

2021



Legislative Reference Bureau

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DEPT. OF CITY DEVELOPMENT



2021 Proposed Plan and Executive Budget Review

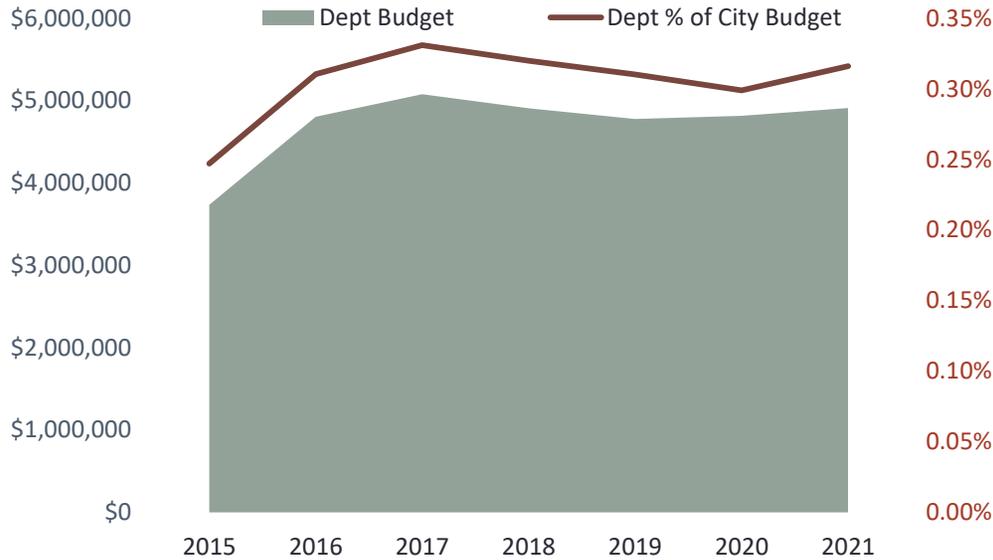
Prepared by: Jeff Osterman, Legislative Fiscal Analyst
Budget Hearing: 1:30 pm on Tuesday, October 13, 2020



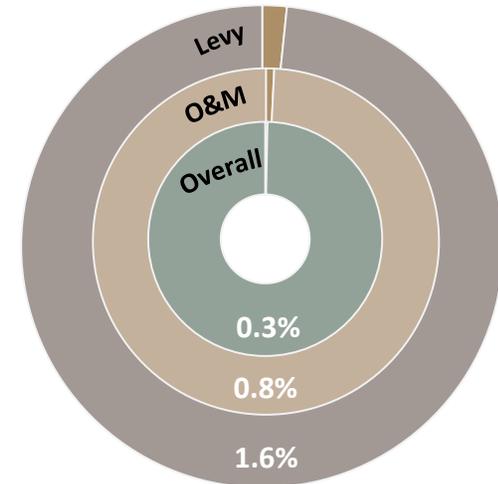
\$4,910,576
Proposed 2020 Budget

\$94,405
Change in Proposed Budget

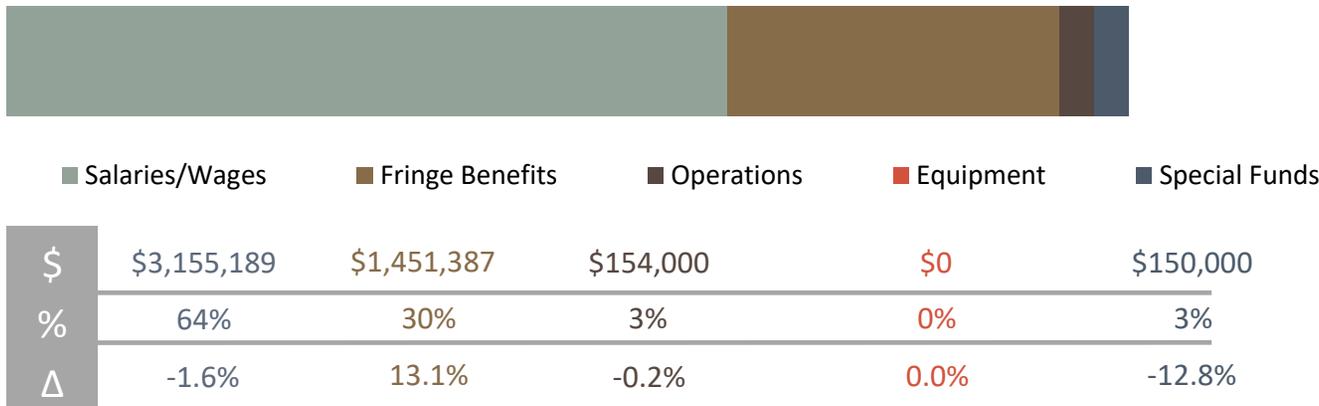
2.0%
% Change in Proposed Budget



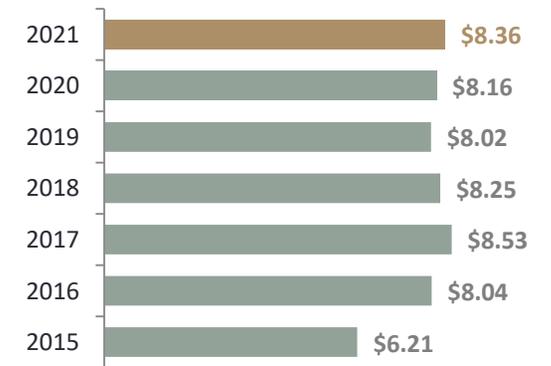
Departmental Budget Impact



Departmental Budget Appropriation Category



Budget per Capita



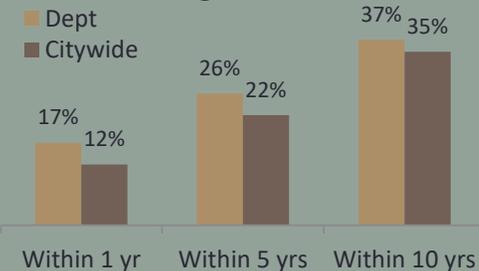
258

Number of improved, *in rem* properties sold by DCD in 2019, compared to 369 in 2018. Net sale proceeds deposited in the City Tax Deed account were \$1,769,523.

\$400,000

2021 capital funding (from TID cash revenues) for the 10,000 Homes Initiative, the same amount as in the 2020 Budget.

Retirement Eligible



0

Change in Positions

0.0%

% Change in Positions

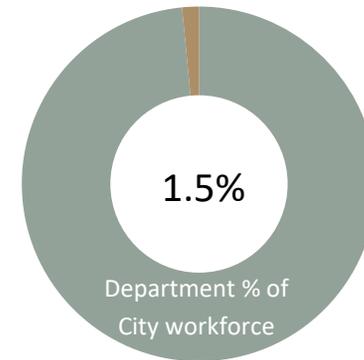
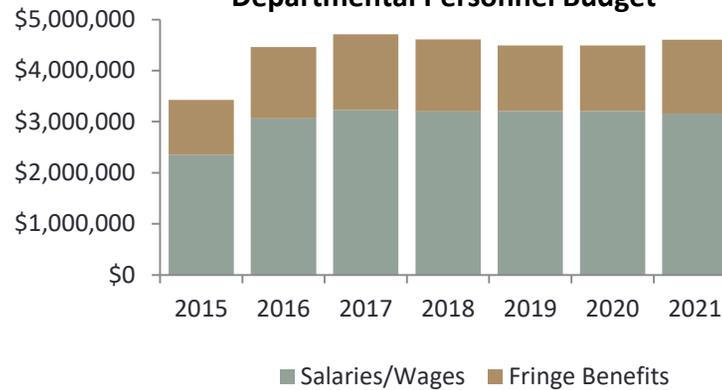
5

Current Vacancies

7

Voluntary Separations

Departmental Personnel Budget

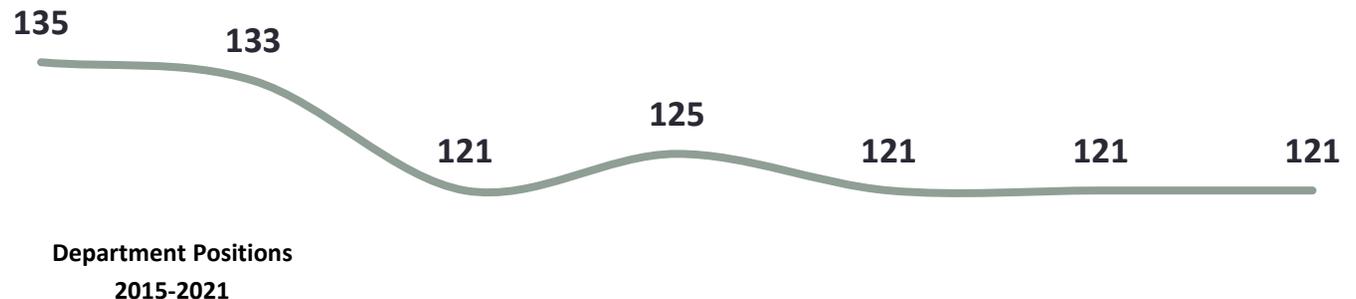


Staffing Update: Current Vacancies

- Long Range Planning Manager (vacant 7/11/20; interviews in progress)
- Accountant II (vacant 8/22/20; waiting for eligible candidate list)
- Graduate Intern – 2 positions (vacant 5/28/20 and 9/5/20; on hold for remainder of 2020)
- Events and Outreach Coordinator (vacant 9/12/20; position being eliminated)

Staffing Update: Staffing Changes

- Events and Outreach Coordinator – position, which is currently vacant, is being eliminated due to budget constraints; duties being absorbed by other staff.
- Real Estate Compliance Liaison Officer – new position for 2021 who will be responsible for drafting and reviewing documents; will be funded by RACM reimbursement.



104

Number of grants (primarily façade, signage and white box grants) DCD awarded to local businesses in 2019 using funds from Commercial Investment Program capital account. Total funds awarded: \$1.003 million.

\$1 million

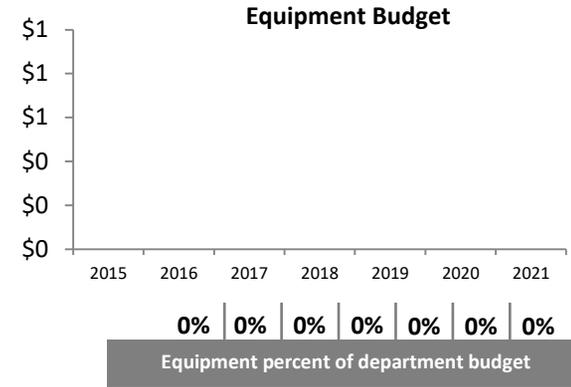
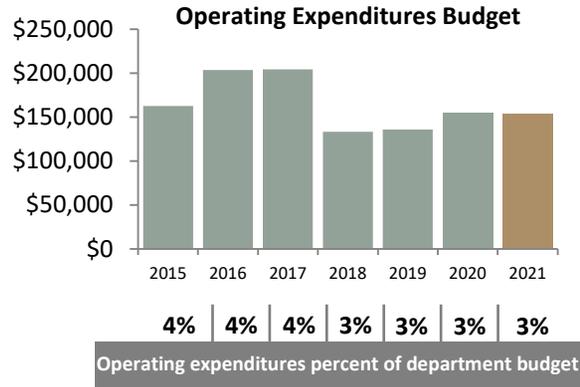
Capital funds pledged by DCD over 3 years to support the Brew City Match economic development effort.

3

New tax incremental districts created so far in 2020, including 37th St. School (TID #104) and Community Within the Corridor (TID #105).

13

Number of residential lots sold by DCD for new home construction so far in 2020, compared to 23 lots in all of 2019.



Revenue

- Projected to be \$1,090,000 in 2021.
- Up \$35,000 (3.3%) from 2020 Budget.
- Increase primarily attributed to a projected \$30,000 rise in revenue from the PILOT paid to the City by the Housing Authority.

Special Purpose Accounts

- Land Management SPA \$676,000 (no change from 2020)
- Milw. Arts Board Projects SPA \$190,000 (down from \$250,000 for 2020)
- Milw. 4th of July Comm. SPA \$0 (down from \$125,000 in 2020)

Grants

- Will fund \$594,094 in DCD salary costs in 2021, up 2.3% from 2020.
- CDBG and HOME program funding.
- 25 positions wholly or partially grant-funded.
- Grant-funded positions are found in all DCD sections except Commissioner’s Office and Planning.

Capital Projects

- 8 projects totaling \$41.15 million.
- Down \$14.25 million (-25.7%) from 2020.
- Funding for tax increment financing projects decreases by \$18 million (-34.6%).
- One new capital project: Home Ownership Initiatives (\$2.9 million).
- No new capital funding in 2021 for Community Resource Hub Program or Housing Infrastructure Preservation Fund.

6

Number of Housing Infrastructure Preservation Fund-assisted properties sold in 2019. To date in 2020, 3 properties have been sold.

73

Total number of Strong Homes Loans awarded in 2019, totaling about \$1.2 million, to assist homeowners with emergency and critical repairs.

814

Improved *in rem* properties maintained by DCD with funding from the Land Management SPA (\$676,000 budgeted for 2021) and rental income.

\$100,000

Amount provided in the Proposed Budget for the Healthy Neighborhoods initiative, double the 2020 appropriation.

Special Funds

- Total 2021 funding of \$150,000, compared to \$172,000 in 2020 adopted Budget.
- No 2021 funding for Earn and Learn Supplementation. In 2020, \$72,000 was appropriated for this purpose.
- Proposed Budget provides \$100,000 for the Healthy Neighborhoods Initiative. In 2019, DCD funded 17 HNI Community Improvement Project initiatives totaling \$70,000.
- No change in funding levels for the Economic Development Marketing (\$35,000) and Milwaukee 7 Contribution (\$15,000) special funds.

Homeownership Initiatives Capital Project

The Proposed Budget includes \$2.9 million in a new Homeownership Initiatives capital account, funded by a one-year extension of TID #22 (Beerline). Funds would be expended as follows:

- \$1.4 million for a down payment assistance program (grants of \$7,000 each could support 200 home purchases).
- \$1.5 million to support development of limited-equity homeownerships models, such as land trusts and cooperative housing (an estimated 50-75 units total).

Capital Improvements (Major Changes)

- Proposed Budget provides \$9.0 million to pay the increments on current developer-financed TIDs, up from \$8.0 million in the 2019 Budget.
- Funding for the Strong Homes Loan Program is increased from \$1.0 million to \$1.3 million, in line with 2019 expenditures of approximately \$1.2 million.
- Brownfield Program funding is increased from \$250,000 to \$500,000. Actual 2019 expenditures were \$444,768.
- Proposed Budget increases funding for the *In Rem* Property Maintenance Program from \$300,000 to \$900,000; program supports code compliance, rehab projects and other work on City-owned properties to make them habitable and marketable.
- \$2.9 million provided for new Homeownership Initiatives (see box below left).

“BIDs,” “NIDs” and “TIDs”

DCD is responsible for administrative oversight of the City’s 31 active business improvement districts (“BIDs”; last district created in 2017), 9 active neighborhood improvement districts (“NIDs”; one new district created in 2020) and 60 active tax incremental districts (“TIDs”; 3 created in 2020).

In Rem Property Management

One of the primary functions of DCD is to manage the City’s substantial inventory of properties acquired through the *in rem* foreclosure process. The following table shows trends in the number of *in rem* properties acquired by the City over the past 12 years:

Year	Number of Properties Added	Year	Number of Properties Added
2009	314	2015	764
2010	488	2016	661
2011	360	2017	523
2012	775	2018	134
2013	657	2019	694
2014	587	2020 YTD	111

Healthy Neighborhoods Initiative

Community Improvement Project (CIP) Grants	2019 Community Improvement Projects
<ul style="list-style-type: none"> Administered by NIDC Maximum grant \$4,000. Grants are reimbursable grants and require dollar-for-dollar match of non-City funds. Available citywide. Grants to be used for physical neighborhood improvements, not commercial purposes or salaries. 	<ul style="list-style-type: none"> 17 projects citywide Total grant value: \$70,600; leveraged more than \$135,000. Examples of projects: <ul style="list-style-type: none"> - Rain gardens - Gateway signage - Safety lighting - Community art - Community gardens

Funding Sources – DCD Positions

Positions in DCD are funded by a variety of sources, including the City tax levy, grants (CDBG/HOME), capital and RACM reimbursement. The funding sources for funded, non-Housing Authority, non-intern DCD positions in 2019-2021 are:

Funding Source	2019	2020	2021	
Sole-Source Funding	City tax levy	37	34	33
	CDBG/HOME	2	1	1
	Capital	1	1	1
	RACM	8	7	7
Combination Funding	35	35	35	
Total	82	78	77	

Of the 35 “combination” positions for 2020, the most common funding arrangements are: CDBG and tax levy - 17 positions; RACM and tax levy - 7 positions; capital and tax levy – 4 positions; CDBG, capital and tax levy – 3 positions.

Housing Infrastructure Preservation Fund

	2019 Total	2020 YTD
Properties assisted	7	2
Properties sold	6	3
Total expenditures	\$316,800	\$50,000
Total sale proceeds	\$66,450	\$71,225