



Department of Administration
Community Block Grant Administration

John O. Norquist
Mayor

David R. Riemer
Director

Juanita Hawkins
Administration—Block Grant Director

TO: Members of the Community Development Policy Committee

FROM: Juanita Hawkins *Juanita Hawkins*
Director

DATE: September 19, 2001

RE: Resolution #010778 - Authorization for NIDC to spend 2001, 2001, and 2003 CDBG Program Income to administer the Lindsay Heights Tax Incremental District

The Community Development Committee on September 5, 2000 authorized NIDC to utilize CDBG and HOME program income for the expenditure of various activities (Resolution # 000492 attached).

NIDC is now requesting authorization to spend 2001, 2001 and 2003 CDBG program income to administer the Lindsay Heights Tax Incremental District (TID) through program year 2003 as follows.

Year 2001 -	\$15,000
Year 2002 -	70,000
Year 2003 -	15,000
Total	<u>\$ 100,000</u>

NIDC indicates that the \$100,000 investment will help revitalize the neighborhood by building an additional 60 new homes (New Residential Construction) and rehabbing 100 existing homes (Rental Rehab).



NEIGHBORHOOD IMPROVEMENT DEVELOPMENT CORPORATION

In partnership with the Milwaukee Department of Neighborhood Services

P.O. Box 511730 ■ Milwaukee, WI 53203 ■ Fax: 286-8667 ■ Fax: 286-5447

841 N. Broadway ■ Milwaukee, WI 53202

File: NIDC - Lindsay Heights (2001)

CC: J.H., H.W., T.D., Darle

MILWAUKEE

AT HOME IN OUR NEIGHBORHOODS

Ms. Juanita Hawkins
Community Block Grant Administration
City Hall - Room 606
200 East Wells Street
Milwaukee, WI 53202

2001 SEP 17 PM 4:19

C B G A

September 17, 2001

Dear Ms. Hawkins:

Re: Use of CDBG Program Income to Administer the Lindsay Heights Tax Incremental District

As we discussed at our meeting on August 20, I am forwarding information for review by the Community Development Committee. I request that the Committee consider this item at their October 9th meeting. I am also asking for your support and the support of the Committee.

NIDC requests permission to use \$100,000 of Block Grant Program Income to help pay for costs to administer the Lindsay Heights Tax Incremental District (TID). The TID will help revitalize the neighborhood by rehabbing 100 existing homes and building 60 new homes.

The TID Program will run through 2003. I anticipate using approximately \$15,000 of 2001 Program Income in 2001, \$70,000 of 2002 Program Income in 2002, and \$15,000 of 2003 Program Income in 2003.

\$100,000 will enable over \$8 million of neighborhood investment.

Repairs to Existing Homes

The TID provides \$1 million for \$10,000 forgivable rehab loans. Loan dollars are earmarked for exterior improvements such as new roofs, gutters, siding, windows, painting, porch repairs and permanent landscaping. Because the focus is on exterior "curb appeal," the Program will benefit the homeowner *and* the neighborhood.

Loans are 0% and the principal will be forgiven after five years. Investor-owners must match the forgivable loan dollar-for-dollar with their own funds.

New Residential Construction

TID dollars will provide \$10,000 forgivable loans to persons building a new home. Loans will help pay for costs of construction. There are already over 35 new homes in Lindsay, the TID will provide funds for up to 60 additional homes.

Loans are 0% and will be forgiven after 5 years.

We are excited about this innovative use of TID dollars. Lindsay Heights is a neighborhood "on the way up." TID activity will complement other important development such as the new YMCA, the Super Kmart, and the rebuilding of Fond du Lac Avenue. We think a modest investment of Program Income will accelerate the investment that is already taking place.

If you have questions, please call me at extension 8244.

Sincerely,

Yolanda J. Mack
Executive Director



..Number

000492

..Version

SUBSTITUTE 1

..Reference

..Sponsor

THE CHAIR

..Title

Substitute resolution relative to community development expenditures of program income for NIDC of Community Development Block Grant, and HOME funds as administered by CBGA.

..Analysis

..Body

Whereas, The Community Development Committee on September 5, 2000 approved the use of program income for NIDC with CDBG and HOME funds; and be it

Resolved, That NIDC is authorized to use program income for the activities indicated in Exhibit A; and be it

Further Resolved, That NIDC is required to submit budget and activity reports for CDBG funds and HOME funds to reflect entitlement funding and program income to the Community Block Grant Administration and the City Comptroller for their review and approval; and be it

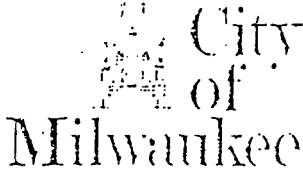
Further Resolved, That NIDC submit weekly cost reports to CDBG reflecting the use of program income, as required by the U. S. Department of Housing and Urban Development (HUD) regulations.

..Requestor

..Drafter

NIDC 9-5

Skip



Department of Neighborhood Services
 Department of Neighborhood Services
 Department of Neighborhood Services

Martin G. Collins
 Commissioner

Schuyler F. Seager
 Deputy Commissioner

August 29, 2000

Ms. Juanita Hawkins, Director
 Community Block Grant Administration
 200 East Wells Street, Room 606
 Milwaukee, Wisconsin 53202

Dear Ms. Hawkins:

Attached is a summary 2000 budget. It includes 1999 Carryover, 1999 Program Income, the 2000 Grant Award and the 2000 Program Income. The expenditure of our 2000 Program Income is an integral part of our 2000 Budget and is reflected in the document. Based upon our current projections, there is a total of \$1,483,331 in unallocated Program Income including \$912,014 in 1999 Program Income and \$571,317 in unallocated 2000 Program Income.

Of that amount, two Program Income funding commitments were made earlier this year. They are:

1. Reimbursement to Habitat for Humanity to partially reimburse them for sewer & water laterals and site preparation on their new home construction---\$200,000
2. Rehabilitation of several former nuisance properties in the Westside TIN---\$325,000.

While these are not legal commitment, I do feel that we have a moral obligation to follow through on them.

Based upon commitments made, we project the \$958,000 will be available to carry out projects which would not otherwise be carried out. We propose the following in priority order:

1. Owner Occupied service in NSP's where the demand exceeds the supply of funds. The NSP's that are currently over-subscribed are NSP's 2, 5, 6, 11, 12, & 15. The estimated cost of this activity will be \$212,000.
2. Rent Rehab & Buy in Your Neighborhood Loans in NSP's where the demand exceeds the supply of funds and to provide gap financing for a major rent rehab project at 23rd and Roosevelt. The NSP's that are currently over-subscribed are NSP's 2, 5, & 14. The estimated cost of this activity will be \$255,000.

Ms. Juanita Hawkins
August 29, 2000
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3. Construct two new homes in the City Homes development. Our experience indicates that there continues to be a high demand and the homes should sell quickly. Estimated cost: \$260,000.
4. Acquire the property at the corner of 21st and Vine and develop a new homesite for City Homes. This would make the entire block residential and would improve the overall development. Estimated Cost \$80,000
5. Acquire and Rehab two nuisance properties in the area of 4400 N 27th Street where we have completed another buy/rehab/sell project. Estimated cost \$50,000

This would leave a balance of \$101,000 that could be carried forward into 2001 to partially fund the Targeted Investment Neighborhoods (TIN's). Presently, we have four existing TIN's which will be in their 3rd (final) year, two existing TIN's which will be in their 2nd year, and pending proposals for four additional TIN's. At the present time, there does not appear to be funds included for TIN's in the 2001 Allocation Plan and any carry-over funds could help provide interim financing for the TIN's. Also, several of these projects are dependent upon owner participation. While the owners have indicated that they will be following through on their projects, it may be possible that some projects may not be implemented. If that happens we propose that any remaining funds would be used to provide the initial funding for the 2001 Targeted Investment Neighborhoods.

The proposed activities are consistent with the activities that we normally provide. They will make it possible to serve some property-owners who may not be served until 2001 and to undertake several significant projects that will have a significant positive impact on their neighborhoods. Your approval of this request will be appreciated.

Sincerely,



Schuyler F. Seager
Deputy Commissioner

c. committee members

CITY OF MILWAUKEE FISCAL NOTE

CC-170 (REV. 6/86)

A) DATE: September 5, 2000

FILE NUMBER: 000492
Original Fiscal Note Substitute

SUBJECT: Substitute resolution relative community development expenditures of program income for NIDC of Community Development Block Grant, and HOME funds as administered by CBGA.

B) SUBMITTED BY (name/title/dept./ext.): Darlene Hayes/Associate Director/DOA-CBGA/X3844

C) CHECK ONE: ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES.
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
 NOT APPLICABLE/NO FISCAL IMPACT.

D) CHARGE TO: DEPARTMENTAL ACCOUNT (DA) CONTINGENT FUND (CF)
 CAPITAL PROJECTS FUND (CPF) SPECIAL PURPOSE ACCOUNTS (SPA)
 PERM. IMPROVEMENT FUNDS (PIF) GRANT & AID ACCOUNTS (G & AA)
 OTHER (SPECIFY)

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:					
TOTALS					

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN ANNUAL BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT SEPARATELY.

<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE