

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: November 13, 2017

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

FROM: Jeanne Dorff, Interim Director, Department of Health and Human Services
Prepared by James Mathy, Housing Administrator

SUBJECT: **Report from the Interim Director, Department of Health and Human Services (DHHS), requesting County Board authorization to designate the Wisconsin Partnership for Housing Development (WPHD), a non-profit Housing Development Agency, as a Community Housing Development Organization (CHDO) for Milwaukee County**

Background

Under federal regulations, the governing body of the local jurisdiction receiving federal HOME funds is required to designate one or more organizations as Community Housing Development Organizations (CHDOs) in order to expend HOME set-aside funds for affordable housing development.

In order to undertake affordable housing developments using the HOME funds' mandatory 15 percent set-aside, HOME participating jurisdictions must designate one or more Community Housing Development Organizations (CHDOs). Designation validates that the jurisdiction has confirmed that an organization meets the requirements to participate in the HOME Program and receive HOME funds. Once designated, this organization is eligible to receive and commit these earmarked funds. The set-aside funds cannot be spent by any other entity. The CHDO and the set-aside are the principal mechanisms through which affordable rental housing and housing for homeownership development take place.

A CHDO is an incorporated, IRS-certified 501(c) non-profit organization with the established purpose of providing affordable housing. Its board of directors must meet HOME criteria regarding its inclusion of low-income residents. The organization must achieve standards of financial accountability set by federal regulation, and it must have at least one year of history in serving the community within which it will develop housing.

Issue

Milwaukee currently has an existing CHDO, Movin' Out, Inc. Movin' Out has been able to successfully meet its CHDO requirements but cannot always spend the funds allocated to Milwaukee County's CDHO set aside. Movin' Out's focus typically has been multifamily housing development. Bringing on the Wisconsin Partnership for Housing Development (WPHD) allows Milwaukee County more options and flexibility with HOME funds as well as an agency that has expertise dealing with foreclosed single family homes.

Created at the initiative of Governor Tony Earl in 1985, the WPHD seeks to expand access to affordable housing opportunities and revitalize neighborhoods through partnerships among the public, nonprofit and private sectors. The Partnership develops or co-develops housing; designs and manages financing programs; provides consulting services to nonprofit and for-profit developers and state, regional and local governments; and advocates for increased resources for affordable housing and neighborhood revitalization.

WPHD has been an active participant in affordable housing development and program management. To date, WPHD has:

- Developed or been principal development consultant for 950 homes, including:
 - A traditional neighborhood development at The Uplands in Sun Prairie, including 143 lots of new construction with mixed income housing, including single family rental housing, a condo development and single family homes,
 - in-fill, new construction of condominium units at Coachyard Square and Oak Glen,
 - renovation of foreclosed housing for sale to income eligible households in five communities throughout Wisconsin,
 - new construction on in-fill lots as part of neighborhood revitalization efforts,
 - housing for people with mental illnesses and developmental disabilities,
 - housing for older adults, and
 - rural supportive housing units
- Provided training, technical assistance, and consulting services to more than 120 nonprofit and for-profit developers that have produced, rehabilitated or preserved as affordable more than 1,200 homes.
- Created and managed seven financing programs that provided over \$65 million in debt and equity financing to develop, rehabilitate and make energy conservation improvements in more than 2,000 homes.
- Managed down payment assistance programs that have provided \$40 million in down payment assistance to help more than 8,000 low and moderate income Wisconsin households buy homes; an additional \$5 million in down payment

assistance will be provided in 2013 alone.

- Using funding from the Housing Partnership Network, financial support for counseling was provided to another 5,000 home buyers and over 400 renters.
- In its advocacy role, proposed and helped secure passage of legislation that has made more than \$63 million in new state funds available for affordable housing.

Recommendation

The Interim Director, Department of Health and Human Services, recommends that the Milwaukee County Board of Supervisors officially designate Wisconsin Partnership for Housing Development as Milwaukee County's Community Housing Development Organization (CHDO) pursuant to the authority and regulations of the U.S. Department of Housing and Urban Development.



Jeanne Dorff, Interim Director
Department of Health and Human Services

cc: County Executive Chris Abele
Raisa Koltun, County Executive's Office
Kelly Bablitch, County Board
Teig Whaley-Smith, Director, DAS
Lisa Wozny, Budget Analyst - DAS
Steve Cady, Research Director, Comptroller's Office
Katarina Lucas, Research & Policy Analyst – Comptroller's Office