### **COUNTY OF MILWAUKEE**

Inter-Office Communication

Date: November 7, 2022

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 affordable housing development contracts with Milwaukee Habitat for Humanity, Inc. and Emem Group, LLC and establish capital project WS014801 – NIF Affordable Housing

Development

File Type: Action Report

#### **REQUEST**

The Director of the Department of Health and Human Services (DHHS) is requesting approval to execute two contracts for affordable housing development using State of Wisconsin Neighborhood Investment (NIF) Funds. The recommended projects are as follows:

Milwaukee Habitat for Humanity, Inc.

 \$4,200,000 to assist with the development of affordable housing in the King Park Neighborhood in the City of Milwaukee

Emem Group, LLC

 \$1,800,000 to assist with the development of affordable housing in the King Park Neighborhood in the City of Milwaukee

#### **BACKGROUND**

In 2021, Milwaukee County, in partnership with the Community Development Alliance (CDA), successfully applied for a Neighborhood Investment Fund (NIF) Grant from the State of Wisconsin. The total grant is for \$7.5 million and is split into two projects: \$1.5 million for King Center improvements ("Park Project"), and \$6,000,000 for the construction of homes in the King Park Neighborhood ("King Park Homeownership Project").

The County, in partnership with CDA, issued two Request for Proposals (RFP) for the King Park Homeownership Project. The first RFP was for the development of homes that are available for immediate homeownership (RFP CDA 2022-002). Proposals were evaluated by a review panel consisting of representation from Milwaukee County, City of Milwaukee, CDA, and an organization that serves the King Park Neighborhood. The successful respondent was Milwaukee Habitat for Humanity, Inc., which will use the funds to build 92 homes in the King Park Neighborhood.

The second RFP was for the development of homes that utilize Housing Tax Credits (HTC) to help fund the construction costs of the homes (RFP CDA 2022-003). This is important because it helps pilot a long-term source of funding for building projects in the future. The homes must be rented for 15 years but then will create desperately needed inventory for homeownership. The successful respondent was Emem Group, LLC, which will use the funds to build 40 homes in the King Park Neighborhood.

#### ALIGNMENT TO STRATEGIC PLAN

This action item aligns with strategic plan objective 3A (Invest "upstream to address root causes of health disparities). Just as it did across the nation, the pandemic disproportionately affected Black neighborhoods in Milwaukee County. Early in the pandemic, Black residents made up 70% of COVID-19 deaths even though Black residents make up only 26% of the County's population (Washington Post, April 7, 2020). The neighborhood in which the proposed project will take place is listed in the highest transmission category, according to the Milwaukee County COVID-19 Dashboard. Milwaukee County is proposing to build homes in the King Park Neighborhood around the Marcia P. Coggs Human Services Center for families that have been impacted by the pandemic. The Coggs Center has been a beacon for families since 1963, offering support for residents to lead healthy and independent lives.

### **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 contracts with Milwaukee Habitat for Humanity, Inc. for \$4.2 million and with Emem Group, LLC for \$1.8 million for the period of January 1, 2023 to December 31, 2023. The resolution would also authorize capital project WS014801 and a total of \$6 million in expenditures and offsetting revenue from the State's Neighborhood Investment Fund.

### **FISCAL EFFECT**

There is no fiscal effect as funding has been awarded by the State of Wisconsin as part of its Neighborhood Investment Fund (NIF) specifically for this purpose.

### **TERMS**

The term of the contracts is January 1, 2023 to December 31, 2023.

# **VIRTUAL MEETING INVITES**

James Mathy, Housing Administrator
Teig Whaley-Smith, CDA <a href="mailto:teig@housingplan.org">teig@housingplan.org</a>
Brian Sonderman, Milwaukee Habitat for Humanity <a href="mailto:bsonderman@milwaukeehabitat.org">bsonderman@milwaukeehabitat.org</a>
Michael Emem, Emem Group, LLC <a href="mailto:michael@emem-group.com">michael@emem-group.com</a>

### **PREPARED BY:**

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

# **APPROVED BY:**

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

# **ATTACHMENTS:**

Resolution and fiscal note are attached.

Cc: County Executive David Crowley

Shakita LaGrant-McClain

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, Fiscal & Management Analyst, DAS