

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: July 1, 2016

TO: Theodore Lipscomb, Chairman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by James Mathy, Housing Administrator, Housing Division

SUBJECT: **Report from the Director, Department of Health and Human Services, requesting approval to reallocate Community Development Block Grant (CDBG) funds to various housing, economic development, public facility, and public service projects**

Background

Housing Division staff conducted a 10-year review audit of CDBG financials to ensure all funds were being utilized. Through this process, staff were able to identify \$774,000 in CDBG funding which can be reallocated to new projects that meet a Housing and Urban Development (HUD) national objective. These funds cannot be used for administration of the CDBG program and a majority of the funds have to be used for non-public service projects per HUD guidelines.

Issue

The Housing Division staff has discussed the needs of low to moderate income individuals with community groups to develop recommendations for reallocation in line with various HUD national objectives. The specific recommendations are as follows:

Revolving Loan Fund for Brownfields - \$300,000

The Housing Division is recommending the creation of an economic development revolving loan fund focusing on brownfields for suburban municipalities. These funds will be immediately available to all participating jurisdictions. The Division would conduct a Request for Proposals (RFP) for all entities interested in these funds. The loan will be paid back on terms recommended by the Housing Division. This repayment will be treated as program income to make future loans for additional projects. The Housing Division will partner with the Economic Development Division to assist municipalities through the process and help identify sites that could benefit from this funding.

Warehouse Facility for Homeless Supplies/Donations (\$300,000)

The Housing Division is recommending a contribution towards the acquisition or rehabilitation of a warehouse facility that will be used as a central hub for countywide donations for homeless individuals and families. Since the Division's launch of its Housing First Initiative, community groups and businesses have offered many items needed by participants. Our community has not been able to capitalize on many of these opportunities due to the lack of a coordinated storage space for household items and food. This facility will serve as the main location for these items and will also serve as a job creation program for the chronically homeless.

The Housing Division will work with StreetLife Communities and their partner agencies on this facility. StreetLife's mission is to provide and restore respect, hope and a place in the community by creating access to resources to the underserved of Milwaukee. StreetLife is one of the Housing Division's main homeless outreach partners involved in the Homeless Outreach Collaborative.

Emergency Home Repair - \$159,000

The Housing Division has seen an increase in demand for Emergency Home Repair from various municipalities. This reallocation will allow the division to serve additional low to moderate income households with emergency repairs ranging from HVAC, roofing, lead paint removal, and other necessities.

Providing Security Deposits - \$15,000

The Division continues to see an increased need for security deposit assistance for low income individuals and families. In the past, the County has successfully used HUD funds for this purpose and has received national recognition in its fair housing efforts to deconcentrate poverty by assisting families in moving into their neighborhood of choice throughout Milwaukee County. This activity is viewed by HUD as a public service objective. Per HUD regulations, public service funding is capped at 15 percent of the overall allocation. Given that Milwaukee County is close to this cap, funding in this area is limited.

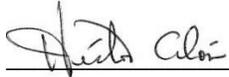
Recommendation

It is recommended that the Milwaukee County Board of Supervisors authorize the Director of DHHS, or his designee, to reallocate existing Community Development Block Grant funds to the following projects:

Economic Development Revolving Loan Fund –Brownfields (\$300,000)
Warehouse Facility for Homeless Supplies/Donations (\$300,000)
Emergency Home Repair (\$159,000)
Security Deposits (\$15,000)

Fiscal Effect

A fiscal note is attached.



Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
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Kelly Bablitch, County Board
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