



News Release

Landlord facing over \$27,000 in fines for over renting Milwaukee properties City Warns landlords about increased fines

For release: Friday, October 5, 2007

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Date: Friday, October 5, 2007

Location: UW-Milwaukee, Klotsche Center East Entrance (Enter off of Downer Ave.)

Time: 1:00 P.M.

Milwaukee, WI — Mayor Tom Barrett, City officials, neighborhood representatives and college officials today were united in their message to warn landlords and students not to violate the law that limits the number of unrelated adults in any apartment or home to three. Any more than that requires a rooming house license.

On Thursday, October 4th, landlord Steven M. Simon of West Allis was issued 12 citations for fire code violations and renting his apartments to too many people. Simon owns 11 properties in Milwaukee, mostly around the UWM area. Three duplexes were cited. Two properties had three illegal units, such as sleeping rooms in the attics or basements. Two of the units had bedrooms with only one means of exiting which represents a serious fire hazard to the occupants.

The minimum fine Simon faces totals \$16,801. If maximum fines are leveled, Simon could face a forfeiture of \$27,971. The City recently adopted higher fines for renting to more than three unrelated adults. The old minimum fine was \$500. It is now \$2,500 per case.

The irony of this case is that the owner Simon purchased these properties from a previous landlord that committed the same type of crime. The previous owner Mazin J. Hamdan of Greendale in 2006 was charged with municipal and state charges for illegally renting apartments that the City had closed due to overcrowding. As part of his plea bargain, Hamdan agreed to get out of the rental business and sold his property to Simon. The department met with the new buyer, Steven Simon, shortly after his purchases to explain the rooming house ordinance and to avoid future overcrowding occurrences. Despite that meeting, the problem continued. DNS hopes the higher fines will discourage other landlords for over renting their properties.

For years unscrupulous landlords have been raking in lucrative profits thanks to the illegal practice of over renting their east-side apartments in high demand neighborhoods. Students sometimes knowingly go along with the scheme in hopes of paying less rent. When caught, the landlord simply evicts the excess tenants leaving the remaining three tenants to pay the full rent. In court, the landlord typically would pay a \$500 fine. Not a bad price to pay for a potential \$15,000 - \$20,000 a year in extra income.

On July 31, 2007 the penalty for over renting a unit went from a minimum fine of \$500 to \$2500. The fine now can go as high as \$5000. This is meant to deter a practice that shows little sign of changing. Hopefully the dishonest landlords will do the math and learn their lesson.

For the last several years the Department of Neighborhood Services has been conducting stings to shame landlords into compliance. While a dozen or so are caught each year, the illegal activity persists. While taking aim at the disreputable landlord's wallet, DNS hopes the higher fines reduce the overcrowding, restore stability to neighborhoods and reduce the potential fire risks associated with overcrowding. DNS has found most violators are using illegal space in attics and basements which lack two exits.

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Mayor Tom Barrett said, “While most landlords are responsible, this new law will encourage those who are not to do the right thing. Overcrowding negatively impacts neighborhoods and puts young lives at risk.” Alderman Mike D’Amato, whose district includes the UW-Milwaukee area, said, “Landlords who don’t play by the rules lower property values of surrounding homes. They also lower the quality of life with the excess garbage, lack of parking, and noise disturbances when these conditions persist.” DNS Operations Manager Tom Mishefske, said, “We have tried multiple strategies in dealing with these problems. We work with UW-Milwaukee Student Services to educate students about the law. We’ve stung many landlords with little change in behavior. They say “money talks”. Now that we are talking about some serious money, we hope they start to listen.”

The Department of Neighborhood Services will continue to conduct undercover sting operations. Hopefully, with the increased fines, the number of landlords willing to take the risk of being caught will diminish.

Vice-Chancellor for Student Affairs, Helen Mamarchev, will speak on behalf of the University. The Student Services section at UW-Milwaukee continues to educate students about how to properly rent a place near the campus. UW-Milwaukee officials pledged their support to continue to improve student-housing opportunities and keep their neighborhoods safe and orderly.

Murray Hill Neighborhood Association members will be available for comment and to talk about the negative impact illegal renting has had on their quality of life.

A list of the properties cited and the violations found is available from DNS.

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For more information contact: Todd Weiler, Public Information Coordinator, DNS 414-286-3214 (desk) or 414-708-3360 (cell).