

M E M O

TO: Ald. Donald F. Richards

FROM: Jim Owczarski, Legislative Fiscal Analyst

DATE: September 12, 2003

RE: Changes in the City of Milwaukee's portion of the 2003 to 2004
Community Development Block Grant allocation

The following is in response to your request for information about changes in the City of Milwaukee's portion of the 2003-2004 Community Development Block Grant (CDBG) allocation. It is broken into 2 categories, those programs which have had their allocation increased and those which have had their allocation decreased. Each is followed by an explanatory paragraph.

**PROGRAMS WHICH HAVE HAD THEIR 2004 ALLOCATIONS
INCREASED**

Community Development Block Grant Administration

2003 Total: \$1,048,600

2004 Total: \$1,187,000

Increase: \$138,400

Percent of Increase: 13.19%

This increase results from 2 causes. The first is to make whole a \$50,000 cut made to this allocation as part of the 2003 budget process which was made up with 2002 carryover funds. The second is to permit the hiring of a rental rehabilitation specialist in the CDBG office. This position will be filled effective January 1, 2004.

Comptroller's Office Administration

2003 Total: \$527,900

2004 Total: \$692,000

Increase: \$164,100

Percent of Increase: 31%

This increase results from 2 causes. The first is to make whole a \$50,000 cut made to this 2003 budget allocation, \$25,000 of which was returned using 2002 carryover funds. The second is to fund a change in the Comptroller's office under which 3 student intern (partial FTEs) positions will be eliminated and replaced with a single FTE.

Department of Neighborhood Services Code Enforcement - Neighborhood Improvement Program

2003 Total: \$384,405

2004 Total: \$385,000

Increase: \$595

Percent of Increase: 0.2%

Aggregated as these funds are from both CDBG entitlement and HOME dollars, this small increase is the result of an administrative "rounding".

Health Department – Milwaukee AIDS Initiative

2003 Total: \$0

2004 Total: \$314,200

Increase: \$314,200

Originally planned as a levy-supported program, this initiative is now a "pass-through" of CDBG funds to CBOs. The CDBG office has issued a request for proposal to potential participants in this initiative and 5 have been selected. It is important to note that unlike HOPWA funds which must be shared county-wide, this AIDS initiative will be specific to and focused on the City of Milwaukee.

Milwaukee Public Library – Community Outreach and Technology Center

2003 Total: \$543,224

2004 Total: \$791,941

Increase: \$248,717

Percentage of Increase: 45.8%

This increase will be used to fund the construction and operation of a new technology library, the location for which has not yet been determined. This library's functions are currently at the Center Street library.

PROGRAMS THAT HAVE HAD THEIR 2004 FUNDING ALLOCATION DECREASED

DPW – Overlay and Sealing Project

2003 Total: \$141,799

2004 Total: \$0

Decrease: (\$141,799)

Percent of Decrease: 100%

At present the Department of Public Works has not identified CDBG eligible projects for which this funding is needed and which are not already funded from previous CDBG allocations.

DPW – Recreational Facilities**2003 Total: \$130,299****2004 Total: \$0****Decrease: (\$130,299)****Percent of Decrease: 100%**

Due to the lengthy planning and design process necessary for these projects, all the facilities eligible for CDBG funding have already been identified and the funds earmarked. It is believed that the department will spend 2004 wrapping up its 2003 projects.

Department of Administration (ITMD) -- COMPASS Program**2003 Total: \$200,000****2004 Total: \$0****Decrease: (\$200,000)****Percent of Decrease: 100%**

The funding for this program, administered by the Department of Administration, was drawn from CDBG on a one-time basis in the 2003 budget. At that time, COMPASS representatives were informed that, as of December 31, 2003, other funding sources would have to be found for the program.

Milwaukee Public Library – Mobile Library Technology Services**2003 Total: \$248,717****2004 Total: \$0****Decrease: (\$248,717)****Percent of Decrease: 100%**

This is the money used in the past to fund the “Bookmobile”. This money will be shifted to construct and maintain the new technology library mentioned earlier.

NIDC – Affordable Housing Acquisition/Rehabilitation/Sale/New Construction**2003 Total: \$683,410****2004 Total: \$584,910****Decrease: (\$98,500)****Percent of Decrease: -14.4%**

This and the following 2 reductions are the result of the across-the-board reduction made to the City’s 2004 HOME allocation. It is hoped that all 3 will be, at least in part, replenished by a combination of reprogramming and carry-over funds. It is important to note that all 3 operate not on the City’s January-January cycle, but June-June, which, combined with the fact that all 3 have encumbrances which come due throughout the year, may present further opportunities to make good these decreases.

NIDC – Owner-Occupied/Deferred Payment/Home Rehabilitation Loan Program

2003 Total: \$1,029,160

2004 Total: \$979,160

Decrease: (\$50,000)

Percent of Decrease: -4.9%

NIDC – Rental Rehabilitation Loan Program

2003 Total: \$1,549,384

2004 Total: \$1,255,963

Decrease: (\$293,421)

Percent of Decrease: -18.9%

NIDC – Targeted Investment Neighborhoods

2003 Total: \$621,250

2004 Total: \$0

Decrease: (\$621,250)

Percent of Decrease: 100%

The block grant office has indicated that the Targeted Investment Neighborhoods (TIN) program will be funded as part of the 2004 reprogramming process. It should be noted that 2003 was the first year that TINs were funded through the entitlement process.

RACM – Spot Acquisitions

2003 Total: \$589,274

2004 Total: \$389,274

Decrease: (\$200,000)

Percent of Decrease: -33.9%

This cut is a direct result of the City's \$1.2 million overall CDBG entitlement cut. It is hoped that the reprogramming process will permit some of this money to be returned. In addition, this fund often receives foreclosures during the 4th Quarter of the year which also might help reduce the impact of this cut.

Should you have any further questions, please feel free to contact me at your convenience. I am at extension x2299.