



MILWAUKEE COUNTY AMERICAN RESCUE PLAN ACT ALLOCATION Community Support Program Proposal Creation of Affordable Housing

COMMUNITY SUPPORT CATEGORY

Please select the community support category that applies to this proposal:

- Household Assistance.** Proposals may include expenditures related to food programs; rent, mortgage, and utility aid; cash transfers; internet access programs; eviction prevention; unemployment benefits or cash assistance to unemployed workers; housing support: affordable housing; and housing support: services for unhoused people.
- Mental & Behavioral Health.** Proposals may include expenditures related to mental health services; substance abuse services; and other public health services.
- Other Social Determinants of Health.** Proposals may include expenditures related to job training assistance; small business economic assistance; aid to nonprofit organizations; aid to other impacted industries; healthy childhood environments: home visiting and services to foster youth or families involved in child welfare system; social determinants of health: community health workers or benefit navigators and community violence interventions; clean water; drinking water; and broadband.

PROJECT DESIGN

Provide an overview of how the community support project being proposed addresses an urgent community need brought on by the COVID-19 pandemic. Demonstrate how the project provides a feasible solution to the demonstrated need and is being coordinated with partners. Include any collaboration that will occur during the project. Explain how the proposal falls within Milwaukee County's scope of services. (500-word max response)

This proposal would provide \$15 million of ARPA funds towards the development and support of affordable housing projects throughout Milwaukee County. Housing stability is critical to dozens of quality-of-life measures, including employment, early childhood development, stress levels, education, and health. According to the Community Development Alliance's (CDA) affordable housing study, families that have been excluded from economic opportunities spend 60% of their income on housing, forcing them to compromise other critical household expenditures such as food, clothing, transportation, and healthcare. By reviewing neighborhood quality of life plans and survey data, two major themes of the study were prevalent. First, homeownership is a priority for Black and Latino families. Second, housing needs to be affordable in the context of the incomes of people that live in Milwaukee neighborhoods. An extensive review of data confirms these priorities and highlights just how big the problem will continue to grow without intervention. Milwaukee needs systems that break down barriers to create opportunities for 32,000 new Black and Latino Homeowners to end racial disparities in homeownership. Milwaukee also needs to create or convert 32,000 additional rental homes in the \$400 - \$650 per month range, which is affordable to families making \$7.25 to \$15

per hour (\$15,080 to \$31,200 per year) in order to provide an affordable housing option for all Milwaukeeans. The Housing Division has a long history of partnering with developers to produce thousands of units of affordable housing. This project would be operated in a similar fashion to the County's existing HOME Program operated by the Housing Division. ARPA funds would primarily be used as gap financing for projects that have identified other sources of funding to be used as leverage including Low Income Housing Tax Credits. The Housing Division continues to have a rolling Request for Proposal for qualified real estate developers. The Division will primarily use this list to assist in the development of projects and will also prioritize the use of developers of color. The main focus of this project would be to increase the supply of affordable housing in Milwaukee County's suburban municipalities as the City of Milwaukee is receiving their own ARPA allotment. This project will also address to long standing issue of our community being one of the most segregated in the country.

TRACKABLE PERFORMANCE INDICATORS

Provide an overview of the project's goals, objectives, outcomes, and/or outputs that will be achieved by December 31, 2024. Please ensure that proposed project outcomes align with the Milwaukee County vision to achieve racial equity and eliminate health disparities. (250-word max response)

The performance indicator for this proposal would be the amount of units created on an annual basis from 2022 through 2026. To show the positive impact on revenue due to the creation of new affordable housing development, the Housing Division will also track the annual increase in property taxes that are generated by projects supported by ARPA funds.

INVEST IN EQUITY & INTENTIONAL INCLUSION

Provide an overview of how the proposed project supports historically underserved, marginalized and/or adversely affected groups. Projects will be scored by their alignment with Milwaukee County's strategic objectives to (1) achieve racial and health equity, (2) dismantle barriers and (3) invest "upstream" to address root causes of health. Demonstrate how this proposal supports any or all of these objectives. If applicable, include how this proposal was informed by community input and builds capacity of community organizations. (500-word max response).

This proposal was informed by Milwaukee's Consolidated Plan Process and CDA's affordable housing study. The priority of affordable housing is reinforced by nearly every City of Milwaukee Area Plan, the 1,200 surveys and dozens of community meetings that were part of the 2020-2024 Consolidated Planning process, and over 20 reports examining housing and public health in Milwaukee. The CDA plan had more than 70 experts in neighborhoods, housing, banking, healthcare, and dozens of other sectors that were convened during the process of developing the Plan to identify root causes and approaches to reach racial equity in homeownership and provide a quality affordable home for every family making \$7.25 to \$15 per hour (or approximately \$15,080 to \$31,200 per year). These approaches were then prioritized by stakeholders, and preliminary financial models were built to estimate costs and impact. This proposal clearly supports all three strategic objectives. Due to a legacy of broad discrimination in the housing sector, not all Americans enjoy the same opportunities when seeking affordable housing. A lack of affordable housing in Milwaukee's suburban communities has exacerbated segregation and because of historical policies and practices, white families typically have much higher net wealth and incomes than families of color, which creates large differences in purchasing power. Across the country, opportunity varies significantly neighborhood by neighborhood (i.e., employment rates, school quality, poverty levels, income, crime, infrastructure, services, transit,

health care, groceries, banks, etc.). High-opportunity neighborhoods offer children the best chance for upward mobility. This proposal focuses on the root cause of health disparities as the lack of housing is directly related to health outcomes. Housing is well understood to be an important social determinant of physical and mental health and well-being. Affordable housing alleviates crowding and makes more household resources available to pay for health care and healthy food, which leads to better health outcomes. High quality housing limits exposure to environmental toxins that impact health. Stable and affordable housing also supports mental health by limiting stressors related to financial burden or frequent moves, or by offering an escape from an abusive home environment. Affordable homeownership can have mental health benefits by offering homeowners control over their environment. Affordable housing can also serve as a platform for providing supportive services to improve the health of vulnerable populations, including the elderly, people with disabilities, and homeless individuals and families. Safe, decent, and affordable housing in neighborhoods of opportunity can also offer health benefits to low-income households.

EVIDENCE-BASED STRATEGY

Please select the statement that aligns with the community support project. This project was developed with:

- Strong Evidence:** can support casual conclusions for the specific program with the highest level of confidence. This consists of one or more well-designed and well-implemented experimental studies conducted on the proposed program with positive findings on one or more intended outcomes.
- Moderate Evidence:** reasonably developed evidence base that can support casual conclusions. The evidence-base consists of one or more quasi-experimental studies with positive findings on one or more intended outcomes OR two or more nonexperimental studies with positive findings on one or more intended outcomes. Examples of research that meet the standards include well-designed and well-implemented quasiexperimental studies that compare outcomes between the group receiving the intervention and a matched comparison group (i.e., a similar population that does not receive the intervention).
- Preliminary Evidence:** can support conclusions about the program's contribution to observed outcomes. The evidence-base consists of at least one nonexperimental study. A study that demonstrates improvement in program beneficiaries over time on one or more intended outcomes OR an implementation (process evaluation) study used to learn and improve program operations would constitute preliminary evidence. Examples of research that meet the standards include: (1) outcome studies that track program beneficiaries through a service pipeline and measure beneficiaries' responses at the end of the program; and (2) pre- and post-test research that determines whether beneficiaries have improved on an intended outcome.

Provide an explanation to support the statement that most aligns with the project. Include the experimental studies conducted on the proposed project. *Evidence-based strategies can be found through the following: [Results First Clearinghouse Database | The Pew Charitable Trusts \(pewtrusts.org\)](#) and [Homepage | CLEAR \(dol.gov\)](#). (250-word max)

Pew Charitable Trusts has covered extensive research on the link between housing and health. For most Americans, a home provides safety, security, and shelter. Housing typically represents a family's single largest expenditure and its major source of wealth. And statistics show that people in the United States spend about 90 percent of their time indoors—with an estimated two-thirds of that spent in the home.

It is not surprising, then, that housing-related factors have the potential to help—or harm—the health of Americans in significant ways. Research suggests that housing should be an important consideration in efforts to address complex and urgent health concerns such as child mortality and the rise in preventable pregnancy-related deaths in the U.S. over the past 30 years.

Policymakers, community-based groups, government agencies, and health providers increasingly recognize housing as a key driver of health outcomes. For example, in December 2019 Delaware announced six evidence-based grants to community organizations aimed at narrowing the state’s wide variance in birth outcomes between black women and white women; more than twice as many black infants die before their first birthday than white infants, according to Delaware’s vital statistics data. The grants were the first of their kind in the state; two specifically target housing issues as a root cause of infant mortality.

ARPA REPORTING REQUIREMENTS

Provide a detailed overview of the applicant’s experience managing federal funds. Detail any experience ensuring accurate data collection and adherence to federal reporting requirements. If this is an internal application, detail any experience managing contracts and ensuring reporting deadlines are met. If this is an external applicant, detail any experience receiving funding from Milwaukee County and ensuring reporting deadlines are met.

A majority of the Housing Division’s annual funding is from federal grants so staff has extensive experience in this area. Annual federal reporting requirements need to be met in several areas of the Division including Community Development Block Grant (CDBG) and HOME funds, Section 8 Rental Assistance, and all HUD funded homeless programs. The Division has already received and implemented two ARPA programs for Right to Counsel and Flexible Rental Assistance.

ARPA FUNDS REQUESTED

Provide the total request amount to be spent between 2022 – 2026. Explain how funds will be incurred and encumbered by December 31, 2024. Include if the project has matching funds or resources. (250-work max)

The total amount requested for this proposal is \$15 million. The Housing Division will identify potential affordable housing projects working with existing real estate developers starting in 2022. A detailed development agreement will be put in place between developers and Milwaukee County to ensure all regulations are followed and affordability guidelines are met. The Division will notify the County Board of each project that will be recommended for funding prior to adoption. As ARPA funds will primarily be used for gap financing, each recommended development will be receiving a substantial amount of matching funds from other public and private sources, most notably Low Income Housing Tax Credits.

BUDGET

Complete the short-form budget and provide a formula for your calculation by defining the expense item, number of units, and cost per unit for the requested project period. Please add rows as necessary. In the table below, outline any matching funds or resources.

| Expense Item | Description | Total Cost |
|---|-------------|------------|
| Personnel Expenses (including fringe benefits) | | |

| | | |
|---|---|--------------|
| 1. Staffing | Offset existing Housing Services staff salaries (Portion of Housing Administrator, Real Estate Project Manager, & Community Intervention Specialist Salaries) | \$300,000 |
| Professional Services | | |
| 1. Consultation | Outside review for subsidy laying reviews | \$50,000 |
| 2. Direct Subsidy | Payments to developers to produce housing units (Contracts to developers) | \$14,650,000 |
| Supplies & Equipment | | |
| N/A | | |
| Capacity Building Resources for Implementation | | |
| N/A | | |
| Total Calculations | | |
| Total Expenses | | \$15,000,000 |

10% de minimis indirect cost rate for ARPA projects includes rent/space allocation costs, utilities, support and administrative staff time across **County departments, cost of databases and software, etc.

| Other Revenue Source (s) | Committed or Available Revenue Amount | Potential Revenue Amount |
|--------------------------------------|--|---------------------------------|
| Low Income Housing Tax Credits | | TBD |
| City of Milwaukee Housing Trust Fund | | TBD |
| Milwaukee County HOME Funds | | TBD |
| Total Other Revenue Amount | \$0 | \$0 |