City of Waukesha

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To: City of Waukesha Redevelopment Authority

From: Jeff Fortin, AICP, Senior Planner

Date: August 6, 2019

Re: Spot Blight Determination for properties in the vicinity of White Rock Avenue and Moreland Boulevard

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BACKGROUND

On the agenda for the August 12, 2019 Redevelopment Authority meeting agenda is an item approving a Spot Blight Determination resolution for the following properties (See exhibit A):

- *1430 White Rock Avenue (Parcel Number 1003048)*
- *1421 White Rock Avenue (Parcel Number 1003047)*
- *1412 White Rock Avenue (Parcel Number 1003049)*
- *702 Elm Street (Parcel Number 1003050)*
- *The parcel located at the northeast corner of White Rock Avenue and Niagara Street (Parcel Number 1003950)*
- *The parcel located at the southeast corner of Eales Avenue and White Rock Avenue (Parcel Number 1003046*

Bear Development has these properties under contract and is planning a 74-unit affordable housing development along both sides of White Rock Avenue, south of E. Moreland Boulevard (Exhibit B). To retain the affordability aspect of the project Bear is asking to use a conduit funding mechanism offered through Freddie Mac. This financing tool is only offered to affordable housing projects and offers very favorable terms to the developer allowing them to keep costs low and make the project more financially feasible.

Normally the Redevelopment Authority would be the conduit for this type of financing. There is no liability to the city when it acts as a conduit for this type of financing. Over the past several years the Redevelopment Authority has issued industrial revenue bonds, a similar conduit financing vehicle, for manufacturers that are expanding. However, since this is an affordable housing project the only body that can provide this conduit financing is the Housing Authority. The Housing Authority could also enter into an intergovernmental agreement with the Redevelopment Authority and allow the Redevelopment Authority to act in its place. If the Housing Authority does allow the Redevelopment Authority to be the conduit for financing the Redevelopment Authority would have to first declare the properties blighted.

In order to facilitate this Bear Development and the property owners are voluntarily requesting that the Redevelopment Authority and Common Council designate these properties as “Blighted property” as defined under Wisconsin Statutes, Section 66.1333(2m)(bm). Each of the property owners have waived their rights to a 20-day public hearing notice and has submitted the required notarized waivers. Blighted property is defined as follows:

- Any property within a city, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provisions for ventilation, light, air or sanitation, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime, and is detrimental to the public health, safety, morals or welfare, or;

- Any property which by reason of faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair market value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a city, retards the provisions of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use, or;

- Any property which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.

FINDINGS

Staff has visited each of the properties shown in Exhibit A and done a thorough investigation to support the spot blight designation. Photographs are included as Exhibit C. Some of the factors considered include:

1. The property at 1412 White Rock is in a deteriorated and dilapidated condition with numerous exterior code violations. There are gutters falling off the building, trim boards are rotting or missing. The paint is peeling on all sides of the structure and it is likely the siding would need to be replaced. The stone porch is crumbling and missing blocks in places. There is an addition off the rear that is also in a state of disrepair. The roof appears to be collapsing and there is a set of stairs and railings that are not up to code. The garage has similar issues with the roof and trim.
2. The property 702 Elm Street, while in better condition than 1412 White Rock, still has issues. Several exterior code violations exist including missing railings on a second story porch. There is a dilapidated accessory structure constructed of plywood on the east side of the property that is in serious disrepair and presents a hazardous public safety concern.
3. Possible environmental issues due to the close proximity of a long-standing foundry located adjacent to the subject properties.
4. The vacant parcels on each side of White Rock have deteriorated parking lots that are beyond repair and have attracted illegal dumping of construction materials, hazardous waste, including discarded containers of motor oil and household electronics, in addition to accumulation of trash and recyclables. This presents an ongoing situation that is detrimental to the public health and safety.
5. The presence of several vacant lots along a highly visible corridor has a negative impact on public perception of not only the subject properties, but the neighborhood as a whole and impairs the sound growth of this area of the community. These lots have had complaints about weeds and tall grass resulting in City-issued orders to correct the violations.
6. There are currently six parcels with four different owners. The platting of these properties is obsolete and would be unlikely to redevelop individually due to size and layout.

In addition to these factors, these properties are in Tax Incremental Finance District 24, which was created in 2018. This district is a rehabilitation district, meaning that at least 50 percent of the properties within the district are blighted or in need of rehabilitation. The redevelopment of these properties was identified as a project cost in the TID 24 Project Plan due to their current blighted condition.

Based on these findings, staff recommends that the Redevelopment Authority adopt the resolution designating the properties shown in Exhibit A as Blighted as defined under Wisconsin Statutes, Section 66.1333(2m)(bm).

Exhibit A
Properties To Be Designated as Blighted



Exhibit B
Redevelopment Plan

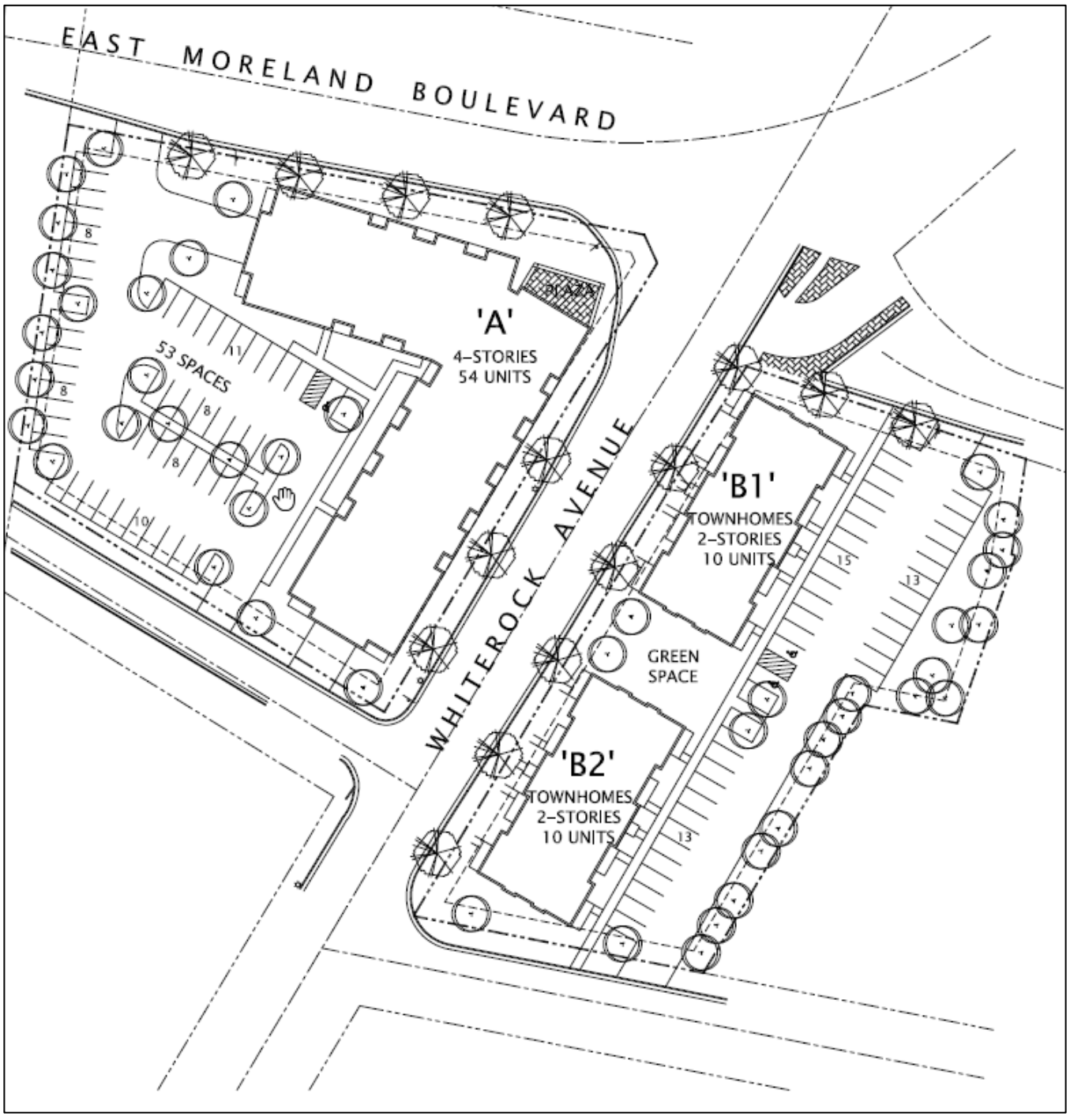


Exhibit C
Site Photos




























NOTICE







