

Report from the Director, Department of Health and Human Services, requesting \$2,583,988 in ARPA funding to support the Acts Homeownership Acquisition Fund, by recommending adoption of the following:

## A RESOLUTION

WHEREAS, the Federal American Rescue Plan Act (ARPA) of 2021 was signed into law by President Biden on March 11, 2021, in efforts to support individuals, families, businesses, and governments impacted by the Coronavirus Disease pandemic; and

WHEREAS, Milwaukee County (the County) will receive \$183.7 million in ARPA funding, through the ARPA State and Local Fiscal Recovery Fund; and

WHEREAS, the Milwaukee County Board of Supervisors adopted File No. 21-555: "A resolution to create a Task Force (ARPA Task Force) to review and recommend funding allocations to the Milwaukee County Board of Supervisors for monies received by the County in the Federal American Rescue Plan Act of 2021"; and

WHEREAS, of the County's \$183.7 million of ARPA aid, approximately \$36,739,238 has been recommended by the ARPA Task Force for Community Support, to generate projects that respond to economic harms to workers, families, small businesses, impacted industries, and the public sector in the County; and

WHEREAS, in August of 2022, the Household Assistance Community Support Subgroup recommended the Acts Homeownership Acquisition Fund project (the Fund) receive \$2,583,988 in Community Support funding, based on criteria set forth by the ARPA Task Force, and this recommendation was reaffirmed by the ARPA Task Force on a vote of 5-0 at its meeting of September 8, 2022; and

WHEREAS, Milwaukee is losing 1,000 families of color each year, and in majority Latino neighborhoods, homeownership is down 15 percent since 2010, and for majority Black neighborhoods, homeownership is down by 20 percent; and

WHEREAS, the primary root cause of this devastating drop in homeownership and stability of neighborhoods is predatory acquisition - the targeting of communities of color by investors to flip owner occupied homes into rental assets for outside investors; and

WHEREAS, there are over 17,000 Black and Latino families aspiring to purchase a home for \$125,000 or less; unfortunately, there are only 1,500 available homes sold each year in this price range; and

WHEREAS, 40 percent of this available inventory is purchased by investors; and

WHEREAS, to combat predatory acquisition, the Fund will acquire 100 properties at approximately \$100,000 each by December 31, 2024, under Phase I of the project, which reflects an estimated cost of \$11 million, including \$1 million in staff support, and a \$10 million capital fund; and

WHEREAS, Phase I of the project is being financed through public and private contributions, including \$1 million from the Zilber Family Foundation (ZFF) for the startup staffing costs, and of the \$10 million capital fund, \$2 million has been raised privately with the \$8 million balance being supported by the proposed \$2,583,988 from the County's ARPA fund, a \$2.5 million pending request through the City Housing Trust Fund, and the balance of \$3 million being raised privately; and

WHEREAS, after the sale to homeowners, the proceeds will be reinvested into the next round of properties by the Fund, and the cycle will repeat itself in perpetuity; and

WHEREAS, the Committee on Finance, at its meeting of December 8, 2022, recommended adoption of File No. 22-1121 (vote 6-0); now, therefore,

BE IT RESOLVED, the Milwaukee County Board of Supervisors (County Board) authorizes the Acts Homeownership Acquisition Fund project (the Fund) supported by American Rescue Plan Act (ARPA) revenue in the amount of \$2,583,988, to the Department of Health and Human Services (DHHS); and

BE IT FURTHER RESOLVED, the County Board hereby authorizes DHHS to develop and administer the Fund, and enter into a Purchase of Service contract with Acts Community Development Corporation doing business as Acts Housing, for a total amount up to \$2,500,000, for 2023 through 2024; and

BE IT FURTHER RESOLVED, the County Board hereby authorizes DHHS to provide contracting, fiscal oversight, and project management support for the Fund, for a total amount up to \$83,988, for 2023 through 2024; and

BE IT FURTHER RESOLVED, the County Board hereby authorizes the Office of Strategy, Budget and Performance (OSBP), and the Office of the Comptroller (Comptroller), to process an administrative appropriation transfer of \$2,583,988 to direct funds to DHHS for the Fund, starting January 1, 2023, until December 31, 2024; and

BE IT FURTHER RESOLVED, the County Board authorizes the administering department, the Department of Administrative Services (DAS), the Office of Corporation Counsel, Risk Management Division, DAS, Community Business Development Partners, DAS, Comptroller, OSBP, and County Executive, to prepare, review, approve, and execute all contracts and other documents, and take all actions as required for the purpose of administering the above-referenced programs funded by the ARPA grant allocation framework.

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