



Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

Rocky Marcoux
Commissioner
rmarco@milwaukee.gov

Martha L. Brown
Deputy Commissioner
mbrown@milwaukee.gov

October 22, 2018

Members of the Finance and Personnel Committee
Milwaukee Common Council
City Hall, Room 205

Dear Chair Coggs and Committee Members:

This letter responds to requests for additional information that were made during the course of the Department of City Development's 2019 budget hearing on Tuesday, Oct. 16, 2018.

Information request: List of NIDC minority contractors

List has been placed in File 180001 – file name: Contractorfollowupdata.xlsx

Information request: List of Milwaukee Kiva loan clients

List has been placed in File 180001 – file name: Milwaukee kiva loans 1018.xlsx

Information request: Was there a transfer of funds into the commercial grants account in fall 2017? If so, from what source were the funds transferred?

There was no such transfer of funds in fall 2017. As discussed at the hearing, there funds were transferred from several commercial capital accounts into the commercial grants account in late 2016. The Council also adopted a resolution in 2016 dedicating funds from the Service Line Warranty account for commercial grants.

Information request: List of 2018 Milwaukee Arts Board grants

List has been placed in File 180001 – file name: 2018 funded Arts Board Grants.xlsx

Information request: Demographic breakdown of DCD employees indicating the level of positions held by employees by race

Spreadsheet has been placed in File 180001. The list is in order of salary grade rank, starting with the highest ranked grade. File name: DCD Employees race gender salary grade as of 10.18.18.xls

Information request: Estimate of job opportunities enabled by DCD activities in 2018

We estimate that approximately 2000 job opportunities were enabled by DCD activities in 2018. This count includes jobs that will locate in Milwaukee as a result of the relocation of Komatsu and Michaels Corp. to city sites. Both projects will be brought to the Council later this year.

Information request: Written description of the expenditure plan for \$1.77 million shown as cash revenue in the department's capital budget

As discussed at the budget hearing, TID 22 ("Beerline B"), created in 2004, is required to close in 2020. That TID generates significant incremental taxes exceeding \$4 million annually. State TID law allows the City to capture one year's increment from a closing TID, and expend that increment on activities that improve the city's housing stock. Assuming that the Common Council adopts a resolution capturing this



increment at the closure of TID 22, the district will generate a substantial resource for affordable housing development.

The \$1.77 million listed as cash revenue in the DCD capital budget anticipates borrowing against this future resource in 2019, to allow 2019 expenditures for one or more large-impact affordable housing initiatives to support Mayor Barrett’s 10,000 Households Initiative.

We are committed to work with the Common Council to determine priorities and designs for appropriate programs. Approaches could include a City-funded version of the Milwaukee Employment/Renovation Initiative; a grant to the Strategic Acquisition Fund to prevent displacement in neighborhoods in which property values are rising; an incentive strategy to encourage responsible private investors to buy and renovate residential properties in receivership; an owner-occupancy incentive in neighborhoods which have lost significant owner-occupants; and a contribution to the Housing Trust Fund. We note that any programs using this resource must comply with State TID statute. Also, while the TID statute does not specifically prohibit borrowing against future TID increment dedicated to affordable housing, we would work with the Wisconsin Department of Revenue to implement this strategy.

Information request: Delineate the uses to date for funds previously generated for affordable housing in connection with the closure of TIDs.

According to the City Budget Office, approximately \$2 million in TID affordable housing revenues have funded the Department of City Development’s In Rem capital account, the Department of Neighborhood Services’ Code Compliance program, and the City’s Housing Trust Fund.

	Budgeted	Program
2015	\$750,000	In Rem capital account
	\$500,000	Code Compliance program
2016	\$330,000	In Rem capital account
2017	\$150,000	In Rem capital account
	\$200,000	Housing Trust Fund
2018	\$85,000	In Rem capital account
Total	\$2,015,000	

Information request: How many commercial grants have been made to graduates of the ACRE program?

DCD has been a strong supporter of the ACRE program since its inception. That support takes many forms: providing lecturers for ACRE class sessions, critiquing ACRE student projects, having a representative on ACRE’s advisory committee, participating in the 2018 ACRE lunch and learn sessions, and providing financial support to ACRE students involved in development activity. The Commercial Revitalization Ownership Project (CROP) was created specifically to support ACRE alumni redeveloping tax-foreclosed commercial property purchased from the City of Milwaukee.

We have identified the following recent commercial grants to ACRE graduates.

- Whitebox grant awarded to James Phelps to renovate JCP Office buildings at 1849 N. Dr. Martin Luther King Jr. Drive.
- Whitebox and façade grants awarded to James Phelps to renovate property at 1920 N. Dr. Martin Luther King Jr. Drive.

- Through CROP, foreclosed commercial property fund, whitebox and façade grants were awarded to Ariam Kesete for Kesete Community Incubator, 3821 W. North Ave.
- Through CROP, a foreclosed commercial property fund grant was awarded to Fatima Laster for 5 Points Artists Gallery and Studio, 3514 N. Port Washington Ave.

DCD, RACM and the Community Development Grants Administration have deployed a variety of other tools to support ACRE graduates undertaking development work. These include property sales and/or grants and loans from tax increment financing, the Housing Trust Fund, Community Development Block Grant/HOME, Neighborhood Stabilization Program funds, NIDC and the Milwaukee Employment/Renovation Initiative. The following ACRE alumni have accessed such resources:

- The department is currently working with Index Development, a consortium of five ACRE graduates (Rafael Garcia, Heidi Henley, Jackie Carter, Alex Walker and Que El-Amin) to support the development of Villard Commons affordable housing. DCD is advancing a tax increment financing proposal and has agreed to sell property to the consortium for the project.
- Tina Anderson and Sherry Terrell-Webb were partners in the development of the Mitchell Market Lofts, 1948 W. Mitchell Street. The project received a Neighborhood Stabilization Program grant and the developers purchased City property.
- Brandon Rule received financial support through Tax Increment Financing, Housing Trust Fund, and HOME for the development of 704 Place, 704 W. National Ave.
- Brandon Rule has been selected to redevelop tax foreclosed property formerly occupied by Esperanza Unida at 1313 W. National Ave.
- Melissa Goins, through Maures Development, Inc., received financial support through Tax Increment Financing, Housing Trust Fund, and HOME for the Garfield/Griot apartment project. The City and Redevelopment Authority sold the project site to Ms. Goins for \$1.00.
- Melissa Goins, through Maures Development, Inc., received Neighborhood Stabilization Funds to support five housing development projects.
- Michael Adetoro and Glenn Banks, owners of Revitalize Milwaukee LLC, were selected as MERI buyers. They purchased five residential properties for \$1 each and will receive reimbursement of up to \$50,000 to defray renovation costs.
- Rafael Garcia, working through Independence First, is one of the development partners selected to redevelop the 37th Street School.
- Kyle Mack is one of the development partners selected to redevelop foreclosed commercial property at 2249 N. Humboldt Ave.
- Lavelle Young is part of the development team selected to build a mixed-use project that includes a new Martin Luther King branch library.
- Kevin Newell, working through Royal Capital Group LLC, has been selected to redevelop the former Wheatley School as affordable housing. A file approving sale of the building will be heard by the Zoning, Neighborhoods and Development Committee on Oct. 30, 2018.
- Firms owned by Kevin Newell and Melissa Goins head the development team selected to build a replacement for the Mill Road Library.
- Chris Martin received a rental rehabilitation loan for the renovation of an investment property.
- Garfield Plunkett received a rental rehabilitation loan for the renovation of an investment property.
- Fatima Benhadou, through Heartland Housing, is part of the development team redeveloping the former St. Anthony's Hospital as St. Anthony's Apartments. The supportive housing development will open before the end of 2018. The project received Housing Trust Fund and HOME grants.

Information request: Addresses of the 50 properties assisted with Housing Infrastructure Preservation Fund investment

List has been placed in File 180001 – file name: Housing Infrastructure Preservation Fund Address 2018.xlsx

Information request: Expenditure plan for \$500,000 in brownfields funding in 2019

Expenditure plan has been placed in file 180001 – file name: brownfield expenditure plan.xlsx

Information request: Copy of the study that indicates the recent growth of property value near the streetcar line

Three documents containing study data have been placed in file 180001 – file names: 2018-0911 streetcar values.xlsx; 2017 0407 streetcar_parcels.pdf; 2018-0911 streetcar data.xlsx

I trust this responds to your requests for additional information. Should you need anything further, please give me a call at ext. 5810.

Sincerely,



Martha L. Brown
Deputy Commissioner