

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: May 16, 2024

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 (DHHS), requesting approval to execute an affordable housing development contract in the amount of \$2 million with Near West Side Partners, Inc, or its assigns, for a project in the City of Milwaukee

File Type: Action Report

REQUEST

The Director of the Department of Health and Human Services (DHHS) is requesting approval to execute a contract with a developer for an affordable housing development. The recommended project is:

Near West Side Partners, Inc

- \$2 million in tax levy funds, earmarked in the 2024 Adopted DHHS Housing Budget as amended, to assist with the development of 33 affordable rental units in the City of Milwaukee (File 23-889).

BACKGROUND

In 2021, Milwaukee County adopted the Collective Affordable Housing Plan (the “Plan”) in partnership with the Community Development Alliance (CDA) (File 22-463). The Plan identifies the need to produce rental homes throughout the County, particularly rental homes that are \$650/month or less. Current data indicates that there are about 70,000 families in Milwaukee County that earn \$15/hour or less but only about 30,000 rental homes available to them. Consequently, there is a shortage of 40,000 units of available housing at \$650/month or less. In the suburbs of Milwaukee County, there is a shortage of 7,000 rental homes that are \$650/month or less.

Under File 23-889, the Milwaukee County Board earmarked \$2 million of tax levy funds for the Concordia 27 Project on the Near West Side to help develop 33 affordable and high-quality housing units for low-wage workers.

Concordia 27 will be a mixed-use development at 801-813 N. 27th Street, Milwaukee, WI 53208, which in addition to 33 affordable housing units, includes community health and wellness services, a grocery store, and opportunities for sustainable businesses to help support an inclusive neighborhood. Specifically, Concordia 27 will also provide economic mobility to individuals through a variety of services, including paid workforce training at Milwaukee Center for Independence (averaging \$15/hour), entrepreneurial mentorship from Fruition MKE, and health and wellness resources, such as those provided by Scaling Wellness in Milwaukee and Near West Side Partners.

Additionally, tenants will have access to storage lockers and an on-site laundry room. The first floor of the development will house a comprehensive community center, which includes a large community room, access to nutritious and affordable meals-to-go through an onsite, minority-operated cafe, and trauma-support services.

Wiegand Enterprises is the developer of the project and has renovated dozens of apartment buildings containing hundreds of units throughout Milwaukee and with a particular focus on the Near West Side over the past 30 years. Wiegand Enterprises also carries 45 years of experience in the property rental industry, with most years spent managing units in the Near West Side. The focus has been on historic buildings with the goal of exposing and preserving the original character and quality of construction while also making the units affordable to those residing in the neighborhood. All necessary regulatory approvals, architectural drawings, and remediation have been secured for the project.

Although units at \$650/month are prioritized, initial gross monthly rents do not exceed \$1,266/month and therefore, all rents are affordable to families making \$25/hour or less (equivalent to: at or below 60% of Housing and Urban Development's Estimated Milwaukee County median income).

ALIGNMENT TO STRATEGIC PLAN

This action item aligns with strategic plan objective 3A (Invest "upstream to address root causes of health disparities") and objective 3C (Dismantle Barriers to diverse and inclusive communities). Stable affordable housing has demonstrated to improve the health of families by 18%. Furthermore, in suburbs located in Milwaukee County, there are 16,000 families making \$15,000 or less but only about 7,000 units of housing that is available to them. The production of additional rental homes is an economic mobility tool to allow families from diverse backgrounds to find homes in any Milwaukee County community they choose.

RECOMMENDATION

It is recommended that the Milwaukee County Board of Supervisors authorize the Director, Department of Health and Human Services, or her designee, to execute an

affordable housing development contract in the amount of \$2 million to Near West Side Partners, or its assigns, for a project in the City of Milwaukee.

FISCAL EFFECT

A fiscal note form is attached.

TERMS

The term of the contract is July 1, 2024 to December 31, 2024.

VIRTUAL MEETING INVITES

James Mathy, Housing Administrator
Connor Goggans, Senior Real Estate Project Manager
Lindsey St Arnold Bell, Near West Side Partners Inc, lindsey@nearwestsidepartners.org

PREPARED BY:

James Mathy, Housing Administrator, Department of Health and Human Services

APPROVED BY:

Shakita LaGrant-McClain

Shakita LaGrant-McClain, Director, Department of Health and Human Services

ATTACHMENTS:

Resolution and fiscal note are attached.

Cc: County Executive David Crowley
Chair Willie Johnson, Jr., Finance Committee
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, DAS