

**MILWAUKEE COUNTY  
INTER-OFFICE COMMUNICATION**

**DATE:** September 18, 2013

**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, Housing Division*

**SUBJECT:** Report from the Director, Department of Health and Human Services, Requesting Approval to Allocate Year 2014 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. Funds are budgeted to meet the requirements of the HOME regulations in 24 CFR 92 and the Home Consortia Agreement. County Board approval of the recommendations for the 2014 HOME funding, anticipated to be \$876,106 and \$300,000 in program income, is required to complete the 2014 Annual Action Plan, which is due to HUD by November 15, 2013. Therefore, the Director, Department of Health and Human Services, is requesting approval of the 2014 HOME funding allocations.

**Background**

Based on the Consolidated plan, established agreements and HUD regulations, the recommended use of HOME funds for the 2014 Program Year takes into account the following:

- The Milwaukee County Housing Division is anticipating \$876,106 in funding and \$300,000 in program income, which the same amount as 2013.
- The priorities and objectives of the 5-year Consolidated Plan.
- All Milwaukee County HOME funds must be spent outside the City of Milwaukee
- The Wauwatosa and West Allis Consortium member share are set aside based upon their “hold harmless” amounts of 5.6% and 22.8% respectively.
- The HOME program requires that 15% of the participating jurisdiction’s fund be reserved for housing development by a Community Housing Development Organization (CHDO).
- 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.

- The Homebuyer Assistance program, which provides down payment and closing cost assistance to first-time homebuyers with household members that are disabled, is continued using Milwaukee County CHDO, Movin' Out.

The funding allocation is based on the same formula as has been used in prior years. For 2014 applications were sought for HOME qualified projects. Movin' Out Inc., as Milwaukee County's CHDO, submitted two projects. One of the projects they submitted is for a down payment assistance program for first-time home buyers with household members with disabilities. The request is for \$208,000 and staff proposed use of 2012 funds in the amount of \$50,000 and 2014 funds in the amount of \$158,000 to fund this project. The other project is a rental development project that is undergoing underwriting analysis and subsidy layering analysis and will be brought to the Board at a future date. The approved use of funds for the 2014 HOME Program will be included, along with the 2014 allocation for the Community Development Block Grant Program, in the 2014 Annual Action Plan. HUD requires that the Action Plan be approved for participation in these programs.

#### **Recommendation**

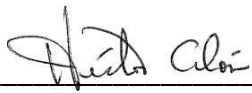
The Director, Department of Health and Human Services, recommends that the County Board of Supervisors allow the Housing Division to allocate the 2014 HOME funds as indicated below:

Anticipated 2014 Allocation	\$876,106
Milwaukee County Anticipated Program Income	\$200,000
West Allis Anticipated Program Income	\$100,000
<b>Total Funds Expected for 2014</b>	<b>\$1,176,106</b>
Administration (10% Cap)	\$117,611
CHDO Set Aside	\$131,416
Wauwatosa	\$49,062
West Allis (including West Allis program income)	\$299,752
Home Repair Loans	\$200,000
Down Payment Assistance	\$158,000
Tenant-Based Rental Assistance	\$50,000
Rental Development	\$170,265
	<b>\$1,176,106</b>

#### **Fiscal Effect**

The 2014 Budget includes anticipated HOME revenue and associated expenditures therefore no tax levy effect is anticipated. A fiscal not form is attached.

Respectfully Submitted,



---

Héctor Colón, Director  
Department of Health and Human Services

cc: County Executive Chris Abele  
Raisa Koltun, County Executive's Office  
Kelly Bablich, Chief of Staff, County Board  
Don Tyler, Director, DAS  
Josh Fudge, Interim Fiscal & Budget Administrator, DAS  
Matthew Fortman, Fiscal & Budget Analyst, DAS  
Martin Weddle, County Board Analyst