

**MILWAUKEE COUNTY  
INTER-OFFICE COMMUNICATION**

**DATE:** August 24, 2012

**TO:** Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

**FROM:** Héctor Colón, Director, Department of Health and Human Services  
*Prepared by James Mathy, Administrator - Housing Division*

**SUBJECT:** Report from the Director, Department of Health and Human Services, requesting authorization to enter into a HOME written agreement for \$675,000 with Jewish Family Services Housing, Inc. for the construction of 11 units of affordable housing at 4400 W. Bradley Road

**ISSUE**

The Department of Health and Human Services is requesting authorization to enter into a HOME Written Agreement for \$675,000 of HOME funds with Jewish Family Services Housing, Inc. to assist in the construction of 11 units of affordable housing at 4400 W. Bradley Road. These 11 units will be a part of a 54-unit development called Bradley Crossing Phase II.

**BACKGROUND**

The HOME program was born out of the National Affordable Housing Act of 1990 and was a spin-off of the Community Development Block Grant program to address housing needs only. Milwaukee County, as a designated Urban County, is part of a HOME Consortia with West Allis and Wauwatosa.

Financing of rental projects is an eligible HOME activity and the Village of Brown Deer is part of the HOME Consortium jurisdiction. Financing of the project, if approved, will include a mortgage and promissory note at 0% interest deferred for 20 years. Eligible costs for the project include construction costs of the HOME units, a proration of required common areas, proration of land acquisition costs and a maximum reserve of 18 months. Minimum HOME investment per unit is \$1,000 and the maximum is listed below.

NON ELEVATOR TYPE	Basic Limit Per No. of Bedrooms				
	0	1	2	3	4
	\$50,956	\$58,752	\$70,857	\$90,699	\$101,042

ELEVATOR TYPE	Basic Limit Per No. of Bedrooms				
	0	1	2	3	4
	\$53,624	\$61,471	\$74,749	\$96,700	\$106,147

The property will have to remain affordable for 20 years. During that period of affordability, the HOME Written Agreement, as approved by Corporation Counsel and Risk Management, will be enforced and there will be a covenant recorded against the property. Even if the loan is repaid early or there is a change in ownership, the period of affordability will remain for the full duration. During this period at least 20% of the units must be "Low HOME rent" units; the remaining may be at the high rent limit. Rents shall be calculated by using the Section 8 utility allowance or other approved schedule. Below are the tables for the 2012 limits and period of affordability. Attachment A further explains the tenant and unit requirements.

<b>Activity</b>	<b>Minimum period of affordability in years</b>
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New construction or acquisition of newly constructed housing	20

The Low Rent Unit annual gross income limits (50% of County Median Income (CMI)) are:

1 person	\$25,650
2	\$29,300
3	\$32,950
4	\$36,600
5	\$39,550
6	\$42,500
7	\$45,400
8+	\$48,380

The "flat" Low Rent Unit monthly rent amount limits are:

0 bedrooms	\$608
1	\$686
2	\$823
3	\$951
4	\$1,062

The High Rent Unit annual gross income limits (60% of CMI) are:

1 person	\$30,780
2	\$35,160
3	\$39,540

4	\$43,920
5	\$47,460
6	\$51,000
7	\$54,480
8+	\$58,020

The High Rent income annual gross limits for up to 10% of the units (80% of CMI) are:

1 person	\$41,000
2	\$46,850
3	\$52,700
4	\$58,550
5	\$63,250
6	\$67,950
7	\$72,650
8+	\$77,300

The High Rent Unit monthly rent amount limits are:

0 bedrooms	\$608
1	\$725
2	\$866
3	\$1,091
4	\$1,124

The Developer shall be responsible for conducting income qualification reviews of tenants based on the 24 CFR Part 5 definition of income. The County will be responsible for monitoring files and conducting annual inspections. County Housing staff as well as an independent party with experience in subsidy layering reviewed the project using the HUD recommended template (See the underwriting template in Attachment B). The subsidy layering analysis shows the amount requested is reasonable and that the project is feasible.

**DISCUSSION**

The first phase of Bradley Crossing is a 60-unit, multi-generational supportive residential housing community owned and operated by Jewish Family Services and professionally managed by Oakbrook Corporation. Residents of the facility will include clients of JFS and other organizations who serve clients with physical and intellectual disabilities (I/DD) from age 18 and older. The facility is following the national trend in housing for people with disabilities that is shifting away from large institutional settings and community-based group homes to individualized support delivered to clients living at home in “mixed” living environments. It is critical to note that these individuals will be heavily screened for their ability to live independently, as it is the primary goal of the facility to successfully integrate persons with physical and intellectual disabilities in fully independent residential environments.

The first phase of Bradley Crossing will open in fall 2012. The facility is nearing full capacity and is developing a waiting list. The demand for this type of housing is enormous and the need is not met with the first phase alone. General Capital and JFS are proposing a second phase that would surround the

first phase with a series of 10-unit stacked flats and row homes. These units will offer a different style of living environment with individual unit entries and private garages. Residents of this phase will be offered the same supportive services offered to residents in the first phase but in a more private community setting. The second phase will also take advantage of the amenities provided in the first phase, including access to JFS services and counseling center, the Village of Brown Deer Community Center and various common areas and resources provided to residents of Bradley Crossing.

The building is designed using high-quality materials including brick, stone and cement board siding, similar in character to the first phase of Bradley Crossing. Phase II will include six buildings: five, 10-unit “stacked flats” with private garages and one building containing four townhome-style units facing Bradley Road. The use of appropriate massing and key architectural elements will serve to create visually interesting buildings that fit into the context of the Bradley Road neighborhood.

The layout of the buildings, parking and pedestrian facilities reinforces the Traditional Neighborhood Development (TND) design intended for the Bradley Village neighborhood. The layout promotes pedestrian activity and an authentic neighborhood feel. Residents will be able to walk to local restaurants, cafes and convenience store. The site is also conveniently located on multiple bus lines.

Jewish Family Services has provided comprehensive social services to families in the Milwaukee area since the organization was founded in 1867. Its mission is to provide supportive services that help strengthen families, children and individuals throughout their life cycle within the context of their needs. Bradley Crossing will promote independence and integration for individuals requiring support services; half the units will target people with developmental, intellectual or physical disabilities (note that Milwaukee County is providing project based housing assistance for 30 of the 60 units). The other half will be marketed to individuals and families whose income qualify under Section 42 and desire to live in a well located, high-quality apartment community in the Village of Brown Deer.


**RECOMMENDATION**

It is recommended that the County Board of Supervisors authorize the Director, DHHS, or his designee, to enter into a HOME written agreement, with approval of Corporation Counsel and Risk Management, for the use of \$675,000 of HOME funds to Jewish Family Services Housing, Inc. for the construction of 11 units of affordable housing at 4400 W. Bradley Road.

**FISCAL EFFECT**

This projected is completely funded with HOME revenue. A fiscal note form is attached.

Respectfully Submitted:



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Héctor Colón, Director  
Department of Health and Human Services

cc: County Executive Chris Abele  
Tia Torhorst, County Executive’s Office

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