

2016



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# DEPARTMENT OF CITY DEVELOPMENT

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## 2016 Proposed Plan and Executive Budget Review

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Budget Hearing: October 16, 2015

Last Updated: October 9, 2015

Version 8.1



**\$4,673,490**

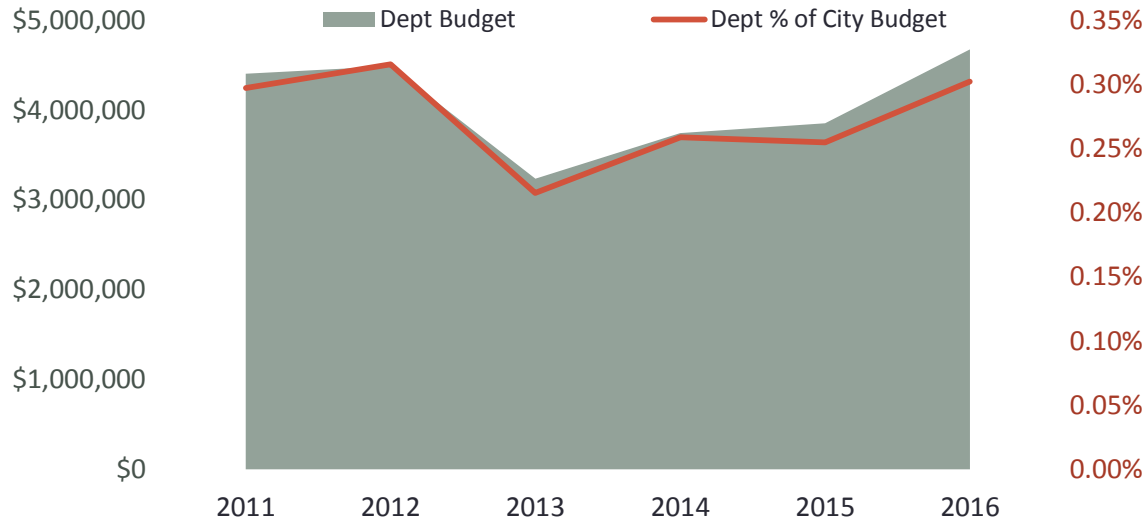
Proposed 2016 Budget

**\$822,284**

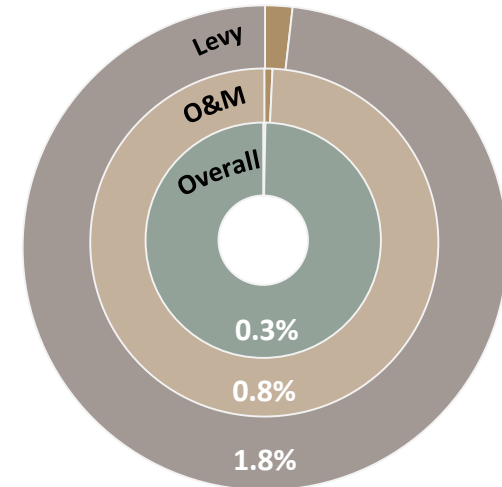
Change in Proposed Budget

**21.4%**

% Change in Proposed Budget



**Departmental Budget Impact**

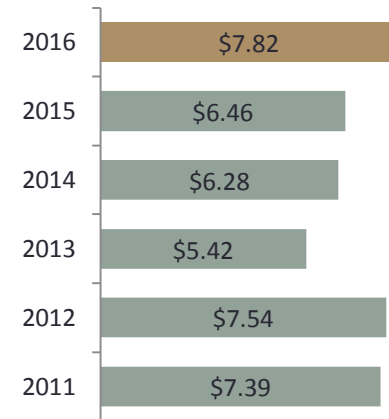


**Departmental Budget Appropriation Category**



	Salaries/Wages	Fringe Benefits	Operations	Equipment	Special Funds
\$	\$2,888,203	\$1,386,337	\$148,950	\$0	\$250,000
%	62%	30%	3%	0%	5%
Δ	17.6%	25.4%	7.2%	0.0%	66.7%

**Budget per Capita**



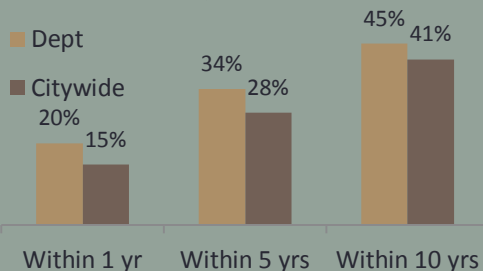
# \$3.53 million

Total DCD capital funding to manage, maintain, repair and sell improved *in rem* properties. Comparable figure for 2015 was \$4.2 million.

# \$1.5 million

Capital funding for Strong Homes Loan program, \$500,000 more than 2015 Budget; will provide an estimated 110 loans.

## Retirement Eligible



# -2

Change in Positions

# -1.5%

% Change in Positions

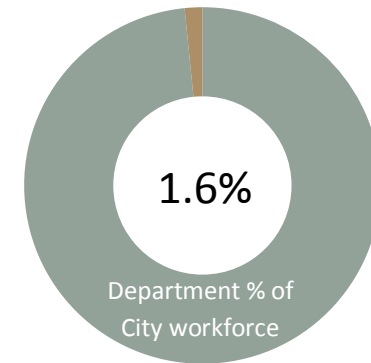
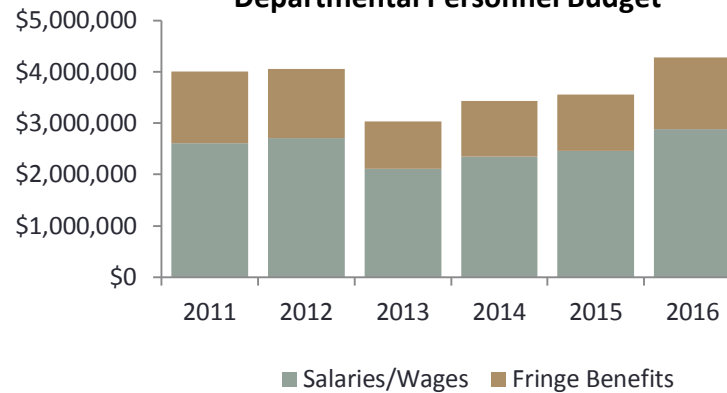
# 1

Current Vacancies

# 2

Voluntary Separations

## Departmental Personnel Budget



### Staffing Update - New Positions Created (5)

- Program Assistant II (added mid-2015)
- Lead Accountant – RACM (transferred from RACM)
- Real Estate Coordinator and Administrative Assistant (will support increased work from accelerated *in rem* filings)
- Office Assistant IV (to support HACM)

### Staffing Update - Positions Eliminated (7)

- Seven vacant “City” HACM positions will be eliminated for 2016. This is part of the ongoing conversion of positions in DCD’s Public Housing Programs Decision Unit to “direct” HACM employees.

# 204

# 163

# 134

# 134

# 135

# 133

Department Positions  
2011-2016

# +9.70

Change in Operations and Maintenance-funded FTEs, due to creation of new O&M-funded positions and less CDBG funding available for other positions.

# 437

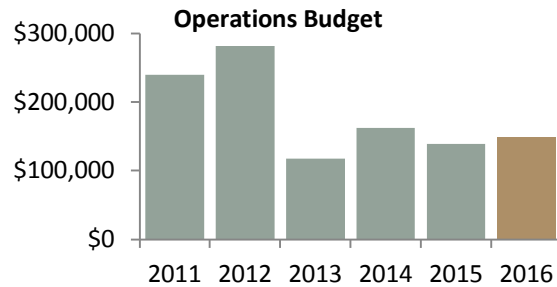
Number of *in rem* foreclosure properties sold in 2014, up from 291 in 2013. Total sales proceeds for 2014 were \$3.58 million.

# \$100,000

Appropriation for new Healthy Neighborhoods Special Fund (O&M). Heretofore, this initiative was funded through capital improvements allocations.

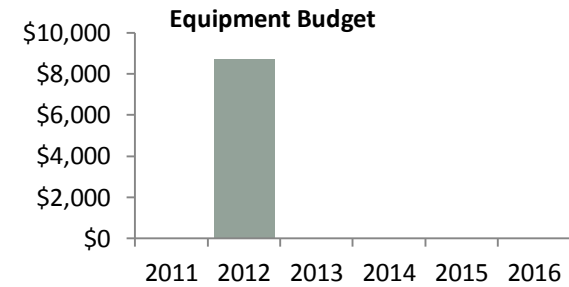
# 3,099

Youths placed in City, private-sector and non-profit internships in 2014 by the DCD-administered Earn & Learn Program.



Year	2011	2012	2013	2014	2015	2016
Percent of department budget	5%	6%	4%	4%	4%	3%

Operations percent of department budget



Year	2011	2012	2013	2014	2015	2016
Percent of department budget	0%	0%	0%	0%	0%	0%

Equipment percent of department budget

## Revenues

- Projected to be \$108,000.
- Down \$50,000 (-31.6%) from 2015 Budget.
- Decreased attributable to anticipated \$50,000 reduction in proceeds from real estate sales (non-*in rem*).

## Special Purpose Accounts

- Land Management SPA (\$650,000).
- Milwaukee Arts Board Projects SPA (\$200,000).
- Milwaukee Fourth of July Commission SPA (\$110,000).
- All 3 unchanged from 2015 Budget authorizations.

## Grants

- Will fund \$1.05 million in DCD salary costs in 2016.
- CDBG/HOME and NSP funding
- Down from \$1.37 million in 2015.
- 15 positions grant-funded.
- Decrease stems from elimination of CDBG funding for RACM Administration, Land Management and Spot Acquisition programs.

## Capital Requests Summary

- 8 projects totaling \$61.6 million.
- Up \$35.2 million from 2015 (+134%).
- Funding increase primarily attributable to increased borrowing for potential new TIDs.
- \$3.53 million in 4 capital accounts to manage, maintain, repair and sell improved *in rem* properties.

31

Number of micro loans, totaling \$186,100, disbursed to Milwaukee businesses through KIVA Zip Milwaukee, a crowd-funding platform supported by a \$25,000 City contribution in DCD's budget.

\$468,000

Funding in Proposed Budget for 4 City departments, including DCD, to implement accelerated *in rem* filings for vacant and abandoned properties.

2

Collaborations with local non-profits for bulk purchase and rehab of foreclosed homes in 2 targeted neighborhoods, funded by \$1 million in Challenge Fund grants.

Over 1,200

Number of improved *in rem* properties maintained by DCD with funding from the Land Management Special Purpose Account (\$650,000 for 2016).

### Operating Expenditures (Major Changes)

- Other Operating Services (down \$22,300, or 73.6%)
- Reimburse Other Departments (up \$18,000, or 37.1%)
- Professional Services (up \$18,000, or 450%)
- All changes primarily made to reflect 2014 actual expenditures.

### Strong Neighborhoods Plan

Of the \$10.9 million in the 2016 Proposed Budget for the Strong Neighborhoods Plan, \$4.5 million is appropriated to the Department of City Development:

- \$288,132 in salaries (for accelerated *in rem* filings)
- \$650,000 Land Management SPA
- \$50,000 *In Rem* Property Management special fund
- \$3.53 million in 4 capital accounts:
  - *In Rem* Property Program (Challenge Grant, ACTS Housing Partnership, Rent-to-Own, etc.)
  - Strong Homes Loan Program
  - Housing Infrastructure Preservation Fund
  - Commercial *In Rem* Property Program

### Capital Improvements (Major Changes)

- \$49 million in new borrowing for potential new TIDs, up from \$15 million in 2015 Budget.
- \$500,000 in new funding for Commercial Investment Program (façade and white box grants). This account was not funded in 2015, but received \$250,000 in 2014.
- \$1.33 million for *In Rem* Property Program, down from \$3.25 million in 2015 (in part because of separating the Strong Homes Loan Program from this account for 2016).
- \$1.5 million for the Strong Homes Loan Program, up from \$1,000,000.
- No additional funding for the Rental Housing Rehabilitation Program.

### "BIDs" and "TIDs"

DCD is responsible for administrative oversight of the City's business improvement districts ("BIDs") and tax incremental districts ("TIDs")

- 34 active BIDs (last 2 districts created in 2013).
- 47 active TIDs (4 new districts created in 2015).

**In Rem Property Management**

One of the primary functions of DCD is to manage the City's large and growing inventory of properties acquired through the *in rem* foreclosure process. The following table shows how the number of in rem properties acquired by the City and managed by DCD has been steadily increasing over the past several years:

Year	Number of Properties Added	Year	Number of Properties Added
2006	95	2011	360
2007	78	2012	775
2008	134	2013	657
2009	314	2014	587
2010	488	2015 YTD	537

**Housing Infrastructure Preservation Fund**

	2014 Total	2015 YTD
Properties assisted	6	6
Properties sold	2 (one in process)	0 (4 in process)
Total expenditures	\$671,580	\$382,912 (\$397,831 2014 YTD)
Total sale proceeds	\$23,100	\$0

**Funding Sources – DCD Positions**

Positions in DCD are funded by a variety of sources, including the City tax levy, grants (CDBG/HOME or NSP), capital and RACM reimbursement. The funding sources for funded, non-Housing Authority, non-intern DCD positions in 2014-2016 are:

Funding Source		2014	2015	2016
Sole-Source Funding	City tax levy	33	37	40
	CDBG/HOME	14	14	6
	Capital	2	2	1
	NSP	1	0	0
	RACM	1	1	4
Combination Funding		13	15	22
Total		64	69	73

**Healthy Neighborhoods Initiative**

Officially-Designated Neighborhoods	Examples of Projects Funded by HNI in 2015
Baran Park	Amani Spring Cleanup Kick-off
Burnham Park	Sherman Park Temples of Peace
Capitol Heights	Franklin Heights Community
Havenwoods	G(ART)den
Kinnickinnic Riv. Neighborhoods	Caja de Comunidad – 16 <sup>th</sup> Street Corridor
Layton Park	Martin Drive Branding Initiative
Lincoln Village	Art Benches of Havenwoods
Old North Milwaukee	Center Street Park Clean-Up
Polonia	Habitat Restoration – Pulaski
Riverwest	Park
Sherman Park	Trowbridge Square Satellite
Silver City	Studio
Thurston Woods	