

# Department of Neighborhood Services

Presentation to the Finance  
& Personnel Committee on the  
2020 Proposed Executive Budget  
October 8, 2019

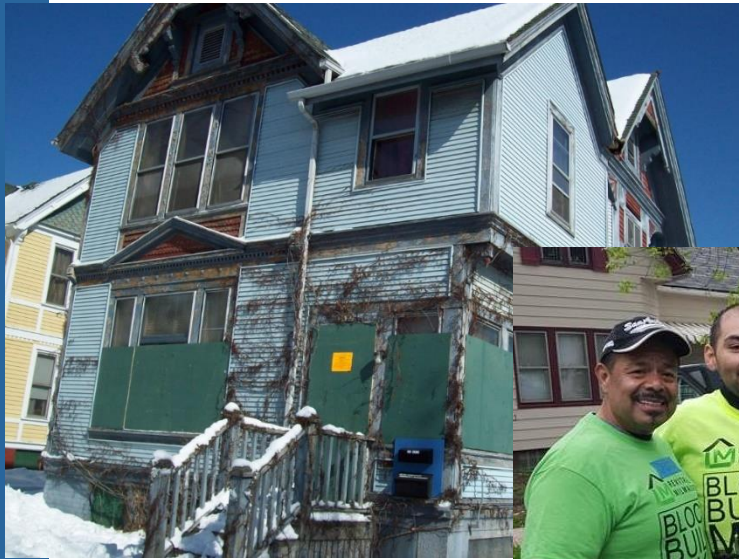


DEPARTMENT OF  
**NEIGHBORHOOD SERVICES**

**ENGAGING NEIGHBORHOODS** • **ENSURING SAFETY** • **ENHANCING DEVELOPMENT**

**MILWAUKEE.GOV/DNS**

# Community Goals and Objectives





# Community Goals and Objectives

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## 1. Build safe and healthy neighborhoods

- Improve neighborhood conditions
- Reduce blight inducing conditions
- Improve the safety of buildings

## 2. Increase economic vitality throughout the city

- Increase investment in Milwaukee

# Community Goals and Objectives

<b>Measure</b>	<b>2018 Actual</b>	<b>2019 Projected</b>	<b>2020 Planned</b>
Average days to respond to complaints	12.4	8.5	9
Orders issued	26,022	30,000	30,000
Number of vacant buildings	2,721	3,000	3,000
Properties receiving compliance loans	49	54	54

# 2020 Budget Summary

	<b>2019 Adopted Budget</b>	<b>2020 Proposed Budget</b>	<b>Difference (amount, %)</b>
FTEs – O&M	194.02	192.02	-2.0 (-1.0%)
FTEs - Other	59.48	56.48	-3.0 (-5.0%)
Salaries & Wages	\$11,260,624	\$11,044,320	-\$216,304 (-1.9%)
Fringe Benefits	5,067,281	4,417,728	-649,553 (-12.8%)
Operating Expenditures	1,233,313	1,536,000	+302,687 (24.5%)
Equipment	0	0	(0%)
Special Funds	2,025,000	2,050,000	+25,000 (1.2%)
<b>TOTAL</b>	<b>\$19,586,218</b>	<b>\$19,048,048</b>	<b>-\$538,170 (-2.8%)</b>

# Special Purpose Accounts

	<b>2019 Adopted Budget</b>	<b>2020 Proposed Budget</b>	<b>Difference (amount, %)</b>
Graffiti Abatement	\$65,000	\$65,000	\$0 (0%)
Maint. Of Essential Utility Services	\$55,000	\$55,000	\$0 (0%)
<b>Total SPAs</b>	\$120,000	\$120,000	\$0 (0%)

# Revenues

	<b>2019 Adopted Budget</b>	<b>2020 Proposed Budget</b>	<b>Difference (amount, %)</b>
Charges for Services	\$14,154,000	\$10,850,000	-\$3,304,000 (-23.3%)
Licenses & Permits	8,918,000	8,694,000	-224,000 (-2.5%)
Intergovernmental	1,200,000	1,300,000	+100,000 (+8.3%)
<b>TOTAL</b>	<b>\$23,689,000</b>	<b>\$20,844,000</b>	<b>-\$3,428,000 (-14.1%)</b>



# Capital Improvement Projects

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- **Concentrated Blight Elimination**
  - \$1,800,000 for demolition
    - Decrease of \$950,000 (35%)
    - Approximately 80 demolitions
- **Compliance Loan Program**
  - \$800,000 for loans to improve housing conditions and preserve owner-occupancy
    - No change from 2019 funding level
    - Estimated 52 loans

# Concentrated Blight Elimination

DNS Capitol Request	<b>\$1,800,000</b>		Total Demolitions:	<b>80</b>	
Contracted Demolition (1-2 family)*		\$16,000	<b>78</b>	\$1,248,000	
Private Demo Set-up costs		\$2,096		\$163,488	Pre-demo environmental assessment, utility disconnects
Private Contracted Demo-Commercial **		\$40,000	<b>2</b>	\$80,000	
Private Demo Set-up costs-Commercial		\$3,500		\$7,000	Pre-demo environmental assessment, utility disconnects
Condemnation staff				\$100,000	Salaries for Condemnation Inspector (1.0 FTE), Building Construction Inspector (0.3 FTE)
Projected Operating Costs				\$201,512	Title reports, publication of orders, recording at reg. of deeds, publication of bid notices, service of orders, fire debris clean-up/board-ups, post-demo landscaping
			<b>80</b>	<b>\$1,800,000</b>	
					* Based on single/duplex average demolition cost of \$16,000/building
					**Based on average demo cost of \$40,000 for small commercial/mixed use buildings

# Compliance Loan Program (CLP)

**Assist low-income owner occupants correct building code violations**

## **Requirements:**

- 60% AMI
- Current on taxes or approved payment plan
- Homeowner or single-family or duplex
- Observable code violations

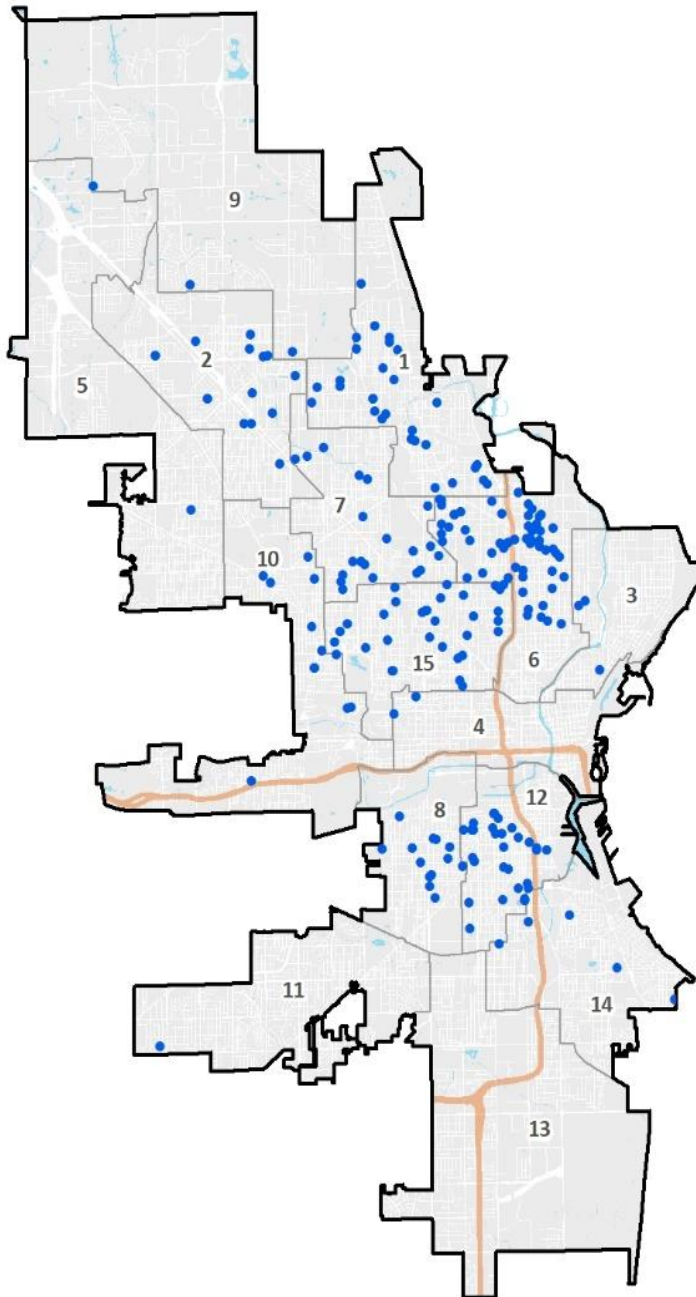
## **The Loan:**

- Up to \$15,000
- Payable upon transfer or sale

2019 Loans	
Number of loans	39
Average loan amount	\$13,722
Total amount of loans	\$456,304
Loan Recipient Characteristics	
Average age of loan recipients	62 years
Average household size	2.0
Average length of home ownership	23 years
Median annual household income	\$21,483
Housing Characteristics	
Median year built	1919
Median total property assessment	\$48,250
Average total property assessment	\$60,300

# CITY OF MILWAUKEE

## Compliance Loan Program (2014 - 2019 YTD)



### LEGEND

- Compliance Loan
- ▭ City Limit
- ▭ Aldermanic District
- Freeway




Source: City of Milwaukee - DNS (loans closed through Sept. 27, 2019)

Prepared by City of Milwaukee DOA-BMD-kqp, 9/27/19

# Budget Changes

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- 2020 Budget
  - Eliminates net of 3 positions - 5 FTEs
  - Reduces operating budget by \$500,000
  - Increases funding for MADACC



# DNS Demolition/Deconstruction Update

## October 8, 2019



# Raze Inventory

<b>Property Type</b>	<b>Residential</b>	<b>Commercial</b>	<b>Total</b>
City owned	199	34	233
Privately Owned	183	45	228
Total:	382	79	461

# 2019 Capitol Budget and 2018 Carry-over

\$2,750,000 – 2019 Capitol Budget

554,430 – 2018 Carry-over funds

\$3,304,430 – Funds available in 2019

# 2019 Demolition/Deconstruction Activity

Amount	Expenditures	Buildings Committed
\$1,200,000	Deconstruction-Amendment 63A	50
\$446,704*	Concentrated Blight-Amendment 59A and mechanical demolition to complete WDFI	47
\$500,000**	DPW Mechanical Demolitions	16
\$695,554	2019 Operating Costs	
\$2,842,258	Totals	<b>113</b>

\*Amendment 59A \$250,000. Approximately 20 parcels drawn from census tracts with highest concentrations of blighted properties at time of bidding. Census tracts 84-86,1854.

\*\*Based on DPW estimated cost per parcel.

# Reporting

Funded By	Private Vendors	Deconstruction	City-DPW	Total
2019 Goals	47	50	16	113
Queue	1	25	6	52
Bid	47	50	0	82
Complete	34	0	10	44
% Complete	72%	0%	62%	38%
Average Cost/Parcel	\$15,398.26*	\$30,853**	\$20,000***	

\* Actual current average cost includes DNS set-up costs. Cost of \$723,718 total before WDFI Grant adjustment. Actual cost to City \$446,704.00 for 47 parcels after WDFI Grant applied.

\*\* Base contractor cost of \$24,000/parcel plus DNS set-up costs.

\*\*\* Estimated DPW cost plus DNS set-up costs.

# Update: Wisconsin DFI Grant (\$1 million)

## Demolition/Deconstruction

- 94 properties reimbursed or in process to be submitted for reimbursement
- 9 more projects awaiting final paperwork/closure for a total of 103 will exhaust \$1 million grant
- Reimbursement requests must be submitted by December 1, 2019

# Deconstruction Contractor

## Spencer Renovation & Construction

- Contractor appears to have all required bonding and insurance in place.
- Contract 1 of 4 executed.
- Pre-project Environmental Compliance Meeting with Wisconsin Department of Health Services, Milwaukee Health Department, Wisconsin Department of Natural Resources and Contractor plus his workers scheduled for October 7, 2019.
- Press event to be scheduled following Environmental Compliance Meeting.



# DNS Activity Summary Report

<b>Complaints Received</b>		
DNS	2018	2019 (3/4 year)
	36,085	34,762

<b>Complaints Closed</b>		
DNS	2018	2019 (3/4 year)
	37,134	33,607

<b>Complaints Closed - AVERAGE RESPONSE TIME</b>			
DNS	2018	2019 (3/4 year)	
	12.79	7.47	

<b>Orders issued</b>		
DNS	2018	2019 (3/4 year)
	25,610	29,077

<b>Nuisance Vehicle orders issued</b>		
DNS	2018	2019 (3/4 year)
	379	291

<b>Clean-up orders issued</b>		
Order Type	2018	2019 (3/4 year)
GBG Orders	3,999	2,018
GBGCO Orders	2,727	8,359
GBGM Orders	992	1,026
<b>Totals:</b>	<b>7,718</b>	<b>11,403</b>