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City of Racine, Wisconsin
COMMON COUNCIL

AGENDA BRIEFING MEMORANDUM

Common Council LEGISLATION ITEM #: 0192-20

AGENDA DATE:

April 17, 2020

DEPARTMENT: Mayor's Office

Prepared By: Vicky Selkove

Reviewed By: Scott Letteney

SUBJECT: Communication from the Mayor submitting the matter of an agreement with Property Registration Champions, LLC, dba ProChamps, for mortgage foreclosure property registration, for consideration.

EXECUTIVE SUMMARY: In passing the 2020 budget for the City of Racine, the Common Council approved the RENTS Initiative, which included a requirement that mortgagees (mortgage lenders and their agents) register all properties facing mortgage foreclosure, and requirements on those same mortgagees to inspect and maintain all foreclosed properties that become vacant or abandoned. This policy is aimed at ensuring the City can be proactively aware of at-risk properties to connect homeowners to potential resources, and ensures that banks that initiated foreclosure proceedings take responsibility for securing and maintaining those properties. These provisions are contained in the RENTS ordinances, Ordinance 0022-19. This contract seeks to retain ProChamps to establish and maintain the City's mortgage foreclosure property registration program.

BACKGROUND & ANALYSIS: In passing the 2020 Budget for the City of Racine, the Common Council approved the RENTS Initiative, now Ordinance 0022-19. which included a requirement that mortgagees (mortgage lenders and their agents) register all properties facing mortgage foreclosure, and requirements on those same mortgagees to inspect and maintain all foreclosed properties that become vacant or abandoned. This program is intended to reduce and prevent neighborhood blight; to ameliorate conditions that threaten public health, safety, and welfare; to promote neighborhood stability and occupancy by preserving the condition and appearance of

32 properties; and to maintain property values and assessments. This provision of the RENTS Initiative
33 was modeled after the City of West Allis' similar ordinance. West Allis has hired ProChamps to
34 administer its foreclosure registration program, and recommended them to the City of Racine. Staff in
35 multiple City of Racine departments have participated in demonstrations of ProChamps' product and
36 feel confident that the company can effectively and efficiently administer this for the City of Racine.
37 ProChamps works with 245 other municipalities in 12 states to set up and administer exactly the sort of
38 foreclosed property registration and maintenance process prescribed by the RENTS ordinances, and has
39 considerable expertise in doing so. They also have established relationships with mortgagees across the
40 country to ensure their compliance with registration, inspection, and maintenance of foreclosed
41 properties.
42

43 **BUDGETARY IMPACT:**

44 There is no budget amendment necessary. The costs for ProChamps's services will come from the fees
45 paid by the mortgagees (lenders and/or agents) for foreclosed property registration. The schedule for
46 the payment of such fees was approved in the 2020 City of Racine Budget.

47 **OPTIONS/ALTERNATIVES:**

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49 **RECOMMENDED ACTION:**

50 Approve the agreement with Property Registration Champions, LLC, dba ProChamps, for mortgage
51 foreclosure property registration, and authorize and direct the Mayor and City Attorney to execute such
52 agreement.

53 **ATTACHMENT(S):**