

2019



Legislative Reference Bureau

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DEPT. OF CITY DEVELOPMENT



2019 Proposed Plan and Executive Budget Review

Prepared by: Jeff Osterman, Legislative Research Supervisor

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Last Updated: October 10, 2018

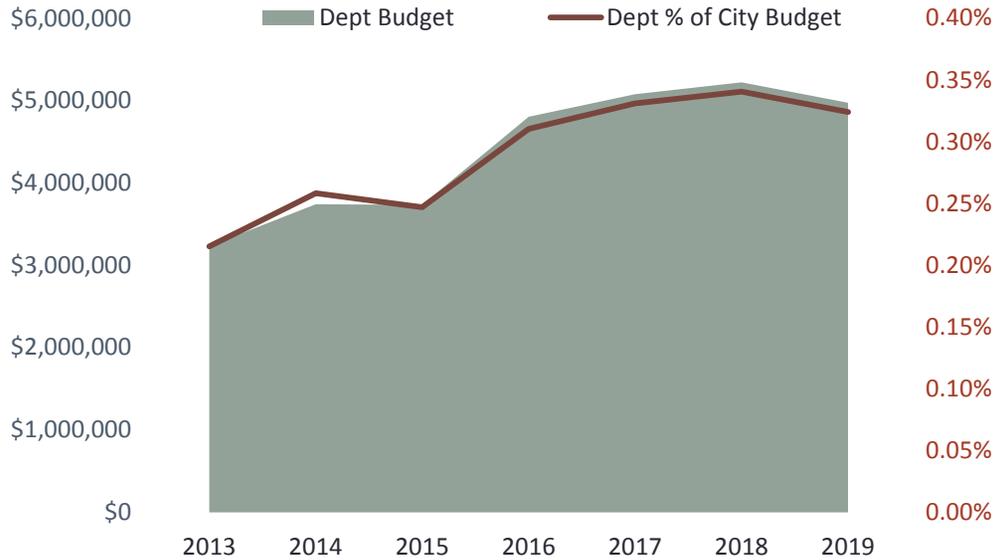
Version 1.0



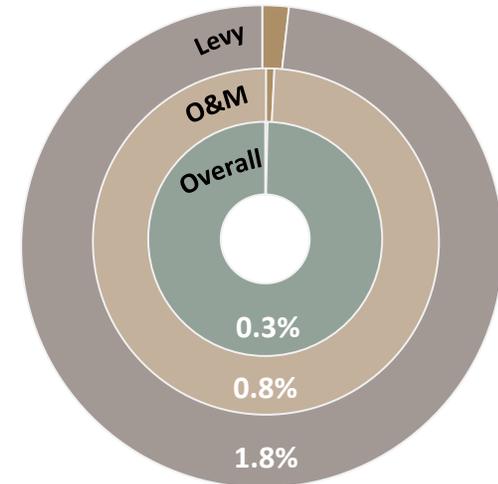
\$4,974,757
Proposed 2019 Budget

-\$247,959
Change in Proposed Budget

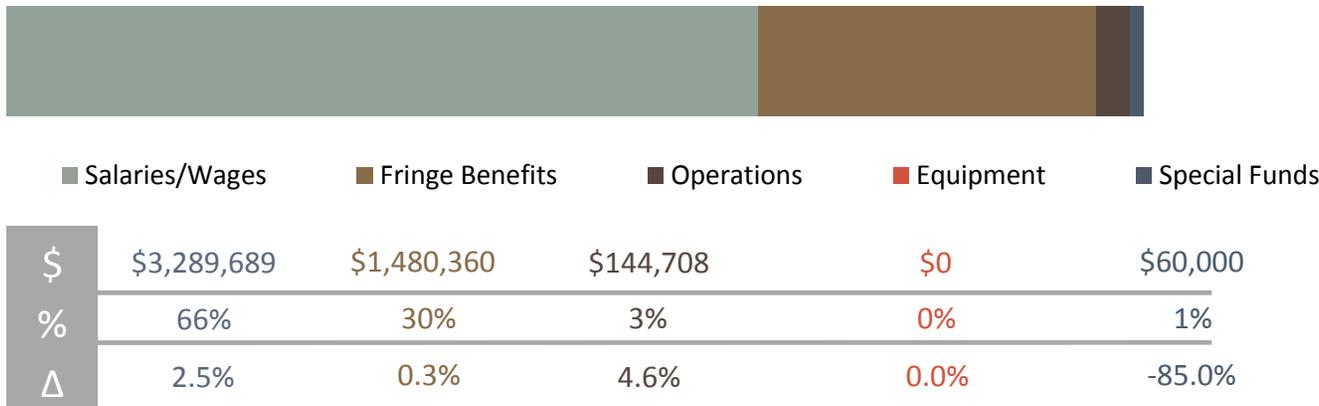
-4.7%
% Change in Proposed Budget



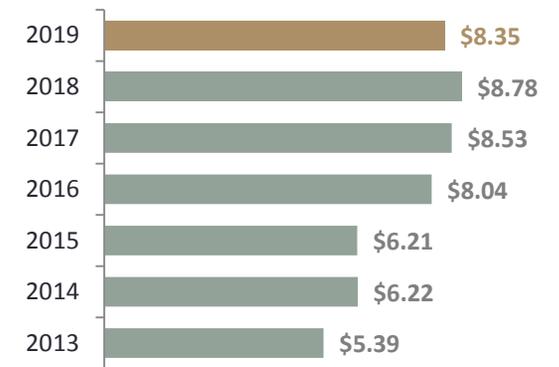
Departmental Budget Impact



Departmental Budget Appropriation Category



Budget per Capita



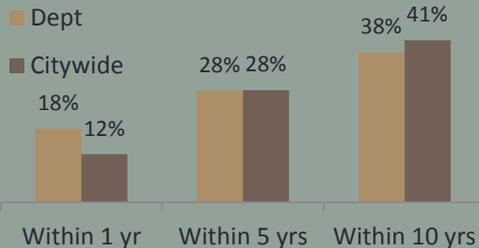
429

Number of improved, *in rem* properties sold by DCD in 2017, compared to 502 in 2016. Net sale proceeds deposited in the City Tax Deed account were \$2,171,314.

\$1,970,000

Total DCD capital funding to manage, maintain, repair and sell improved *in rem* properties as part of Mayor's Strong Neighborhoods Plan.

Retirement Eligible



-2

Change in Positions

-1.6%

% Change in Positions

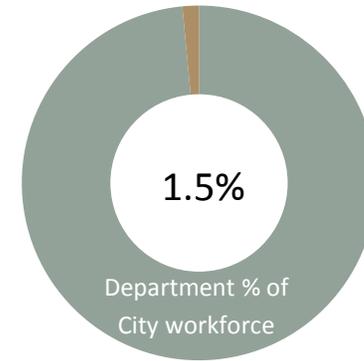
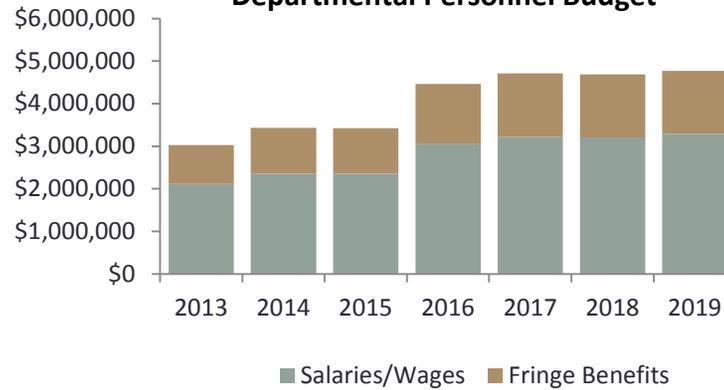
9

Current Vacancies

7

Voluntary Separations

Departmental Personnel Budget

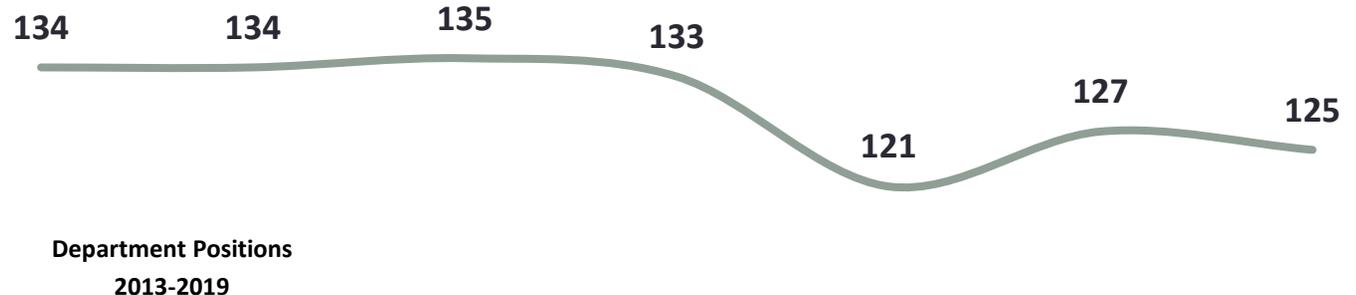


Staffing Update: Current Vacancies

- Neighborhood Business Dev. Manager
- Housing Rehab Spec. (2 positions)
- Administrative Assistant II
- Senior Planner (2 positions)
- Accountant II
- DCD Accountant Lead
- Program Assistant II

Staffing Update: Position Changes

- 2 positions, Building Maintenance Mechanic II and Office Assistant IV, being eliminated.
- Both positions are vacant "City" Housing Authority positions.
- Elimination is part of ongoing conversion of positions in DCD's Public Housing Decision Unit to "direct" HACM employees.



\$1.4 million

Capital funding for Strong Homes Loan program, compared to \$1.5 million in 2018 Budget. Will fund an estimated 90 loans in 2019.

109

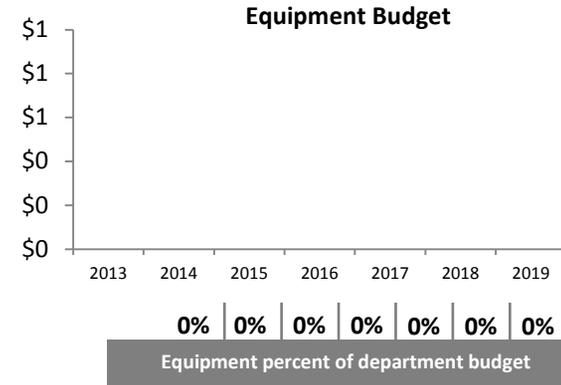
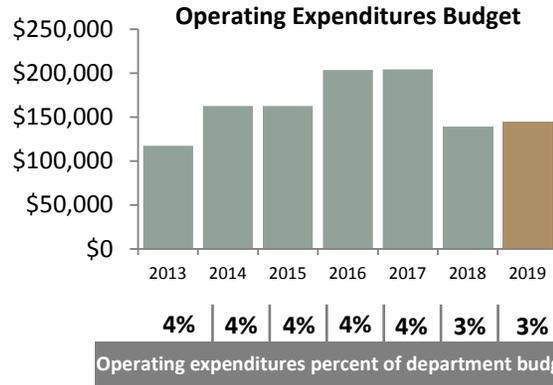
Number of grants (primarily façade, signage and whitebox grants) DCD awarded to local businesses in 2017 using funds from the Commercial Investment Program capital account. Total funds awarded: \$1.36 million.

\$1.77 million

Projected cash-revenue DCD capital funds from one-year extensions of tax incremental districts expected to close in 2019 (i.e. TID revenues for housing).

27

Number of residential lots sold by DCD for home construction so far in 2018, up from 11 lots in all of 2017.



Revenues

- Projected to be \$892,000 in 2019.
- Up \$92,000 (11.5%) from 2018 Budget.
- Increase primarily attributable to projected \$80,000 increase in revenue from the PILOT (payment in lieu of taxes) the Housing Authority makes to the City.
- DCD’s revenue from zoning change applications expected to rise 27%.

Special Purpose Accounts

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

All unchanged from 2018.

Grants

- Will fund \$587,151 in DCD salary costs in 2019, down 2.4% from 2018.
- CDBG and HOME program funding.
- 23 positions wholly or partially grant-funded.
- Grant-funded positions are in all DCD sections except Commissioner’s Office and Planning.

Capital Requests

- 8 programs totaling \$55.9 million.
- Up \$2.47 million (4.6%) from 2018.
- Funding for tax increment financing projects increased by \$1.3 million (2.6%).
- No new capital projects for 2019.
- All capital projects that received funding in 2018 are also funded for 2019.

10

Number of Housing Infrastructure Preservation Fund-assisted properties sold so far in 2018, compared to 4 in all of 2017.

\$1,560,000

Total value of the 101 Strong Homes Loans approved in 2017 to assist homeowners with emergency and critical home repairs.

900

Approximate number of improved in rem properties maintained by DCD with funding from the Land Management SPA (\$676,000 for 2019) and rental income.

195%

Increase in funding for the *In Rem* Property Maintenance Program, 2018 to 2019, primarily to support the Mayor’s 10,000 Homes Initiative and funded by cash revenues from one-year extensions of expiring tax increment districts.

Strong Neighborhoods Plan

Of the \$9.5 million in the 2019 Proposed Budget for the Strong Neighborhoods Plan, over \$5.1 million is appropriated to DCD.

- \$676,000 Land Management SPA
- \$4.47 million in 5 capital accounts:
 - *In Rem* Property Maintenance Program (\$1.77 mill.)
 - Strong Homes Loan Program (\$1.4 mill.)
 - Commercial Investment Program (\$1 mill.)
 - Commercial *In Rem* Property Program (\$200,000)
 - Housing Infrastructure Preservation Fund (\$100,000)

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, 45 tenants have purchased their homes from the City.

Capital Improvements (Major Changes)

- Proposed Budget provides \$6.5 million to pay the increments on current developer-financed TIDs, up from \$5.4 million in 2018 Budget.
- \$1.77 million is budgeted for the *In Rem* Property Maintenance Program, nearly triple the \$600,000 in the 2018 Budget.
- Funding for the Brownfield Program, which supports environmental remediation efforts, is increased from \$250,000 in 2018 to \$500,000 for 2019.
- The appropriation for the Housing Infrastructure Preservation Fund is \$100,000, compared to \$250,000 in 2018.
- Strong Homes Loan Program funding is reduced slightly, from \$1.5 million in the 2018 Budget to \$1.4 million for 2018.

“BIDs,” “NIDs” and “TIDs”

DCD is responsible for administrative oversight of the City’s 31 active business improvement districts (“BIDs”; last district created in 2016), 7 active neighborhood improvement districts (“NIDs”; one new district created in 2017) and 50 active tax incremental districts (“TIDs”; 4 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
2007	78	2013	657
2008	134	2014	587
2009	314	2015	764
2010	488	2016	661
2011	360	2017	523
2012	775	2018 YTD	116

Healthy Neighborhoods Initiative

Officially-Designated Neighborhoods	Examples of 2018 Community Improvement Projects
Burnham Park Capitol Heights Harambee Havenwoods Kinnikinnic River neigh’hoods Layton Park Old North Milwaukee Riverwest Sherman Park Silver City Thurston Woods	<ul style="list-style-type: none"> • Layton Blvd. West Neighbors Lighting Post Project (\$6,900 grant; \$13,800 overall project investment) • United Garden Homes Youth Gardens (\$2,000; \$4,000) • Beerline Trail Activation Plan (\$2,460; \$10,460)

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 2017-2019 are:

Funding Source	2017	2018	2019	
Sole-Source Funding	City tax levy	43	37	37
	CDBG/HOME	6	2	1
	Capital	1	1	1
	RACM	2	11	8
Combination Funding	20	29	35	
Total	72	80	82	

Of the 35 “combination” positions for 2019, 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

	2017 Total	2018 YTD
Properties assisted	4	3
Properties sold	4	10
Total expenditures	\$384,707	\$41,835
Total sale proceeds	\$59,500	\$134,241