

2018



Legislative Reference Bureau

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STRONG NEIGHBORHOODS PLAN



2018 Proposed Plan and Executive Budget Review

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SNP – Purposes & Methods

- Prevent foreclosures (code compliance loan program).
- Mitigate the impacts of foreclosed and blighted properties. (property maintenance, demolition, deconstruction).
- Revitalize properties and neighborhoods affected by foreclosures. (home maint./rehab. assistance, commercial *in rem* loans).
- Renew abandoned or vacant properties (commercial property improvement grants).

SNP – Changes for 2018

- Total proposed funding, \$8.62 million, is \$5.34 million less than 2017 appropriation (-38.3%).
- Funding is reduced for all 4 purpose/functional areas, with the largest decrease being in the area of Revitalization (-52.5%).
- No funds specifically appropriated to departmental salary/operating expenditure accounts for accelerated *in rem* filings.
- Much of funding decrease relates to:
 - No State of Wisconsin funding for demolition and rehabilitation work (\$2 million in 2017).
 - No CDBG reprogramming dollars for demolition (\$350,000 in 2017).

SNP – Funding History

- \$11.6 million in 2014 (first year).
- \$10.6 million in 2015.
- \$11.0 million in 2016.
- \$14.0 million in 2017.
- \$8.6 million proposed for 2018.
- Majority of support for SNP has been capital funding; other support provided via additional departmental salaries and operating expenditures, special funds and SPAs.

SNP – Departmental Roles

- Work carried out by 4 City departments – DCD, DNS, DPW and the Mayor’s Office.
- DCD primarily responsible for Revitalization and Renewal activities, DNS responsible for Prevention activities, and DCD, DNS and DPW all involved in Mitigation programs.
- Largest share of money -- 43.2% -- appropriated to DCD.
- Less than 5% of total SNP funding goes to departmental salary accounts.

Category	Department	Description	2016 Adopted Budget	2017 Adopted Budget	2018 Proposed Budget
PREVENTION			\$1,464,861	\$1,299,621	\$985,873
Code Compliance Loan Program					
	DNS				
		Salaries	\$98,055	\$116,879	\$100,881
		Compliance Loan Program	\$500,000	\$800,000	\$800,000
Vacant Property Registration					
	DNS	Salaries	\$262,241	\$261,413	\$84,992
Accelerated <i>In Rem</i> Foreclosures					
	DNS	Salaries/Operating	\$56,154	\$56,154	\$0
	DCD	Salaries/Operating	\$288,132	\$37,425	\$0
	DPW	Operating	\$95,833	\$0	\$0
	Treasurer	Operating	\$27,750	\$27,750	\$0
Residential Mortgage Loans in Default					
	DNS	Salaries/Operating	\$136,696	\$0	\$0
MITIGATION			\$5,840,353	\$7,159,227	\$4,498,776
Land Mgmt. & Property Maintenance					
	DCD	Land Management SPA	\$726,000	\$676,000	\$676,000
	DPW	<i>In Rem</i> /Vacant Lot Mgmt.	\$2,144,333	\$2,240,000	\$2,202,000
Demolition (City-Owned)					
	DPW				
		In House Demo Salaries	\$146,700	\$254,907	\$104,156
		In House Demo Special Fund	\$473,320	\$438,320	\$316,620
Demolition & Deconstruction					
	DNS				
		Concentrated Blight Elim.	\$2,200,000	\$2,100,000	\$1,200,000
		Demolition (CDBG reprog.)	\$150,000	\$350,000	\$0
		State of Wis. Demo./Decon.	\$0	\$1,100,000	\$0

REVITALIZATION			\$3,580,000	\$4,317,000	\$2,050,000
Rehab					
	DCD				
		<i>In Rem</i> Property Account	\$1,330,000	\$1,550,000	\$600,000
		Strong Loans	\$1,500,000	\$1,167,000	\$1,150,000
		<i>In Rem</i> Prop. Mgmt. Spec. Fd.	\$50,000	\$0	\$0
		State of Wis. Rehab.	\$0	\$900,000	\$0
Housing Infrastructure Preservation Fund					
	DCD	Hous. Infra. Pres. Fund			
Commercial <i>In Rem</i>			\$450,000	\$450,000	\$100,000
	DCD	Comml. <i>In Rem</i> Account	\$250,000	\$250,000	\$200,000
RENEWAL			\$134,432	\$1,185,000	\$1,085,000
	Mayor	Salaries	\$134,432	\$85,000	\$85,000
	DCD	Commercial Investment Prog.	\$0*	\$1,100,000	\$1,000,000
TOTAL STRONG NEIGHBORHOODS PLAN FUNDING			\$11,019,646	\$13,960,848	\$8,819,649

*Note: The Commercial Investment Program received \$500,000 in funding for 2016, but was not considered part of the Strong Neighborhoods Plan.

Strong Neighborhoods Plan - Highlights and Accomplishments

- DCD sold 502 improved properties and 163 vacant lots in 2016.
- DCD is using the Land Management SPA to fund maintenance of about 1,100 City-owned tax-deed properties.
- Through July, 2017, 34 Compliance Loan Program loans totaling approximately \$430,000 have been approved. These loans help low-income home owners make repairs necessary to correct code violations, thereby avoiding enforcement and penalties. An estimated 54 Compliance Loans will be made in 2018.
- DPW's In-House Demo Program demolished 90 properties in 2016 and is on track to demolish another 90 City-owned properties in 2017. The 2018 Proposed Budget assumes that 80 City-owned properties will be demolished by DPW next year.
- The total number of SNP-funded demolitions and deconstructions next year is estimated to be 137. An estimated 368 properties currently have outstanding raze orders.
- To date, 32 tenants have purchased their properties through the Rent-to-Own Program, which is part of the SNP-funded In Rem Property Account.
- DPW uses SNP funds to perform basic maintenance on over 3,300 City-owned vacant lots and nearly 1,300 improved properties.