

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

FEBRUARY 21, 2011

Item 7, File #101294

File Number 101294 is a resolution authorizing 2011 expenditures from the Healthy Neighborhoods Initiative capital account and stipulating conditions for the expenditure of these funds.

Background

1. The Healthy Neighborhoods Initiative (“HNI”) is a collaborative community development effort between the City of Milwaukee and the Greater Milwaukee Foundation that focuses on marketing the positive attributes of middle-market urban neighborhoods and encourages homeowner investment and aesthetic improvements in those neighborhoods.
2. The 2011 Budget includes \$200,000 in capital funding for the HNI, the same level of funding provided in 2010.
3. Common Council File Number 071449, adopted March 18, 2008, designated the Neighborhood Improvement Development Corporation (“NIDC”) as the entity responsible for administering the Healthy Neighborhoods Initiative.
4. File 071449 also established the following conditions for expenditures from the HNI capital account:
 - a. Every expenditure shall be matched on a dollar-for-dollar basis by financial commitments from non-City-government entities.
 - b. No expenditure shall be made until NIDC receives documentation of involvement of a community organization or neighborhood association in any project selected for City funding through the HNI.
 - c. City funds from the HNI capital account shall be used to fund residential improvement loans and/or grants and neighborhood improvements.
5. File 071449 also directed NIDC, in administering the HNI, to give priority to expenditures in neighborhoods that are already participating in the Greater Milwaukee Foundation’s HNI and to neighborhoods not located within the Community Development Block Grant area, since there are few public dollars available for home improvement or neighborhood improvement efforts in those neighborhoods.
6. The Greater Milwaukee Foundation has been a partner with the City in this initiative, providing \$450,000 for the HNI in both 2009 and 2010. The Helen Bader Foundation and the Harley-Davidson Foundation have also provided financial support for the HNI.
7. In 2010, City funding for the Healthy Neighborhoods Initiative was allocated as follows:

- \$45,000 for neighborhood improvement projects in 9 participating neighborhoods (Capitol Heights, Havenwoods, Johnsons Park, Lincoln Village, Thurston Woods, Enderis Park, Layton Boulevard West, Martin Drive and Sherman Park).
- \$30,000 for community improvement projects in neighborhoods throughout the city (matching grants of up to \$2,000 each for such projects as the Bay View Hide House Gardens, the Walnut Hill Urban Sanctuary and Murray Hill neighborhood signs).
- \$15,000 for a loan pool to finance exterior home improvements by property owners in HNI neighborhoods. To date, no local lenders have committed to capitalizing this loan pool (the HNI funding would be used as a loan loss reserve).
- \$100,000 for the “Milwaukee Makeover,” a program in which local architects and designers work with homeowners in the 9 HNI neighborhoods to make high-quality design improvements to their homes, with HNI providing income-based rebates to homeowners for implementation of the design improvement projects.
- \$10,000 (5%) for project administration costs.

Discussion

1. This resolution authorizes the Neighborhood Improvement Development Corporation to expend the \$200,000 appropriated for the Healthy Neighborhoods Initiative in the 2011 Budget.
2. This resolution also reaffirms the 3-part HNI expenditure policy outlined above.
3. This resolution allows NIDC to charge up to 5% of the costs of administering the HNI to the HNI capital account.
4. For 2011, the Healthy Neighborhoods Initiative funding will be allocated as follows:
 - \$90,000 for neighborhood improvement projects in the 9 participating neighborhoods.
 - \$50,000 for community improvement projects anywhere in the city.
 - \$50,000 for Healthy Neighborhoods and citywide foreclosure prevention, intervention and stabilization activities that will complement existing initiatives such as Take Root Milwaukee and the Neighborhood Stabilization Program.
 - \$10,000 for project administration costs.
5. Pursuant to this resolution, NIDC will provide a report on 2011 Healthy Neighborhoods Initiative achievements to the Common Council no later than January 31, 2012.

Fiscal Impact

This resolution authorizes the expenditure of \$200,000 in DCD capital funds for the Healthy Neighborhoods Initiative. These funds were included in the 2011 City Budget.

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