

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: December 28, 2018

TO: Theodore Lipscomb, Chairman - Milwaukee County Board of Supervisors

FROM: Mary Jo Meyers, Director, Department of Health and Human Services
Guy Smith, Director, Department of Parks, Recreation & Culture
Prepared by James Mathy, Housing Administrator, Housing Division

SUBJECT: **Report from the Directors of the Departments of Health and Human Services (DHHS) and Parks, Recreation and Culture requesting approval to declare excess parkland as surplus and sell the parcel for the development of affordable housing**

Background

As a result of the Housing Division's Co-Development Program to create new affordable and other forms of housing in the County, the development firm, MVAH Partners, has approached the County to partner on constructing 48 affordable housing units in the City of Oak Creek. This development would also include supportive services with a prioritization for homeless veterans.

In an effort to conform to Oak Creek's development guidelines, the Housing Division and MVAH are looking to add approximately 4.4 acres of surplus parkland to the development site to satisfy Oak Creek's zoning requirements. The parkland in question would be sold outright to the developer, however, would contain deed restrictions and easements that would ensure that the land remain open to the public. Consideration for the parcel would be valued at \$1.00.

Issue

The County land is located on the southeast corner of Rawson and Howell Avenues and is composed of two separate tax parcels with addresses of 100 E. Rawson Avenue (Tax Key No. 766-9989-002) and 7170 S. Howell Avenue (Tax Key No. 766-0010-000). The County land currently has no active programming on its site and was originally obtained from the Chicago North Shore Rail Company in 1965 after the rail line was decommissioned. A WE Energies high-tension power line currently runs through the parcel. Years ago, Milwaukee County had discussed an extension of the Oak Leaf trail prior to a large commercial development being placed next to this property.

MVAH currently has an option on a parcel of land at 7328 S Howell Ave. The two-acre site MVAH controls will only allow 23, one-bedroom units under current Oak Creek land use guidelines.

By contributing the County's 4.4 acres, the site would then be allowed to accommodate 48 units of one, two and three-bedroom units. For the project to be financially feasible and to be competitive for Low Income Housing Tax Credits, 48 units would be necessary.

The increased number of units would have no physical impact on the County land. MVAH will add additional stories on top of the original footprint which fits within the 7328 Howell Ave parcel. MVAH has agreed to both a conservation easement and deed restriction for public access and use for the County land as well as the reservation of land for a future extension of the Oak Leaf Trail. The development of this project is contingent upon MVAH and Milwaukee County Housing's award of Low Income Housing Tax Credits for the 2019 year.

The transfer of this particular parcel has several community benefits. Sale of the land will relieve Parks of any maintenance and liability on the site. Due to the developer's firm commitment, deed restrictions and easements will guarantee that the land be kept open and available to the public. The Housing Division, by virtue of its co-development practice, will have the opportunity to realize income through the sharing of a developer fee, which helps supports its homeless and eviction prevention programming.

Finally, if this transfer is approved, the County land being protected for public use could potentially become eligible for Milwaukee County Community Development Block Grant (CDBG) funding to improve the land for public use. Adding affordable housing to the area makes potential public improvements an allowable use of CDBG funds. The Parks Department has identified the need to extend the Oak Leaf Trail at this location.


Recommendation

The Department of Health and Human Services and Department of Parks, Recreation and Culture respectfully request authorization to declare 100 E. Rawson Avenue (Tax Key No. 766-9989-002) and 7170 S. Howell Avenue (Tax Key No. 766-0010-000) surplus and authorize its sale to MVAH Partners for the development of affordable housing in Oak Creek as discussed in this report.

In addition, the departments request authorization on behalf of the Department of Administrative Services, the Office of Corporation Counsel, County Executive, County Clerk and any other Department that may be necessary to execute and record all documents and perform all actions as required to execute the proposed sale of land as described in the Option to Purchase Agreement attached to this report.



Mary Jo Meyers, Director
Department of Health and Human Services



Guy Smith, Director
Parks, Recreation and Culture

Attachment (1)

cc: County Executive Chris Abele
Raisa Koltun, County Executive's Office
County Supervisor James "Luigi" Schmitt
County Supervisor Supreme Moore-Omokunde
Teig Whaley-Smith, Director, DAS
Joseph Lamers, Director – Office of Performance, Strategy & Budget
Steve Cady, Research Director, Comptroller's Office
Lisa Wozny, Fiscal & Management Analyst, DAS
Lottie Maxwell-Mitchell, Research & Policy Analyst, Comptroller's Office