

**RESIDENTS PREFERENCE PROGRAM QUARTERLY REPORT
QUARTER 2 - 2018**



**DEPARTMENT OF ADMINISTRATION
OFFICE OF SMALL BUSINESS DEVELOPMENT**

Summary

In accordance with Resolution File # 171522 - relating to quarterly reports on Residents Preference Program goals and, File #171804 - Communication from the Department of Public Works and Dept. of Administration - Office of Small Business relating to residents preference program goals and failure of contractors to meet these goals, analysis of the reasons these contractors are failing to meet these goals and actions the departments are taking to address these deficiencies, this office is providing a report of activities in Quarter 2 - 2018.

As set forth in Chapter 355, Milwaukee Code of Ordinances, the Office of Small Business Development is responsible for monitoring Residents Preference Program (RPP) participation on private development projects that receive more than \$1 million of direct financial assistance from the City of Milwaukee. The direct financial assistance can include: land sales, grants and loans for brownfield remediation, tax incremental financing, and infrastructure improvements. Terms of the participation requirements are codified in a Human Resources Agreement between the Developer and the City.

During Q2-2018 (April 1 – June 30, 2018), three (3) private development projects with Residents Preference Program participation were completed. On-site work for the below-mentioned projects is complete; however, the projects are not considered closed as they are pending administrative review. Final participation numbers will be reported in the annual report. The completed development projects for Q2-2018 are summarized below.

RPP Targets and Achievements

Projects	RPP % Required	RPP % Actual
1. Historic Garfield Apartments ⁱ	40%	48%
2. The Griot ⁱⁱ	40%	35%
3. Welford Sanders Lofts ⁱⁱⁱ	40%	36%

Conclusion

One (1) project met RPP requirements and two (2) are pending administrative review, which will impact final participation percentages. The developers and their teams are aware of the shortfalls, enforcement and best effort alternatives identified in the Human Resources Agreements and Chapter 355 MCO.

The Office of Small Business Development did not adjust any of the participation percentage requirements or goals for any of these projects.

ⁱ The OSBD was notified in Q2 that the Historic Garfield Apartments were completed in Q4 2017, and, as a result, project participation is being reported during this quarter. Surplus hours from this project will be transferred to The Griot project to cure the 5% shortfall.

ⁱⁱ Per Ch.355-7-2-a2, underperforming projects may meet RPP requirements by utilizing unemployed or underemployed residents to work on concurrent projects in any Wisconsin county, provided those residents began their employment on projects in the city. Therefore, the surplus 8% RPP hours will be allocated to The Griot project to cure the 5% shortfall.

ⁱⁱⁱ Although Welford Sanders Lofts on-site work is complete, the final report has not been submitted. Final participation percentages are pending administrative review.