

**MILWAUKEE COUNTY
INTER-OFFICE COMMUNICATION**

DATE: February 22, 2012

TO: Lee Holloway, Chairman - Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by Jean Wolfgang, Housing & Program Coordinator, Housing Division

SUBJECT: Report from the Director, Department of Health and Human Services, Requesting Approval to Allocate Year 2012 HOME Funding for the Housing Division

Issue

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. Along with the HOME regulations in 24 CFR 92 and the Home Consortia Agreement, the funds are budgeted to meet the requirements of both. County Board approval of the recommendations for the 2012 HOME funding, a total of \$709,241, is required to complete the 2012 Annual Action Plan, which is due to HUD by April 30, 2012. Therefore, the Director, Department of Health and Human Services, is requesting approval of the 2012 HOME funding allocations.

Background

Based on the Consolidated plan, established agreements and HUD regulations, the recommend use of HOME funds for the 2012 Program Year takes into account the following:

1. Congress has passed a HUD appropriation bill with a 38% cut to the HOME program, therefore the projected funding estimate of \$709,241 is based upon a 38% cut from 2011
2. The priorities and objectives of the 5-year Consolidated Plan
3. All Milwaukee County HOME funds must be spent outside the City of Milwaukee
4. The Wauwatosa and West Allis Consortium member share are set aside based upon their "hold harmless" amounts of 5.6% and 22.8% respectively
5. The HOME program requires that 15% of the participating jurisdiction's fund be reserved for housing development by a Community Housing Development Organization (CHDO)
6. The Suburban Home Repair Program, which offers secured 0% and 3% interest loans and Lead Hazard Reduction grants to income eligible homeowners for necessary repairs, is continued
7. The Deferred Home Repair Loan Program, which provides deferred loans and Lead Hazard Reduction grants to the lowest income homeowners and defers repayment until the sale of the home, is continued

8. The Homebuyer Assistance program, which provides down payment and closing cost assistance to first-time homebuyers, is continued

The funding allocation is based on the same formula as has been used in prior years. The approved use of funds for the 2012 HOME Program will be included, along with the 2012 allocation for the Community Development Block Grant Program, in the 2012 Annual Action Plan. HUD requires that the Action Plan be approved for participation in these programs.

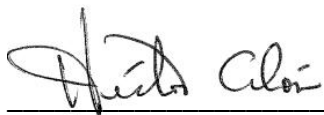
Recommendation

The Director, Department of Health and Human Services, recommends that the County Board of Supervisors allow the Housing Division to allocate the 2012 HOME funds as indicated below, as outlined in the attached resolution:

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| CHDO set-aside | \$106,386 |
| Wauwatosa | \$35,746 |
| West Allis | \$145,536 |
| Home Buyer Assistance | \$50,000 |
| Home Repair, deferred loans, 0% loans, 3% loans, lead grants | \$300,649 |
| Total Program Funds | \$638,317 |
| Total Administrative Funds | \$70,924 |
| Total Allocation | \$709,241 |

Fiscal Impact

2012 HOME funds and related expenses were included in the 2012 Housing Budget. The HUD reduction is greater than originally anticipated in the 2012 budget but the related expenditures will be reduced by the same amount resulting in no net tax levy impact. A fiscal note form is attached.



Héctor Colón, Director
Department of Health and Human Services

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

Terrence Cooley, County Board

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