, basic home maintenance skills
- ✓ Technical assistance/Housing Rehabilitation Specialist provided to participant
- ✓ Program designed to have no mortgage to participant buyers

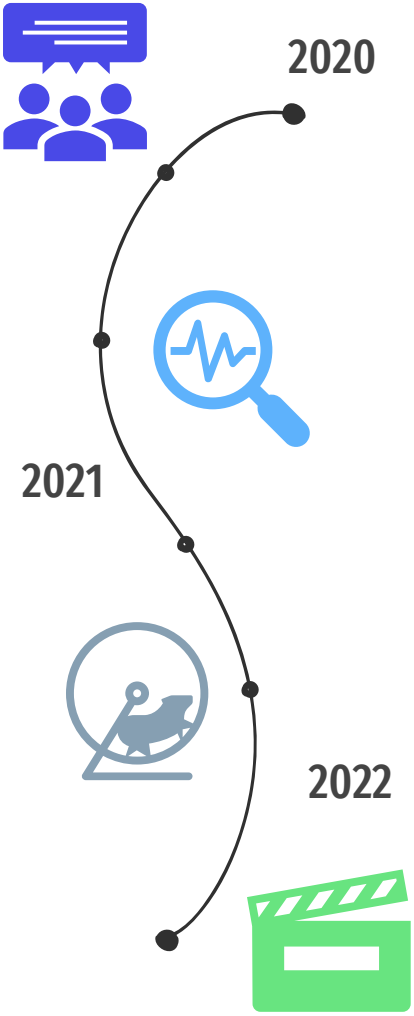


**HOME PURCHASE PRICE \$1.00**

# Program Implementation & Evolution







# REASSESSMENT AND ADJUSTMENT: Why?

- ✓ Disparities value of homes
- ✓ Difficulty in program administration
- ✓ Desire for consistency with repair maximums
- ✓ Influence on decision-making process
- ✓ Contractor availability/desirability of projects and costs

## ADJUSTMENTS: Qualifications

- ✓ Minimum verifiable HH Income - \$15,000/Year
- ✓ Debt to Income Ratio  $\leq 50\%$  (excluding Medical, use non-profit partner guidance for student debt)
- ✓ Scope  $\leq \$20,000$  **AND ADD** another track for  $> \$20,000$
- ✓ Bankruptcy discharged for 2 years
- ✓ Not own other residential properties

# NEWER OPTIONS



## Traditional T<sup>3</sup>OP \$1 Sale

- Scope ≤ \$20,000
- Property assessment ≤ \$50,000
- City pays for repairs
- City manages repairs



## Referral to ACTS Housing Loan (ACTS or Bank/Private)

- Scope > \$20,000 **and/or**
- Property assessment > \$50,000



## Buy at 25% Reduced Price Based on Market/Condition

- Right of first refusal
- Cash or Loan

# PRODUCTION SINCE 2014

81 TOTAL HOMEOWNERS

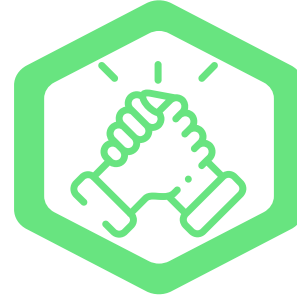


Traditional T<sup>3</sup>OP  
57 Sales



Reduced Price Purchase  
24 Sales

## FUTURE?



Return to a  
Partnership Structure

## FUTURE GOALS:

Increase Capacity

Increase Sustainability

Additional Buyer Options

Reduce City Expenses

**MORE HOMEOWNERS!**

**\$1,100,000 SPENT ON REPAIRS**



# Thank you!

