

COUNTY OF MILWAUKEE  
Inter-Office Communication

**DATE:** April 23, 2020,

**TO:** Chairperson - Milwaukee County Board of Supervisors

**FROM:** Mary Jo Meyers, 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 (DHHS), requesting approval to allocate anticipated 2020 Community Development Block Grant (CDBG) COVID funding**

**Background**

Additional Community Development Block Grant (CDBG) funds were allocated across the county to rapidly respond to COVID-19. This funding was included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Milwaukee County's allocation of CDBG for this purpose is \$992,237 and is available for immediate use.

**Issue**

CDBG COVID follows the general guidelines of previous funding but allows for increased flexibility to municipalities to rapidly use the funds to meet local need. Examples of increased flexibility from prior awards include:

- Flexibility in reporting with Annual Plans
- Elimination of the 15 percent cap on Public Service funding
- Allowance for grantees to recoup costs to prevent, prepare for, and respond to coronavirus, regardless of the date on which such costs were incurred when those costs comply with CDBG requirements.

Milwaukee County has already been actively involved in the COVID response where it can be reimbursed for previous expenses. In partnership with the City of Milwaukee Health Department, Milwaukee County opened an isolation facility at Clare Hall, a vacant convent in St. Francis that is owned by the Catholic Archdiocese of Milwaukee. This facility has been housing individuals who are COVID positive or symptomatic on the first floor of the facility and medically fragile individuals on the third floor. These individuals cannot socially isolate because they do not have a housing option to do so. Although there is not a charge for the use of the facility, there are significant costs for maintenance, cleaning, and security for this location.

Milwaukee County has also partnered with the City of Milwaukee to move individuals who are homeless into hotel rooms who were previously unsheltered. Local homeless shelters have not

been taking new referrals due to the COVID crisis so the use of hotels for those with no other options has been very successful in providing housing to individuals who are unsheltered. There will continue to be a tremendous need for hotel vouchers as well as an increase in housing assistance for individuals and families who previously would have accessed shelter. This will be an important focus of COVID funds.

One of the potential uses for CDBG COVID funds is to provide loans to small businesses. Milwaukee County has historically dedicated CDBG funds annually for microbusiness loans to assist in the startup of new businesses. DHHS is recommending a sizable investment in CDBG COVID funds to assist small businesses in retaining existing employees during a period in which businesses have shut down and been unable to obtain loans from other sources.

In addition to a new allocation of CDBG COVID funds, HUD also relaxed the regulations in the HOME Program. One of the waivers that HUD has granted is the temporary elimination of the Community Housing Development Organization (CHDO) set aside. Historically, grantees need to set aside 15 percent of HOME funds each year to non-profit developers to rehabilitate and construct affordable housing. Due to the COVID crisis, this rule has been suspended in order to give grantees flexibility to provide immediate housing assistance. Therefore, the Department is also proposing to repurpose approximately \$198,000 in existing HOME funds to provide Tenant Based Rental Assistance to individuals and families struggling to find appropriate housing resources.

### **Recommendation**

The Director, Department of Health and Human Services, recommends that the Milwaukee County Board of Supervisors authorize the Housing Division to make the following allocation for 2020 Community Development Block Grant COVID funds:

Housing Supportive Services:	\$125,000
COVID Facility Expenses:	\$193,890
Direct Housing Assistance:	\$225,000
Small Business Loans:	\$250,000
Administration (20 percent):	<u>\$198,347</u>
<b>Total Allocation:</b>	<b>\$992,237</b>

Further, the Director of Health and Human Services, recommends that the Milwaukee County Board of Supervisors authorize the Housing Division to reallocate approximately \$198,000 in existing HOME funds to Tenant Based Rental Assistance.

*Note for Virtual Meeting Invites: Please send agenda-setting and meeting invitations to: Mary Jo Meyers and James Mathy. Thank you.*



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Mary Jo Meyers, Director  
Department of Health and Human Services

cc: Teig Whaley-Smith, Director, DAS  
Kelly Bablitch, County Board  
Steve Cady, Research Director, Comptroller's Office  
Pam Matthews, Budget Analyst - DAS