



## MILWAUKEE COUNTY AMERICAN RESCUE PLAN ACT ALLOCATION Community Support Program Proposal Rehabilitation of Milwaukee County Foreclosures

### 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 \$3 million of ARPA funds towards the rehabilitation of foreclosed properties that Milwaukee County controls due to tax delinquencies. With the exception of properties located in the City of Milwaukee, all Milwaukee County tax foreclosures are handled by the Milwaukee County Treasurer's Office. Often, these properties are abandoned and/or are in disrepair. The Housing Division is proposing a partnership between the Housing Division, Milwaukee County Treasurer, and the Milwaukee County Economic Development Division to rehabilitate these properties and prioritize the sale once completed to first time homebuyers. Often, low to moderate income families are priced out of suburban neighborhoods. This project would give these households an opportunity to become homeowners and would support the County's vision on Racial Equity. Milwaukee County remains one of the most segregated communities in the County and this proposal would prioritize BIPOC homeownership when possible. This initiative would also ensure that anyone who loses their home in foreclosure will receive housing assistance and basic needs assistance through the Housing Division as a part of the foreclosure process. Families would receive a housing subsidy and assistance with finding alternative affordable housing. The Division would also ensure that any follow up services**

that are needed by the households would be provided. This would include mental health and medical services, as well as any other services that Milwaukee County provides that they would be eligible for. The Housing Division would also expand its Opportunity Knocks program which pairs residents of the House of Corrections with contractors to receive on the job training. The goal of this program is to ensure those residents can receive permanent jobs upon their release from the HOC. The Housing Division would also prioritize the hiring of minority contractors for the work on these properties.

### **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 properties that would be rehabilitated, the tax revenue generated by placing these homes back into use, and the increase in value and equity to the properties once completed. The Housing Division would also track the number of construction training hours that were received during the project.**

### **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 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). With this proposal, Milwaukee County can create homeownership opportunities for communities of color. In 1960, there was a 27-point gap between black homeownership (38 percent) and white homeownership (65 percent). Today, the gap is even wider. The gains made in the three decades after the 1968 Fair Housing Act were erased after 2000, as forces within and beyond the housing market aligned to reduce the black homeownership rate. The black community was hit harder than other racial groups by the housing crisis. Black homebuyers bought homes at the peak of the bubble at higher rates than white and Asian homebuyers and were disproportionately the victims of predators who offered subprime loans even to those who qualified for prime loans. Existing black homeowners were also aggressively solicited for unsafe refinance products that stripped equity and ultimately fueled foreclosure crisis. On average, black families did not benefit as much as white families from the economic recovery since the housing market crashed in 2008. As a result, the black homeownership rate dropped more than 2 percentage points from 2000 to 2010 and slid another 5 percentage points after 2010. The decline in black homeownership threatens to exacerbate racial inequality for decades to come. Homeownership remains the principal way most families build wealth in this country.**

## 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.**

**According to a study by Habitat for Humanity, Homeownership promotes wealth building by acting as a forced savings mechanism and through home value appreciation. Homeowners make monthly payments that increase their equity in their homes by paying down the principal balance of their mortgage. Home value appreciation also helps homeowners build wealth by enabling them to realize greater proceeds if they sell the home or borrow against the additional equity. In addition, owning a home promotes intergenerational homeownership and wealth building. Children of homeowners transition to homeownership earlier — lengthening the period over which they can accumulate wealth — and have homeownership rates 25 percentage points higher than the rate of children of renters. For every dollar in net wealth accumulated by a high-income household, a low-income household amasses 7 cents. This wealth gap has significantly widened over the past decade. Homeownership is a substantial contributor to the wealth of low-income households, since they hold the majority of their wealth in their homes. Low-income homeowners with sustained ownership and**

**affordable loans have higher wealth accumulation — both housing and non-housing wealth — than comparable renters**

**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 \$5 million. All housing inventory will be identified through reports from the Treasurer’s Office. Funds will be incurred through competitive estimates from partners and contractors for each property. The Housing Division expects enough inventory that all funds can be encumbered by the end of 2024. For properties in severe distress that may need additional funds, the Housing Division would be able to use federal HOME funds as a potential match for this ARPA proposal.**

**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
<b>Personnel Expenses (including fringe benefits)</b>		
1. Staff	Offset of existing staff time (Senior Real Estate Manager & Community Intervention Specialist)	\$150,000
<b>Professional Services</b>		
1. Job training	Financial support for on-site job training	\$150,000
2. Rehab Costs	Construction Services: Rehab work on homes	\$2,700,000
<b>Supplies &amp; Equipment</b>		
N/A		

<b>Capacity Building Resources for Implementation</b>			
N/A			
<b>Total Calculations</b>			
<b>Total Expenses</b>			\$3,000,000

\*\*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.

<b>Other Revenue Source (s)</b>	<b>Committed or Available Revenue Amount</b>	<b>Potential Revenue Amount</b>
<b>Total Other Revenue Amount</b>	<b>\$0</b>	<b>\$0</b>