

# Milwaukee Promise 2017 Performance Metrics Housing & Neighborhoods

Report to the Finance and Personnel Committee  
Presented by Budget and Management Division

June 14, 2017

# OUTLINE

## I. Local and Regional Trends

- Equalized Value
- Residential Property Values
- Housing Characteristics

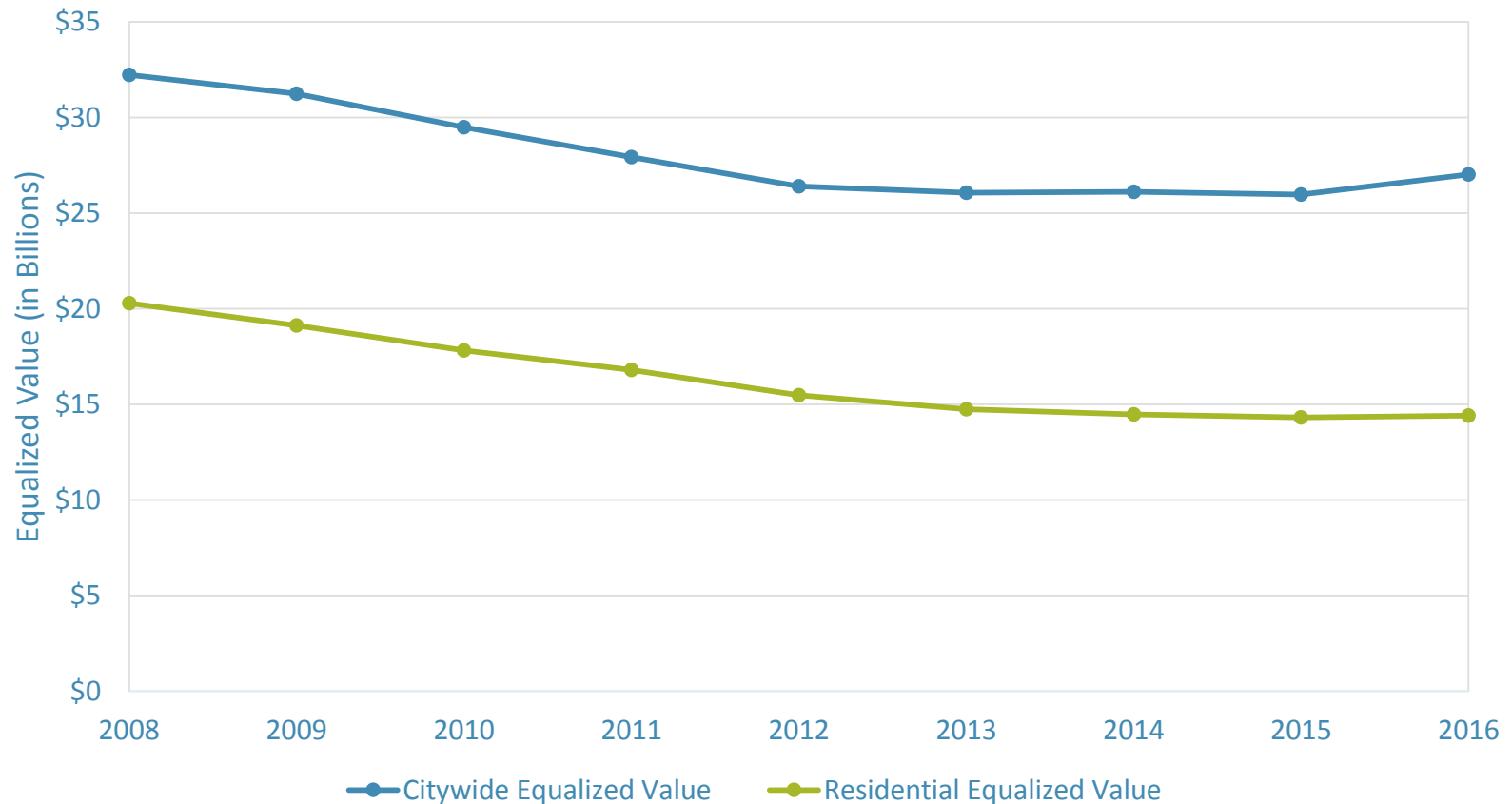
## II. City Strategies

- Strong Neighborhoods Plan
- Milwaukee Employment/Renovation Initiative
- Targeted Investment Neighborhoods
- City Infrastructure Strategies
- Neighborhood Libraries

# EXECUTIVE SUMMARY

1. Property values have been stabilizing with gradual improvement throughout most of the city.
2. In 2016 (2017 valuation) 50% of neighborhoods experienced increases to values for single family homes, compared to 37% in 2015 (2016 valuation).
3. The city has experienced a decline in owner-occupied housing over the last 5 years.
4. The “housing cost burden” for owners has improved (i.e., decreased) modestly over the last 5 years.
5. Sales of *in rem* properties have been relatively strong in neighborhoods that experienced substantial foreclosures.
6. City government has implemented a range of programs to prevent and mitigate the impacts of housing-related blight.

# CITYWIDE AND RESIDENTIAL EQUALIZED VALUE



Sources: Wisconsin Dept. of Revenue –Statement of Equalized Values, reported annually 2008-2016

# CHANGE IN NEIGHBORHOOD RESIDENTIAL PROPERTY VALUES

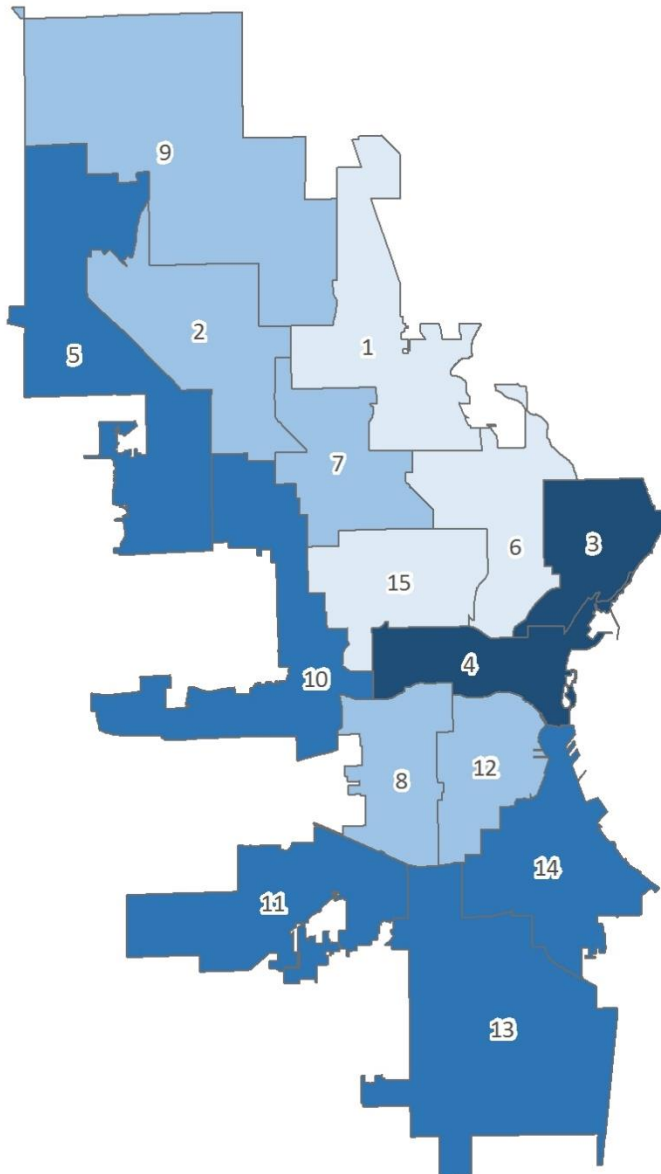
- Overall, residential property values increased 3.14% from 2016 to 2017.
- Many single family and duplex neighborhoods experienced either no change or an increase in assessed value from 2016 to 2017.

	Number of Single Family Neighborhoods		Number of Duplex Neighborhoods	
	2016	2017	2016	2017
Decrease in assessed value	22	19	19	19
No change in assessed value	68	51	82	69
Increase in assessed value	52	71	41	53

Source: City of Milwaukee Assessor's Office

# CITY OF MILWAUKEE

## Median Residential Assessed Value by Aldermanic District (2017)



### LEGEND

#### 2017 Median Residential Assessed Value

- \$55,000 or less
- \$55,001 to \$100,000
- \$100,001 to \$200,000
- Greater than \$200,000

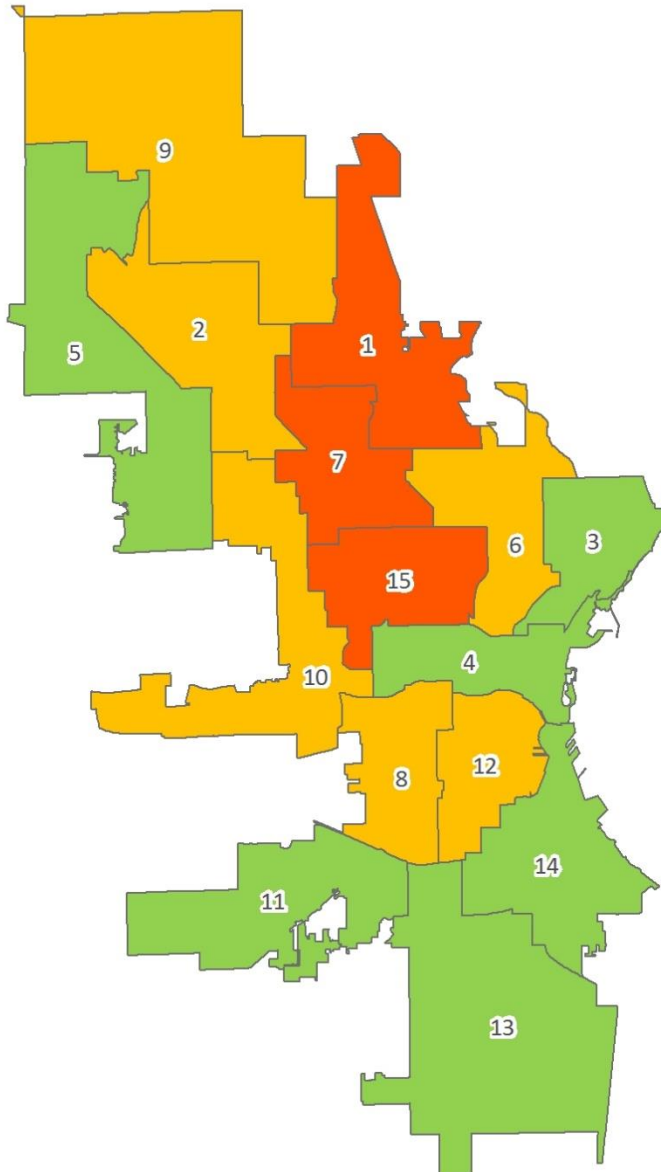


Source: City of Milwaukee Assessor's Office

Prepared by City of Milwaukee DOA-BMD-kqp, 05/08/17

# CITY OF MILWAUKEE

## Change in Residential Assessed Value by Aldermanic District (2016 - 2017)



### LEGEND

#### Change in Residential Assessed Value (2016-2017)

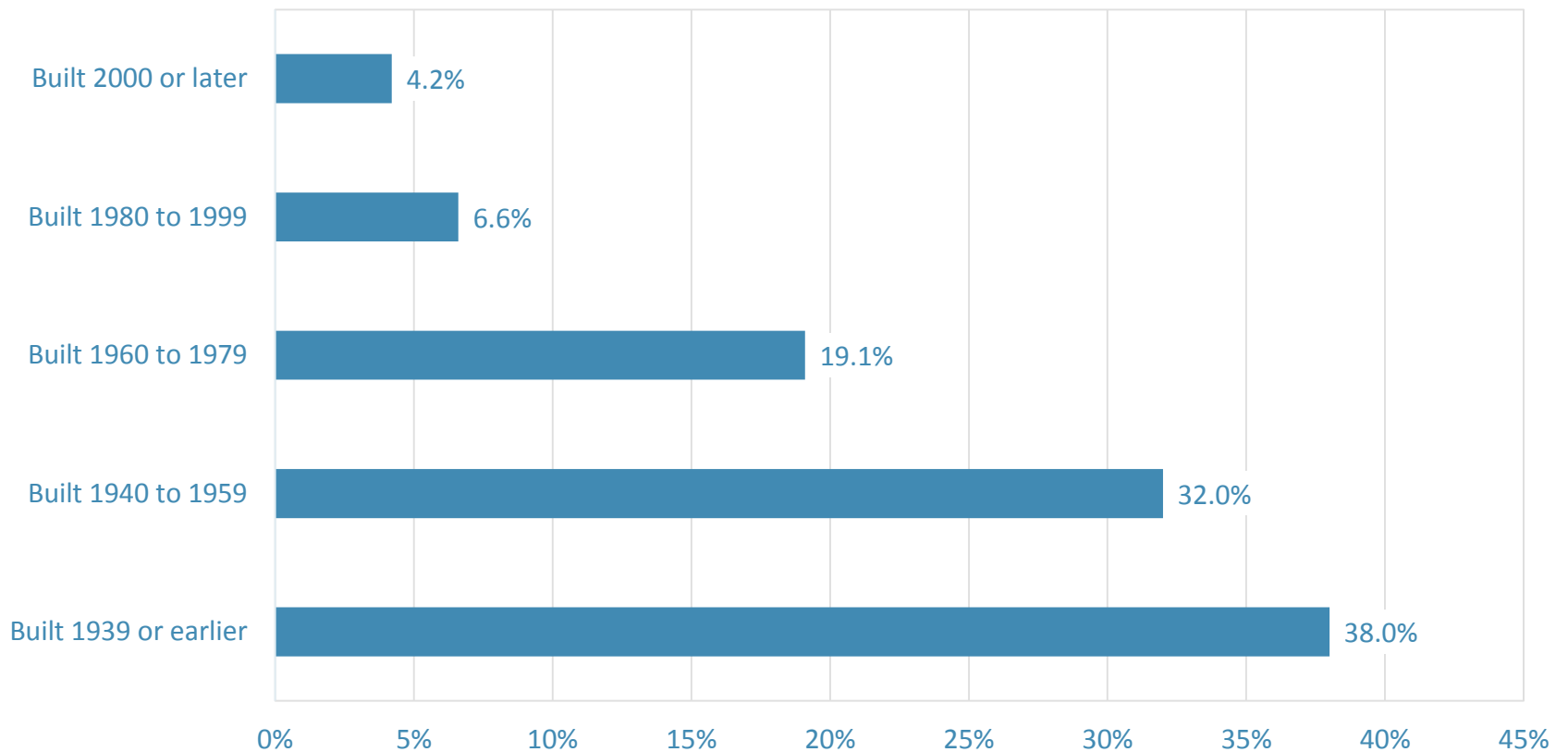
- Up to 1.5% decrease
- 0 to 3% increase
- Greater than 3% increase



Source: City of Milwaukee Assessor's Office

Prepared by City of Milwaukee DOA-BMD-kqp, 05/08/17

# AGE OF HOUSING STOCK IN CITY OF MILWAUKEE

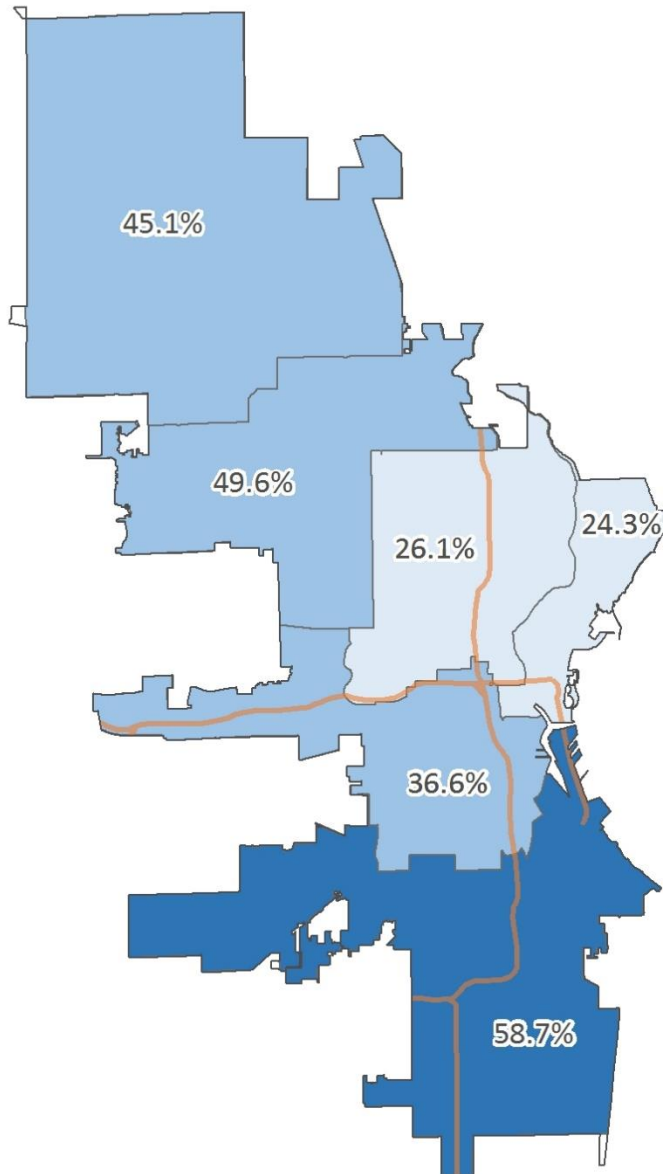


Source: US Census Bureau, 2011-2015 American Community Survey 5-Year Estimates



# CITY OF MILWAUKEE

## Owner Occupancy Rates (2011-2015 Estimates)



### LEGEND

Percent of occupied housing units that are owner occupied

- 30% or less
- 30.1 to 50%
- Greater than 50%
- City Limit
- Interstate

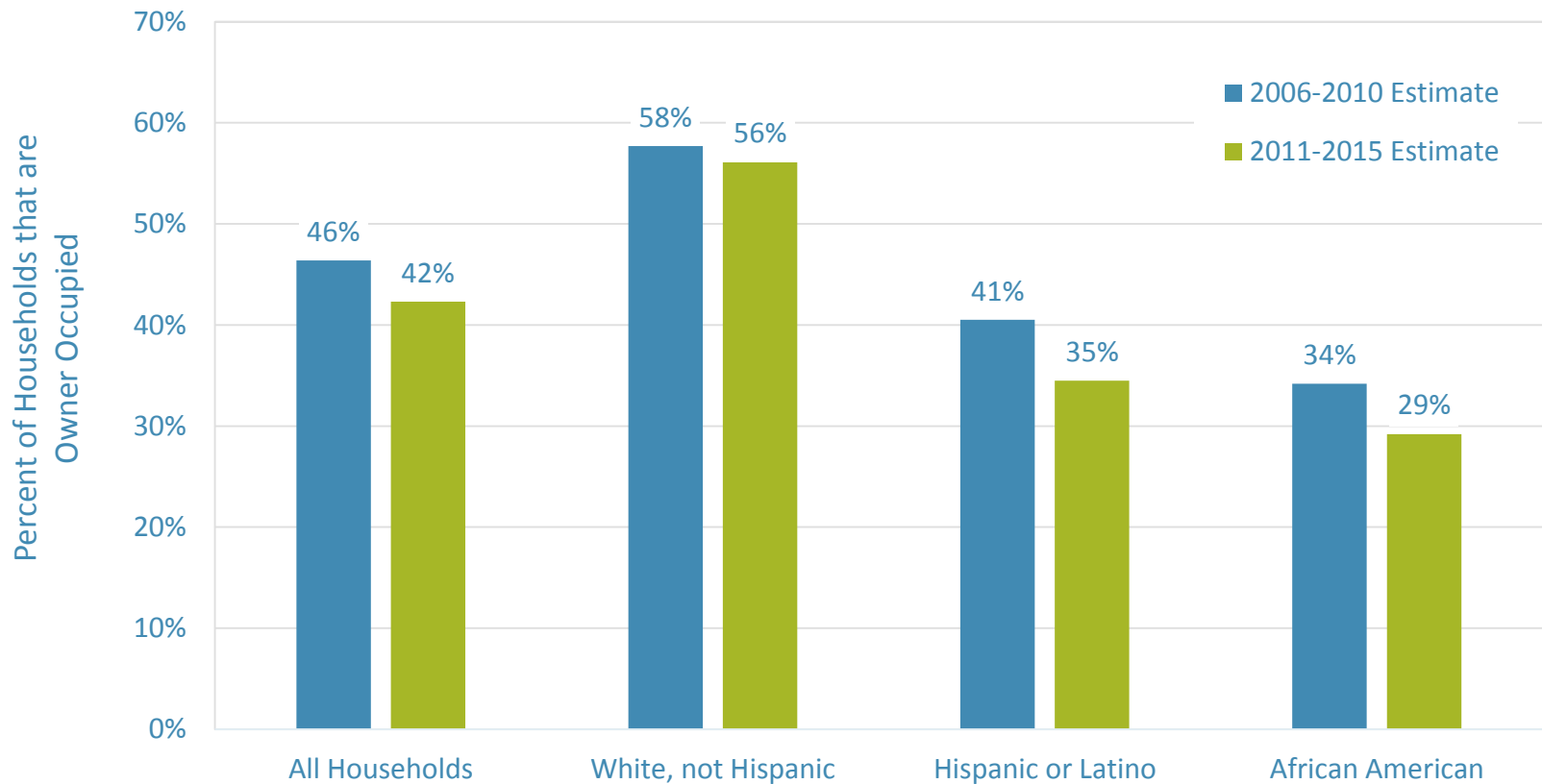


Source: US Census Bureau, 2011-2015 American Community Survey 5-Year Estimates, Public Use Microdata Areas (PUMA)

\*Derived estimate for PUMA 40101 (Downtown and East Side) excludes data outside of the City of Milwaukee

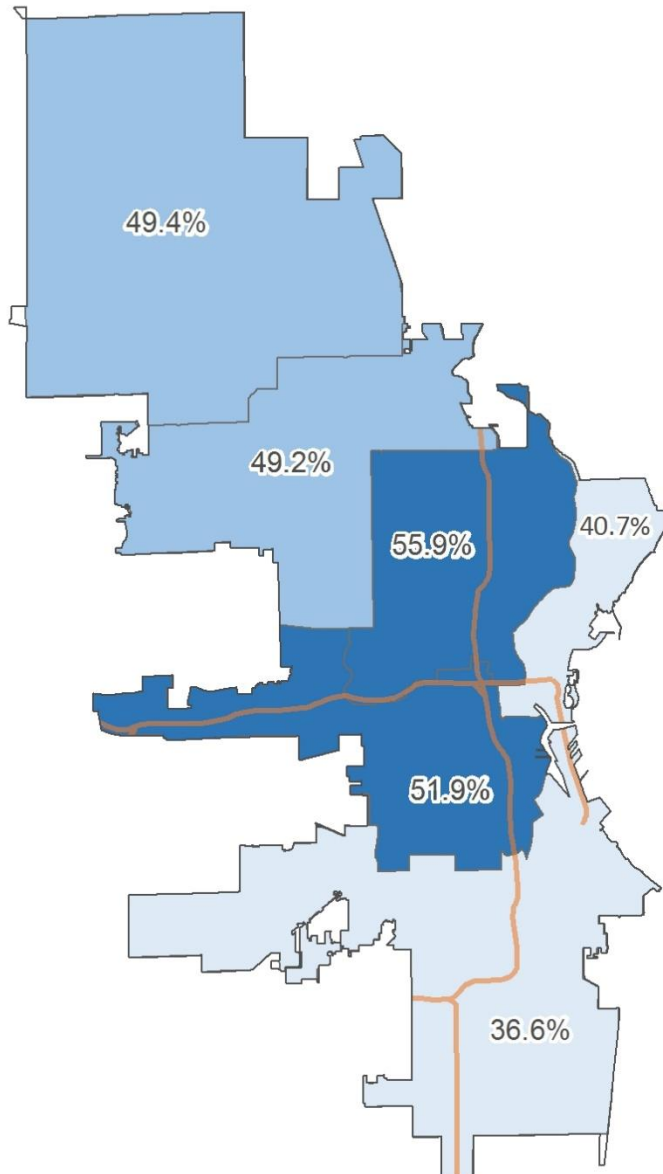
Prepared by City of Milwaukee DOA-BMD-kqp, 05/01/17

# OWNER OCCUPANCY RATES BY RACE/ETHNICITY IN MILWAUKEE



# CITY OF MILWAUKEE

## Percent of Households with a High Housing Cost Burden (2011-2015 Estimates)



### LEGEND

Percent of households that spend 30% or more of income on housing costs

- Under 45% of households
- 45 to 50% of households
- Over 50% of households
- City Limit
- Interstate

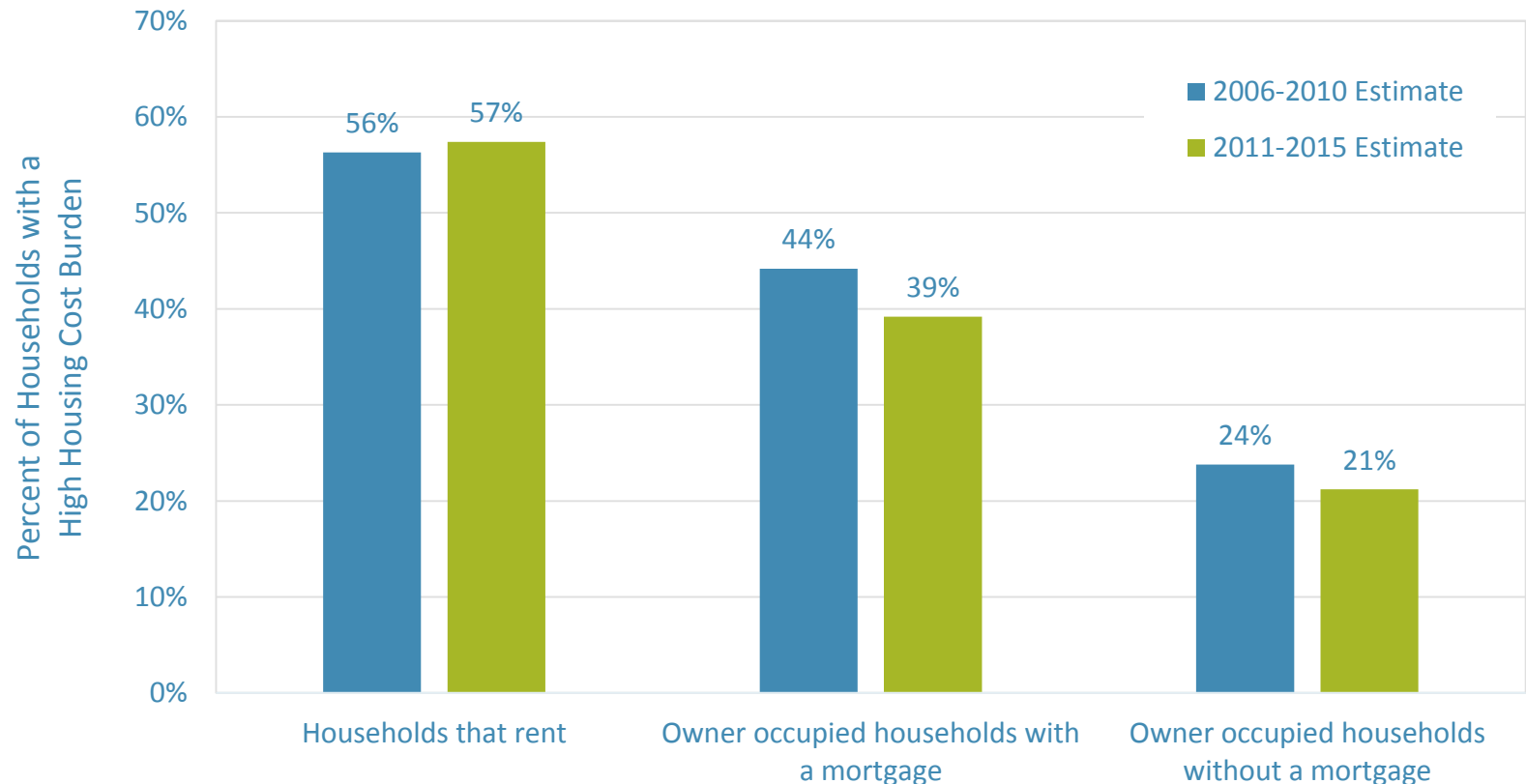


Source: US Census Bureau, 2011-2015 American Community Survey 5-Year Estimates, Public Use Microdata Areas (PUMA)

\*Derived estimate for PUMA 40101 (Downtown and East Side) excludes data outside of the City of Milwaukee

Prepared by City of Milwaukee DOA-BMD-kqp, 05/01/17

# PERCENT OF HOUSEHOLDS WITH A HIGH HOUSING COST BURDEN



# CITY STRATEGIES

- Sustain and increase owner-occupancy through programs that serve diverse economic needs
- Improve the quality of affordable rental housing through targeted investment programs
- Partner with public and private agencies to increase the impact of city resources
- Reduce the blighting impact of vacant, abandoned and foreclosed properties on city neighborhoods
- Assist low-income property owners to avoid tax foreclosure through financial support for required property improvements
- Renovate branch library facilities to improve services and programs available to neighborhoods
- Invest in conventional infrastructure such as streets, street lighting, and sewers



# GOAL 1: PREVENT

## **STRONG Homes Loan Program**

- Loans for low to moderate income owner occupants who may be underwater on their mortgage
- Lend to gap in existing market

## **Compliance Loan Program**

- Loans for low income owner occupants with open DNS orders
- Deferred payment loans with 0% interest

	2015	2016	2017 YTD
STRONG Homes Loans	91	105	37
Compliance Loans	34	35	19



# GOAL 1: PREVENT

## 2016 Loan Data

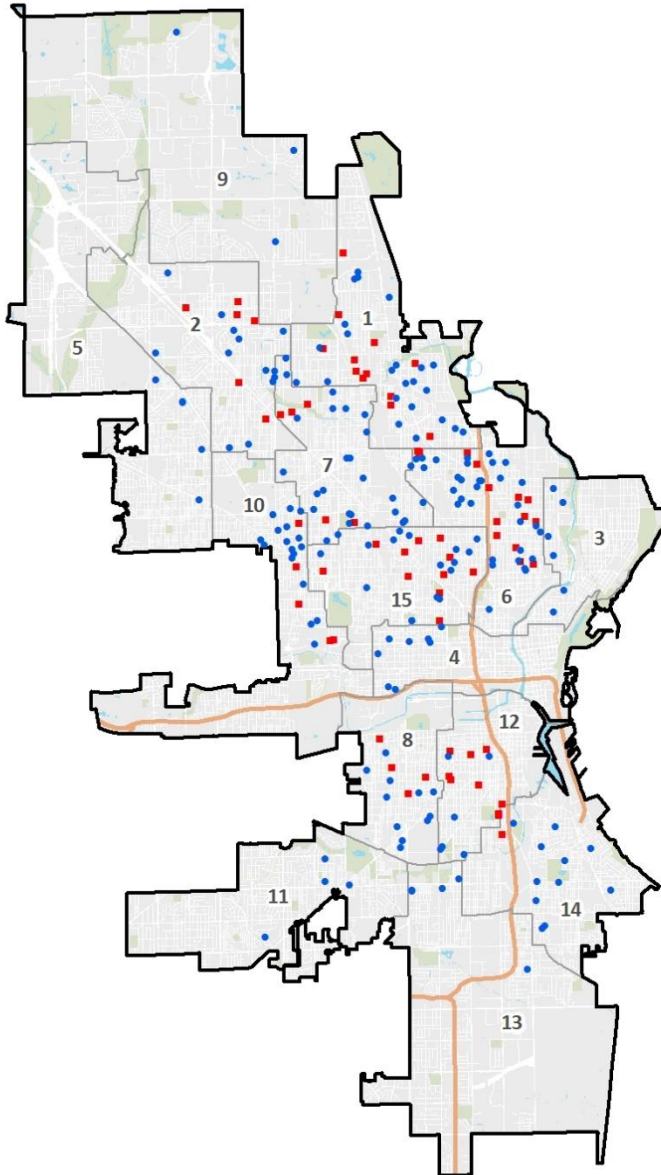
	STRONG Home Loans	Compliance Loans
Total Loan Amount	\$1,391,002	\$441,967
Average Loan Amount	\$14,194	\$12,628
Average Household Income	\$35,923	\$17,616
Median Property Value	\$56,950	\$41,800

## 2017 Budget

	STRONG Home Loans	Compliance Loans
Funding	\$1,167,000	\$800,000
Number of Loans (Goal)	60	57

# CITY OF MILWAUKEE

## Compliance Loans and STRONG Homes Loans (2015 - 2016)



### LEGEND

- Strong Homes Loans (2015-2016)
- Compliance Loans (2015-2016)
- City Limit
- Aldermanic District
- Interstate



Source: City of Milwaukee - DNS, DCD NIDC

Prepared by City of Milwaukee DOA-BMD-kqp, 05/01/17





# GOAL 2: MITIGATE

District	Number	Percent
1	101	9.0%
2	23	2.1%
3	1	0.1%
4	43	3.8%
5	5	0.4%
6	303	27.1%
7	195	17.5%
8	17	1.5%
9	16	1.4%
10	21	1.9%
11	1	0.1%
12	32	2.9%
13	5	0.4%
14	8	0.7%
15	346	31.0%

## Improved Property Inventory

DCD currently manages an inventory of approximately 1,100 improved properties.

Over half of the City's improved property inventory is located in Districts 6 and 15.



# GOAL 2: MITIGATE

## Demolition, Deconstruction, and Salvage

	2014	2015	2016	2017 YTD
Demolition	381	164	147	129
Average Cost	\$14,531	\$14,918	\$14,984	\$13,986
Deconstruction	0	16	7	0
Average Cost	-	\$19,149	\$23,943	-
Salvage Referrals		176	160	24
Salvage Revenue	\$20	\$1,648	\$2,071	\$535



# GOAL 2: MITIGATE

District	Number	Percent
1	40	9.1%
2	2	0.5%
3	0	0.0%
4	4	0.9%
5	0	0.0%
6	127	28.9%
7	66	15.0%
8	8	1.8%
9	1	0.2%
10	6	1.4%
11	0	0.0%
12	25	5.7%
13	0	0.0%
14	2	0.5%
15	159	36.1%

## 2014 - 2016

### City Owned Demolitions by Aldermanic District

Nearly 90% of City owned demolitions from 2014 to 2016 occurred in Districts 1, 6, 7, and 15.



# GOAL 3: REVITALIZE

## In Rem Property Sales

- 2017 sales goals: 400 improved properties, 200 vacant lots

	2014	2015	2016	2017 YTD*
Improved Properties	437	527	530	114
Vacant Lots	99	250	244	73

*\*2017 sales as of May 30th*



# GOAL 3: REVITALIZE

District	Number	Percent
1	221	15.1%
2	69	4.7%
3	7	0.5%
4	46	3.1%
5	14	1.0%
6	263	18.0%
7	268	18.3%
8	61	4.2%
9	56	3.8%
10	44	3.0%
11	4	0.3%
12	81	5.5%
13	13	0.9%
14	28	1.9%
15	290	19.8%

## 2014 - 2016

### In Rem Property Sales by Aldermanic District

Just over 70% of the City's improved property sales from 2014 to 2016 occurred in Districts 1, 6, 7, and 15.



# GOAL 3: REVITALIZE

## Real Estate Housing Programs

Requirements for each program varies, but the common goal is to sell city-owned properties to responsible owners. Each program supports this goal by requiring financial literacy and/or sweat equity.

Program	2014	2015	2016	2017 YTD
Lease-to-Own	2	17	14	4
Homebuyer Assistance	14	12	15	3
ACTS Housing Partnership	34	39	13	8
Rental Rehab (Investor)	7	21	12	4

# MILWAUKEE EMPLOYMENT/ RENOVATION INITIATIVE

## Goals

- Sell, renovate and reoccupy 100 vacant, foreclosed one- and two-family houses owned by the City of Milwaukee (most in the Greater Sherman Park area).
- Contractors renovating homes will hire 100 individuals who are currently unemployed or underemployed or enrolled in construction training programs.

## Progress

- Six buyers selected
- 54 properties selected as of May 12<sup>th</sup>
- Closed sale of 9 MERI properties May 16<sup>th</sup>
- Completion date for renovations, March 15, 2018

# CITY INFRASTRUCTURE STRATEGIES

1. City funding for local streets is 5 x greater than in 2004; funding for street lighting and local bridges has doubled; and sewer funding has been replacing 40 miles annually.
2. High impact street preservation strategy will improve 35 miles of segments in 2017.
3. Extensions of Tax Increment Finance districts have added to the local street replacement effort.
4. Water mains replacement poses a significant challenge over the current 6-year capital improvements plan.
5. Despite substantial increase in funding effort, significant challenges with infrastructure condition remain.



# NEIGHBORHOOD LIBRARIES

- Comprehensive renovation and improvement of branch libraries in process
- \$31.8 million capital investment between 2009 and 2020
- Seven branches will be renovated
  - East, Villard and Tippecanoe renovations complete
  - Forest Home (Mitchell Street) will be completed in 2017
  - Mill Road and King will be completed in 2018
  - Capital branch will begin the development process in 2017
- Mixed use renovation model encourages neighborhood housing and investment
- Renovated libraries are anchors for neighborhoods
  - Provide resources for childhood and workforce development
  - Improve outreach to families with limited resources and barriers to literacy and economic services

# SUMMARY

1. The City's efforts to respond to the housing crisis have had some success. Loan programs are helping to improve property conditions and code compliance; property sales and demolitions have helped reduce potential blight; and investments in infrastructure and libraries promote neighborhood improvement.
2. Substantial challenges remain, including issues relating to the incomes of renters and owners.
3. The City has increased its infrastructure and facilities investments in neighborhoods throughout Milwaukee. Revenue limitations pose a huge challenge for resolving conditions pertaining to backlog.