

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: October 7, 2016

TO: Sup. Steve Taylor, Chair, Economic and Community Development Committee

FROM: Milwaukee County Executive Chris Abele

SUBJECT: Informational Report on Project “Opportunity Knocks”

REQUEST

There is no request at this time; this report is for informational purposes only.

BACKGROUND

In an effort to leverage Milwaukee County’s tax-foreclosed properties into training and job placement opportunities for County residents, several Milwaukee County Departments are collaborating to create a pilot program where a local non-profit vendor will provide job training in home repair activities for soon to be released inmates of the House of Correction. The program seeks to pair trainees with small and minority-owned businesses in order to educate them on the construction trades as well as rehabilitate distressed County-owned tax foreclosed properties.

The intended outcomes and public benefit of this program are two-fold. First, inmates from the House of Correction will obtain proper training in the construction field that will aid them in securing immediate employment when they are released. Second, the increased inventory of rehabilitated single family homes will allow the County to offer disadvantaged first time home buyers working through various Housing Division programs, but particularly the Section 8 homebuyer program, the opportunity to own their own home in neighborhoods throughout Milwaukee County.

In an effort to better understand the scope of this project and to evaluate its impact and effectiveness, the Office on African American Affairs is looking to run a pilot program with established non-profits that operate in the housing rehab field, the Ezekiel Hope Community Development Corporation and WRTP/BIG STEP. This pilot will focus on the rehabilitation of at least one residential property. Property inspectors from the Housing Division will assist in developing a Scope of Work for the rehab of this property. Milwaukee County will maintain ownership of the property during the course of the job training and rehab work. Potential trainees will be recruited from the House of Correction who will work with Ezekiel Hope and its group of subcontractors, to learn their trade and rehabilitate the property. The Housing Division will work with the Economic Development Division on the sale of the rehabbed homes to buyers working with their unique Section 8 program.

The County is looking to partner with Ezekiel Hope and WRTP/BIG STEP on this pilot since they are established organizations with proven success of both managing residential rehabs and training individuals that are new to the construction trades. Operating independently, Ezekiel Hope has worked with the City of Milwaukee and local banking institutions to rehabilitate foreclosed homes, offer these homes to disadvantaged buyers, and provide training opportunities for House of Correction inmates. Recognition for their projects have been published in a January 2014 article in Milwaukee Journal Sentinel Titled "*New Program puts foreclosed home into ready-to-sell shape*" and again in a Fox News 6 report titled "*Group Transforms foreclosed home, holds open House.*" They were also awarded the MICAH "2014 Distinguished Leadership Award" for their work.

Ezekiel Hope achieves its mission in part through an existing MOU with the Milwaukee County House of Correction. The existing MOU is a volunteer program for eligible inmates who are non-violent offenders, eligible for Huber work release and are in good standing with the HOC. Once in the program, inmates will obtain training, both in a classroom environment and hands-on at the job site that will include necessary construction skills such as plumbing, electrical, carpentry, roofing, masonry, and OSHA certified safety. The inmates will apply these skills at the job site while working to renovate and improve the quality of a home. By the end of the program, participants will have received a solid educational foundation that will help lead to future employment and the program has a newly refurbished home that will be sold to a disadvantaged family.

WRTP/BIG STEP works to enhance the ability of public and private sector organizations to recruit, develop, and retain a more diverse, qualified workforce in construction, manufacturing and emerging sectors of the regional economy. During the pilot, WRTP/BIG STEP will assist in targeted recruiting efforts, tutoring and classroom training, and transition/reentry services to help aid program participants in obtaining sustainable employment upon their release. The involvement of WRTP/BIG STEP provides a better opportunity for the trainees to access formal employment once they are released from the HOC, and prepares them for readiness training that gives them the opportunity to potentially join the roster of employees for the trade unions that participate in WRTP if they are able to successfully remain on that career track after release.

During the pilot, the County will be evaluating the effectiveness and efficiency of the program which will include auditing its actions and accomplishments. Outcomes measures will include examining the fiscal sustainability of the program, measuring the post-release employment outcomes of program participants, and measuring the successful transition to home ownership for the buyer. The goal is that the program is successful enough to warrant pushing for a permanent program, where the County will make available additional tax foreclosed homes and funding to rehabilitate homes across Milwaukee County, strengthen the talent pool for the construction fields, and

provide home buying opportunities for individuals in areas that historically may not have been possible.

This project will bring together multiple County Departments; Economic Development, House of Correction, Housing, Community Business Development Partners (CBDP), and the Office on African American Affairs. Working in cooperation, each department will contribute as well, as benefit from participating in this program.

Office on African American Affairs. A newly created Office within Milwaukee County, the Office on African American Affairs has the mission to empower the African American community to achieve positive, long-term, sustainable outcomes. This Office will convene all partners in this project, evaluating this pilot program's effectiveness, and seek out additional opportunities to benefit the African American community through job training and small business development whenever feasible.

House of Correction. Providing inmates to participate in the program benefits the HOC in many ways. This volunteer program is eligible to inmates in good standing, which helps reduce incidents of conflict while serving their sentence. Every hour an inmate participates in the program leads to an hour reduction in their sentence. Allowing inmates to reduce the term of their sentence and can ultimately be a cost savings for the HOC and the taxpayers. Finally, being able to provide job training and job placement for soon-to-be released HOC inmates helps reduce the risk of recidivism.

DHHS-Housing. A fully rehabilitated single family home will be improved and become available for home buying programs. Home buyers participating in Housing Division programs will have the opportunity to purchase homes in areas that historically may not have been affordable to them. Foreclosure mitigation funds that the Housing Division received previously will help offset the gap that is created when rehabilitating a foreclosed home. These funds align well with this initiative and will be used for the pilot.

Community Business Development Partners. The vendors or subcontractors used by the Housing Division to provide training and education will all be Milwaukee County targeted firms. The County's CBDP Division will be available to assist these existing businesses by providing their expertise to help them grow as a business, which in turn leads to more hiring.

Economic Development. The concepts of supporting workforce development, strengthening the tax base through improved real estate values, and helping businesses grow are fundamental to the mission of ED. The ED Division will coordinate administration of the properties needed to support the program.

THE PILOT PROGRAM

Economic Development will make available to the Housing Division at least one tax-foreclosed residential property. The Housing Division will contract with Ezekiel Hope and WRTP/BIG STEP to use the rehab of this property to offer education and job training to improve the property and prepare it for sale. The Office on African American Affairs will evaluate the pilot. If the pilot is successful and a full program is launched, future properties will consist of single family homes which, when completed, will be affordable and available through either the Section 8 Housing Program, Milwaukee County's Housing program, or Ezekiel Hope's own home ownership program.

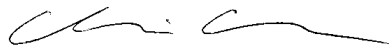
Funding

Through previously identified funding, the Housing Division will be able to appropriate existing funds for the purchase and rehabilitation of foreclosed homes for this initiative. These funds can help to cover the cost of the rehabilitation and administrative expenses incurred by Ezekiel Hope. Once the rehabilitation is complete and the property is sold, proceeds will come back to the Housing Division for administrative costs. If the pilot is deemed successful and the County rolls out additional properties for the program, the excess revenue funds from the previous sales will be reinvested into the next project, essentially becoming a revolving loan fund dedicated to the project.

This pilot program has the opportunity for one project to impact multiple areas of concern for the County; job training, job placement, HOC programming to reduce recidivism, mentoring and developing targeted firms, increasing tax base, and creating affordable home ownership opportunities throughout the County. In addition, the cooperation between Departments within County to combine expertise and share resources in a manner that greatly benefits the public can serve as a model for other projects in the future.

RECOMMENDATION

There is no recommendation at this time; this report is for informational purposes only.



Chris Abele, County Executive

Milwaukee County Executive's Office

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