

## Department of City Development Activity in the 53206 Zip Code

The Department of City Development oversees housing development and rehabilitation, real estate sales, land use planning, commercial revitalization, and major redevelopment projects. All of these activities are evident within the 53206 zip code. Please see the map that accompanies this report to identify specific locations at which many of the DCD programs described below have been used.

### Housing development and rehabilitation

DCD housing programs provide resources to both owner-occupants and investors in 53206. These resources are demand-driven; that is, the department responds to loan applications from property owners. For all these programs, experienced rehabilitation specialists perform a thorough inspection of the property, identifying problem areas. The rehab specialist works with the owner to write a scope of work (a list of the work that needs to be done) and then helps the owner get bids from contractors. Once the work starts, the rehab specialist makes periodic inspections to make sure the work meets program requirements.



**DCD home rehabilitation loans assist owners to improve and modernize their properties.**

The following home rehabilitation loan products are available within 53206:

- The [STRONG Homes Loan Program](#) offers loans of up to \$20,000 to owner occupants of 1-4 family properties throughout the City of Milwaukee on a first come, first served basis. Funds are used to make essential and emergency repairs. Interest rates and repayment plans are adjusted for elderly and very low-income property owners. 25% of the loan is forgiven for borrowers who continue to occupy the home for 10 years.
- The [Homebuyer Assistance Program](#) provides fully-forgivable loans to borrowers who purchase and renovate a City-owned foreclosed property they occupy as their primary residence. First-time buyers must undergo home ownership counseling to qualify for a loan.
- Owner-occupants who live in the [Lindsay Heights neighborhood](#) (Walnut/Locust/20<sup>th</sup> St./12<sup>th</sup> St.) are eligible to apply for forgivable loans to make exterior code-related repairs such as roofing, siding and porch repairs. This program is supported with Tax Incremental District funds.

- Several federally-funded loan programs are available only within Targeted Investment Neighborhoods (TIN). A portion of the Century City TIN is located within 53206; property owners in this area are eligible for two loan programs. Owner-occupants are eligible for up to a \$15,000 forgivable loan provided it is matched at least 1 for 1 with a payback or deferred payment loan provided through the TIN loan program. The Rental Rehab-TIN Loan Program offers investors forgivable loans for rehabilitating rental properties with at least two bedrooms. These loans are up to \$14,999 per unit, and much be matched by resources provided by the buyer. Units must be rented to low-income households, and units are inspected annually.

The Milwaukee Employment/Renovation Initiative (MERI) recently provided renovation grants of up to \$10,000 for a 25 properties located within 53206. These tax-foreclosed properties were purchased from the City of Milwaukee for \$1.00, and individuals certified through the City's Residents Preference Program performed an average of 300 work hours at all MERI properties. DCD recently released a Request for Qualifications seeking developers for MERI 2.0.

The map included with this document notes the properties within 53206 that have received recent DCD loans and grants for housing rehabilitation.

### **Property sales**

The 53206 zip code contains hundreds of tax-foreclosed improved properties and vacant lots that are managed and marketed by DCD's real estate division. The division also is responsible for selling surplus Milwaukee Public Schools property for redevelopment.

One- and two-family houses comprise the majority of the City's portfolio of improved tax-foreclosed property. Within 53206, DCD sells houses to both owner-occupants and investors. Buyers are screened to ensure that they meet the requirements of the City's buyer policies, and must make essential repairs to the property before it is reoccupied. Average sale prices are approximately \$11,000. Certain special programs reduce prices to incentivize the sale of multiple-property packages; these include MERI and the bulk buyer program, which sells five low-value properties for \$25,000 to a single buyer. DCD also has sold multiple-property packages in 53206 for scattered site affordable housing development projects, financed with Low Income Housing Tax Credits. This strategy has renovated more than 75 tax-foreclosed properties in 53206; all are occupied by low and moderate-income families.

DCD's Tenant Transition to Ownership Program sells a limited number of houses to tenants who live in the house at the time of City acquisition through tax foreclosure. Buyers must undergo home ownership counseling and remain current on their rent until the sale closes; the City invests up to \$20,000 per property to make essential repairs prior to closing.

DCD's real estate division sells tax-foreclosed vacant lots to adjacent property owners, who may purchase the lot for \$1.00. Vacant lots also are sold for new home construction; within 53206, Habitat for Humanity has been the City's most frequent customer. New home construction is indicated on the attached map.

Tax-foreclosed commercial properties also are sold for redevelopment. Each sale is brought to the Common Council for approval.



City-owned vacant lots are leased to neighborhood organizations for the creation of community gardens. DCD has a partnership with Groundworks Milwaukee to manage community garden activity.

In 53206, one of the most dynamic garden projects, founded by Andre Lee Ellis and the We Got This organization, provides employment for dozens of young people in the large community near the garden at N. 9th and Ring Streets.

Of the 13 surplus Milwaukee Public Schools properties that have been turned over to DCD for marketing, one is located in 53206. In 2018, the Common Council approved the sale of Wheatley Elementary School, 2442 N. 20<sup>th</sup> Street, to Royal Capital Group, for redevelopment as multi-family housing. Royal Capital received an allocation of affordable housing tax credits to finance the project, and is currently seeking City investment in the form of tax increment financing. The project is located within a federally-designated Opportunity Zone. Royal Capital estimates the project (shown below) will involve total investment of \$19 million.



### **Planning activity**

Land use decisions in Milwaukee are guided by a series of area plans that cover the city's entire geography. Portions of 53206 are the focus of two area plans: the Near North Plan (adopted 2009) and the Fond du Lac/North Plan (adopted 2004). Both of these plans are currently being updated.

In partnership with Alderman Russell Stamper II and three local organizations, Dominican Center, Metcalfe Park Community Bridges, and Walnut Way, DCD is now in the process of developing a new Fond du Lac/North Plan. The new plan will build on recent local planning efforts to guide investment

and development in the area for the next 10-20 years. The boundaries of the study are roughly I-43 to the east, Highland Avenue to the south, 35th Street to the west, and Burleigh Avenue to the north. The study will be completed before the end of 2020.



Community engagement is an integral part of the plan, with four community-wide public meetings planned as well as numerous other opportunities for input, including focus groups, surveys, community dinners, and neighborhood events. The photo at left was taken in mid-September, when planning staff and the community partners held the first of the four public meetings in mid-September. More than 140 residents and stakeholders attended the meeting to talk about the future of their neighborhoods.

The study will be completed before the end of 2020. To date, a market analysis has been completed. It includes a variety of data and recommendations aimed at strengthening the housing and commercial markets in the area.

A second planning effort within 53206, Connecting the Corridor, is creating a strategic action plan to implement a catalytic concept recommended in the 2009 Near North Plan: development of a “Green Crescent.” The Green Crescent is a series of public amenities, transportation corridors, trails, and storm water management projects that will knit together neighborhoods within the Near North Plan area. Connecting the Corridor is a multi-agency effort involving DCD, the Milwaukee Dept. of Public Works, the Milwaukee Metropolitan Sewerage District, Milwaukee’s Environmental Collaboration Office, Northwest Side Community Development Corp., 30<sup>th</sup> Street Industrial Corridor Corporation, Uniting Garden Homes, Inc., Triangle Neighborhood Association, and others.

A draft Connecting the Corridor plan will be released for public review in autumn 2019, and brought to the Common Council for adoption as an amendment to the Near North Plan in early 2020.

Also impacting the development of neighborhoods in 53206 is the 2011 30<sup>th</sup> Street Corridor Economic Development Master Plan. This plan focuses on 880 acres including the Century City business park and surrounding neighborhoods.

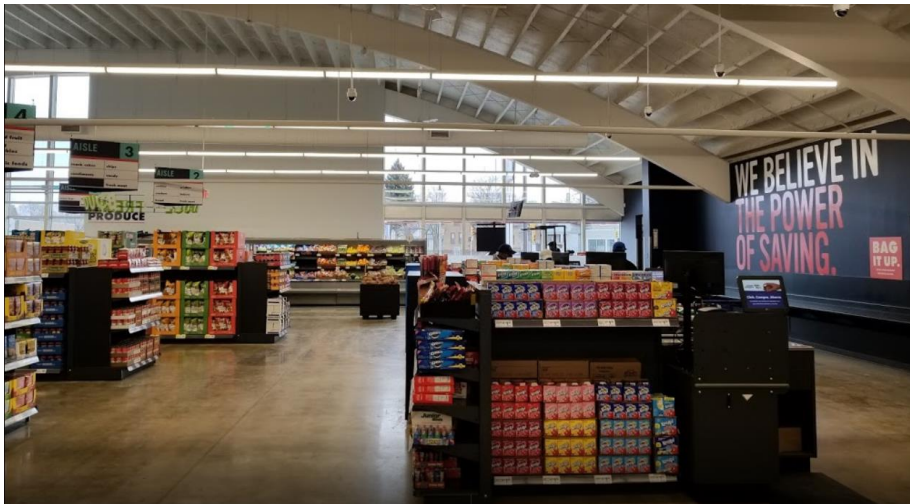
### **Commercial revitalization activity**

DCD operates multiple grant and loan programs to stimulate commercial activity in city neighborhoods, including those within 53206. The following demand-driven programs are available:

- Façade and signage grants. These programs provide matching funds to property and business owners to improve the exterior of their businesses and their business signage. A recent recipient in 53206 is Mobil 1 Lube Express, 1920 W. North Ave. A special partnership with the Zilber

Family Foundation incentivizes grant activity in the southern portion of 53206, by reducing the amount of matching funds property owners must provide in order to access façade grants. Galst Foods, 1622 W. North Ave., took advantage of this program to improve the store’s exterior.

- Whitebox grants. This program provides matching funds to make interior upgrades to prepare a commercial space for a new occupant. A recent user is TNT, Café, 3528 W. Fond du Lac Ave.
- Foreclosed commercial property fund forgivable loans. This program provides funds to entities that buy and renovate tax-foreclosed commercial buildings.
- Retail Investment fund. This program provides funds to projects that support employment growth at a neighborhood business.



- BID grant/loan partnership. This partnership supports catalytic commercial development projects by providing a grant and a loan to a Business Improvement District, which uses the proceeds to finance the project. A recent financing package supported the development of the Save-a-Lot store (shown at left), 2322 W. Oak St. in 53206.

The map included with this report identifies the locations of businesses within 53206 that have been approved for grants and loans through these programs since 2015.



DCD’s commercial revitalization staff members also provide support to Business Improvement Districts and Neighborhood Improvement Districts. Portions of three BIDs are located within 53206: West North Avenue Gateway (BID 28), North Avenue Marketplace (BID 32), and 30th Street Industrial Corridor (BID 37).

The 2019 BID/NID week celebration included a tour of historic black businesses in multiple BIDs, including several in North Avenue Marketplace BID #32.



DCD leases a large farm market structure located at 2200 W. Fond du Lac Ave. to Fondy Food Center, Inc., which operates the Fondy Farmers Market, a long-standing farmer's market that attracts customers from within and beyond 53206. The department made major investments to upgrade the market in 2016, and subsequently worked with the City's Environmental Collaboration Office to convert a large vacant parcel adjacent to the market to Fondy Park (left), which opened in 2017.

DCD is currently working with the Milwaukee Department of Public Works to make a variety of accessibility improvements to the market building. We anticipate these improvements will be constructed in 2020.

### **Major redevelopment investment**

DCD negotiates and administers the provision of tax increment financing to support major redevelopment projects. The 53206 boundary includes four TID-financed projects.

- TID 74 (35<sup>th</sup> and Capitol) was created in 2009 to finance development of the Century City business park. This TID has contributed \$16 million to acquire 84 acres of land; demolish and remediate 1.8 million square feet of buildings formerly housing the A.O. Smith and Tower Automotive factory complexes; remediate, clear and grade the site; and install public improvements. Additional sources of City capital and grant funding have supported an additional \$24 million of expenditure to prepare the business park.
- TID 90 (15<sup>th</sup> and North) was created in 2017 to finance the conversion of the former Blommer Ice Cream Factory to 38 apartments, and the construction of a new mixed-use building containing 26 apartment units and 1885 square feet of commercial space. The buildings were occupied in 2018. The TID contributed \$635,000 toward a total investment of \$13.7 million.



- TID 98 (The IKON) was created and amended in 2019. It will provide \$9 million to support the development of a hotel and conference center at the site of a long underutilized former Sears Department Store at Fond du Lac and North Ave.

- TID 103 (Phillis Wheatley) was created in 2019. It will provide \$1,050,000 to Royal Capital Group to finance the redevelopment of Wheatley School, 2442 N. 20<sup>th</sup> Street. The plan calls adaptive re-use of the school building to create 40 apartments and new construction of 42 apartments in a new four-story building on the site. Of the 82 apartments, 67 will be affordable to households with incomes at or below 60% of Area Median Income. Total estimated investment is \$19 million.

### **Opportunity Zones**

Four census tracts within 53206 (tracts 47, 65, 85 and 99) are designated as federal Opportunity Zones. Major projects within the Zones are eligible for investment by Qualified Opportunity Funds; these Funds provide certain federal tax advantages to investors to incentivize investment in neighborhood revitalization. Two TID-supported projects, the Ikon and the redevelopment of Wheatley Elementary School, are located within Opportunity Zones.

### **Neighborhood project grants**

Neighborhood organizations within 53206 are eligible to apply for two small grant programs operated by the Department of City Development.

- Love Your Block provides grants to neighborhood residents and organizations for projects that:
  - 1) Promote a high level of community engagement.
  - 2) Support a neighborhood initiative.
  - 3) Address a community concern on a city-owned property.
- Community Improvement Project grants are provided for activities that stimulate resident engagement and support sustainable projects within a small geographic area. Frequent public information sessions held in neighborhood settings introduce the application process. Ten CIP grants have been made in 53206 over the past five years, supporting public art, community gardens, neighborhood clean-up, and lighting improvements. The location of these grants is shown on the enclosed map.



Bloom and Groom is an annual spring plant sale, co-sponsored by DCD's Neighborhood Improvement Development Corp., neighborhood organizations, and Lowe's home improvement stores. Residents in 53206 can participate in Bloom and Groom activities hosted by Triangle Neighborhood Organization, Connecting Bridges, and Dominican Center.

