

File No. 050946 is a resolution approving a Cooperation Agreement with the City of Milwaukee and the Neighborhood Improvement Development Corporation (NIDC).

Background

1. The Neighborhood Improvement Development Corporation was incorporated in 1973 as an independent, 501 (c)(3) organization to provide neighborhood preservation and development services as a agency separate from City of Milwaukee government, with its own assets and governing Board of Directors.
2. The Common Council does not control the NIDC budget.
3. As an independent agency, the NIDC can take advantage of various programs and funding that the City of Milwaukee is not eligible to apply for or receive, such as the federal LEAP Grant Program that helps eradicate lead poisoning in older homes.
4. The NIDC and the City have engaged in various cooperation agreements since 1973 whereby the City provides reimbursable management and administrative services to the NIDC from federal and other grants applied for and received by the NIDC (including CDBG, HOME, FEMA, GreenLine, LEAP Grant, etc.). The agreements provided that the administering city department would budget for the services in annual city budgets and the corresponding reimbursements as grant and aid offsets.
5. The NIDC operations and funding for 58 positions moved from DCD to DNS in 1999. The functions that transferred included home and rental rehab loans, the Buy-in-Your-Neighborhood Program, down-payment assistance, vacant lot maintenance, receivership, and demolition.
6. Most operations and funding transferred back to DCD in 2003. Demolition and vacant lot maintenance remained functions of DNS while the City Attorney Office assumed responsibility for the Receivership program.
7. Although various grants have been awarded to DCD for NIDC activities, the Common Council has not formally transferred all responsibility and ownership of NIDC and its assets to the DCD and the City Attorney, hence necessitating that the Common Council backdate and approve a Cooperation Agreement between the DCD and the City Attorney's Office on behalf of the City and the NIDC.

Discussions

1. In December 2003, the NIDC Board of Directors authorized the Commissioner of the Department of City Development to assume the role of NIDC Executive Director after the former incumbent was laid off as of PP1 2004 due to position authority, FTEs and funding being eliminated in the 2004 adopted city budget. Beginning in January 2004, several persons have been appointed Commissioner of the Department of City Development and the full plan for transferring NIDC, its portfolio, funding, and activities was not finalized and remained in a pending status.

2. File 050946 authorizes the NIDC and the City to enter into a Cooperation Agreement, formalizes the January 1, 2003 agreement transferring the NIDC, its assets and functions from the Department of Neighborhood Services to DCD and also providing for:

City Attorney:

- Provide legal services to NIDC (Receivership Program and Revolving Loan Fund)

Dept. of City Development:

- Own and manage NIDC loan portfolio including the \$5 million Housing Rehabilitation Revenue Bond issue authorized in CCRN 011743 adopted 5/14/2002
- Apply for CDBG, HOME, and other grants on behalf of NIDC
- Provide NIDC management, budget & administrative services, materials & equipment
- Administer CDBG, HOME, and other grants and mortgages made by the NIDC and all repayments (program income) to the NIDC (mortgagor)
- Administer TID No. 28 (City Homes)

Fiscal Impact

The fiscal impact is not quantified in CCFN 050946; however, the inability to offset indirect costs against NIDC non-tax levy funding may impose varying impacts on future tax-levy funding operating and capital improvement budgets for the DCD.

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