

2018



Legislative Reference Bureau

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DEPT OF CITY DEVELOPMENT



2018 Proposed Plan and Executive Budget Review

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Budget Hearing: 1:30 pm on Tuesday, October 17, 2017

Last Updated: October 11, 2017

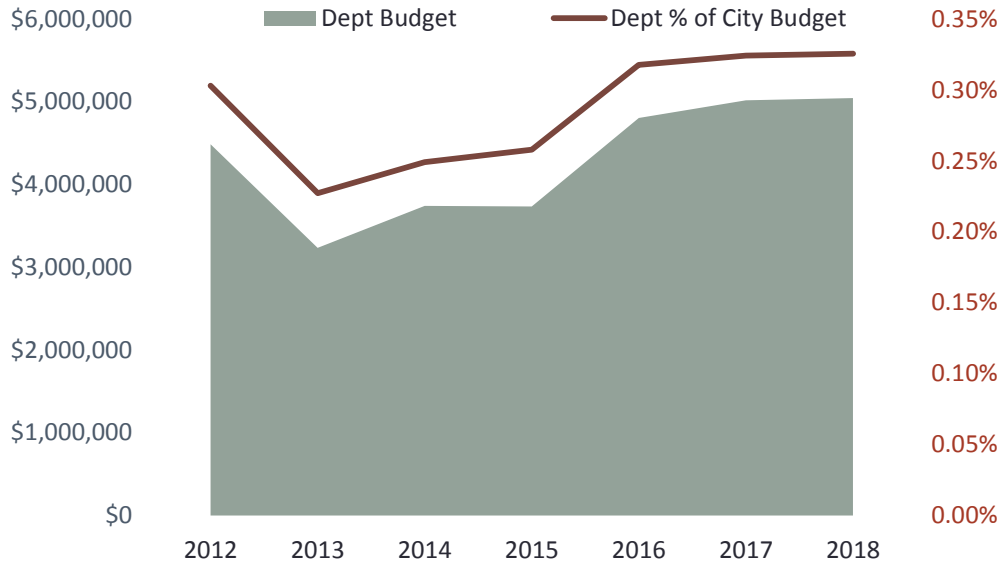
Version 1.2



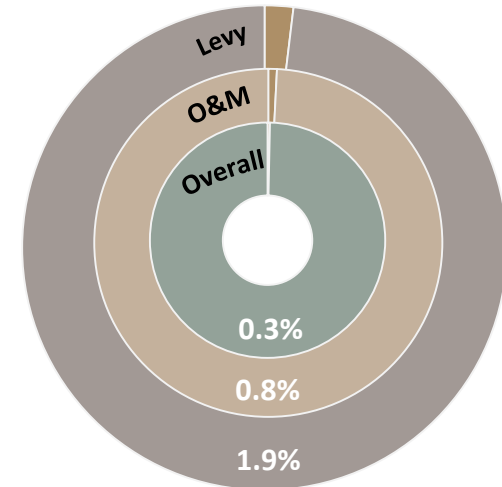
\$5,044,906
Proposed 2018 Budget

\$26,954
Change in Proposed Budget

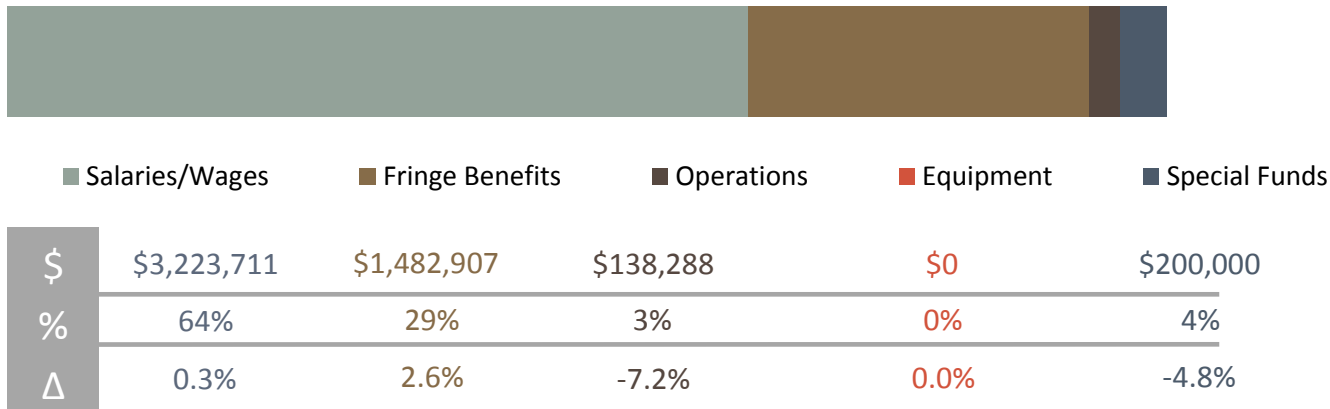
0.5%
% Change in Proposed Budget



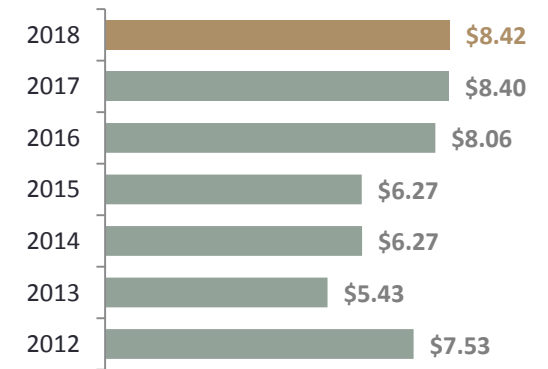
Departmental Budget Impact



Departmental Budget Appropriation Category



Budget per Capita



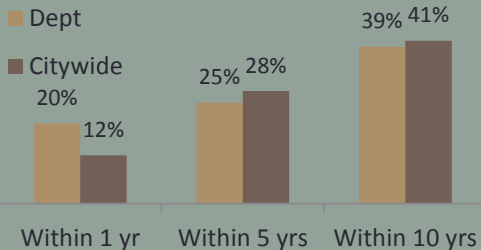
502

Number of improved in rem properties sold by DCD in 2016, down slightly from 530 in 2015. Gross sale proceeds were \$5,298,000.

\$900,000

Total DCD capital funding to manage, maintain, repair and sell improved in rem properties. The figure for 2017 was \$2.25 million.

Retirement Eligible



-6

Change in Positions

6

Current Vacancies

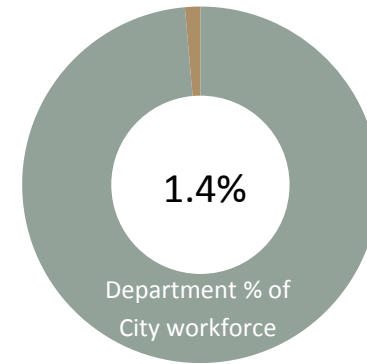
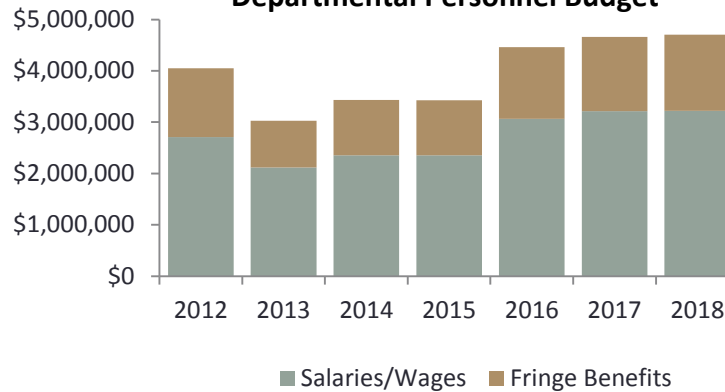
-5.0%

% Change in Positions

7

Voluntary Separations

Departmental Personnel Budget



Staffing Update: Position Changes

- Youth Development Coordinator position eliminated. Position has been vacant since early 2017. Reduced 2018 CDBG funding necessitates elimination.
- 5 vacant "City" Housing Authority positions will be eliminated in 2018. This is part of the ongoing conversion of positions in DCD's Public Housing Decision Unit to "direct" HACM employees.

Staffing Update: Current Vacancies

- Economic Development Specialist
- Office Assistant III (Real Estate)
- Office Assistant III (Housing Dev.)
- Associate Planner
- Lead Accountant – Sr.
- Youth Development Coordinator

All positions except Youth Development Coordinator currently at some stage of being filled.



Department Positions
2012-2018

\$1,150,000

Capital funding for Strong Homes Loan program, which assists buyers with essential home repairs; an estimated 75 loans will be made in 2018.

119

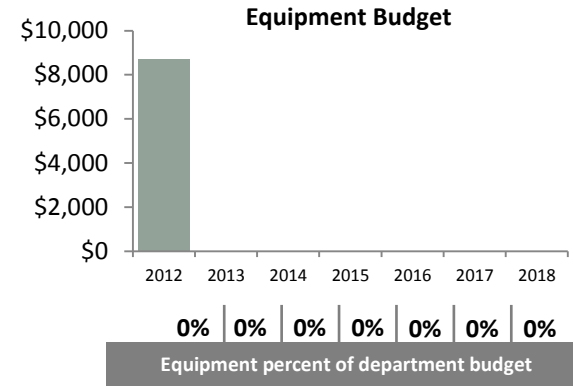
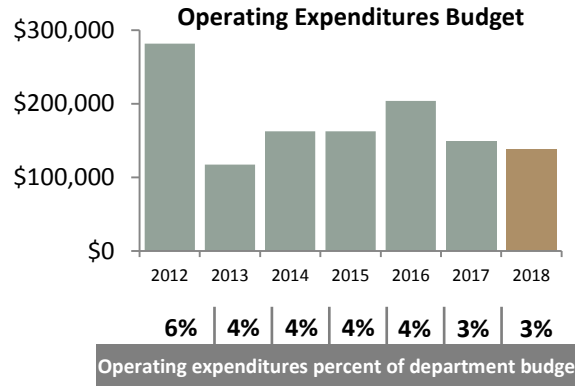
Number of grants to local businesses with funds from DCD's Commercial Investment Program in 2016, totaling \$1.69 million – primarily façade, whitebox and signage grants.

\$85,000

Cash revenue from one-year extension of TID No. 15 (for housing improvement purposes) being used to support the *In Rem* Property Maintenance Program in 2018.

4

Number of historic properties assisted with funds from the Housing Infrastructure Preservation Fund in both 2016 and 2017.



Revenues

- Projected to be \$100,000.
- Up \$20,500 (25.8%) from 2017 Budget.
- Increase primarily attributable to new revenue from pipeline easement agreement, which will provide \$12,009 annually through 2022.

Special Purpose Accounts

- Land Management SPA \$676,000
- Milw. Arts Board Projects SPA \$200,000
- Milw. 4th of July Commission SPA \$125,000

All unchanged from 2017.

Grants

- Will fund \$578, 221 in DCD salary costs in 2018, down \$201,716 (-25.9%) from 2017.
- CDBG and HOME program funding.
- 20 positions wholly or partly grant-funded.
- Part of City's overall \$3.8 million reduction (-18.6%) in Community Development Grants Administration funds, 2017-2018.

Capital Projects

- 8 projects totaling \$52.9 million.
- Down \$597,000 (-1.1%) from 2017.
- Funding increased for tax increment financing projects by approximately \$2 million (4.7%).
- No 2018 funding for BID Fund (streetscaping projects) or Century City Site Improvements.
- Funding unchanged or reduced for all other DCD capital accounts.

112

Number of loans, totaling \$614,000, made to businesses through the Kiva Milwaukee lender network, 2015-2017. Supported by \$25,000 in 2015 DCD budget.

\$100,000

Appropriation for the Healthy Neighborhoods special fund, the same level of funding provided in the 2017 Adopted Budget..

1,100

Approximate number of improved *in rem* properties maintained by DCD with funding from the Land Management SPA (\$676,000 for 2018) and rental income.

-\$950,000

Reduction in funding for *In Rem* Property Maint. Program capital account, due to budget constraints, one-time nature of certain programs and availability of carryover funds for 2018.

Strong Neighborhoods Plan

Of the \$8.6 million in the 2018 Proposed Budget for the Strong Neighborhoods Plan, over \$3.7 million is appropriated to DCD.

- \$676,000 Land Management SPA
- \$3.05 million in 5 capital accounts:
 - *In Rem* Property Maintenance Program
 - Strong Homes Loan Program
 - Housing Infrastructure Preservation Fund
 - Commercial *In Rem* Property Program
 - Commercial Investment Program

Rent-to-Own Program

DCD administers a Rent-to-Own Program under which a qualifying tenant of a City-owned *in rem* foreclosure property is given an opportunity to purchase the property upon completion of home-ownership and financial-management education. Funding for rehabilitation of properties in this program comes from the *In Rem* Property Maintenance Program capital account. Since the Rent-to-Own Program's inception, 32 tenants have purchased their homes from the City.

Capital Improvements (Major Changes)

- Proposed Budget provides \$5.4 million to pay the increments on current developer-financed TIDs, up from \$3.5 million in 2017 Budget.
- \$600,000 is budgeted for the *In Rem* Property Maintenance Program, down from \$1.55 million in the 2017 Budget.
- Funding for the Housing Infrastructure Preservation Fund is cut from \$450,000 in 2017 to \$100,000 for 2018.
- The appropriation for the Commercial Investment Program, which provides façade-improvement and whitebox grants city-wide, is \$1 million, compared to \$1.4 million in 2017.
- Brownfield Program funding is reduced from \$500,000 in the 2017 Budget to \$250,000 for 2018.

"BIDs," "NIDs" and "TIDs"

DCD is responsible for administrative oversight of the City's 32 active business improvement districts ("BIDs"; last district created in 2016), 7 active neighborhood improvement districts ("NIDs"; 4 created in 2016) and 49 active tax incremental districts ("TIDs"; 3 created in 2017)..

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
2006	95	2012	775
2007	78	2013	657
2008	134	2014	587
2009	314	2015	764
2010	488	2016	661
2011	360	2017YTD	171

Healthy Neighborhoods Initiative

Officially-Designated Neighborhoods	Examples of Projects Funded by HNI in 2016
Burnham Park	Garden Homes Green
Capitol Heights	Infrastructure Project
Harambee	Bay View Hist. Society Mural
Havenwoods	Buffum Street Benches
Kinnikinnic River neigh’hoods	Clarke Square Health Mural
Layton Park	The Woodlands Playground
Old North Milwaukee	Urban Anthropology –
Riverwest	Beautiful Blocks IV
Sherman Park	Cream City Irrigation Pump
Silver City	
Thurston Woods	

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 2016-2018 are:

Funding Source	2016	2017	2018	
Sole-Source Funding	City tax levy	40	43	37
	CDBG/HOME	6	6	2
	Capital	1	1	1
	RACM	4	2	3
Combination Funding	15	20	29	
Total	66	72	72	

Of the 29 “combination” positions for 2018, 15 will be funded through a combination of tax-levy and CDBG funds, 4 a combination of tax-levy and capital funds, 7 tax-levy and RACM, one CDBG and capital, and 2 positions a 3-way combination of tax-levy, CDBG and capital funds.

Housing Infrastructure Preservation Fund

	2016 Total	2017 YTD
Properties assisted	4	4
Properties sold	2	1
Total expenditures	\$462,134	\$222,016
Total sale proceeds	\$49,201	\$16,000