

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: May 21, 2025

TO: Marcelia Nicholson, Chairwoman, County Board of Supervisors

FROM: Shakita LaGrant-McClain, Executive Director, DHHS
Guy Smith, Executive Director, Department of Parks
Aaron Hertzberg, Executive Director, DAS

SUBJECT: A report from the Executive Director, Department of Health and Human Services (DHHS), Executive Director, Department of Parks, and Executive Director, Department of Administrative Services, authorizing Milwaukee County to approve a ground lease agreement term sheet with Jewish Family Services, Inc. and its assigns and affiliates for development of a mixed-use senior/community center and affordable housing project at McGovern Park, and to take related actions to support the feasibility and advancement of the project

File Type: Action Report

REQUEST

We respectfully request approval of a **Ground Lease Agreement Term Sheet** between Milwaukee County Parks and Jewish Family Services (JFS) for development of a mixed-use affordable senior housing and Milwaukee County senior/community center at McGovern Park. In addition, we seek authorization for associated actions to advance the project's feasibility and protect County interests, as follows:

- **Ground Lease Term Sheet Approval:** As required by Milwaukee County General Ordinances Ch. 56.10, endorse the major terms for a long-term ground lease of approximately 5.5 acres in the southwest section of McGovern Park to JFS, for the sole purpose of developing and operating an affordable senior apartment community (30–55 units) and a new Milwaukee County Senior/Community Center. The County will **retain ownership of the land (no land sale)**, leasing the site for a nominal rent of \$1 per year under the outlined conditions. Key lease provisions (summarized below) include a 60-year initial term (with options to extend up to 99 years total), permitted uses and project components, JFS's responsibility for all development costs and ownership/maintenance roles.
- **Development Agreement/Site Control Authorization:** Authorize County officials to negotiate and enter into **development agreement and options contracts** with JFS, its assigns, and affiliates consistent with the term sheet. This agreement will

establish site control for JFS during the pre-development phase (enabling JFS to finalize design, obtain financing, and apply for approvals), while protecting County interests. It will outline milestones to **verify project feasibility** (e.g. financing commitments, zoning approvals) before any lease execution, and can be terminated if conditions are not met. This step is critical to allow JFS to proceed with fundraising and a Low-Income Housing Tax Credit (LIHTC) application due to Wisconsin Housing and Economic Development Authority in December of 2025, which require evidence of site control.

By approving the term sheet and associated actions, the Milwaukee County Board of Supervisors will enable the County to advance this innovative public-private partnership to replace the aging McGovern Park Senior Center with a new, modern facility – **at minimal County capital cost** – while addressing the community’s affordable senior housing needs. The sections below provide background on the project scope, the sustainability challenges with the current center, findings from our feasibility analysis, the qualifications of JFS as developer/operator, alignment with countywide housing and equity goals, and details on funding and legal compliance.

POLICY

Milwaukee County General Ordinances	Ch. 56.10 - procedures for leasing of county-owned land or building space
Milwaukee County Board Informational Reports	Files 24-730, 25-277

Project Overview and Term Sheet Summary

Project Description: Milwaukee County and JFS propose to partner on a mixed-use development at McGovern Park that co-locates a new County-leased McGovern Senior/Community Center with affordable senior apartments operated by JFS, under the MKE Hubs vision, model, and framework. Under the term sheet, JFS will **construct a new building** on a portion of McGovern Park to include: (a) a dedicated space to serve as the Milwaukee County Senior/Community Center (replacing the current McGovern senior center facility), and (b) approximately **30–55 units of affordable independent-living apartments for seniors** (age 55+).

These are the only permitted uses under the ground lease; any change would require County approval. Milwaukee County (through its Department of Health and Human Services and Aging and Disability Services) would occupy and program the senior center space via a separate lease agreement (for a nominal fee of \$1.00 annually) with JFS once the building is complete. JFS would own the entire building, with a commitment to keep the housing units affordable to low-income seniors (serving households ~60% of Area Median Income or below, consistent with Low-Income Housing Tax Credit requirements). The integrated design supports the County’s “**MKE Hubs**” model of reinvigorating senior centers by combining them with other amenities and services to better serve older adults

and the broader community, while also subsidizing the cost of newly constructing its space through expanding eligible basis of Low-Income Housing Tax Credits (LIHTC) under the Community Service Facility provision of IRS code § 42(d)(4)(C).

Site and Premises: The project site (“Premises”) is an estimated **5.5-acre section of McGovern Park** located in the southwest section of the park (see attached *Exhibit A* site map). This area currently includes the existing McGovern Park Senior Center building and its parking lot. The term sheet allows the Premises boundary to be refined with mutual agreement as planning progresses, but in no case will it exceed 5.5 acres. The remainder of McGovern Park (approximately 55+ acres) will remain public parkland under Parks Department management. By ground-leasing the Premises, the County retains ownership of the land **and is not selling park property**; rather, we are making a portion of park land available for a new public benefit. The selected site was chosen to minimize impact on park operations and maximize accessibility – being at the park’s edge will allow easy access for residents and center users, while preserving the interior park space for recreation in its most highly utilized spaces, as well as activating the lagoon formerly cordoned off by the current McGovern Senior Center building via demolition and site restoration.

Lease Term: The Ground Lease would have an **initial term of 60 years**, providing long-term stability for involved parties. If JFS meets all lease obligations (e.g. maintaining the facilities and good standing), the County and JFS will have mutual options to extend the lease for **up to 39 additional years** (three renewals of 10 years each, and one of 9 years), not to exceed 99 years total. Any extension requires JFS to give notice at least 365 days before the current term expires and County consent. This long-duration lease structure is typical for affordable housing on public land, enabling JFS to fulfill affordability compliance periods and long-term mortgages, while ultimately protecting the County’s reversionary interest in the land and improvements.

Rent and Ownership: In recognition of the public purpose of the project, JFS will pay a nominal rent of **\$1.00** per year for the lease term. Milwaukee County will **retain ownership of the land** throughout. JFS, its assigns, or affiliates will own the new building and certain improvements it constructs on the Premises for the life of the lease – specifically the senior apartment building itself, the parking lot serving the apartments, and related infrastructure. Milwaukee County will continue to own **all other park improvements** outside the Premises and will also take ownership of certain site improvements that are for broader public benefit (for example, new paths or park features outside the leased area, if any are added).

Importantly, the County will lease the new Senior/Community Center space within the building. In any scenario, the County is not relinquishing ownership of its park land; we are entering a partnership to allow improvements on our land that benefit the public, and advancing the County’s interests in producing more affordable housing units it currently lacks, reducing deferred maintenance, taking advantage of the federal

government's offer of assistance and subsidy built into the IRS Code, the MKE Hubs vision, environmental Sustainability Goals, and more.

County Contribution and Capital Improvements: The project's **capital improvements will be funded and constructed by JFS** (leveraging low-income housing tax credits, grants, and private fundraising). Under the term sheet, JFS is responsible for 100% of development and construction costs – the County is not expected to directly contribute capital dollars to build the housing or the new senior/community center space except for the upfront allocation of a \$2 million federal grant. This includes **demolition of the existing senior center building** (which has exceeded its useful life, as discussed later) and site preparation. In addition to the building, JFS will construct a number of site improvements that will benefit both the project and park users, including: a **new parking lot** including a **new access driveway from W. Custer Avenue**, improved or new **walking paths** within the Premises, upgraded **park lighting** in and around the Premises (for safety), and **security cameras and infrastructure** for public safety monitoring. All these defined improvements are considered part of the project scope and will be paid by JFS. JFS must demonstrate, before construction start, that it has secured funding or commitments for **100% of the project costs** including these improvements and the building and demolition.

The term sheet also lists **additional park enhancements** that are *desired but not required* – these could be delivered if supplemental funding becomes available. Examples include a new **public transit shelter** near the park (to improve transit access for seniors) and further **recreational amenities or trail improvements** in the park adjacent to the site. JFS is not obligated to pay for those improvements, but the County and JFS will collaborate to seek grants or funding (such as philanthropic or government grants) to incorporate such enhancements if possible. This approach keeps the focus on the core project while leaving room for park improvements that would further enhance community value.

Operations and Maintenance Responsibilities: Under the proposed terms, **JFS will be responsible for all operations, maintenance, and repair** of the new building and associated site infrastructure over the lease term, at its sole cost. JFS (and/or a property management agent) will operate the senior apartment component, including tenant leasing, building repairs, custodial services, etc., in accordance with all applicable housing quality standards. JFS also agrees to ensure the Senior/Community Center portion is continuously operated for that purpose throughout the lease term – thus guaranteeing no gap in senior services. DHHS (themselves and by way of partner agencies) will program and staff the senior/community center, but **facility maintenance of the center space will likely be shared or defined** in a separate agreement. We anticipate negotiating a **building lease or service agreement** for the senior/community center space that will spell out responsibilities for utilities, custodial duties, and maintenance inside the County-occupied portion. Those details will come in a subsequent agreement. Public access to the park will be preserved, and the Parks Department will continue to maintain park areas outside the Premises.

In sum, the Ground Lease Term Sheet establishes a framework where JFS will **finance, build, and maintain a new combined senior housing and center facility on County park land**, in exchange for long-term site access at nominal cost, while the County **gains a new senior center space**. This creative arrangement addresses a critical infrastructure need (replacing an outdated County building) and provides much-needed affordable housing, without the County having to fund design and construction. All major deal points – lease length, permitted uses, rent, improvements, and roles – have been negotiated in principle as outlined above. Final legal documents (ground lease, development agreement, and any operating agreements) will be drafted consistent with this term sheet.

Sustainability of Current Facility and Need for New Senior/Community Center

Viability of the Existing McGovern Park Senior Center: McGovern Park’s current senior center facility (located at 4500 W. Custer Ave) has long served the community but is **physically and functionally obsolete**. The building is over 50 years old and in deteriorating condition, with outdated building systems, poor energy efficiency, and a layout that no longer meets modern programming needs. Maintenance costs have risen annually, straining the DAS and DHHS-Aging budgets. Moreover, usage of the standalone center has declined, in part because the facility lacks the attractive amenities and intergenerational appeal that today’s older adults seek.

The **sustainability of keeping the current facility operational is in question** – significant capital investment would be required to renovate it to acceptable standards (an investment hard to justify given the limited remaining life of the structure). Continuing “business as usual” with the existing center likely means mounting repair costs, intermittent closures for fixes, and eventual failure of critical systems (HVAC, plumbing, roof) that could force a permanent shutdown. In short, **maintaining the status quo is not a sustainable option** for delivering senior services at this site and poses lingering and unknown risk and liability as a result.

During the *McGovern Park Senior Center Feasibility Study* process, we asked: **Is it feasible or prudent to reinvest in the old facility?** All analyses pointed to “no”. The building’s deficiencies, combined with Milwaukee County’s fiscal constraints, make a county-funded rebuild unrealistic. Thus, we turned to alternatives.

Alternative Service Delivery Models: To ensure the long-term viability of senior services in this community, we explored several alternatives: relocating programs to a different site, constructing a new County-funded center, or partnering with an external entity to develop a new center. Relocation (for example, leasing a private space or moving programs to another County facility) would likely diminish the connection to McGovern Park and could inconvenience the senior population we serve. A standalone new County-built senior/community center was deemed financially infeasible under current budgets – traditional public construction costs are high, and no dedicated funding is available for a new building of this type (previous attempts to include such a project in the capital plan have not been successful given competing priorities).

The **public-private partnership approach with JFS emerged as the most viable alternative**. By integrating an upgraded senior/community center into a larger affordable housing project, we can leverage external financing (tax credits to be secured by JFS, and Congressionally Directed Spending/Housing and Urban Development Community Planning Funding funds secured by Housing Services, to start) to help pay for the center's construction. This co-development also means the center will be part of a vibrant senior community hub rather than a siloed building. Such mixed-use hubs have the advantage of on-site resident participation and operational efficiencies. In essence, the alternative being pursued – a **new senior/community center built as part of an affordable housing development** – provides a sustainable path forward where the County alone could not. It addresses both infrastructure and social needs through an innovative model. If we did not pursue this, the likely outcome would be eventual closure of McGovern's current center with no clear replacement, leaving a service gap in this neighborhood. This collaboration offers a proactive solution.

Desired Features in a New Senior/Community Center: In planning for the new senior/community center facility, we are prioritizing features and design elements that will serve our older adults for decades to come. By co-locating these features with housing, we anticipate a synergy where senior residents can easily access the center's resources, and center participants benefit from the presence of on-site residents.

Regarding the park itself, the project is seen as a catalyst to **enhance McGovern Park for all users**. The overarching goal is to create a safe, welcoming environment where seniors can enjoy both **indoor activities and outdoor recreation**, supporting physical and mental health. This project essentially asks: *What should a 21st-century senior center look like?* The answer we are striving for is a **vibrant, multi-use hub** embedded in an active park, offering everything from nutrition and fitness programs to leisure and social connection, all in proximity to nature. By approving this partnership, the Board will help realize that vision, replacing an unsustainable facility with a thriving, sustainable community asset.

Feasibility Study Findings and Partner Qualifications

The proposed project is the culmination of a **McGovern Park Senior Center Feasibility Study** conducted by an interdepartmental team (Parks, DHHS, DAS) in collaboration with the Milwaukee County Commission on Aging. An **Informational Report on the McGovern Park Feasibility Project** was provided to the County Board on April 25, 2025, detailing the process and findings. Key points from that report are highlighted here to inform this request:

- **Planning Background:** The feasibility study was initiated to evaluate McGovern Park as a potential pilot site for the County's **MKE Hubs initiative**, which aims to transform aging senior centers into multi-use hubs of health, wellness, and housing. Early in 2024, the County issued a Request for Qualifications (RFQ) to identify partners interested in re-developing the McGovern site in line with these

goals. We received **11 qualified responses** from various development teams. After careful evaluation, **Jewish Family Services (JFS) was unanimously selected as the recommended partner**, due to their unique combination of real estate development expertise in the realm of supportive senior affordable housing, and human services mission alignment. JFS demonstrated a clear understanding of the County's vision to integrate senior housing with a community-focused senior center, and a commitment to a person-centered, "joyful aging" approach that the Commission on Aging advocates.

- **JFS Qualifications and Track Record:** JFS is a well-established nonprofit organization in Milwaukee County with decades of experience in both affordable housing development and the delivery of supportive services to vulnerable populations. Notably, JFS has developed and owns several affordable housing communities that serve seniors and persons with disabilities, often in partnership with governmental entities.
- Examples include **Deerwood Crossing Senior Residences** (Phases I & II), **Bradley Crossing** (an award-winning supportive housing community in Brown Deer), and **Woodale Crossing** (a new senior housing community opening in July 2025). These projects illustrate JFS's capability and commitment:
 - *Deerwood Crossing Senior Residences:* A mixed-income senior apartment development on Milwaukee's northwest side, which provided high-quality affordable units and on-site services for older adults.
 - *Bradley Crossing Supportive Housing Community:* A five-building campus with 114 units of affordable housing, about half of which are reserved for households including an individual with a disability. Bradley Crossing notably includes the **Lois & Tom Dolan Community Center** – a 6,000 sq ft facility **leased by the Village of Brown Deer** – that offers a dance studio, meeting rooms, and event space for the community³. This model of integrating a municipal community center into a housing development has been a success, demonstrating JFS's ability to partner with local government to operate community facilities. Additionally, Bradley Crossing has 58 units supported by Milwaukee County Housing Services' project-based vouchers, showing JFS's experience managing units with deep affordability and rental assistance.
 - *Woodale Crossing Supportive Housing Community:* Opening in mid-2025, Woodale Crossing will provide 56 units of affordable senior housing in Milwaukee County, including 14 units specifically set aside for referrals from the County's Housing Division for seniors with disabilities. Milwaukee County has invested in Woodale through project-based vouchers, tenant-based rent assistance, ARPA, and HOME funds, reflecting strong public-private collaboration. JFS will provide on-site supportive services at Woodale, including case management and in-home care, largely funded via Medicaid Managed Care organizations – an innovative model enabling

residents to **age in place with a high level of support**. This example is directly relevant to McGovern Park, as it shows JFS's approach to senior housing that coordinates housing with services to keep seniors healthy and independent.

- **Mission Alignment:** Beyond the bricks-and-mortar, JFS brings a **person-centered, service-rich philosophy** that aligns with Milwaukee County's Vision of achieving racial equity and becoming the healthiest county. JFS offers a range of social services – from mental health counseling to care management – which could be leveraged at McGovern Park to support not only the building's residents but also seniors attending the community center. During our joint meetings, JFS emphasized the importance of incorporating "joy and fun" into the project, recognizing that a senior center should be a vibrant place for social connection, not just a service site. This perspective matches the Commission on Aging's goals for the MKE Hubs model to combat social isolation and engage older adults in purposeful activities.
- **Long-Term Partnership Commitment:** JFS has indicated its intention to be a **long-term owner/operator** of the McGovern Park development, should it move forward. Unlike for-profit developers who might sell a property after the minimum compliance period, JFS (as a mission-driven nonprofit) customarily holds and manages its properties for the long run, reinvesting in their upkeep, **including net cash flow from the housing units**. For instance, JFS has retained ownership and management of Bradley Crossing since its inception over a decade ago. This long-term stewardship is important to Milwaukee County – we seek a partner who will remain accountable for the success of the housing and center well beyond the 15-year tax credit period. JFS's mission and history indicate they will do so, which aligns with the County's interest in **sustained asset management and program continuity**. In effect, JFS will be a co-steward of our park asset, and their proven reliability gives us confidence in entrusting them with this role.

The feasibility study concluded that partnering with JFS on this project is not only feasible but highly advantageous. JFS was **formally onboarded as a development partner in January 2025 as a result of the highly competitive RFQ process**, and since then the project team (County and JFS) has been tirelessly refining the concept, engaging stakeholders, and negotiating terms – leading to the term sheet now before you. The due diligence to date has included initial community engagement and listening sessions, conceptual site planning, and preliminary cost estimating.

In summary, JFS brings the right mix of experience (housing + services), a successful track record with similar projects, and a mission-driven approach that complements Milwaukee County's values. They have already demonstrated partnership mindset and flexibility throughout the feasibility phase. Approving the term sheet and moving forward will allow us to enter the next phase (zoning approval, option & development agreements, and detailed design & funding applications) with a strong, vetted partner at the table – a

partner who has shown they can deliver quality projects that improve residents' lives and benefit the community.

Feasibility Study- Public Input Sessions

In order to determine that this plan- which has emerged as the most feasible from the County's perspective- also meets the needs of the community, DHHS and the Office of Equity engaged in seven different listening sessions and reached out to each individual household within a one-block perimeter of the park. Approximately 273 unique individuals were engaged through these two processes.

Of the seven listening sessions, 31% of attendees reported living within the 53218-zip code, while the other 69% reported living elsewhere. Most attendees were participants at McGovern Senior Center. We heard overwhelming support for keeping the Senior Center location within the park and enhancing the site with a redevelopment. We also heard overwhelming support for affordable senior housing but concern about co-locating the Senior Center and senior housing. Of the 35 of those who completed post-listening-session surveys, 20% supported the proposed plan while 80% did not.

The residents surrounding the park tended to be younger and did not all attend the Senior Center. The teams knocked on 209 doors and engaged with 39 residents. Of those residents, 46% expressed support, 41% were neutral, and 13% were against the proposed project. Those who expressed support cited the need for an improved building, improved amenities to the park, and several recognized the need for affordable senior housing in the community.

The dominant voice at listening sessions was from a small group of current McGovern Senior Center participants who came repeatedly to listening sessions but most of whom do not live in the immediate blocks surrounding the park. This group is largely in favor of both a new/renovated senior center and senior affordable housing, but not co-located and not housing within the park. Neighborhood residents, most of whom are younger and not current senior center participants, were more in support, citing potential for their own and the neighborhood's future.

Alignment with Strategic Plan

This project also addresses broader County priorities, particularly the urgent need for affordable housing and the County's strategic plan objectives around health and equity. A new affordable senior/community housing development at McGovern Park would make a meaningful, if modest, dent in our region's housing crisis and exemplify the kind of initiative needed to meet our adopted housing goals.

Affordable Housing Shortage: Milwaukee County's recently adopted **Collective Affordable Housing Plan** (File No. 22-463) quantified the severe shortage of housing affordable to low-income residents. County analysis in 2022 found that about **70,000**

Milwaukee County families have incomes equivalent to \$15/hour or less, yet only **30,000 rental units** exist that would be affordable at those income levels.

The need for affordable housing is especially acute for **older adults on fixed incomes**. Many seniors in Milwaukee County live on Social Security or limited retirement savings, struggling to afford rising rents. As the baby boomer generation ages, this challenge is growing. WHEDA (Wisconsin Housing and Economic Development Authority) and other researchers have highlighted that Wisconsin faces a statewide shortage of affordable housing that reaches **crisis levels**. WHEDA's CEO testified in 2023 that Wisconsin needs to build approximately **120,000 additional affordable rental units** by 2030 to meet demand. Milwaukee County alone accounts for a large portion of that need – by some estimates, **over 46,000 additional affordable units** are required in Milwaukee County to house all the cost-burdened low-income households here. Within that number, thousands of units are needed specifically for seniors, as more older adults are renting longer and downsizing from costlier homeownership.

According to DHHS-Aging and Disability Services, our county is home to about **185,000 residents aged 60+**, a population that is projected to grow substantially in the next decade. The population of seniors aged 65–85 in Milwaukee County will **increase by ~30,000** in the next ten years, and the cohort aged 85+ will **double (exceeding 30,000 people)** as baby boomers advance in age. Ensuring these older residents have access to safe, affordable housing is a pressing challenge. The McGovern Park project, with ~30-55 units, will specifically target low-income seniors – providing new housing that is both affordable and service-rich, allowing residents to age in the community. Each unit created helps chip away at the larger shortfall and provides stability for a senior household in need.

Moreover, this initiative aligns with Milwaukee County's adopted **strategic objectives**, particularly **Objective 3A: "Improve Upstream Social Determinants of Health"** and **Objective 3C: "Create and Promote Inclusive Communities"** (as outlined in the County's strategic plan for achieving racial equity and health). **Housing is a foundational social determinant of health** – by increasing the supply of affordable senior housing, we address upstream factors that impact healthcare costs, mental health, and longevity. Stable housing has been shown to improve health outcomes for seniors, reducing emergency healthcare usage and enabling better management of chronic conditions. Co-locating the housing with a senior/community center further supports upstream prevention by actively engaging seniors in fitness, nutrition, and social programs that keep them healthy and connected. This directly supports Objective 3A's focus on preventative, community-based solutions to health challenges.

In terms of **inclusive communities (Objective 3C)**, this project is a model of inclusion: it keeps lower-income seniors within the community, **rather than being displaced by rising costs, and integrates them into the fabric of a public park space** that will be enjoyed by people of all ages and backgrounds. It also addresses spatial inequities. By siting this project in the project area (Milwaukee's northwest side, near suburban borders),

we promote a more equitable distribution of affordable housing opportunities. The project also contributes to **“aging in place”**, allowing long-time neighborhood residents to remain in the area as they age, instead of being forced to move away due to lack of suitable housing.

This combats the systemic inequity of seniors (disproportionately people of color in Milwaukee) having to leave their communities to find affordable homes. The County Board recognized these priorities in **File No. 24-108 (2024)**, which endorsed pursuing creative housing partnerships and cited WHEDA research on the need for senior housing. The McGovern Park partnership is precisely the kind of creative solution that these policy directives encourage.

Finally, it’s worth noting that the financing tools we intend to leverage carry incentives that make projects like this attractive. Under federal Low-Income Housing Tax Credit (LIHTC) regulations, a project located in a Qualified Census Tract can include the costs of a **community service facility** (such as our senior center) in the development’s eligible basis for tax credits. In other words, the IRS allows up to 25% of the project’s development cost to be attributable to a community facility that serves the low-income population, which then **increases the tax credit equity** the project can receive.

This is a crucial financing advantage – it means the senior/community center portion, even though it’s not housing, can be partly subsidized through the housing tax credit program. We plan to utilize this provision so that the LIHTC equity raised by JFS will help fund the construction of the new senior/community center at minimal cost to the County. It is an elegant example of aligning funding streams with our policy goals: using an IRS-authorized basis boost to essentially bankroll a public community facility. This opportunity, combined with other funding (see next section), puts the project on solid financial footing while advancing County objectives 3A and 3C by creating a healthy, inclusive community space.

Funding and Next Steps (Grant Funding and Legal Compliance)

Project Funding Sources: Aside from the LIHTC equity and private debt that JFS will secure (which will form the bulk of the housing finance), we are pleased to report that significant **grant funding has already been lined up** to support this project. Most notably, a **\$2 million U.S. Department of Housing and Urban Development (HUD) Community Project Funding grant** was earmarked for Milwaukee County in the FY2024 federal appropriations bill, largely thanks to U.S. Senator Tammy Baldwin’s advocacy.

These funds (a Congressional earmark) are designated to “support the development of affordable housing projects throughout Milwaukee County,” and our intent is to allocate the \$2 million towards the McGovern Park project’s senior affordable housing units to support the development of the project overall. The grant was announced in early 2024 and will be formally brought to the County Board for acceptance and appropriation once the project’s feasibility is confirmed and we are ready to move into the implementation

stage. In essence, the federal government is helping foot the bill to rebuild the senior center – a huge win for Milwaukee County. We express our gratitude to our federal partners for recognizing this project's importance.

JFS will also seek support other local sources to fill any financing gaps. The **Wisconsin Housing and Economic Development Authority (WHEDA)** will be a critical partner as the allocator of tax credits; JFS will prepare a competitive application that emphasizes the project's innovative partnership and the severe need it meets.

In order for project to move forward, County staff and JFS will work with the City of Milwaukee to either rezone the Premises to allow for an apartment development or apply to the City of Milwaukee Board of Zoning Appeals for a variance.

Furthermore, the County will include **reversionary protections** in the lease: if JFS fails to complete the project or abide by the terms, the County can terminate the lease and regain control of the site and any improvements. This protects the County's asset and ensures the park land is ultimately used for public benefit as intended. We will also ensure that the lease and development agreement clearly delineate risk and liability – JFS will indemnify the County during construction and operations, carry sufficient insurance, and comply with all laws (including environmental regulations).

In summary, **all legal due diligence is being and will be addressed** to make sure the County's interests are protected and that this partnership proceeds in accordance with Wisconsin statutes and County ordinances. The approach of leasing land for a dollar to enable a partner to construct a public-purpose facility is not new – it has precedent in Milwaukee County and elsewhere – but it does require careful contracting. We are confident that the final agreements will secure the County's objectives: delivering a new senior/community center and housing with appropriate oversight, while minimizing County risk.

Recommendation

The redevelopment of McGovern Park Senior Center in partnership with JFS represents a rare opportunity to **simultaneously improve our park infrastructure, expand affordable housing for seniors, and strengthen community services**, all in one project. It is a creative solution to two challenges – the need to replace an aging County facility and the wider affordable housing shortage – that would be difficult to solve independently. By approving the Ground Lease Agreement Term Sheet and related authorizations, the County Board will set this promising project on course to fruition.

To summarize the action: **We recommend approval of the term sheet as outlined, and authorization for County officials to proceed with drafting and executing a development/option agreement with JFS, its assigns, and affiliates.** This approval will affirm the County's commitment to the project, enabling JFS to move forward with

architectural design, fundraising, the City zoning approval process, and applying for tax credits in December of 2025.

In closing, this initiative is a cornerstone of Milwaukee County's efforts to invest upstream and create healthier communities. It leverages partnerships and outside funding to achieve what we could not alone. We urge your support to advance this landmark project at McGovern Park. Thank you for your consideration.

Fiscal Effect

A fiscal note is attached to the file.

VIRTUAL MEETING INVITES

Eugene R. Guskowski, AIA, Legislative Office of Commission of Aging's Executive Committee & Chair of its Senior Center Committee, eugene.guskowski@milwaukeecountywi.gov
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ATTACHMENTS:

Attachment 1 – Exhibit A Site Map

Attachment 2 – Ground Lease Term Sheet

Attachment 3 – Office of Equity Community Engagement
Strategy

cc: County Executive David Crowley
Sup. Willie Johnson Jr., Chair, 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 and Policy Director, Comptroller's Office