

***LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS***

**COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE**

**FEBRUARY 1, 2010**

**Item 18, File #091271**

File Number 091271 is a resolution authorizing expenditures from the Healthy Neighborhoods Initiative capital account.

**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 2010 Budget includes \$200,000 in capital funding for the HNI, the same level of funding provided in 2009.
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 over \$440,000 for the HNI in 2009 alone. The Helen Bader Foundation and the Harley-Davidson Foundation have also provided financial support for the HNI.

7. In 2009, City funding for the Healthy Neighborhoods Initiative was allocated as follows:
- \$87,809 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).
  - \$16,527 for neighborhood improvement projects in neighborhoods outside the Community Development Block Grant area (e.g., Cambridge Woods and Kops Park).
  - \$10,000 (5%) for project administration costs.
  - \$85,664 for a home improvement loan pool for loans to property owners in HNI neighborhoods.

### **Discussion**

1. This resolution authorizes the Neighborhood Improvement Development Corporation to expend the \$200,000 appropriated for the Healthy Neighborhoods Initiative in the 2010 Budget.
2. This resolution also eliminates the policy, established by File 071449, requiring NIDC to give priority for HNI expenditures to neighborhoods already participating in the Greater Milwaukee Foundation's HNI and to neighborhoods not located within the CDBG area. HNI funding will be available to eligible organizations throughout the city. The other 3 conditions for expenditures of HNI funding are unchanged.
3. This resolution allows NIDC to charge up to 5% of the costs of administering the HNI to the HNI capital account.
4. Pursuant to this resolution, NIDC will provide a report on the Healthy Neighborhoods Initiative to the Common Council by November 30, 2010.

### **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 2010 City Budget.

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