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CITY OF MILWAUKEE

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# STRONG

## NEIGHBORHOODS PLAN

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# 2015 Budget

Finance & Personnel Committee – October 8, 2014

[milwaukee.gov/STRONG](http://milwaukee.gov/STRONG)

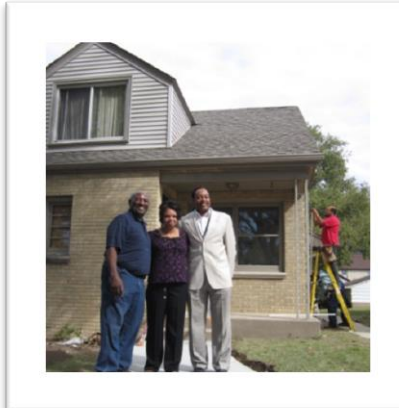


# Strong Neighborhoods Plan

- **Continue** City fight against foreclosure & blight
- **2014** - \$11.7 million in Adopted budget to support 4 goals
  - **Prevent** tax foreclosure & delinquency
  - **Mitigate** impact of blight & vacancy
  - **Revitalize** homes and neighborhoods
  - **Renew** vacant spaces

# Getting It Done: 2014

	2014 Goal	Q3 2014
Sales	350	319
Demolitions	500	387
Vacant Lot Imp.	80	46
Rent-To-Own	15	10
Matching Loans (+Pipeline)	40	14 (22)
DPW Maintenance Contracts - RPP	40%	45%



# Sales & Rehab



**MERRILL PARK**  
**Price:** \$23,000  
**Rehab:** \$37,165  
**Financing:** City HBA,  
Federal Home Loan  
Bank, & NorthShore  
**Homeowner PITI:**  
**\$400/month**



**MUSKEGO WAY**  
**Price:** \$1 (Rent To Own)  
**Rehab:** \$19,000  
**Financing:** City, Tenant  
**Homeowner PITI:**  
**~\$250/month**



**SHERMAN PARK**  
**Price:** \$14,500  
**Rehab:** \$64,950  
**Financing:** City HBA,  
US Bank  
**Homeowner PITI:**  
**\$590/month**



**RUFUS KING**  
**Price:** \$14,892  
**Rehab:** \$30,000  
**Financing:** City Rental  
Rehab, Buyer

# 3417 N Sherman

## Vacant to Valued





# Clearing Blight



**2159 S 20th**



**2760 N 39th**



**300 E Burleigh**



**2631 N 37th**

4 Properties	Avg/Yr.
MPD Calls	22
DNS Calls	8
DNS Inspections	80



# Impacting Vacant Space





# Impacting Vacant Space



## Vacant Lot Options

Vacant spaces become productive places

**Have a vacant City-owned lot you want improved?**

1. Talk to your neighbors and pick a design
2. Contact us with your selections: [strong@milwaukee.gov](mailto:strong@milwaukee.gov) or (414) 286-3467
3. Enjoy and give feedback on your improved lot! Send photos of you and your neighbors enjoying a lot in your neighborhood to: [strong@milwaukee.gov](mailto:strong@milwaukee.gov)

As part of the Strong Neighborhoods Plan, up to 80 City-owned vacant lots will be improved in 2014. The City will continue to maintain these lots. Neighbors are invited to volunteer a lot for improvement and City staff will select suggested lots to be improved. Lots will be completed within 30 days of submission and selection. Capacity is limited to 50-80 lots in 2014, with more to come in Spring 2015!

### Plant List

Common name (Botanical name)

**TREES**

- Freeman Maple 8-10' (Acer Freeman)
- Chanticleer Pear 8-10' (Pyrus Chanticleer)
- Japanese Tree Lilac 8-10' (Syringa Reticulata)
- Sarsaparilla 8-10' (Araliacae)
- Honeylocust 6-10' (Gleditsia Triacanthos)
- Fruit Trees 6-7' (Variety of species: pear, plum)
- Redbud 8-10' (Cercis Canadensis)

**SHRUBS**

- Spiraea 15"-18" (Diptera Species)
- Hydrangea 15"-18" (Hydrangea Annabelle)
- Fruiting vines and shrubs (passiflora, etc.)

All perennial shrub and tree areas will be mulched with 3" depth of shredded bark.

**A Open Space Concept**

**B Passive Space Concept**

**C Urban Orchard Concept**

**D Athletic Field Concept - Double Lot**



# Impacting Vacant Space



## Groundwork Milwaukee

Green Team

@ 32<sup>nd</sup> & Garfield

## Groundwork Milwaukee

Green Team

@ 29<sup>th</sup> & Wright

“A dream come true for the community...connecting young adults with the older generation, doing something so positive, really changed the way people viewed that age group.”

**-Danell Cross**  
*BNCP Organizer, Metcalfe Park*



# 2015: What's Next

# 2015 Goals

- 350+ sales
- 160+ demolitions & deconstructions
- 80+ vacant lots
- 15 more rent-to-own transactions
- 15 commercial properties sold & renovated
- **Continue to try new things, and...**
- **Build them for success**

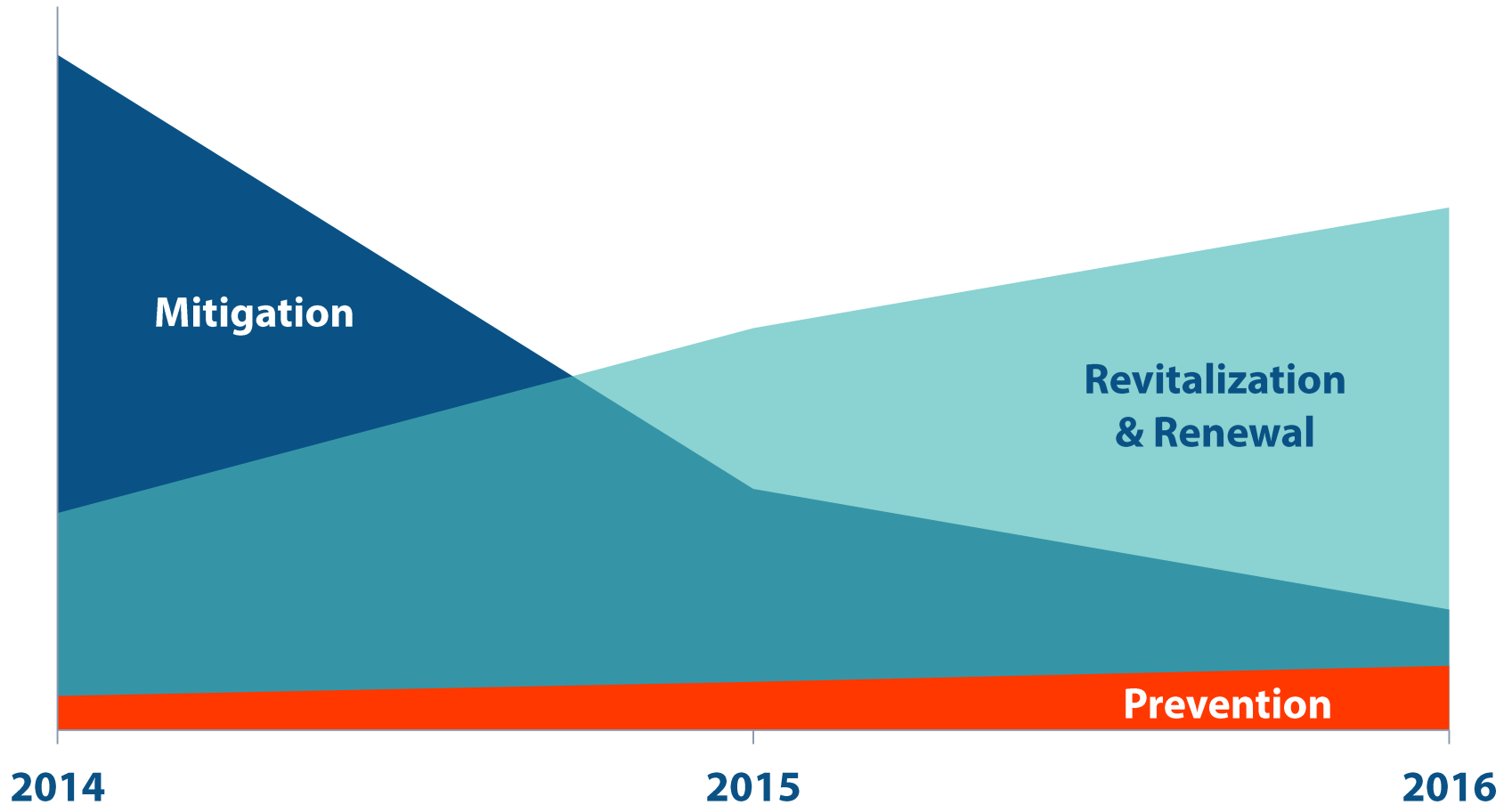


# 2015 Budget

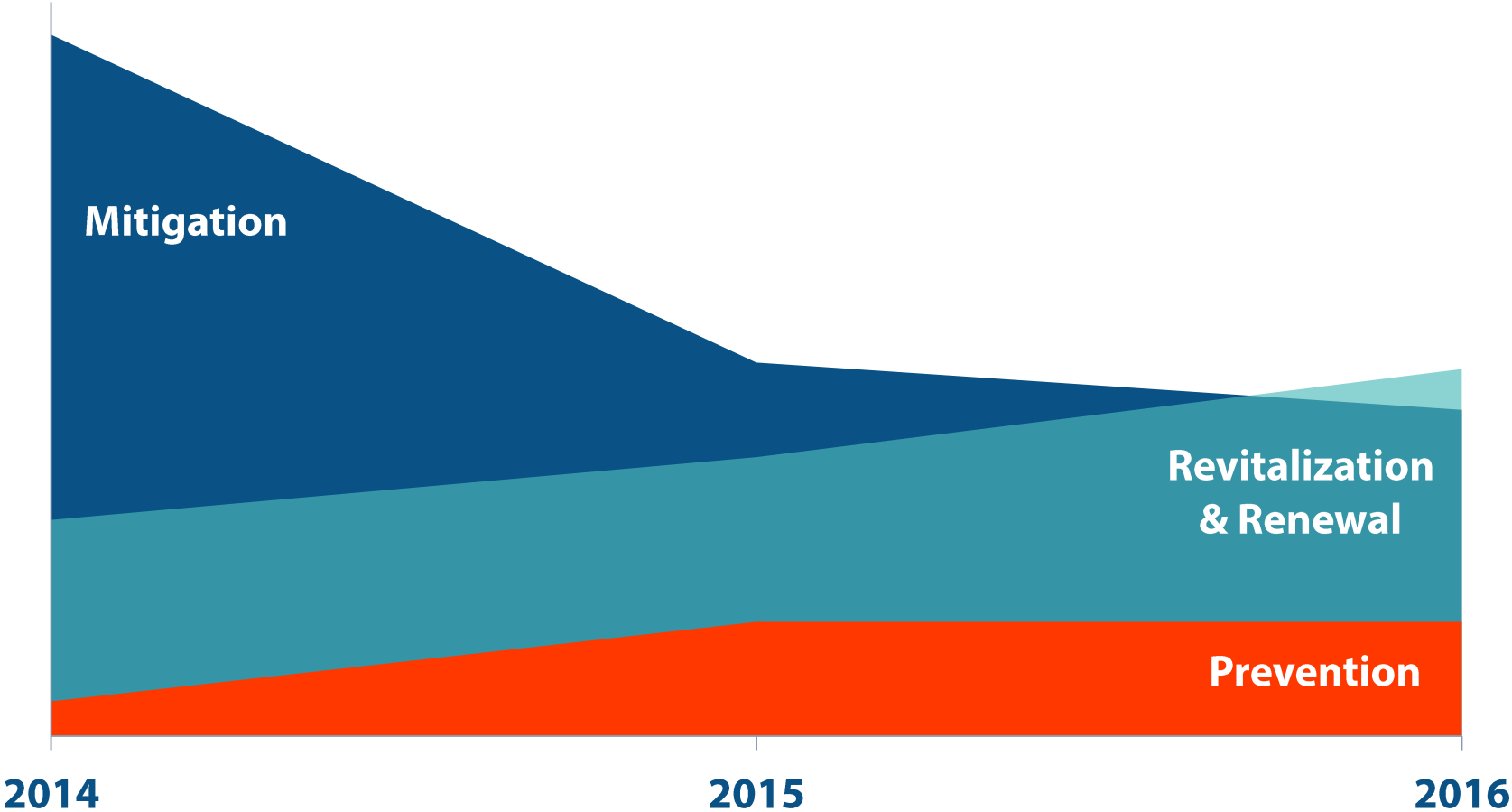
Goal	2014 Adopted	2015 Proposed	Change
Prevent	\$425,464	\$1,398,811	\$943,347 (+328%)
Mitigate	8,642,749	5,399,065	-3,243,684 (-62%)
Revitalize	2,367,749	3,219,801	852,052 (+136%)
Renew	278,933	354,243	75,310 (+26%)
<b>TOTAL</b>	<b>\$11,734,388</b>	<b>\$10,571,920</b>	<b>-\$1,162,468 (-10%)</b>

Funding	2014 Adopted	2015 Proposed	Change
Grant	\$310,705	\$250,936	-\$59,769 (-19%)
Debt	5,027,000	4,919,000	-108,000 (-21%)
Other	1,559,000	1,250,000	-309,000 (-20%)
<b>Tax Levy</b>	<b>4,837,683</b>	<b>4,151,984</b>	<b>-685,699 (-14%)</b>
<b>TOTAL</b>	<b>\$11,734,388</b>	<b>\$10,571,920</b>	<b>-\$1,162,468 (-10%)</b>

# 2013: Vision



# 2014: Actual





# Prevention

- **2015 Budget: \$1.4 million**
- Get to properties and owners ahead of tax foreclosure
- Expand Code Compliance Loan (+\$500K)
- New STRONG Homes Loans (+\$500K)
- Vacant Building Registration
- Continue push on “zombie” foreclosures
- Request expansion of WHEDA deferred loan program

# Prevention Loans

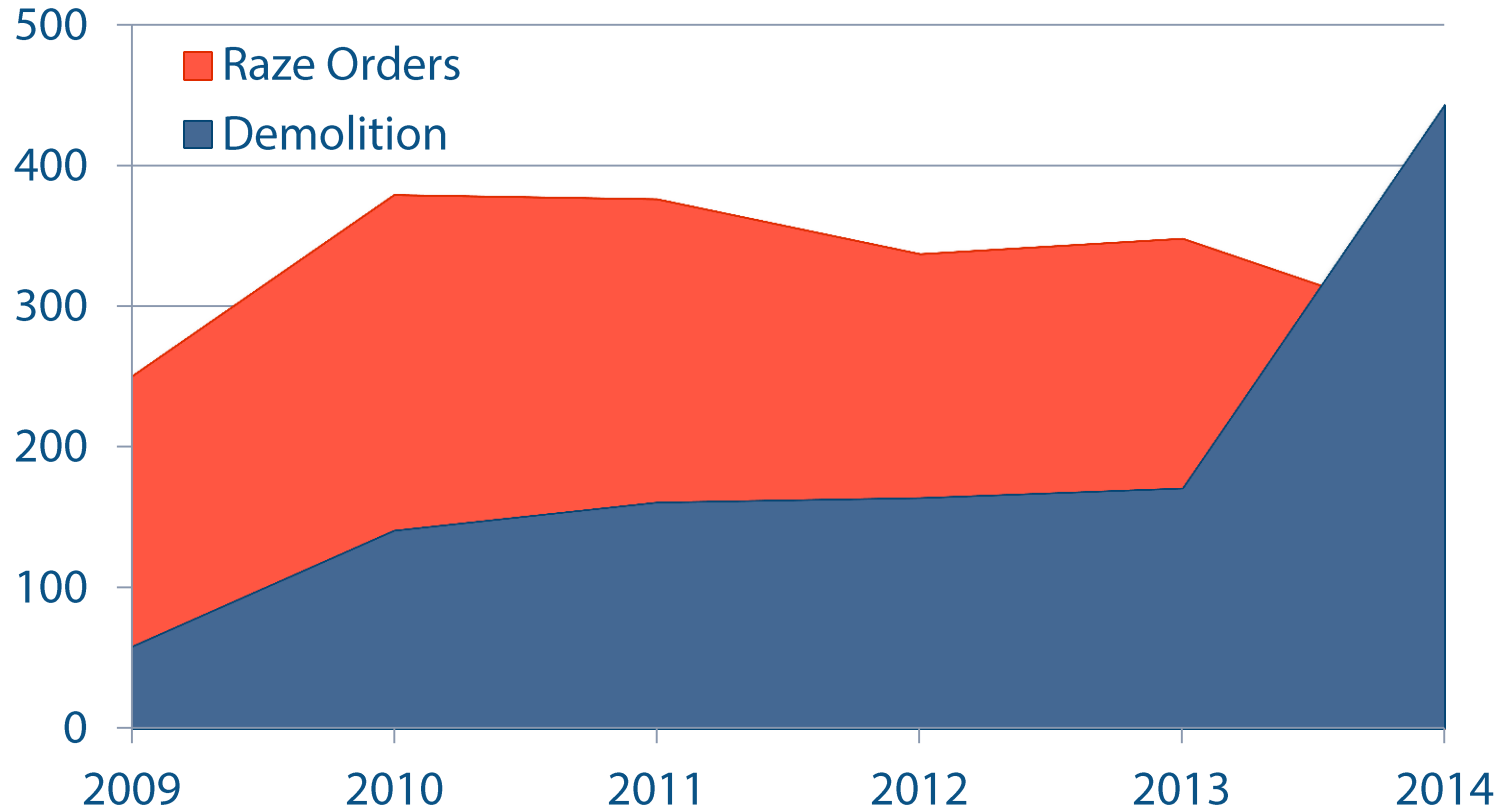
	Code Compliance Loan	STRONG Homes Loan
<b>Maximum Loan</b>	\$15,000	\$20,000
<b>Income (Family of 4)</b>	<\$35,150 (50% AMI)	<\$84,360 (120% AMI)
<b>Rate</b>	0%	0-6%
<b>Term</b>	Deferred payment until transfer	Maximum 15 years
<b>Source</b>	DNS Inspection	Application to NIDC
<b>2015 Proposed Funding</b>	<b>\$500,000</b>	<b>\$500,000</b>

# Mitigation

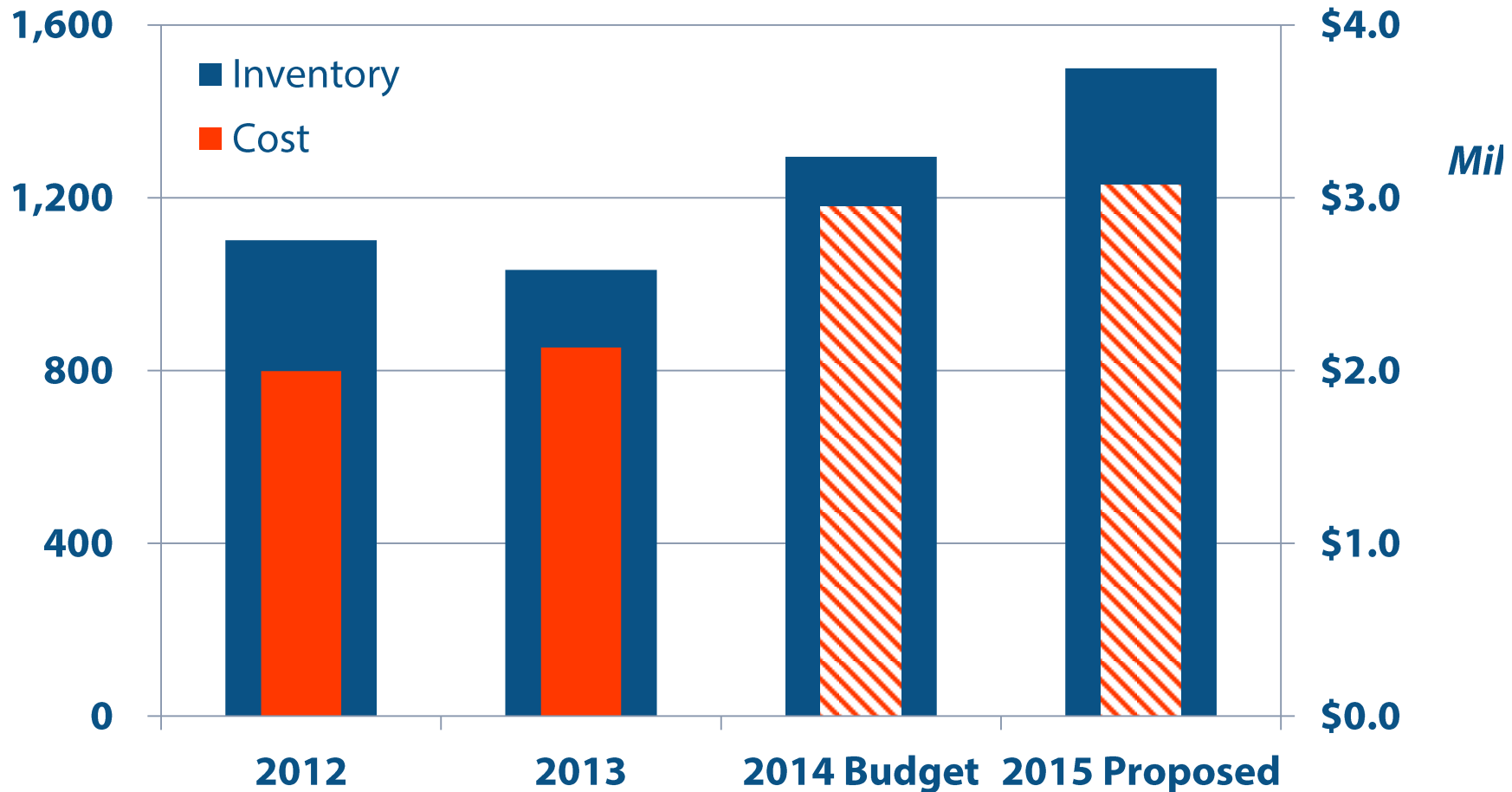
- **2015 Budget: \$5.4 million**
  - \$3.1 million land management
  - \$1.3 million demolition & deconstruction
- Maintenance cost 2015 – minimal growth
- Demolition: -\$3.2M from 2014
- Continue DPW staffed demolition (100)
- Expand salvage/deconstruction efforts



# Demolition Progress



# Cost Management



# Revitalization

- **2015 Budget: \$3.4 million**
- Continue existing efforts
- Two new initiatives
- Find value & opportunities in City-owned property

# Revitalization- 2015

	2014 Funding	2015 Funding
Matching Loans	\$1,400,000	\$1,250,000
Rent To Own	\$350,000	\$350,000
ACTS	\$200,000	\$200,000
HIP Fund	\$450,000	\$450,000
<b>Challenge Fund</b>	-	<b>\$500,000</b>
<b>Commercial In Rem</b>	-	<b>\$500,000</b>
<b>TOTAL</b>	<b>\$2,400,000</b>	<b>\$3,250,000</b>

# Challenge Fund

- Adapt to reduced LIHTC scattered site awards and increasing density of City property
- Seek developer & non-profit capacity and collaborations
  - 15+ properties at a time
- Target investments based on inventory, market, and other City efforts



# Commercial In Rem

- Grants will incentivize sale and renovation of strategic tax-foreclosed commercial properties
- Grants targeted to buildings in areas:
  - Supported by BID or business association
  - Near other City investment
- Goals:
  - Increase sales of commercial properties
  - Leverage private investment
  - Bring jobs and services to commercial corridors

# Renewal

- **2015 Budget: \$354,000**
- Increase vacant lot scope – more & better
- Compete MKE:
  - 13 transitional workers
  - 12-month DCD & DNS rotation
  - Inspection of vacant property
  - Real estate sales support

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