



Milwaukee Employment/ Renovation Initiative

Community and Economic Development Committee

July 24, 2019

MERI timeline

- August 2016: Sherman Park unrest
- November 2016: Council adopts file 160956
 - Accepts \$2 million from Wisconsin Dept. of Financial Institutions for renovation and demolition activity
 - Allocates \$1 million to renovation, \$1 million to demolition
 - Directs DCD to establish competitive process to choose MERI developers
- April 2017: Council adopts file 161726
 - Selects six developers to participate in MERI
 - StrongBlocks, Advance Construction, Revive MKE, Jason Scott Realty, Gorman & Co., Ezekiel Community Development Corp.

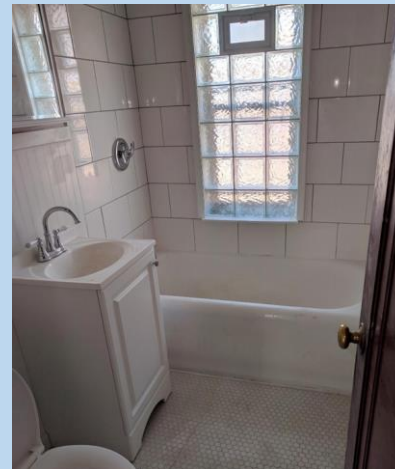
Renovation

- Goal
 - Sell and renovate 100 tax-foreclosed properties
 - Majority to be located in “greater Sherman Park” area (20th – 60th – Lloyd – Capitol)
- Achievement
 - 104 foreclosed properties sold and renovated
 - 81 within greater Sherman Park boundary
 - 23 outside boundary (most between Capitol and Silver Spring Dr.)



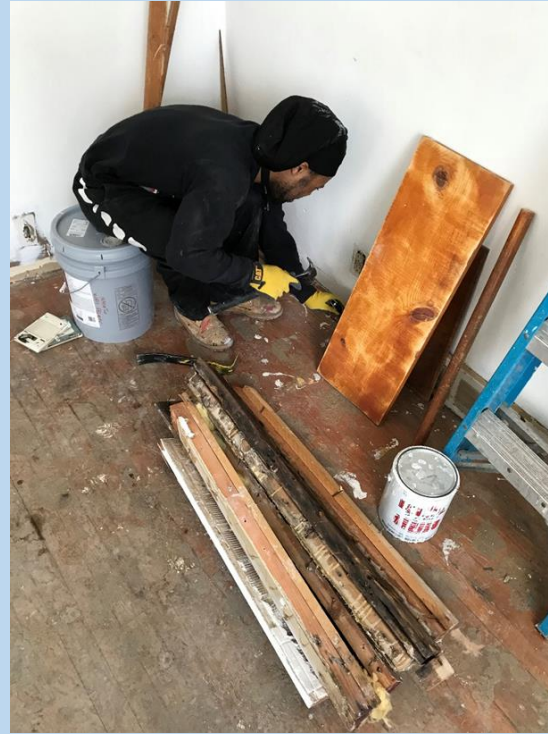
Investment

- Goal
 - Developers must spend at least \$10,000 toward renovation of each property
- Achievement
 - Total investment: \$7.9 million
 - LIHTC-assisted properties (38): \$4.25 million (avg. \$112,000/property)
 - Non-LIHTC assisted properties (66): \$3.68 million (avg. \$56,615/property)



Employment opportunities

- Goal
 - At least one RPP-certified worker employed in renovation of each property
- Achievement
 - 33,000 RPP work hours achieved
 - All hours paid at or above City's "living wage" level
 - Average RPP work hours/property: 311



Lessons learned/recommendations

- Subsidy
 - Provide base grant to cover cost of RPP employment
 - Adjust renovation subsidy level to provide larger grants for most distressed properties
- Geography/property selection
 - Assign each developer to a neighborhood cluster
 - Make any City-owned property within the cluster available to that developer
- Provide a source of construction financing to support emerging developers

MERI 2.0

Build on success/experience of original program:

- Sell, renovate and reoccupy vacant foreclosed City owned houses (goal of 100 homes)
- Provide construction opportunities for local small business enterprises and job opportunities for local residents

MERI 2.0

Modifications from original program:

- Cluster properties – assign a developer to a targeted geographic area – with right of first refusal on all properties within cluster over a 24 month period (after first advertised for homeownership)
- Separate subsidies for workforce and development gaps (recognizes differences in property condition and neighborhood market)

MERI 2.0

Modifications from original program:

- Set-aside for emerging developers – goal of building capacity and wealth for ACRE graduates and other emerging developers interested in housing development industry
- Provide support – financing, mentors, technical assistance

MERI 2.0

Schedule for moving forward:

- Issue RFP in August
- Initial funding using existing reprogrammed STRONG Neighborhood funds (about \$700,000)
- Return to Council for authorization for additional funding for 2020