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A resolution by Supervisor Lipscomb, Sr., requesting the Department of Administrative Services, Economic Development Division, and Department of Health and Human Services, Housing Division, provide a written report to the County Board relating to potential County utilization of up to approximately \$8.4 million through the federal Department of Housing and Urban Development’s (HUD) Section 108 Loan Guarantee Program, by recommending adoption of the following:

A RESOLUTION

WHEREAS, economic development in Milwaukee County (the County) is imperative to enhance the prosperity of County citizens due to the County having:

- The greatest concentration of poverty in Wisconsin and a higher overall poverty rate, as compiled in the University of Wisconsin’s (UW) *Wisconsin Poverty Report*
- Lost many middle-income jobs while low-income jobs proliferate, as noted in a 2014 UW–Milwaukee *Center for Economic Development report*
- Slower economic growth by gross domestic product than Dane, Kenosha, Washington, Waukesha, and Racine counties, and peer counties like Allegheny, Pennsylvania, according to most recent United States Bureau of Economic Analysis data

; and

WHEREAS, the County previously moved to set aside some land sale revenues to permanently reinvest those dollars in economic development (File No. 11-601), which has led to the County utilizing the expertise of the Milwaukee Economic Development Corporation to oversee and lend the County’s \$1 million revolving economic development loan fund (File No’s. 12-985 and 13-231); and

WHEREAS, the County may have another opportunity to further economic development primarily for the benefit of low and moderate-income residents via the Federal Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program (Section 108 Program); and

WHEREAS, HUD advertises that the Section 108 Program permits “Community Development Block Grant (CDBG) recipients...to leverage their annual grant allocation to access low-cost, flexible financing for economic development, housing, public facility, and infrastructure projects” at an amount up to five times the most recent grant amount and may lend the money directly or via a third-party;" and

44 WHEREAS, some of the Section 108 Program projects allowed under Title 24
45 Code of Federal Regulation, Section 570.703 include:

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- 47 • Real estate purchases
- 48 • Rehabilitation of public real estate property
- 49 • CDBG-based housing rehabilitation
- 50 • Public works and public facilities improvements or installation

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52 ; and

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54 WHEREAS, metropolitan cities and urban counties, which are CDBG entitlement
55 recipients are eligible to apply for Section 108 Program loans, which the County in 2020
56 received \$1,686,898 from the CDBG, and would be eligible for approximately \$8.4
57 million in Section 108 Program loans for 2020; and

58

59 WHEREAS, the potential opportunity presented to the County by HUD's Section
60 108 Program is worth investigating for future County policy decisions; and

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62 WHEREAS, the Committee on Economic and Community Development, at its
63 virtual special meeting of April 6, 2020, recommended adoption of File No. 20-269
64 (vote 4-0); now, therefore,

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66 BE IT RESOLVED, the Milwaukee County Board of Supervisors (County Board)
67 hereby requests the Economic Development Division (ED), Department of
68 Administrative Services (DAS), and the Housing Division, Department of Health and
69 Human Services (DHHS), provide a written report outlining possible options for how
70 Milwaukee County (the County) might utilize the Federal Department of Housing and
71 Urban Development's Section 108 Loan Guarantee Program (Section 108 Program),
72 and analyze the feasibility of either creating a new program or incorporating the Section
73 108 Program into the County's present economic development initiatives such as the
74 revolving loan fund managed by the ED-DAS, or Housing Division-DHHS programs
75 such as housing co-development; and

76

77 BE IT FURTHER RESOLVED, the County Board requests the ED-DAS, and the
78 Housing Division-DHHS, provide the report to the County Board by June 2020.

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83 S:\Committees\2020\April\ECD Special Meeting April 6, 2020\Resolutions\20-269 Section
84 108 Loan Guarantee Program.docx