

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: July 1, 2011

TO: Lee Holloway, Chairman - County Board of Supervisors

FROM: Geri Lyday, Interim Director Health and Human Services
Prepared by: James Mathy, Special Needs Housing Manager

SUBJECT: From the Interim Director, Department of Health and Human Services, requesting County Board approval to allocate \$272,000 of financing from the County Special Needs Housing Trust Fund to the Milwaukee Center for Independence for the supportive housing development to be known as Highland Commons

Request

The Department of Health and Human Services is recommending approval of a \$272,000 grant from the Special Needs Housing Capital Project to the Highland Commons Project in West Allis to provide 50 permanent supportive housing units for Milwaukee County Behavioral Health consumers.

Background

Transitional Living Services (TLS), a non-profit organization and affiliate of the Milwaukee Center for Independence (MCFI), has provided support services in the community for over 40 years. The organization currently owns 22 group homes and supported apartments for people living with serious and persistent mental illness. For more than 20 years, TLS has worked with Milwaukee County to provide support services to BHD clients.

Cardinal Capital Management, Inc., the primary developer on this project, has worked on several housing projects for people with special needs. In 2007, the County Board approved the allocation of \$500,000 for the construction of United House, a 24 unit supportive housing development for BHD clients, where Cardinal Capital Management, Inc. worked as the developer on this project with United Christian Church. The developer has also developed other special needs housing facilities in Milwaukee County such as, Empowerment Village-National (Opened January 2011), Empowerment Village- Lincoln (Opens September 2011), and Veteran's Manor (Opened Memorial Day 2011).

In 2007, WHEDA filed a foreclosure action against Tri-Corp Housing Inc. owner of New Samaria, which is a rooming house for people with mental illness and substance abuse problems. The

company was also delinquent on its payments to WE Energies, who threatened to disconnect the utilities at this facility. Had this occurred, this would have resulted in the loss of housing for 70 residents. To preserve the property and continue operations, New Samaria was placed under the receivership of Cardinal Capital Management, Inc. in 2008.

The Milwaukee County Housing Division Special Needs staff assisted Cardinal Capital with the management of the existing tenants as well as potential referrals during this transition phase. Once the date was chosen for the closing of the facility, Housing Division staff began to meet with the consumers and case management agencies to offer several other housing options once New Samaria was closed. Consumers were able to be relocated using grants funds for security deposits and up to six months of rent assistance. This process was completed by May 1, 2011. Many of the individuals were relocated to Farwell Studios, a supportive housing development funded by Neighborhood Stabilization Program Funds that the County Board approved in 2010. Once Highland Commons is completed, all of the consumers that were relocated from New Samaria will be given the option to move back into the new development.

In order to provide better housing opportunities for mentally ill consumers, Cardinal Capital Management, Inc. collaborated with Transitional Living Services (TLS) to construct Highland Commons, a 50 unit permanent supportive housing development for residents who have been diagnosed with severe and persistent mental illness. This will be the first supportive housing development in Milwaukee County outside the limits of the City of Milwaukee. TLS will provide services that offer mental health education, medication management, wellness recovery action plans (WRAP), community involvement, socialization and leisure activities, and functional literacy groups.

Highland Commons has received the necessary approvals from West Allis and has support from the Mayor and West Allis Department of Development. West Allis was able to secure an additional \$100,000 of Neighborhood Stabilization Program 3 (NSP3) funds for foreclosures in the city and pledged to use the full amount towards this project. Cardinal Capital and MCFI conducted community meetings and the neighbors overwhelmingly supported the project due to the positive impact they saw for the prospective tenants and the surrounding neighborhood.

Project Description:

Project Name: Highland Commons

Location: 67th and Beloit Road, West Allis

Service Provider: Transitional Living Services (affiliate of Milwaukee Center For Independence)

Units/% BHD Units: 50/100%

Total Project Cost: \$9,413,523 (est.)

Tax Credits: \$9,763,910

CHTF (County) Contribution: \$272,000 (recommended)

Other Assistance:

- 50 Milwaukee County Project-Based rent assistance vouchers
- \$100,000 in Neighborhood Stabilization Program (NSP) funds from the City of West Allis
- \$785,000 in permanent financing from the Wisconsin Housing and Economic Development Authority

Financial Impact

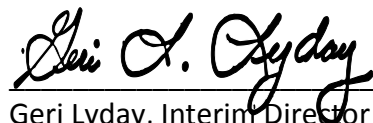
A total of \$3,000,000 has been allocated to the Special Needs Housing Fund since its inception in 2007. There is approximately \$272,000 remaining in this fund.

The County is currently paying approximately \$425,000 annually through 2017 to retire the loan from the State Trust Fund Loan Program. The annual amount decreases to \$278,000 each year for the two remaining years 2018 and 2019. Approval of the grant request from MCFI/TLS for \$272,000 will reduce the amount remaining in the SNFH to \$0.

Recommendation

The Interim Director of Health and Human Services recommends that the Board approve an allocation of \$272,000 from the County Housing Trust Fund to the Milwaukee Center For Independence in support of this project.

Staff also requests that the Board authorize DHHS to negotiate and execute an agreement with the developer which ensures compliance with the terms and conditions governing the use of Trust Fund monies and which accomplishes such other objectives as will best serve the County and the housing needs of the behavioral health system's consumers.



Gerri Lyday, Interim Director
Department of Health and Human Services

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