

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: August 18, 2023

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Shakita LaGrant McClain, Director, Department of Health and Human Services

Subject: A report from the Director, Department of Health and Human Services, requesting authorization to designate Greater Milwaukee Community Housing Development Corporation (Milwaukee Habitat for Humanity), as a Community Housing Development Agency for Milwaukee County

File Type: Action Report

REQUEST

The Director, Department of Health and Human Services, is requesting authorization to designate Greater Milwaukee Community Housing Development Corporation (Milwaukee Habitat for Humanity) as a Community Housing Development Agency for Milwaukee County.

POLICY

Milwaukee currently has two existing Community Housing Development Organizations (CHDOs), Movin' Out, Inc. and the Wisconsin Partnership for Housing Development (WHPD). Both organizations have been able to successfully meet their CHDO requirements but there continues to be funds available for additional organizations and projects under Milwaukee County's CDHO set aside.

Founded in 1984, Milwaukee Habitat has traditionally built and repaired homes in the central-city neighborhoods of Milwaukee. Milwaukee Habitat has built or repaired over 1,500 homes in partnership with hardworking Milwaukee families. Habitat builds their homes with the "sweat equity" of our homeowners who work in conjunction with volunteers to complete their projects.

In 2023, Milwaukee Habitat was chosen through a Request for Proposals (RFP) process by Milwaukee County to build up to 80 homes in the King Park Neighborhood using American Rescue Plan Act funds from the State of Wisconsin. Construction of these homes began in June.

Milwaukee Habitat for Humanity builds and renovates homes with low-income families and other volunteers. Its Milwaukee ReStore is open to the public and carries building materials, housewares and furniture donated by manufacturers, stores, contractors and individuals. Proceeds from everything sold at the ReStores are used to fund Habitat's mission of building affordable homes for Milwaukee's low-income families. Staffed largely by volunteers, the Habitat ReStores are eco-friendly locations to both donate and shop for home building supplies and furnishings.

BACKGROUND

Under federal regulations, the governing body of the local jurisdiction receiving federal HOME funds is required to designate one or more organizations as 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 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.

ALIGNMENT TO STRATEGIC PLAN

The use of CHDO funds aligns to Milwaukee County's Strategic Plan, specifically around 3A (Invest upstream to address root causes of health disparities) recognizing the housing is a main social determinate of health.

RECOMMENDATION

It is recommended that the Milwaukee County Board of Supervisors authorize the Director, DHHS, or her designee, to designate Greater Milwaukee Community Housing Development Corporation (Milwaukee Habitat for Humanity) as Milwaukee County's Community Housing Development Organization (CHDO).

FISCAL EFFECT

There is no fiscal effect to this action item.

TERMS

N/A

VIRTUAL MEETING INVITES

James Mathy, Administrator, DHHS Housing Services
Diane Tsounis, HOME and CDBG Manager, DHHS Housing Services

PREPARED BY:

James Mathy, Administrator, DHHS Housing Division

APPROVED BY:

Shakita LaGrant-McClain
Shakita LaGrant McClain, Director, DHHS

ATTACHMENTS:

Resolution and Fiscal Note

cc: County Executive David Crowley
Sup. Liz Sumner, Chair, Finance Committee
Sup. Shawn Rolland, Chair, Health Equity, Human Needs, and Strategic Planning
Mary Jo Meyers, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Janelle M. Jensen, Legislative Services Division Manager, Office of the County
Steve Cady, Research Director, Comptroller's Office
Lottie Maxwell-Mitchell, Sr Budget and Management Analyst, Strategy, Budget & Performance