

2022



Legislative Reference Bureau

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DEPT. OF CITY DEVELOPMENT



2022 Proposed Plan and Executive Budget Review

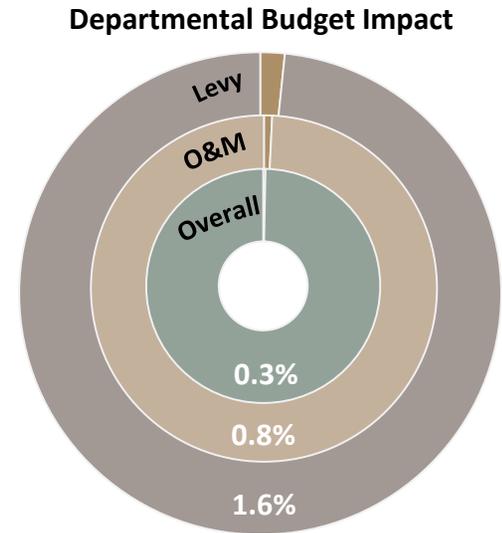
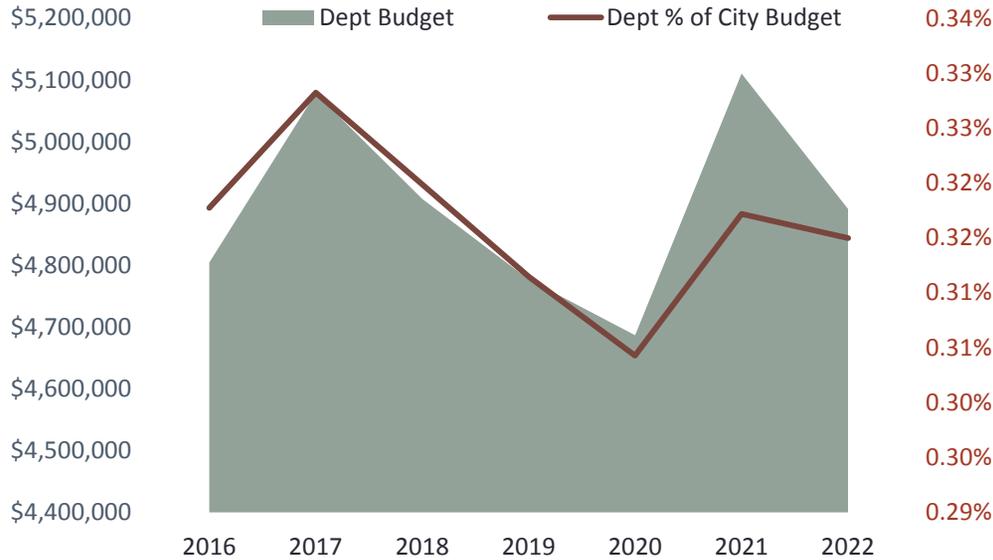
Prepared by: Jeff Osterman, Legislative Research Supervisor
Budget Hearing: 1:30 pm on Tuesday, October 12, 2021



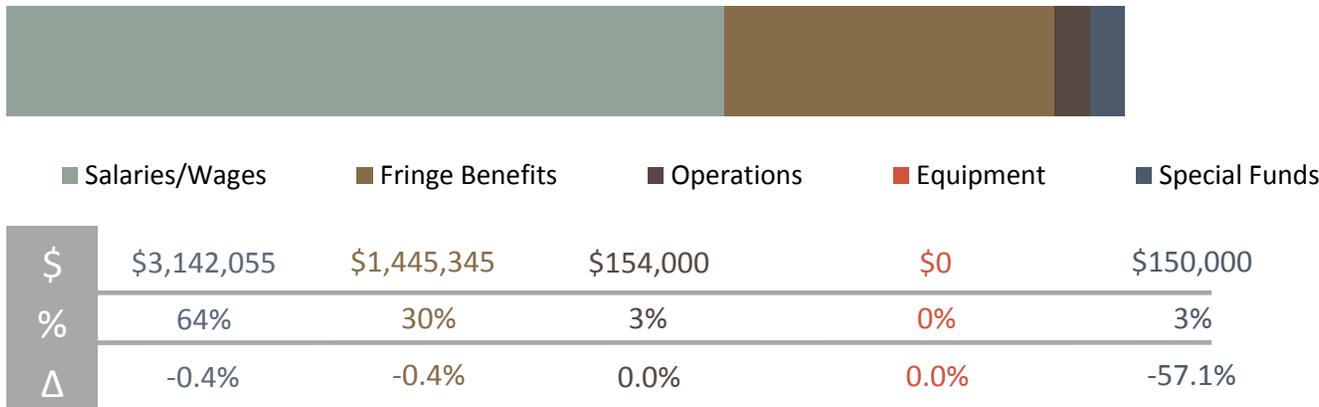
\$4,891,400
Proposed 2022 Budget

-\$219,176
Change in Proposed Budget

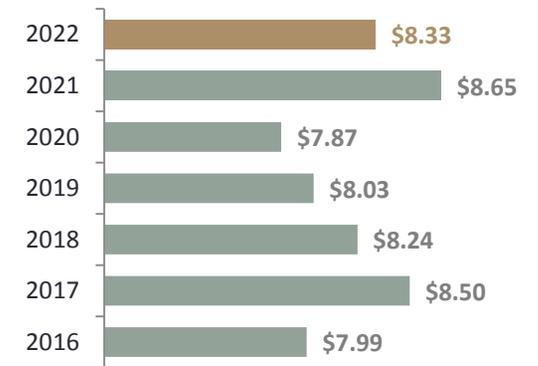
-4.3%
% Change in Proposed Budget



Departmental Budget Appropriation Category



Budget per Capita



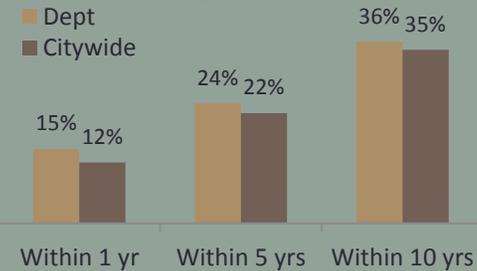
279

Number of improved, *in rem* properties sold by DCD in 2020, compared to 258 in 2019. Net sale proceeds deposited in the City Tax Deed account were \$3,036,302.

\$968,516

Reimbursement from RACM for salaries of DCD positions in 2022.

Retirement Eligible



0

Change in Positions

0.0%

% Change in Positions

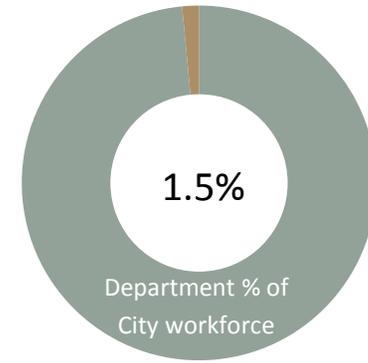
2

Current Vacancies

9

Voluntary Separations

Departmental Personnel Budget



Staffing Update: Current Vacancies

- Housing Rehabilitation Manager (vacant 6/12/21; interviews in progress)
- Graduate Intern – Real Estate (vacant 5/28/20; was placed on hold after last vacated)

Staffing Update: Intern Positions

- The department has several Graduate Intern and College Intern positions. Typically, 4 Graduate Intern positions are filled (3 in the Planning section, one in Real Estate).
- College Intern positions have not been filled due to lack of funding.



80

Number of grants (primarily façade, signage and white box grants) DCD awarded to local businesses in 2020 using funds from the Commercial Investment Program capital account. Total funds awarded: \$800,000.

\$120,000

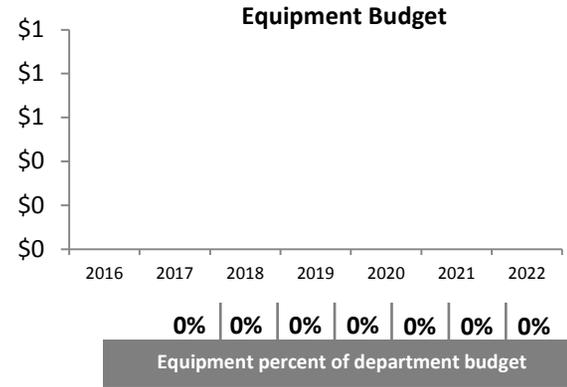
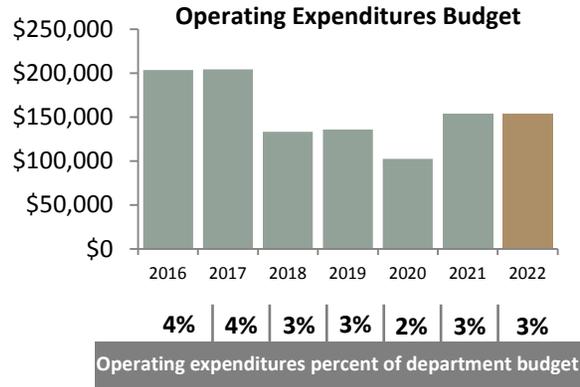
Total value of 6 forgivable grants awarded for new construction on vacant lots in Walnut Circle and Josey Heights in 2020 and 2021.

60

Current active tax incremental districts, including 2 TIDs created in 2021 – Chapel Gardens (TID #107) and 5th and Michigan (TID #108).

16

Number of residential lots sold by DCD for new home construction so far in 2021, compared to 17 lots in all of 2020.



Revenue

- Projected to be \$1,045,000 in 2022.
- Down \$45,000 (-4.1%) from 2021 Budget.
- Decrease primarily attributed to a projected \$25,000 decline in revenue from the PILOT paid to the City by the Housing Authority.

Special Purpose Accounts

- Land Management SPA \$676,000 (no change from 2021)
- Milw. Arts Board Projects SPA \$250,000 (no change from 2021)
- Milw. 4th of July Comm. SPA \$125,000 (not funded in 2021)

Grants

- Will fund \$595,686 in DCD salary costs in 2022, up 0.3% from 2021.
- CDBG and HOME program funding.
- 27 positions wholly or partially grant-funded.
- Grant-funded positions are found in all DCD sections except Commissioner’s Office and Planning.

Capital Projects

- 4 projects totaling \$36.45 million.
- Down \$4.38 million (-10.7%) from 2021.
- Funding for tax increment financing projects increases by \$1 million (2.9%).
- No new capital projects for 2022.
- No new capital funding in 2022 for Housing Infrastructure Preservation Fund, In Rem Property Maintenance Program or Strong Homes Loan Program.

3

Number of Housing Infrastructure Preservation Fund-assisted properties sold in 2020. To date in 2021, one property has been sold.

59

Total number of Strong Homes Loans awarded in 2020, totaling about \$1.009 million, to assist homeowners with emergency and critical repairs.

763

Improved in rem properties maintained by DCD with funding from the Land Management SPA (\$676,000 budgeted for 2022) and rental income.

\$250,000

Increase in funding for the Brownfield Program, 2021 to 2022. All 2021 funds (\$500,000) have already been committed.

Special Funds

- Total 2022 funding of \$150,000, compared to \$350,000 in 2021 Adopted Budget.
- No 2022 funding for the Healthy Food Access Fund. In 2021, \$200,000 was appropriated for this purpose.
- No change in funding levels for the Economic Development Marketing (\$35,000), Milwaukee 7 Contribution (\$15,000) and Healthy Neighborhoods (\$100,000) special funds.

American Rescue Plan Act (ARPA) Funding

- The 2021 Budget provided \$975,000 capital funding for the In Rem Property Maintenance Program. No new funding is provided in the 2022 Proposed Budget. If approved by the Common Council, it is anticipated that ARPA dollars will be used for similar purposes.
- The 2021 Budget provided \$1.2 million for the Strong Homes Loan Program. No new funding is provided in the 2022 Proposed Budget. Again, if approved by the Common Council, it is anticipated that ARPA dollars will be used for this program in 2022.

Capital Improvements (Major Changes)

- Proposed Budget provides \$10 million to pay the increments on current developer-financed TIDs, up from \$9 million in the 2021 Budget.
- Funding for the Commercial Investment Program is reduced from \$1 million to \$500,000. Actual 2020 expenditures were \$436,983.
- Brownfield Program funding is increased from \$500,000 to \$750,000. Actual 2020 expenditures were \$276,926.
- Funding for the Advanced Planning Fund is increased from \$150,000 to \$200,000. Actual 2020 expenditures were \$93,021.
- No funding is provided for the Partnerships in Affordable Ownership Housing and Alternatives to Home Ownership Initiatives. These are new initiatives that received \$3 million in the 2021 Budget.

“BIDs,” “NIDs” and “TIDs”

DCD is responsible for administrative oversight of the City’s 31 active business improvement districts (“BIDs”; last district created in 2017), 9 active neighborhood improvement districts (“NIDs”; last district created in 2020) and 60 active tax incremental districts (“TIDs”; 2 created in 2021).

In Rem Property Management

One of the primary functions of DCD is to manage the City’s substantial inventory of properties acquired through the *in rem* foreclosure process. The following table shows trends in the number of *in rem* properties acquired by the City over the past 12 years:

Year	Number of Properties Added	Year	Number of Properties Added
2010	488	2016	661
2011	360	2017	523
2012	775	2018	134
2013	657	2019	694
2014	587	2020	111
2015	764	2021 YTD	308

Healthy Neighborhoods Initiative

Community Improvement Project (CIP) Grants	2020 Community Improvement Projects
<ul style="list-style-type: none"> Administered by NIDC. Maximum grant \$4,000. Grants are reimbursable grants and require dollar-for-dollar match of non-City funds. Available citywide. Grants used for physical neighborhood projects, not commercial purposes or salaries. 	<ul style="list-style-type: none"> 18 projects citywide. Total grant value: \$58,340; leveraged more than \$92,000. Examples of projects: <ul style="list-style-type: none"> - Green infrastructure - Educational murals - Public art - Playground upgrades - Neighborhood map/app

Funding Sources – DCD Positions

Positions in DCD are funded by a variety of sources, including the City tax levy, grants (CDBG/HOME), capital and RACM reimbursement. The funding sources for funded, non-Housing Authority, non-intern DCD positions in 2020-2022 are:

Funding Source		2020	2021	2022
Sole-Source Funding	City tax levy	34	33	33
	CDBG/HOME	1	1	1
	Capital	1	1	1
	RACM	7	7	8
Combination Funding		35	35	34
Total		78	77	77

Of the 35 “combination” positions for 2022, the most common funding arrangements are:

- CDBG and tax levy - 17 positions
- RACM and tax levy - 7 positions
- Capital and tax levy – 4 positions
- CDBG, capital and tax levy – 3 positions

Housing Infrastructure Preservation Fund

	2020 Total	2021 YTD
Properties assisted	1	1
Properties sold	3	1
Total expenditures	\$25,000	\$62,650
Total sale proceeds	\$71,225	\$33,750