

2019



Legislative Reference Bureau

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STRONG NEIGHBORHOODS PLAN



2019 Proposed Plan and Executive Budget Review

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SNP – Purposes & Methods

- Prevent foreclosures (code compliance loan program).
- Mitigate the impacts of foreclosed and blighted properties. (property maintenance, demolition, deconstruction).
- Revitalize properties and neighborhoods affected by foreclosures. (home maint./rehab. assistance, commercial *in rem* loans).
- Renew abandoned or vacant spaces (commercial property improvement grants).

SNP – Changes for 2019

- Total proposed funding, \$9.46 million, is \$344,138 more than 2018 appropriation (+3.8%).
- Funding reduced for most purpose/functional areas, but increased \$920,000 (+36%) for Revitalization to reflect greater emphasis on rehabbing *in rem* properties and on the Strong Homes Loan Program.
- Funding for DCD's *In Rem* Property Program capital account, which supports rehabilitation and other work on City-owned foreclosed properties, is increased by \$1.17 million (+195%).
- Funding for demolition and deconstruction work reduced by \$620,776 (-38%).

SNP – Funding History

- \$11.6 million in 2014 (first year).
- \$10.6 million in 2015.
- \$11.0 million in 2016.
- \$14.0 million in 2017.
- \$9.1 million in 2018.
- Majority of support for SNP has been capital funding; other support provided via additional departmental salaries and operating expenditures, special funds and SPAs.

SNP – Departmental Roles

- Work carried out by 3 City departments – DCD, DNS and DPW. Mayor's Office no longer directly funded by SNP.
- DCD primarily responsible for Revitalization and Renewal activities, DNS responsible for Prevention activities, and DCD, DNS and DPW all involved in Mitigation programs.
- Largest share of money – 52.3% -- appropriated to DCD.
- Just 1.1% of total SNP funding goes to departmental salary accounts.

Category	Department	Description	2017 Adopted Budget	2018 Adopted Budget	2019 Proposed Budget
PREVENTION			\$1,299,621	\$985,873	\$906,530
Code Compliance Loan Program					
	DNS				
		Salaries	\$116,879	\$100,881	\$100,530
		Compliance Loan Program	\$800,000	\$800,000	\$800,000
Vacant Property Registration					
	DNS	Salaries	\$261,413	\$84,992	\$0
Accelerated <i>In Rem</i> Foreclosures					
	DNS	Salaries/Operating	\$56,154	\$0	\$0
	DCD	Salaries/Operating	\$37,425	\$0	\$0
	Treasurer	Operating	\$27,750	\$0	\$0
MITIGATION			\$7,159,227	\$4,498,776	\$4,087,257
Land Mgmt. & Property Maintenance					
	DCD	Land Management SPA	\$676,000	\$676,000	\$676,000
	DPW	<i>In Rem</i> /Vacant Lot Mgmt.	\$2,240,000	\$2,202,000	\$2,411,257
Demolition (City-Owned)					
	DPW				
		In House Demo Salaries	\$254,907	\$104,156	\$0
		In House Demo Special Fund	\$438,320	\$316,620	\$0
Demolition & Deconstruction					
	DNS				
		Concentrated Blight Elim.	\$2,100,000	\$1,200,000	\$1,000,000
		Demolition (CDBG reprog.)	\$350,000	\$0	\$0
		State of Wis. Demo./Decon.	\$1,100,000	\$0	\$0

REVITALIZATION			\$4,317,000	\$2,550,000	\$3,470,000
Rehab					
	DCD				
		<i>In Rem</i> Property Account	\$1,550,000	\$600,000	1,770,000
		Strong Loans	\$1,167,000	\$1,500,000	\$1,400,000
		State of Wis. Rehab.	\$900,000	\$0	\$0
Housing Infrastructure Preservation Fund					
	DCD	Hous. Infra. Pres. Fund	\$450,000	\$250,000	\$100,000
Commercial <i>In Rem</i>					
	DCD	Comml. <i>In Rem</i> Account	\$250,000	\$200,000	\$200,000
RENEWAL			\$1,185,000	\$1,085,000	\$1,000,000
	Mayor	Salaries	\$85,000	\$85,000	\$0
	DCD	Commercial Investment Prog.	\$1,100,000	\$1,000,000	\$1,000,000
TOTAL STRONG NEIGHBORHOODS PLAN FUNDING			\$13,960,848	\$9,119,649	\$9,463,787

Strong Neighborhoods Plan - Highlights and Accomplishments

- DCD sold 429 improved properties and 175 vacant lots in 2017.
- DCD is using the Land Management SPA to fund maintenance of about 1,000 City-owned tax-deed properties.
- Through July, 2018, 47 Compliance Loan Program loans totaling approximately \$604,000 have been approved; DNS expects to expend the remaining 2018 funds by the end of the year. These loans help low-income home owners make repairs necessary to correct code violations, thereby avoiding enforcement and penalties. An estimated 54 Compliance Loans will be made in 2019.
- In 2017, 107 Strong Homes Loans totaling \$1.6 million were approved by DCD. This program strengthens homeownership in the city by providing low-interest, deferred-payment loans to homeowners who are unable to obtain conventional financing for major repairs.
- CCFN 170188, which was effective 1/1/2018, requires deconstruction, rather than demolition, of a residential structure built in 1929 or earlier when a demolition permit is applied for. Hence, the Budget no longer provides SNP funds for demolition. Approximately 25 deconstructions will be funded by the \$1 million provided in the 2019 Proposed Budget.
- To date, 45 tenants have purchased their properties through the Rent-to-Own Program, which is part of the SNP-funded *In Rem* Property Account.
- DPW uses SNP funds to perform basic maintenance – debris removal, grass mowing and snow removal -- on over 3,300 City-owned vacant lots and nearly 1,300 improved properties.