

2024



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# DEPT. OF CITY DEVELOPMENT



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## 2024 Proposed Plan and Executive Budget Review

Prepared by: Jeff Osterman, Legislative Research Supervisor

Budget Hearing: 11:00 am on Thursday, October 12, 2023

**\$5,513,454**

Proposed 2024 Budget + ARPA

**\$2,178,454**

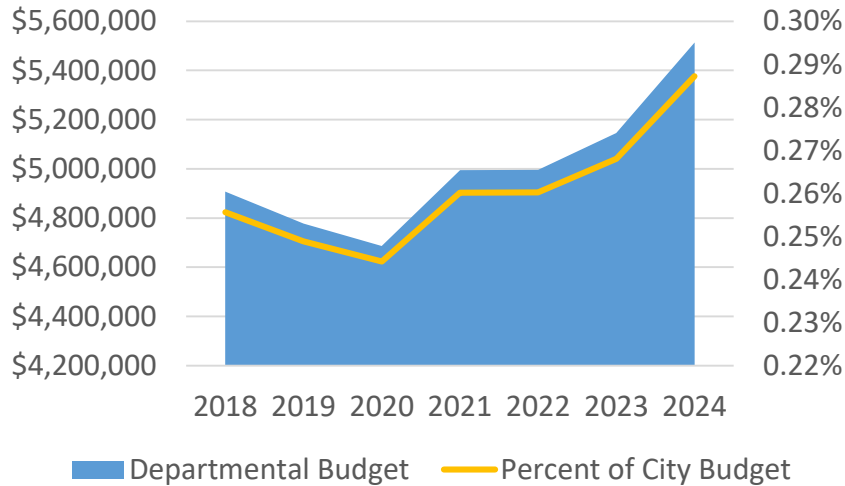
Proposed 2024 Budget (Levy)

**\$368,274**

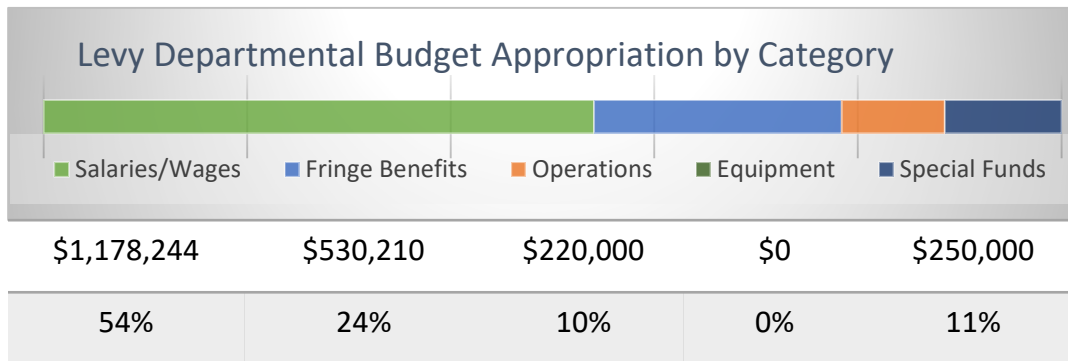
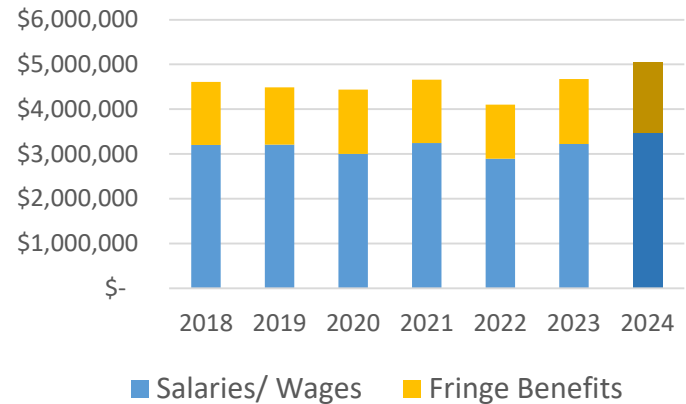
\$ Overall Change from 2023  
(ARPA + Levy)

**\$5,446,377**

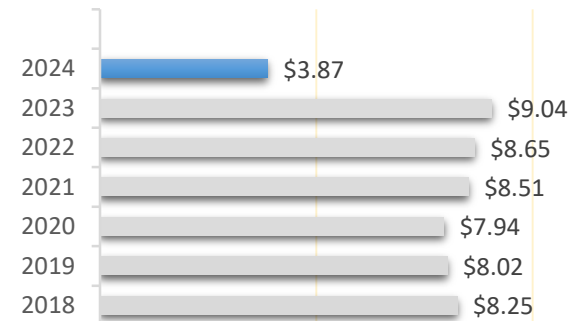
Requested 2024 Budget



**Personnel Budget**



**Levy Budget per Capita**



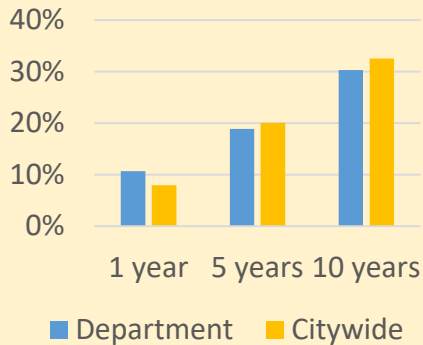
**\$2,300,000**

2024 Salaries and Wages funded with ARPA

**\$253,292**

Increase in Salaries and Wages, compared to 2023 (ARPA + Levy)

**Retirement Eligible**



**Staffing Vacancies**

4 positions currently vacant:

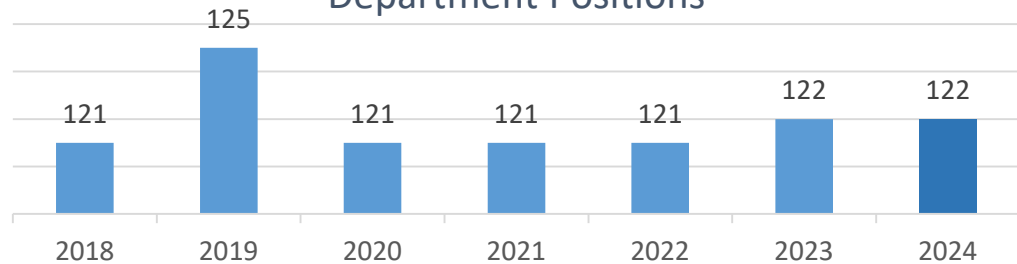
- Associate Planner – vacant 6/24/23; applicants currently being ranked by DER.
- Marketing and Communications Officer – vacant 9/9/23; posted 9/15/23 through 10/6/23.
- Program Assistant II – vacant 6/24/23; posting period ended 9/29/23.
- Real Estate Specialist – vacant 7/22/23; posted 8/29/23 through 10/3/23.

**Staffing Update**

- No change in the number of positions.
- 6 positions in the Finance & Administration Section have been reclassified.
- 3 DCD Graduate Intern positions have been filled in the past year – all are in the Planning Section.

<b>0</b> Change in Positions	<b>0.0%</b> % Change in Positions
<b>4</b> Current Vacancies	<b>3</b> Voluntary Separations

**Department Positions**



**\$0**

Total value of Purchasing Contracts greater than \$500,000.

**\$1,948,984**

Net proceeds from the sale of 134 improved, *in rem* properties by DCD in 2022.

**92**

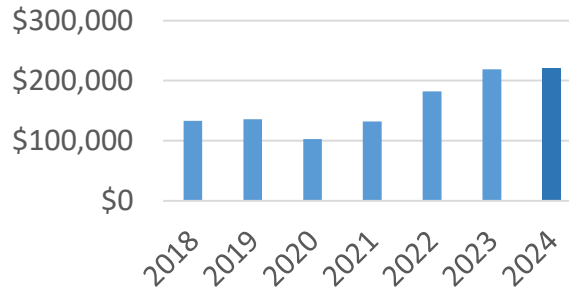
Number of grants (primarily signage, façade and white box grants) DCD awarded to local businesses and commercial property owners in 2022.

Total funds granted: \$1.6 million.

**66**

Current active tax incremental districts, including 4 new TIDs created in 2023 (MLK Library, NW Mutual North, Filer and Stowell, and Riverwest Apartments).

**Operating Expenditures Budget**



**Equipment Budget**



**Revenue**

The Proposed Budget projects that DCD will receive \$1,178,000 in revenues in 2024, an increase of 11.7% from the 2023 Budget:

- Taxes and PILOTs \$1,000,000
- Charges for Services \$108,000
- Licenses and Permits \$40,000
- Miscellaneous \$30,000

**Special Purpose Accounts**

- Land Management \$900,000
- Arts Board Projects \$250,000
- Fourth of July Comm. \$125,000

**TOTAL \$1,275,000**

Land Management SPA up \$224,000 (33.1%) from 2023, due in part to reduced RACM rental income. Other SPA funding levels unchanged.

**Grants**

- Non-ARPA grants will fund \$821,425 in DCD salary costs in 2024, up 4.2% from 2023.
- Both CDBG and HOME program funding will be received.
- 30 positions wholly or partially funded by CDBG or HOME grants.

**Capital Programs and Projects**

- 7 projects totaling \$42.6 million.
- Up \$2.5 million (6.2%) from 2023.
- Funding for tax increment financing projects is increased by \$1 million (2.7%).
- \$2 million for Partnerships in Affordable Ownership Housing and Alternatives to Home Ownership Initiatives (provides down payment assistance grants).

**\$316,717**

Total amount of tax assistance payments, to 139 households, from Anti-Displacement Fund since 2020.

**68**

Total number of Strong Homes Loans closed in 2022, totaling over \$1.3 million to assist homeowners with emergency and critical repairs.

**\$1.9 million**

Assistance to 303 households in 2022 to buy homes through the Homebuyer Assistance and Down Payment Assistance Programs.

**651**

Approximate number of improved *in rem* properties maintained by DCD with funding from the Land Management SPA (\$900,000 budgeted for 2024) and rental income.

**Special Funds**

Total 2024 funding of \$250,000, the same as the 2023 Adopted Budget:

- Econ. Dev. Marketing \$35,000
- Milwaukee 7 Contrib. \$15,000
- Healthy Neighborhoods \$100,000
- Healthy Food Estab. Fund \$100,000

**Capital Improvements (Significant Changes)**

- Proposed Budget provides \$500,000 for the Commercial Investment Program, down from \$1 million in 2023 Adopted Budget. Actual 2022 expenditures totaled \$1,096,896.
- Proposed Budget provides \$13 million to pay the increments on developer-financed TIDs, up from \$12 million in 2023 Budget. Actual 2022 expenditures were \$9,139,026.
- Proposed Budget includes \$2 million for the Partnerships in Affordable Ownership Housing and Alternatives to Home Ownership Initiatives. No funding was provided in 2023. This program provides down payment assistance to new minority households.

**“BIDs,” “NIDs” and “TIDs”**

DCD is responsible for administrative oversight of the City’s 31 active business improvement districts (“BIDs”; last district created in 2022), 10 active neighborhood improvement districts (“NIDs”; last district created in 2022) and 66 active tax incremental districts (“TIDs”; 4 new TIDs created so far in 2023).

**Advanced Planning Fund**

In 2024, this capital account, which receives an appropriation of \$200,000, will support ongoing neighborhood comprehensive planning projects and the Growing MKE initiative by:

- Updating the housing element of the Citywide Policy Plan.
- Updating the City’s Zoning Code to encourage and enable housing development that advances the City’s housing growth, affordability, racial equity, and climate action goals.

In 2022, the Advanced Planning Fund funded the Bruce and Pierce Streets District Plan recommended by the Industrial Land Analysis.

**Key Performance Measures**

Measure	2022 Actual	2023 Projected	2024 Planned
Sales, transfers and dispositions of tax-foreclosed property	207	225	125
Percentage increase in value of property for closing tax increment districts (no TID closings planned for 2023 or 2024)	207%	0%	0%
Number of Strong Neighborhoods loans closed	60	70	70
Percentage of Strong Neighborhoods loans in CDBG area	New Measure	74%	70%
Percentage of residents and community members engagement opportunities taking place within CDBG neighborhoods during Housing Zoning Code Update Project	New Measure	70%	70%
Percentage of Commercial Corridor grants made to minority-owned local businesses	New Measure	79%	73%

**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	# Properties Added	Year	# of Properties Added
2012	775	2018	134
2013	657	2019	694
2014	587	2020	111
2015	764	2021	345
2016	661	2022	253
2017	523	2023 YTD	114

**Healthy Neighborhoods Initiative**

Community Improvement Project (CIP) Grants	2022 Community Improvement Projects
<ul style="list-style-type: none"> <li>Administered by NIDC.</li> <li>Maximum grant \$4,000.</li> <li>Grants are reimbursable grants and require dollar-for-dollar match of non-City funds.</li> <li>Available citywide.</li> <li>Grants used for physical neighborhood projects, not commercial purposes or salaries.</li> </ul>	<ul style="list-style-type: none"> <li>27 projects citywide.</li> <li>Total grant value: \$52,656; leveraged more than \$91,000.</li> <li>Examples of projects:                             <ul style="list-style-type: none"> <li>Historical public art</li> <li>Playground enhancement</li> <li>Bioswales</li> <li>Landscaping</li> <li>Neighborhood identity</li> <li>Neighborhood map &amp; app</li> </ul> </li> </ul>