

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: July 3, 2014

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

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

SUBJECT: Report from the Director, Department of Health and Human Services (DHHS), requesting authorization to enter into a three-year cooperation agreement with non-entitlement Milwaukee County jurisdictions for the purpose of receiving HUD funding as an urban county

Issue

Federal Housing and Urban Development (HUD) regulations require the local governing body (Milwaukee County) to enter into cooperation agreements with enough jurisdictions for years 2015, 2016, and 2017 to achieve a combined population of 200,000.

Section V.B. of the U.S. Department of Housing and Urban Development Notice CPD-13-04 which governs cooperation agreements for urban counties under the above referenced programs, requires a statement from a participating county's legal counsel that the terms of the agreement are fully authorized under state and local law. Corporation Counsel prepared the agreement and will be providing the required legal opinion as in previous years.

Background

Milwaukee County was designated as an urban county in December of 1977. In order to be designated as an urban county, Milwaukee County was required to enter into cooperation agreements with enough jurisdictions to achieve a combined population of 200,000. Fourteen suburban municipalities signed cooperation agreements and participated in the program in 1978. In 1979, a 15th municipality was added, and in 1982, a 16th was added. The cooperation agreements must be signed every three years. The current participating municipalities are:

Bayside	Hales Corners
Brown Deer	Oak Creek
Cudahy	River Hills
Fox Point	St. Francis
Franklin	Shorewood
Glendale	South Milwaukee
Greendale	West Milwaukee
Greenfield	Whitefish Bay

The cities of Milwaukee, Wauwatosa and West Allis each contain populations greater than 50,000 and are entitled to receive their own Community Development Block Grant (CDBG) funding.

Milwaukee County receives approximately \$1.2 million each year to conduct community development and housing activities. Administrative costs, as required by HUD, can only amount to less than 20% of the grant. The remainder of the grant is divided equally between the County and the participating municipalities.

It is the County's responsibility to administer, coordinate, and oversee the community development program to ensure that the program is carried out in accordance with national policies and objectives. The U.S. Department of Housing and Urban Development (HUD) is the federal agency responsible for allocating funds and monitoring compliance with national policies and objectives.

The County's half of the grant is used to fund activities designed to meet needs which are generally Countywide in nature serving the participating jurisdictions. The other half of the grant is reserved for the participating municipalities to conduct activities designed to meet specific local needs. All projects must meet the National Objectives of the Act.

The last cooperation agreement for years 2012, 2013 and 2014 was signed in 2011. The current cooperation agreement for years 2015, 2016, and 2017 is similar to the previous cooperation agreements the municipalities signed with two changes. Changes were made in collaboration with our municipal partners. The first modification was in Section 3 regarding the requirement to Affirmatively Further Fair Housing.

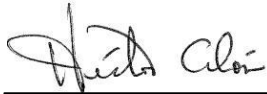
Nationally, there has been increased enforcement action in this area. The agreement requires specific actions from municipalities and documentation of the activities for better compliance with the requirement to affirmatively further fair housing as certified annually by the County. The agreement also eliminates the "fair" or "equal" share from consideration for the distribution of funds to the municipalities. The intent of the Act is to serve citizens with low-to-moderate income and allocations will be based on the percentage of poverty in each participating municipality.

Recommendation

It is recommended that the County Board of Supervisors authorize the Director to enter into a cooperation agreement with non-entitlement Milwaukee County jurisdictions for the purpose of receiving HUD funding as an urban county.

Fiscal Impact

This is no fiscal impact for this agreement. A fiscal note form is attached.



Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
Raisa Koltun, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board
Don Tyler, Director, DAS
Josh Fudge, Director, Office of Performance, Strategy & Budget
Matthew Fortman, Fiscal & Budget Analyst, DAS
Steve Cady, Director of Research Services – Comptroller's Office
Janelle Jensen, County Clerk's Office
Alexis Gassenhuber, County Clerk's Office

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4 (Item) From the Director, Department of Health and Human Services (DHHS),
5 requesting authorization to enter into a three-year cooperation agreement with non-
6 entitlement Milwaukee County jurisdictions for the purpose of receiving HUD funding as
7 an urban county by recommending adoption of the following:
8

9
10 **A RESOLUTION**

11 WHEREAS, the United States Congress enacted the Housing and Community
12 Development Act of 1974 (P.L. 93-383) as amended, (hereinafter referred to as "The
13 Act") providing Federal assistance for the support of community development activities
14 which are directed toward the specific objectives identified in Section 101 of The Act;
15 and
16

17 WHEREAS, the United States Congress also enacted the Cranston-Gonzalez
18 National Affordable Housing Act (P.L. 100-625) as amended, (hereinafter referred to as
19 NAHA) providing Federal assistance for, among other things, the HOME investment
20 Partnership program (hereinafter referred to as HOME) which is intended to increase
21 the number of families served with decent, safe, sanitary, and affordable housing and to
22 expand the long term supply of affordable housing; and
23

24 WHEREAS, The Act makes possible the allocation of funds to Milwaukee County
25 for the purpose of undertaking only community development program activities identified
26 in Section 105 of The Act; and
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28 WHEREAS, NAHA makes possible the allocation of funds to Milwaukee County
29 for the purpose of undertaking housing programs identified in Section 211 of NAHA; and
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31 WHEREAS, the County intends to apply to the U.S. Department of Housing and
32 Urban Development (hereinafter referred to as "HUD") for funds authorized under The
33 Act and NAHA; and
34

35 WHEREAS, The Act recognizes that The Municipality may enter into cooperation
36 agreements with The County in order to undertake housing and community
37 development activities as authorized in Section 105 of The Act; and
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39 WHEREAS, The County and The Municipality have determined that joint action is
40 an effective way to accomplish the purposes of said Act and NAHA; and
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42 WHEREAS, counties in Wisconsin, pursuant to Wisconsin Statutes 59.01, and
43 municipalities in Wisconsin, pursuant to Wisconsin Statutes 66.0301, have the
44 necessary authority to enter into contracts of the type herein contemplated; and
45

46 WHEREAS, the purpose of this agreement is to establish the mutual desire to
47 cooperate to undertake, or to assist in undertaking, community renewal and lower
48 income housing assistance activities, by means of submitting a Consolidated Plan and

49 Annual Action Plan for both HUD Community Development Block Grant Funds (CDBG)
50 as an Urban County from the Federal Fiscal Years 2015, 2016, and 2017 appropriation
51 and from any program income generated from the expenditure of such funds, and HUD
52 HOME funds from appropriations in the same three (3) Federal Fiscal years and from
53 any program income generated from the expenditure of such funds, now, therefore,
54

55 BE IT RESOLVED, that the County Board of Supervisors hereby authorizes the
56 Director, Department of Health and Human Services, or designee, to enter into an
57 Agreement with each of the 16 municipalities to establish the mutual desire to cooperate
58 to undertake, or assist in undertaking, community renewal and lower income housing
59 assistance activities, by means of submitting a Consolidated Plan and Annual Action
60 Plan for both HUD Community Development Block Grant Funds (CDBG) as an Urban
61 County from the Federal Fiscal Years 2015, 2016 and 2017 appropriation and from any
62 program income generated from the expenditure of such funds, and HUD HOME funds
63 from appropriations in the same three (3) Federal Fiscal years and from any program
64 income generated from the expenditure of such funds.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: July 3, 2014

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Director, Department of Health and Human Services (DHHS), requesting authorization to enter into a three-year cooperation agreement with non-entitlement Milwaukee County jurisdictions for the purpose of receiving HUD funding as an urban county

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Director of the Department of Health and Human Services (DHHS) is requesting authorization to enter into a three-year (2015-2017) cooperation agreement with non-entitlement Milwaukee County jurisdictions for the purpose of receiving HUD funding as an urban county. The cooperation agreements must be signed every three years.

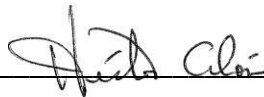
B. Milwaukee County receives approximately \$1.2 million each year to conduct community development and housing activities. Administrative costs, as required by HUD, can only amount to less than 20% of the grant. The remainder of the grant is divided equally between the County and the participating municipalities.

C. The report authorizes Milwaukee County to accept the grant. These funds are included in the Housing Division's budget so there is no fiscal impact.

D. No further assumptions are made.

Department/Prepared By Clare O'Brien, Fiscal & Management Analyst

Authorized Signature



Did DAS-Fiscal Staff Review? Yes No

Did CDPB Staff Review? Yes No Not Required

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

COOPERATION AGREEMENT

THIS AGREEMENT entered into on this ____ day of _____, 2014, by and between Milwaukee County, Wisconsin, (hereinafter referred to as the "County") and the _____, (hereinafter referred to as the "Municipality").

WITNESSETH:

WHEREAS, the United States Congress enacted the Housing and Community Development Act of 1974 (P.L. 93-383) as amended, (hereinafter referred to as the "Act") providing Federal assistance for the support of community development activities which are directed toward the specific objectives identified in Section 101 of the Act; and

WHEREAS, the United States Congress also enacted the Cranston-Gonzalez National Affordable Housing Act (P.L. 100-625) as amended, (hereinafter referred to as "NAHA") providing Federal assistance for, among other things, the HOME Investment Partnership program (hereinafter referred to as "HOME") which is intended to increase the number of families served with decent, safe, sanitary, and affordable housing and to expand the long-term supply of affordable housing; and

WHEREAS, the Act makes possible the allocation of funds to Milwaukee County for the purpose of undertaking only community development program activities identified in Section 105 of the Act; and

WHEREAS, NAHA makes possible the allocation of funds to Milwaukee County for the purpose of undertaking housing programs identified in Section 211 of NAHA; and

WHEREAS, the County intends to apply to the U.S. Department of Housing and Urban Development (hereinafter referred to as "HUD") for funds authorized under the Act and NAHA; and

WHEREAS, the Act recognizes that the Municipality may enter into cooperation agreements with the County in order to undertake housing and community development activities as authorized in Section 105 of the Act; and

WHEREAS, the County and the Municipality have determined that joint action is an effective way to accomplish the purposes of said Act and NAHA; and

WHEREAS, counties in Wisconsin, pursuant to Wisconsin Statutes Sec. 59.01 and municipalities in Wisconsin, pursuant to Wisconsin Statutes Sec. 66.0301 have the necessary authority to enter into contracts of the type herein contemplated.

NOW, THEREFORE, upon the consideration of the mutual promises contained herein, it is agreed between the County and the Municipality as follows:

PROVISIONS:

1. Purpose. The purpose of this Agreement is to establish the mutual desire to cooperate to undertake, or assist in undertaking, community renewal and lower income housing assistance activities, by means of submitting to HUD a Consolidated Plan and Annual Action Plan for both HUD Community Development Block Grant Funds ("CDBG") as an Urban County from Federal Fiscal Years 2015, 2016, and 2017 appropriation and from any program income generated from the expenditure of such funds, and HUD HOME funds from appropriations in the same three (3) federal fiscal years and from any program income generated from the expenditure of such funds.
2. Consideration. The Municipality, by the execution of this Agreement, agrees to have its yearly CDBG allocation based on extent of poverty as defined in the Act. To receive an allocation the Municipality must have proposed project(s) that meet the National Objectives of the Act. Municipality allocations may also be impacted by past project performance and outcomes, past project compliance with applicable regulations, and compliance with this Cooperation Agreement. All funds shall be used within the Urban County jurisdiction. The County agrees to include the Municipality as part of its Annual Action Plan to be submitted to HUD under the terms and conditions of the Act.
3. Restrictions. Neither the County nor the Municipality shall have a veto or other restrictive power which would in any way limit the cooperation of the parties to this Agreement or obstruct the implementation of the approved Consolidated Plan during the period covered by this Agreement.
4. Term. The term of this Agreement shall be three (3) years commencing the day of execution and continuing through the three (3) entire Program Years 2015, 2016, and 2017 and for such additional time as may be required for the expenditure of program income received and of funds granted through the Act and NAHA to the County for such period, as defined by HUD regulations and included within HUD Notice CPD 05-01. A municipality executing an Agreement for participation shall not have the opportunity to terminate or withdraw from the Agreement during the period that this Agreement is in effect. This Agreement shall be in effect for three (3) successive years and remain in effect until the CDBG and HOME funds and program income received with respect to activities carried out during the three-year period are expended and the funded activities completed.
5. Obligations.
 - a. Milwaukee County and the _____ agree to undertake all actions necessary to assure compliance with Milwaukee County's certification required by Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 109 of Title I of the Housing and Community Development Act of 1974, provisions of the National Environmental Policy Act of 1969, and other applicable laws. In addition, the Municipality is

subject to the same requirements applicable to subrecipients, pursuant to 24 CFR 570.501(b), including the requirement of a written agreement as set forth in 24 CFR 570.503.

The Municipality understands, acknowledges and agrees that non-compliance with any of the provisions above may constitute non-compliance by the County which may provide "cause" for funding sanctions or other remedial actions by HUD. Further, Urban County Community Development funding is prohibited for activities in or in support of any cooperating unit of government that does not affirmatively further fair housing within its own jurisdiction or that impedes the County's actions to comply with its fair housing certification.

- b. The Municipality shall select at least three (3) action items from the list below to affirmatively further fair housing for the duration of this Agreement. The Municipality shall keep records documenting actions taken to affirmatively further fair housing and provide an annual report to the County of such actions within fifteen (15) days of the end of the calendar year.
 - i. Provide Milwaukee County Housing Division and make available to developers an inventory of developable land that is suitable for affordable, high-density, multi-family housing.
 - ii. Provide a list to the Milwaukee County Housing Division annually of all Tax Incremental Financing (TIF) Districts that will terminate within the next five (5) years and plans to extend the TIF to create affordable multi-family housing.
 - iii. Work with Southeast Wisconsin Regional Plan Commission and/or Metropolitan Milwaukee Fair Housing Council to review and revise ordinances to remove barriers to affordable housing. Zoning ordinances, building ordinances, and fair housing ordinances are examples of the types of ordinances that may impact housing.
 - iv. Make changes to zoning districts to better connect transportation to areas zoned for multi-family housing.
 - v. Work with Milwaukee County Housing Choice Voucher program to identify and outreach to landlords in the Municipality to encourage participation in the Housing Choice Voucher program and provide landlords with fair housing information.
 - vi. Train elected officials serving on the governing board (common council/board of trustees) and volunteers serving on the plan commission, board of appeals, and other bodies impacting housing in fair housing laws and the requirement to affirmatively further fair housing.

- vii. Train “first point of contact” staff to ensure that persons requesting assistance for possible fair housing violations obtain timely and accurate information from anyone who may answer a phone or field fair housing inquiries from the public.
 - viii. Any other activity listed in the recommendations section of Milwaukee County Analysis of Impediments to Fair Housing (June 2008 edition and any updated Analysis) with approval from the Milwaukee County Housing Division.
- c. Nothing contained in this Agreement shall deprive any Municipality of any power of zoning, development control or other lawful authority that it presently possesses.
- d. Pursuant to HUD regulations, the Municipality may not apply for grants under the Small Cities or State CDBG Programs from appropriations for fiscal years during the period in which it is participating in the Urban County's CDBG program.
- e. Pursuant to HUD regulations, the Municipality may not participate in a HOME consortium except through the County, regardless of whether the County receives a HOME formula allocation. However, this Agreement does not preclude The County or the Municipality from applying for State HOME funds.
- f. The Municipality attests that it has adopted and is enforcing:
 - i. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
 - ii. A policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.
- g. The Municipality must inform the County of any income generated by the expenditure of CDBG funds received by the Municipality.
 - i. Any such program income must be paid to the County, or if the completion of an approved activity should require the use of program income, the Municipality may retain said income upon mutual agreement of the County and the Municipality.
 - ii. Any program income the Municipality is authorized to retain may only be used for eligible activities in accordance with all CDBG requirements as may then apply.

- h. The Municipality must establish and maintain appropriate record keeping and reporting of any retained program income and make such available to the County in order that the County can meet its monitoring and reporting responsibilities to HUD.
- i. If the Milwaukee County Urban County Community Development program is, at some future date, closed-out, or if the status of the Municipality's participation in the Milwaukee County Urban County Community Development program changes, any program income retained by the Municipality, or received subsequent to the close-out or change in status, shall be paid to the County.
- j. If the Municipality utilizes in whole or in part, funds covered by this Agreement to acquire and/or improve real property which will be within the control of the Municipality, then the following standards shall apply:
 - i. The Municipality will notify the County in advance of any modification or change in the use of real property from that planned at the time of the acquisition or improvement, including disposition;
 - ii. The Municipality will, if acquired or improved property is sold or transferred for a use which is not an eligible CDBG activity, reimburse the County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of non-CDBG funds); and
 - iii. Program income generated from the disposition or transfer of property acquired and/or improved in whole or in part with CDBG funds prior to or subsequent to the close-out, change of status, or termination of this Cooperation Agreement shall be treated under the provisions of this Agreement concerning program income.

6. Authorization.

- a. The County has executed this Agreement pursuant to action taken by its Board of Supervisors on _____, 20 ____, Resolution File No. _____ (copy attached).
- b. The Municipality has executed this Agreement pursuant to action taken by its governing body on _____, 20 ____, by law (copy attached).

SIGNATURE PAGE FOLLOWS:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day, month and year first above written.

MUNICIPALITY

Name: _____

Title: _____

Name: _____

Title: _____

MILWAUKEE COUNTY

Hector Colon, Director
Department of Health and Human Services

Approved:

Approved:

By: _____
County Executive

Date: _____

By: _____
Office of the Comptroller

Date: _____

Approved as to Execution:

By: _____
Corporation Counsel

Date: _____