



# City of Milwaukee

City Hall  
200 East Wells Street  
Milwaukee, WI 53202

## Meeting Agenda STEERING & RULES COMMITTEE

*ALD. WILLIE L. HINES, Jr., CHAIR*  
*Ald. Michael J. Murphy, Vice-Chair*  
*Ald. Joe Davis, Sr., Ald. Ashanti Hamilton, Ald. James Witkowiak, Ald. Robert Bauman, Ald. Robert Donovan, and Ald. James Bohl, Jr.*

*Staff Assistant, Terry MacDonald, (414)-286-2233*  
*Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov*

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Thursday, May 14, 2009

1:30 PM

Room 301-B, City Hall

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**AMENDED 5/11/09**

**---PLEASE NOTE: If action is taken on item #1 File #090061, it may be referred to the Finance & Personnel Committee for action at its special meeting to be held at 8:30 A.M. on Friday, May 15, 2009.**

1. [090061](#) Substitute resolution authorizing the submittal, acceptance and funding of the Homelessness Prevention and Rapid Re-Housing Program (HPRP) under the American Recovery and Reinvestment Act of 2009 from the U. S. Department of Housing and Urban Development through the Community Development Grants Administration (CDGA).  
**Sponsors:** THE CHAIR
  
2. **Discussion of measures that will be taken to insure transparency and accountability relating to the expenditure of American Recovery and Reinvestment Funds received as a result of item #1 (File #090061) above.**
  
3. [090042](#) Communication from the Budget and Management Division regarding the city's fiscal condition.  
**Sponsors:** THE CHAIR

**This meeting will be webcast live at [www.milwaukee.gov/channel25](http://www.milwaukee.gov/channel25).**

**Members of the Common Council and its standing committees who are not members of this committee may attend this meeting to participate or to gather information. Notice is given that this meeting may constitute a meeting of the Common Council or any of its standing committees, although they will not take any formal action at this meeting.**

**Upon reasonable notice, efforts will be made to accommodate the needs of persons with disabilities through sign language interpreters or auxiliary aids. For additional information or to request this service, contact the Council Services Division ADA Coordinator at 286-2998, (FAX)286-3456, (TDD)286-2025 or by writing to the Coordinator at Room 205, City Hall, 200 E. Wells Street, Milwaukee, WI 53202.**

**Persons engaged in lobbying as defined in s. 305-43-4 of the Milwaukee Code of Ordinances are required to register with the City Clerk's Office License Division. Registered lobbyists appearing before a Common Council committee are required to identify themselves as such. More information is available at [www.milwaukee.gov/lobby](http://www.milwaukee.gov/lobby).**



# City of Milwaukee

200 E. Wells Street  
Milwaukee, Wisconsin  
53202

## Master

**File Number: 090061**

**File ID:** 090061

**Type:** Resolution

**Status:** In Committee

**Version:** 1

**Reference:**

**Controlling Body:** COMMUNITY &  
ECONOMIC  
DEVELOPMENT  
COMMITTEE

**Requester:** COMMUNITY BLOCK  
GRANT  
ADMINISTRATION

**Cost:**

**File Created:** 05/05/2009

**File Name:**

**Final Action:**

**Title:** Substitute resolution authorizing the submittal, acceptance and funding of the Homelessness Prevention and Rapid Re-Housing Program (HPRP) under the American Recovery and Reinvestment Act of 2009 from the U. S. Department of Housing and Urban Development through the Community Development Grants Administration (CDGA).

### Notes:

### Code Sections:

### Agenda Date:

**Indexes:** AMERICAN RECOVERY AND REINVESTMENT  
ACT, COMMUNITY BLOCK GRANT  
ADMINISTRATION, COMMUNITY DEVELOPMENT  
BLOCK GRANT, FEDERAL GRANTS

### Agenda Number:

**Sponsors:** THE CHAIR

### Enactment Date:

**Attachments:** Fiscal note ,Attachment A

### Enactment Number:

**Drafter:** slm

### Effective Date:

**Contact:**

### Extra Date 2:

## History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
0	COMMON COUNCIL	05/05/2009	ASSIGNED TO	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE			
	<b>Action Text:</b>		This Resolution was ASSIGNED TO to the COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE				
0	STEERING & RULES COMMITTEE	05/08/2009	HEARING NOTICES SENT		05/14/2009		
1	CITY CLERK	05/11/2009	DRAFT SUBMITTED				
	<b>Action Text:</b>	This Resolution was DRAFT SUBMITTED					
0	STEERING & RULES COMMITTEE	05/14/2009					

1 FINANCE & 05/15/2009  
PERSONNEL  
COMMITTEE

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**Text of Legislative File 090061**

..Number

090061

..Version

SUBSTITUTE 1

..Reference

..Sponsor

THE CHAIR

..Title

Substitute resolution authorizing the submittal, acceptance and funding of the Homelessness Prevention and Rapid Re-Housing Program (HPRP) under the American Recovery and Reinvestment Act of 2009 from the U. S. Department of Housing and Urban Development through the Community Development Grants Administration (CDGA).

..Body

Whereas, The City of Milwaukee has been allocated \$6,912,159 from the United States Department of Housing and Urban Development (HUD) through the Homelessness Prevention and Rapid Re-Housing Program (HPRP); and

Whereas, The Homelessness Prevention and Rapid Re-Housing Program (HPRP) was authorized under Title XII of the American Recovery and Reinvestment Act of 2009; and

Whereas, The four categories of eligible activities under the HPRP are as follows:

- Financial Assistance;
- Housing Relocation and Stabilization Services;
- Data Collection and Evaluation;
- Administrative Costs; and

Whereas, The City of Milwaukee is required to submit a substantial amendment to the Consolidated Plan 2008 Action Plan; and

Whereas, The Proposed Consolidated Plan 2008 Action Plan was posted by the usual methods for no less than 12 calendar days of public comment; and

Whereas, The Recovery Act requires the City of Milwaukee to expend 60 percent of HPRP grant funds within two years of the date that HUD signs the grant agreement, and 100 percent of funds within three years of this date; and

Whereas, The DOA-Community Development Grants Administration will create two College Intern positions to assist with the administration of this grant; and

Whereas, The Housing Authority of the City of Milwaukee will create one College Intern position to assist with the monitoring of their funded activity: now therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Community Development Grants Administration (CDGA) is hereby authorized to submit to the U. S. Department of Housing and Urban Development the attached Consolidated Plan 2008 as well as any other related documentation required by the U. S. Department of Housing and Urban Development. This document is due to the U. S. Department of Housing and Urban Development by May 18, 2009. Funding awards will be allocated as shown in Attachment A; and, be it

Further Resolved, That the Mayor of the City of Milwaukee is designated as the authorized representative of the City of Milwaukee in connection with all matters relating to the Homelessness Prevention and Rapid Re-Housing Program; and, be it

Further Resolved, That the City of Milwaukee assures and certifies that it will comply with the regulations, policies guidelines and requirements with respect to the acceptance and use of the Homelessness Prevention and Rapid Re-Housing Program; and, be it

Further Resolved, That application to HUD is authorized and the Community Development Grants Administration shall accept this grant without further approval unless the terms of the grant changes as indicated in Section 304-81 of the Milwaukee Code of Ordinances.

Further Resolved, That the City Comptroller is authorized to:

Commit Funds within the Project/Grant Parent of the 2009 Special Revenue Grant and Aid Projects Fund, the following amounts for the program/projects titled Homelessness Prevention and Rapid Re-Housing Program (HPRP):

Project/Grant	Fund	Org	Program	BY	SubClass	Acct
GR0000900000	0150	9990	0001	0000	R999	000600

Project	Amount
Grantor Share	\$6,912,159

Create the necessary Grant and Aid Project/Grant and Project/Grant levels; budget against these Project/Grant values the amounts required under the grant agreement;

Further Resolved, That these funds are budgeted for the Community Development Grants Administration, which is authorized to:

Expend from the amount budgeted for specified purposes as indicated in the grant budget and incur costs consistent with the award date;

2. Expend from the grant budget funds for specific items of equipment.
3. Expend from the grant budget funds for training and out-of-town travel by departmental staff.
4. Enter into subcontracts and leases as detailed in the grant budget.

Further Resolved, That all departments/agencies are required to submit budget and activity reports in amounts and according to any conditions approved by the Common Council and the Mayor in conformance with File Number 74-92-5v to the Community Development Grants Administration and the City Comptroller for their review and approval; and, be it

Further Resolved, That the Position Ordinance be amended to extend position authority for each City department/agency with 100% Grant and Aid funded positions as identified in the current Position Ordinance; and, be it

Further Resolved, That payments for HPRP costs incurred shall be paid in accordance with approved HPRP reimbursement policy based on the approval by the Community Development Grants Administration and City Comptroller of a Budget Forecast (CDA-51); and, be it

Further Resolved, That the Block Grant Director of the Community Development Grants Administration is hereby authorized on behalf of the City and the Community Development Grants Administration, to execute, deliver, publish, file and record such documents, instruments, notices and records and to take such other actions as shall be necessary or desirable to implement the Homelessness Prevention and Rapid Re-Housing Program in accordance with the approved Homelessness Prevention and Rapid Re-Housing Plan as to whether funds will be awarded in the form of grant or loans, and determination of payback provisions, interest rates, amortization schedules, collateral security requirements (if any), forgiveness of debt, and release of collateral; and, be it

Further Resolved, That the Common Council directs that the 2009 Positions Ordinance Common Council File #080522 be amended as follows:

Under  
Department of Administration  
Community Development Grants Administration Division

Add two College Intern (B) positions

And added footnote (B) to read as follows:

(B) To expire 9/1/2012 unless the Homelessness Prevention and Rapid Re-Housing Program is extended.

..Requestor

..Drafter

2009CDGA-HPRP

05/06/09

# CITY OF MILWAUKEE FISCAL NOTE

A) **DATE** May 6, 2009

**FILE NUMBER:** 090061

Original Fiscal Note  Substitute  1

**SUBJECT:** Substitute resolution authorizing the submittal, acceptance and funding of the Homelessness Prevention and Rapid Re-Housing Program (HPRP) under the American Recovery and Reinvestment Act of 2009 from the U. S. Department of Housing and Urban Development through the Community Development Grants Administration (CDGA).

B) **SUBMITTED BY (Name/title/dept./ext.):** Steve Mahan/Director/DOA-CDGA/x3842

C) **CHECK ONE:**  ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES  
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.  
 NOT APPLICABLE/NO FISCAL IMPACT.

D) **CHARGE TO:**  DEPARTMENT ACCOUNT(DA)  CONTINGENT FUND (CF)  
 CAPITAL PROJECTS FUND (CPF)  SPECIAL PURPOSE ACCOUNTS (SPA)  
 PERM. IMPROVEMENT FUNDS (PIF)  GRANT & AID ACCOUNTS (G & AA)  
 OTHER (SPECIFY)

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
<b>SALARIES/WAGES:</b>					
<b>SUPPLIES:</b>					
<b>MATERIALS:</b>					
<b>NEW EQUIPMENT:</b>					
<b>EQUIPMENT REPAIR:</b>					
<b>OTHER:</b>	Homelessness Prevention and Rapid		\$6,912,159		
	Re-Housing Program (HPRP)				
<b>TOTALS</b>					

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN **ANNUAL** BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT **SEPARATELY**.

<input checked="" type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

G) **LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:**

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H) **COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:**

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PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE





**Homelessness Prevention and Rapid Re-Housing (HPRP) Recommendations**

	<b><u>Homelessness Prevention</u></b>	<b><u>Rapid Re-Housing</u></b>	<b><u>Total Amount Budgeted</u></b>
<b><u>Financial Assistance</u></b>			
<b><u>Youth</u></b>			
Counseling Center of Milwaukee, Inc.	335,000		335,000
St. Aemilian - Lakeside, Inc.	181,900		181,900
Walker's Point Youth & Family Center	120,000	33,600	153,600
<b><u>Families</u></b>			
Housing Authority of the City of Milwaukee		1,080,000	1,080,000
<b><u>Single Adults</u></b>			
Center for Veterans Issues		336,700	336,700
Community Advocates		336,600	336,600
Guest House of Milwaukee		336,700	336,700
<b><u>Mediation</u></b>			
Center for Veterans Issues	30,000		30,000
Community Advocates	370,000		370,000
<b><u>HACM Section 8 Relocation</u></b>			
Housing Authority of the City of Milwaukee	300,000		300,000
	<u>1,336,900</u>	<u>2,123,600</u>	<u>3,460,500</u>
<b><u>Housing Relocation and Stabilization Services</u></b>			
<b><u>Youth</u></b>			
Pathfinder's	280,000		280,000
St. Aemilian - Lakeside, Inc.	178,100		178,100
Walker's Point Youth & Family Center	120,000	26,400	146,400
<b><u>Families</u></b>			
Cathedral Center		187,296	187,296
Community Advocates		212,367	212,367
Social Development Commission		187,296	187,296
Hope House of Milwaukee		187,296	187,296
Salvation Army		187,296	187,296
<b><u>Single Adults</u></b>			
Center for Veterans Issues		165,000	165,000
Community Advocates		165,000	165,000
Guest House of Milwaukee		165,000	165,000
Health Care for the Homeless		195,000	195,000
<b><u>Legal Services</u></b>			
Legal Action of Wisconsin	225,000		225,000
Legal Aid Society	225,000		225,000
<b><u>Mediation</u></b>			
Community Advocates	400,000		400,000
	<u>1,428,100</u>	<u>1,677,951</u>	<u>3,106,051</u>
<b>Sub-Total</b>	<b>2,765,000</b>	<b>3,801,551</b>	<b>6,566,551</b>

**Homelessness Prevention and Rapid Re-Housing (HPRP) Recommendations**

	<b><u>Homelessness Prevention</u></b>	<b><u>Rapid Re-Housing</u></b>	<b><u>Total Amount Budgeted</u></b>
<b><u>Data Collection and Evaluation</u></b>			0
<b><u>Administration</u></b>			
Community Development Grants Administration			128,000
Community Advocates, Inc.			175,608
Housing Authority of the City of Milwaukee			<u>42,000</u>
			345,608
<b>Total HPRP Amount Budgeted</b>	<b><u>2,765,000</u></b>	<b><u>3,801,551</u></b>	<b><u>6,912,159</u></b>

**PROPOSED SUBSTANTIAL  
AMENDMENT FOR THE  
HOMELESS PREVENTION  
AND RAPID RE-HOUSING  
PROGRAM(HPRP)**

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**CITY OF MILWAUKEE,  
WISCONSIN**

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**Submitted to the  
U.S. Department of Housing & Urban Development  
By the  
Community Development Grants Administration  
City Hall – 200 East Wells Street; Room 606  
Milwaukee, Wisconsin  
Steven L. Mahan, Director**

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**Funds Provided by the U.S. Department of Housing & Urban Development**

CITY OF MILWAUKEE  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

**Proposed Substantial Amendment to the City's 2008 Action Plan  
for the Homeless Prevention and Rapid Re-Housing Program(HPRP)**



The City of Milwaukee is inviting citizen comments on the **Proposed Substantial Amendment to the City's 2008 Action Plan for the Homeless Prevention and Rapid Re-Housing Program(HPRP)**.

The City of Milwaukee expects to receive \$6,912,159 from the Federal government as a result of the Homeless Prevention Fund of the American Recovery and Reinvestment Act. This legislation was passed in part to provide assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly re-housed and stabilized. The proposed amendment to the City's 2008 Action Plan details the City's application to the U.S. Department of Housing and Urban Development for the use of the funds.

The proposed amendment will be available to the public beginning Friday, April 24, 2009 and can be picked up at the CDGA office located in Room 606, City Hall, 200 E. Wells Street. In addition, it can also be accessed on the website at [www.city.Milwaukee.gov/CommunityDevelopment310.htm](http://www.city.Milwaukee.gov/CommunityDevelopment310.htm).

Comments on the Plan must be submitted in writing no later than May 8, 2009 to: Mr. Steven L. Mahan, Director, Community Development Grants Administration; City Hall – 200 East Wells Street, Room 606, Milwaukee, Wisconsin 53202.

**Substantial Amendment to the City's Consolidated Plan 2008 Action  
Plan for the Homelessness Prevention and Rapid  
Re-Housing Program (HPRP)**

- 1. Briefly describe the process(es) indicated in question 1 above (limit 250 words).**

**Response:** This plan for the utilization of Homelessness Prevention and Rapid Re-Housing Program funds represents the City of Milwaukee's partnership with the Milwaukee Continuum of Care, the entity charged with the coordination of HUD Supportive Housing Program funding. With 85 organizational members, the Milwaukee Continuum of Care (COC) is representative of the full spectrum of homeless services providers. Moreover, the COC has the planning and accountability structure necessary to insure that HPRP funds have maximum impact on the complex issues of homelessness for youth, single adults with disabilities, and families experiencing repeated episodes of homelessness. To develop the plan, COC leadership convened five discussion groups: family homeless services providers, homeless youth-serving agencies, homeless adult service providers (including veterans), legal services organizations representing low-income clients, and leaders of the four work groups developing Milwaukee's 10-Year Plan to End Homelessness. In all, representatives of 15 organizations met to discuss utilization trends, review best practices, and identify programming priorities for the HPRP funding. The following organizations jointly developed the proposed plan: Housing Authority of the City of Milwaukee, Community Advocates, Salvation Army, Hope House of Milwaukee, Social Development Commission, Cathedral Center, Walker's Point Youth and Family Center, Pathfinders of Milwaukee, St. Aemilian-Lakeside, Vets Place Central, Guest House of Milwaukee, Health Care for the Homeless, My Home/Your Home, Legal Action of Wisconsin, and Legal Aid Society.

- 2. Briefly describe the process the grantee plans to use, once HUD signs the grant agreement, to allocate funds available to subgrantees by September 30, 2009, as required by the HPRP Notice (limit 250 words).**

**Response:** The City's plan is to adopt the proposal developed by the Milwaukee Continuum of Care organizations and to allocate funds based on the subgrantees identified in the Continuum's plan. Significant planning and preparatory work has been completed through the Continuum of Care in preparation for the receipt of HPRP funds; moreover, the HPRP plan builds upon the extensive planning pursuant to Milwaukee's 10-Year Plan to End Homelessness. Agencies that will be responsible for the implementation of HPRP have been directly involved in the development of the plan and have the capacity to begin activities within thirty (30) days of notification of plan approval.

- 3. Describe the grantee's plan for ensuring the effective and timely use of HPRP grant funds on eligible activities, as outlined in the HPRP Notice. Include a description of how the grantee plans to oversee and monitor the administra-**

**tion and use of its own HPRP funds, as well as those used by its subgrantees (limit 500 words).**

**Response:** The Milwaukee HPRP Plan includes seven coordinated components: 1) Family Rapid Re-Housing; 2) Rapid Re-Housing for Youth Ages 18-25; Rapid Re-Housing for Single Adults; 4) Prevention of Homelessness Related to Foreclosure of Rental Units; 5) Legal Assistance to Prevent Eviction; 6) Landlord/Tenant Mediation; and 7) Direct Assistance for Eviction Prevention with Case Management. This represents the total allocation of HPRP funding to the City of Milwaukee except for funds reserved for administration. Each of the organizations incorporated into the proposed HPRP plan is an existing CDBG grantee and, as such, has the required data collection, program reporting, and fiscal accountability systems already established and operating.

Each of the HPRP components has a detailed program plan including target population, goals and objectives, and outcomes. The grantee will require each subgrantee to conform with standard proposal and contract requirements prior to allocation.

The HPRP will be subject to the same high level of program monitoring and compliance assurance used in all of the City's Community Block Grant programs including CDBG, HOME, ESG, HOPWA, and ADDI. This process, described in the City's Consolidated plan, includes detailed grantee reporting requirements to document activities and accomplishments, submission of monthly financial and programmatic reports, staff review of program progress to identify issues and insure compliance, site visits augmented by frequent telephone and electronic contact with subgrantees to track progress, identify problems, and provide technical assistance as needed. In addition, funded programs will undergo annual risk assessments and in-house desk audits in addition to the City Comptroller's Office annual financial audits and expenditure monitoring.

#### **D. Collaboration**

- 1. Briefly describe how the grantee plans to collaborate with the local agencies that can serve similar target populations, which received funds under the American Recovery and Reinvestment Act of 2009 from other Federal agencies, including the U.S. Departments of Education, Health and Human Services, Homeland Security, and Labor (limit 250 words).**

**Response:** The City has established relationships with the Milwaukee Public Schools, Milwaukee County Department of Health and Human Services, Workforce Investment Board, local law enforcement, and other entities that will receive funds under the American Recovery and Reinvestment Act. The Family Rapid Re-Housing Component will coordinate efforts with the Milwaukee Public Schools Homeless Services Program to insure that children avoid disruptions in their school attendance/assignment. The Single Adult Rapid Re-Housing Component will coordinate with the resources of Milwaukee County, specifically the Milwaukee

County Housing Division for housing assistance and the Behavioral Health Division for mental health and addiction treatment services. Providers will continue efforts to access the services of the Workforce Investment Board and other entities funded to provide employment and training support.

- 2. Briefly describe how the grantee plans to collaborate with appropriate Continuum(s) of Care and mainstream resources regarding HPRP activities (limit 250 words).**

**Response:** The HPRP Plan was developed in collaboration with the Milwaukee Continuum of Care. The COC represents the City and County of Milwaukee, West Allis, and Wauwatosa. Steve Falek, Associate Director of the Housing Authority of the City of Milwaukee, serves as co-chair of the Continuum; and Birdie Boyd from the Community Development Grants Administration is a Continuum of Care member. The Continuum of Care tracks the utilization of mainstream benefits through the Homeless Management Information System (HMIS) and reports annually to HUD on the extent to which participants in HUD-funded supportive housing programs successfully access mainstream benefits such as Medicaid, BadgerCare, Food Stamps, W-2/TANF, SSI/SSDI, and other related resources. A key component of the Single Adult Rapid Re-Housing Component of the HPRP is the utilization of the SOAR model to increase the number of approved SSI applications for single adults with mental illness. In this endeavor, HPRP agencies involved with SOAR will work closely with the Social Security Administration as well as the Behavioral Health Division and other health care providers.

- 3. Briefly describe how HPRP grant funds for financial assistance and housing relocation/stabilization services will be used in a manner that is consistent with the grantee's Consolidated Plan (limit 250 words).**

**Response:** The activities in the HPRP are consistent with the Housing First approach incorporated into the Homeless Services component of the Consolidated Plan. It should be noted that consistent with the regulations, all activities will provide some type of assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly re-housed and stabilized.

**Rapid Re-Housing for Families** is a partnership project between Community Advocates, Inc. as the lead agency, and Cathedral Center, Social Development Commission-Family Support Center, Hope House of Milwaukee, Salvation Army and the Housing Authority of the City of Milwaukee will provide permanent housing with case management services to 150 homeless families over the three-year project period. Families will receive short-term housing assistance for up to 18 months with intensive case management services to help them stabilize and gain the skills necessary to maintain housing and increase income. At the end of the service period, families will be provided with a rent-subsidized housing unit through the Housing Authority.

**Rapid Re-Housing for Single Adults** is a partnership of Guest House of Milwaukee, center for Veterans Issues, Community Advocates and Health Care for the Homeless with support from the Milwaukee County Housing Division. The project will assist 180 single homeless adults over the 3-year period to find permanent housing, access mainstream resources, and, depending on their disability status, to pursue employment or SSI benefits. Participants will be housed in efficiency apartments with utilities included and receive case management directed toward assisting each individual secure reliable employment and/or income in order to sustain permanent housing.

**The Rapid Re-Housing for Youth** Ages 18-25 Project is a partnership between Pathfinders, St Aemilian-Lakeside, and Walker's Point Youth and Family Center. The service model combines medium term rental assistance to assist 120 youth over 3 years to obtain and maintain safe and suitable housing with intensive case management to support educational advancement, job development and retention, independent living skills, and healthy emotional growth. The project targets youth and young adults ages 18 to 25 with a special emphasis gay, lesbian, bisexual, transgender and questioning (LGBTQ) youth, former foster care youth and youth aging out of foster care, and other single and parenting young adults.

**The Legal Services** component will provide eviction prevention assistance to low-income renters who are at imminent risk of homelessness due to nonpayment of rent, foreclosure, or other circumstance. Legal Action of Wisconsin and the Legal Aid Society will provide legal services to individuals referred by partnering HPRP organizations as well as eligible individuals who directly access their services. A minimum of 300 participants will receive legal services over the 3-year project period.

**Prevention of Homelessness Related to Foreclosure of Rental Units** will provide assistance to Section 8 households which are subject to five-day eviction orders as a result of foreclosure on the unit in which they are residing. This program component will provide assistance to cover moving costs and security deposits to relocate affected tenants into new units. A total of 250 families will be served over the project period.

**Landlord/Tenant Mediation Services** will be provided by Community Advocates and will include a range of housing services including landlord/tenant dispute resolution, case management, and the provision of short-term direct rental assistance. A minimum of 450 participants will receive mediation services over three years.

Direct Assistance for Eviction Prevention will be coupled with case management provided through the Community Advocates Landlord/Tenant Mediation Services or Center for Veterans Issues and will provide short-term rent assistance (with case management) to 300 participants over three years.



### **E. Estimated Budget Summary**

HUD requires the grantee to complete the following table so that participants in the citizen participation process may see the grantee's preliminary estimated amounts for various HPRP activities. Enter the estimated budget amounts for each activity in the appropriate column and row. The grantee will be required to report actual amounts in subsequent reporting.

<b>HPRP Estimated Budget Summary</b>			
	<b>Homelessness Prevention</b>	<b>Rapid Re-housing</b>	<b>Total Amount Budgeted</b>
Financial Assistance <sup>1</sup>	\$1,336,900	\$2,123,600	\$3,460,500
Housing Relocation and Stabilization Services <sup>2</sup>	\$1,428,100	\$1,677,951	\$3,106,051
<b>Subtotal</b> (add previous two rows)	<b>\$2,765,000</b>	<b>\$3,801,551</b>	<b>\$6,566,551</b>

Data Collection and Evaluation <sup>3</sup>	\$
Administration (up to 5% of allocation)	\$345,608
<b>Total HPRP Amount Budgeted<sup>4</sup></b>	<b>\$6,912,159</b>

<sup>1</sup>Financial assistance includes the following activities as detailed in the HPRP Notice: short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, utility payments, moving cost assistance, and motel or hotel vouchers.

<sup>2</sup>Housing relocation and stabilization services include the following activities as detailed in the HPRP Notice: case management, outreach, housing search and placement, legal services, mediation, and credit repair.

<sup>3</sup>Data collection and evaluation includes costs associated with operating HUD-approved homeless management information systems for purposes of collecting unduplicated counts of homeless persons and analyzing patterns of use of HPRP funds.

<sup>4</sup>This amount must match the amount entered in the cell on the table in Section A titled "Amount Grantee is Requesting."

-End-



# City of Milwaukee

200 E. Wells Street  
Milwaukee, Wisconsin  
53202

## Master

**File Number: 090042**

**File ID:** 090042

**Type:** Communication

**Status:** In Committee

**Version:** 0

**Reference:**

**Controlling Body:** STEERING &  
RULES  
COMMITTEE

**Requester:** BUDGET AND  
MANAGEMENT  
ANALYSIS DIVISION

**Cost:**

**File Created:** 05/05/2009

**File Name:**

**Final Action:**

**Title:** Communication from the Budget and Management Division regarding the city's fiscal condition.

### Notes:

### Code Sections:

**Indexes:** BUDGET, BUDGET AND MANAGEMENT DIVISION

**Sponsors:** THE CHAIR

**Attachments:** Cover Letter

**Drafter:** mn

**Contact:**

**Agenda Date:**

**Agenda Number:**

**Enactment Date:**

**Enactment Number:**

**Effective Date:**

**Extra Date 2:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
0	COMMON COUNCIL	05/05/2009	ASSIGNED TO	STEERING & RULES COMMITTEE			
	<b>Action Text:</b> This Communication was ASSIGNED TO to the STEERING & RULES COMMITTEE						
0	STEERING & RULES COMMITTEE	05/08/2009	HEARING NOTICES SENT		05/14/2009		
0	STEERING & RULES COMMITTEE	05/14/2009					

### Text of Legislative File 090042

..Number  
090042  
..Version  
ORIGINAL  
..Reference  
  
..Sponsor

THE CHAIR

..Title

Communication from the Budget and Management Division regarding the city's fiscal condition.

..Drafter

Budget and Management Division

MN:BF10-3C

April 27, 2009

Finance/resolutions/titleonly communication fiscal condition.rtf

April 28, 2009

Ref: BF10-3C

Common Council  
City of Milwaukee

Subject: Introduction of Title Only Resolutions

Dear Honorable Members:

We are submitting the attached resolutions for introduction at the May 5, 2009 Common Council meeting. We are requesting the following files to be introduced by title at this time and will provide the detailed resolution and fiscal note for this purpose at a later date.

1. Communication from the Budget and Management Division Regarding the City's Fiscal Condition. This communication will summarize the city's current fiscal condition as it will affect the next three city budgets, and will outline some options that the city may consider to address its structural budget imbalance. We have discussed this with Council leadership and understand that it will be referred to the Steering and Rules Committee.
2. Resolution Approving a 2009 Budget Management Plan. This resolution will include actions, many already initiated, which are intended to improve the city's ongoing structural budget condition. We have discussed this with Council leadership and understand that it will be referred to the Finance and Personnel Committee.
3. Resolution Amending the 2009 Local Snow and Ice Removal Charge in Accordance with Sub-Section 2(a) and (b) of Section 309-83 of the Milwaukee Code of Ordinances. As part of the 2009 Budget Management Plan, the Administration recommends modifying the 2009 charge to reflect recent expenditure trends to enable full cost recovery of 2009 snow and ice control operations. We have discussed this with Council leadership and understand that it will be referred to the Finance and Personnel Committee.

Respectfully submitted,

Mark Nicolini  
Budget and Management Director

MN:dmr  
Attachments  
Common/finance/resolutions/titleonlyletter3resolutions

# **Overview of City Fiscal Condition**

Steering & Rules Committee

May 14, 2009

DOA Budget & Management Division

# Presentation Goals

1. Establish a common understanding of budget structural conditions
2. Identify near-term budget challenges & options
3. Identify the purpose & value of 2009 Budget adjustments

# City Budget: Structural Condition

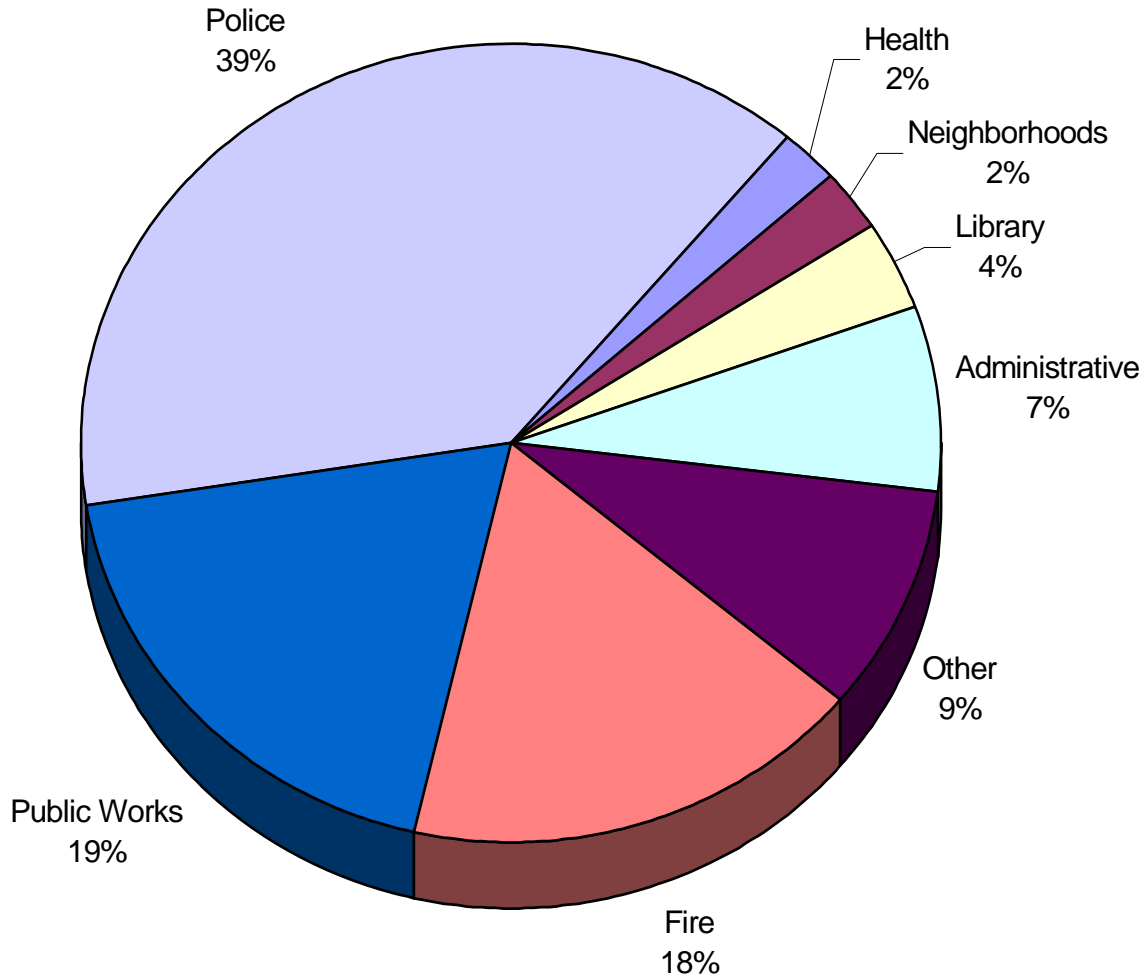
1. Structural balance = ongoing revenues can support continuation of service levels
2. City has an ongoing structural imbalance
  - Economic cycle increases the problem but does not “cause” it
3. 2010 = a higher level of urgency
  - Pension contribution issue
4. Expenditure & Revenue Overview

# **Expenditure Overview: Key Takeaways**

1. Dominant role of public safety departments in O&M Budget
2. Cost recovery opportunities are limited
3. Fringe benefits = the crucial sustainability issue



# Tax Levy Funded Operating Budget - by Department



Note: Does not include \$253.8 million of DPW-operated Enterprise Funds (Parking, Sewer, Water)

3 departments comprise 76% of the \$598.6 million 2009 Operating Budget

# REVENUE CONSUMPTION

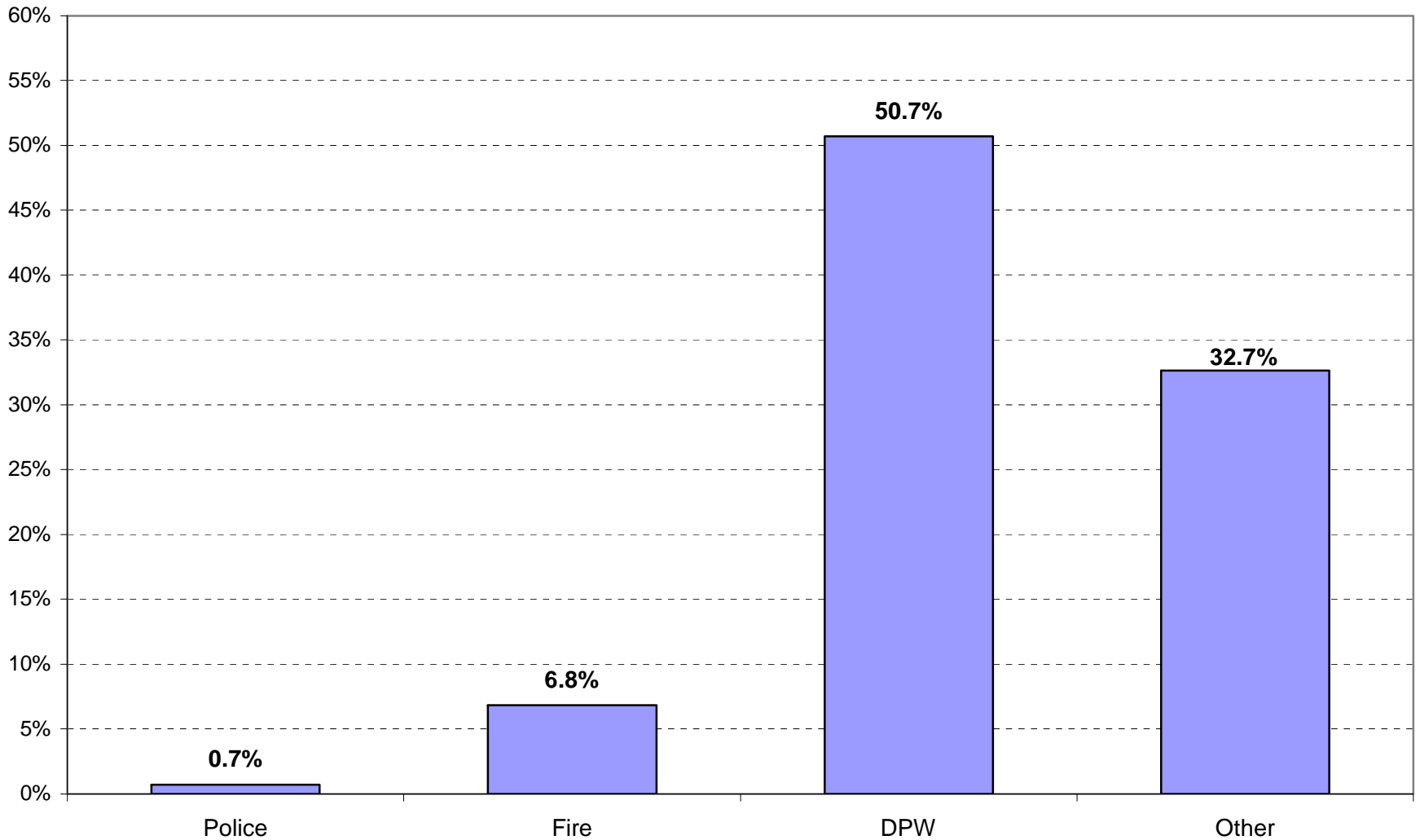
## “Where are my property taxes going?”

1. “Discretionary” revenue = funds not tied to an enterprise, specific service or regulatory activity, or debt service
2. Debt service = 30% of total 2009 levy
3. 2009 discretionary revenue: ~ \$508.8 m
4. Shares of discretionary revenue:
  - Police: 45%
  - Fire: 19.2%
  - DPW: 11%
  - Admin depts: 5.2%
  - Library: 4%
  - Health: 1.9%
  - DNS: ~ 0%

# O&M Budget Cost Drivers

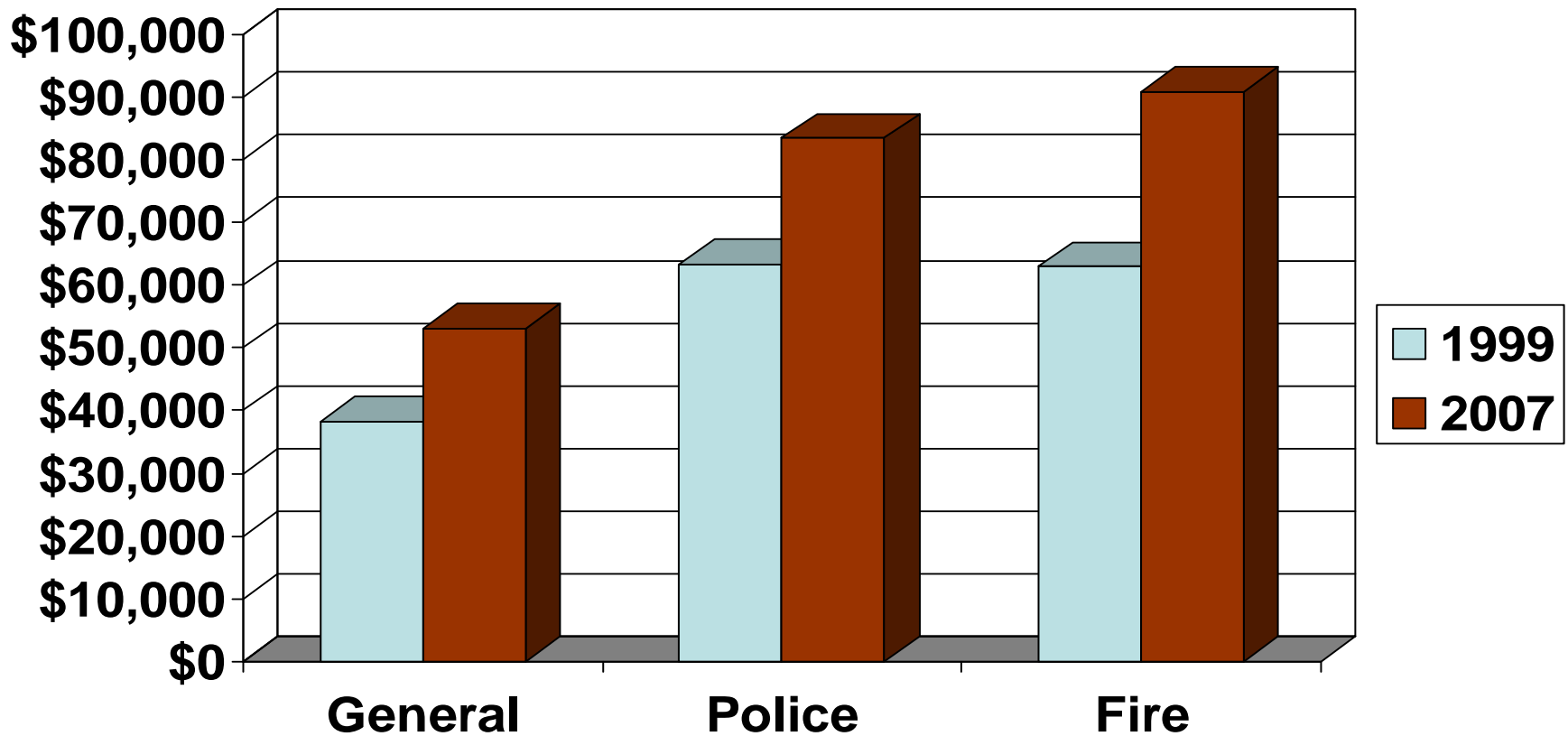
1. Service delivery choices and level of service
2. Community conditions and citizen expectations (“demand” does not decline in recessions)
3. Wages & fringe benefits increase at a rate much higher than revenue growth
  - Health care benefits reemerging as a major cost pressure
  - End of employer pension contribution “holiday” => a threat to future budget viability

## Percentage of General Fund Operations Budget Recovered



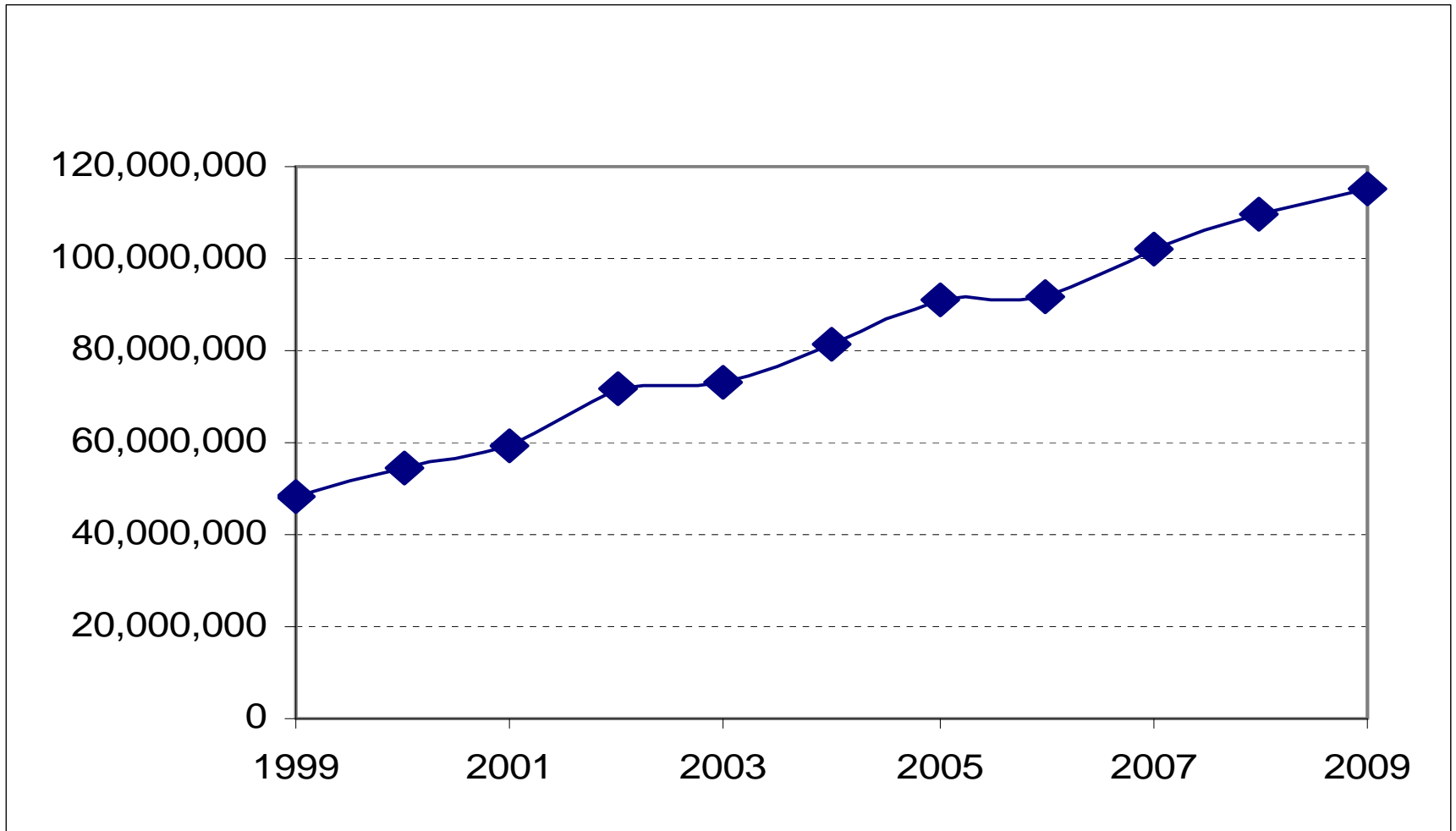
DPW recovers an above average percentage of its operating costs while Police and Fire recover only a small portion of their costs

# Average Employee Compensation Comparison\*



\* Including fringe benefits.

# Total Net Health Care Costs



Pension Costs....the defining  
challenge for Budget  
Sustainability

# Pension “Normal Cost”

- The City operates its own home rule defined benefit pension plan, the City Employees Retirement System (ERS)
- As of 1/1/2008, the ERS had a “funded ratio” (ratio of actuarial asset value to total liabilities) of 131%--second best of approximately 150 major public employe retirement systems (PERS).
- Normal cost (NC) is the actuarially calculated value of future pension benefits annually earned by active employees.
  - Conceptually similar to a mortgage. The normal cost in 2008 for City employes was about \$63 million.
- The Charter splits the responsibility for normal cost between the employe and employer contribution.
  - As a result of collective bargaining, the employer (City) pays most of the “employe” contribution-- ~ \$23 million/year
- For many years the ERS has had a funded ratio of > 100%, and hence the employer contribution was \$0—the employer’s normal cost share of ~ \$40 million was “absorbed” by the Plan’s funded status.



# Average Normal Cost per Active Employee (2008 Valuation)

Department	Average Salary	Gross Normal Cost	Employee Contribution	Net Normal Cost
Police	\$59,989.39	\$13,737.57	\$4,199.26	\$9,538.31
Fire	\$64,409.94	\$16,360.12	\$4,508.70	\$11,851.43
General City	\$45,890.61	\$5,185.64	\$2,523.98	\$2,661.66

# **Projected Pension Contribution: Increased City Budget Impacts**

The Annuity & Pension Board approves an annual valuation that includes contribution amounts. Current projections:

- 2010- \$49 million-\$92 million
- 2011- \$67 million-\$126 million
- 2012- \$80 million-\$148 million

# 2010 Budget Expense Projections

Based on Current Trends...

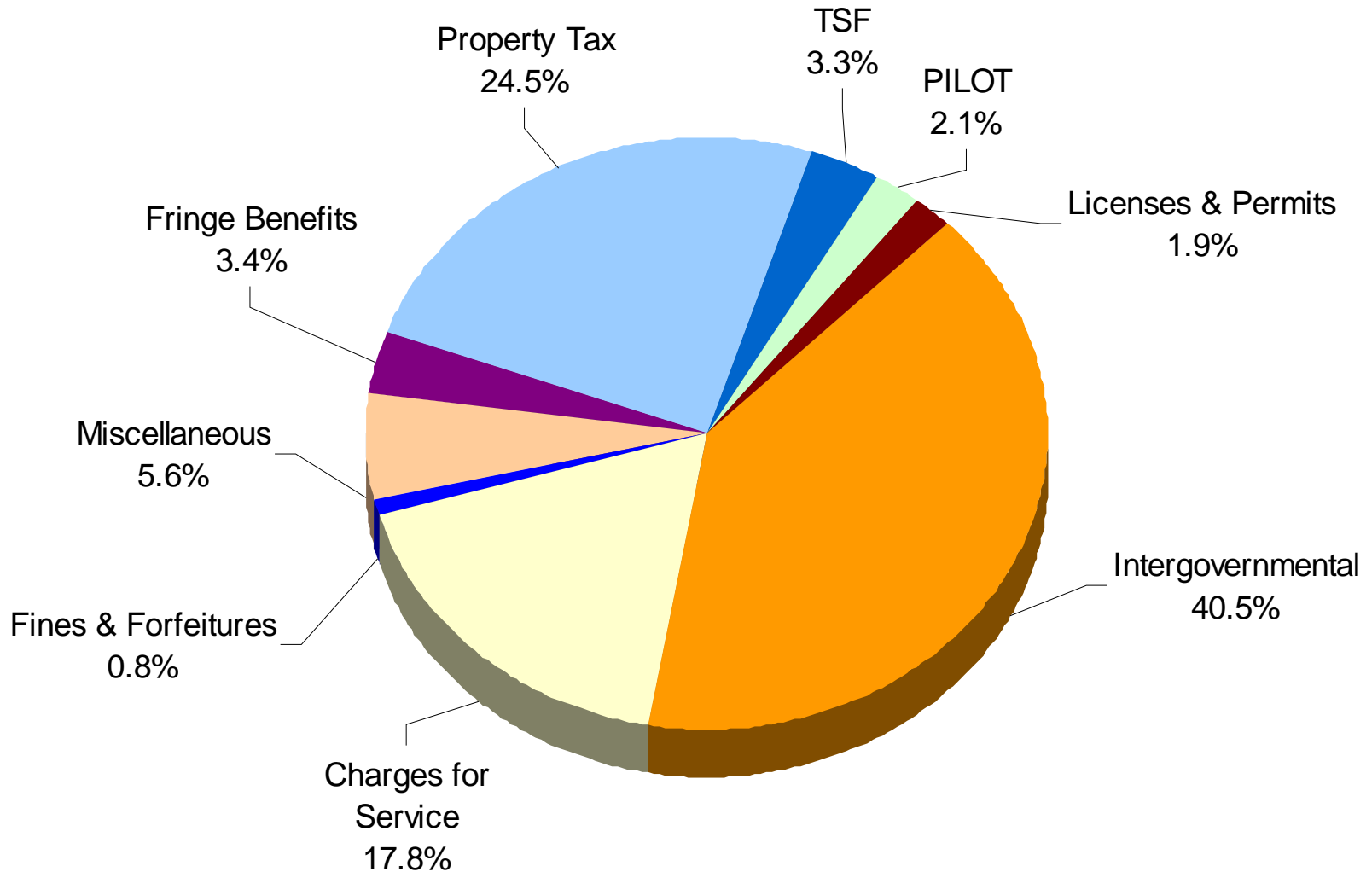
- Wages increase approximately \$15 million per year.
- Health Care costs are expected to increase \$16 million annually in 2010 and 2011 and \$17.5 million in 2012.
- Workers' Compensation costs are increasing by \$1.5 million annually.
- Normal growth in departmental non-salary accounts is about \$2.2 million annually.
- Debt service levy expected to grow by \$3 million.
- **Pension contribution increase brings 2010 “cost to continue” current service levels to at least \$90 million!!**

# Revenue Overview:

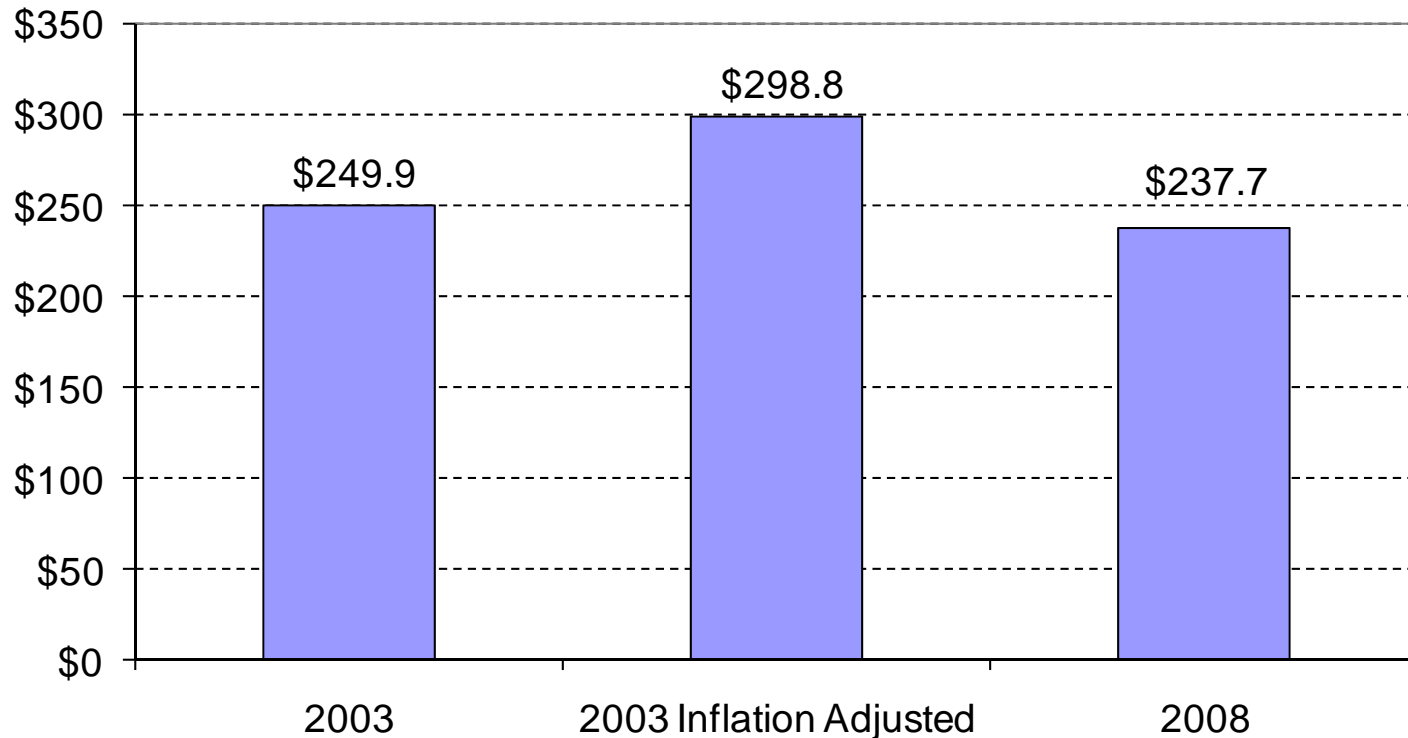
## Key Takeaways

1. The City has applied user charges & levies above inflation, in addition to annual service & position reductions, to offset Shared Revenue decline.
2. Above trend TSF withdrawals in 2007-2009 enabled modest service reductions and moderate property tax levy increases.
3. Ability to offset Shared Revenue loss from future user charge increases is now very limited.
4. Reserves will present far less opportunity to offset cost increases and the Shared Revenue freeze.
5. The City's tax base is projected to decline from current levels, and the positive impacts of new construction on the City's tax rate will decline from 2-3% in recent years to less than 1%.

# General Fund Revenues

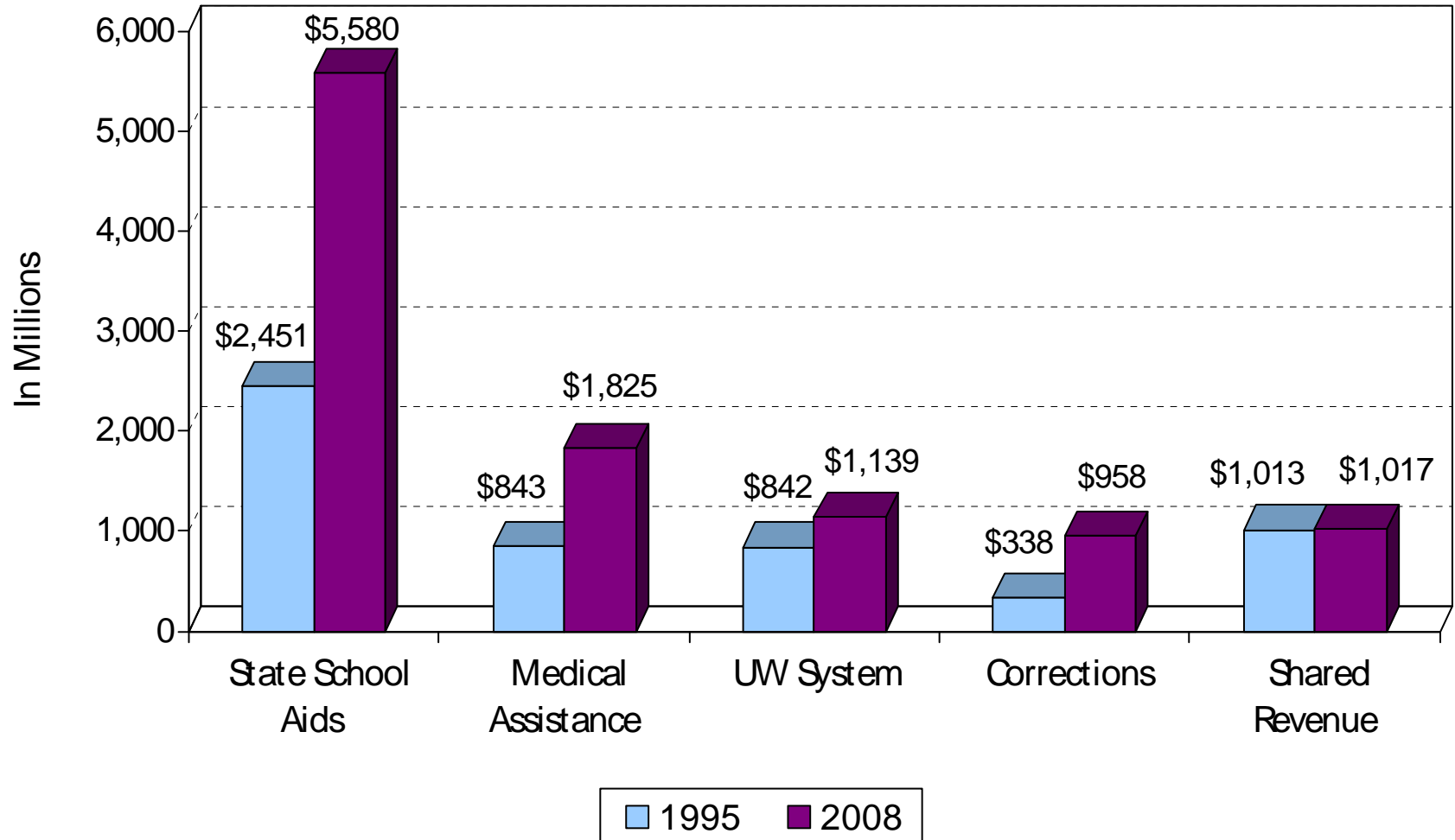


# DECLINE IN STATE SHARED REVENUE & EXPENDITURE RESTRAINT PROGRAM (ERP) PAYMENTS to MILWAUKEE

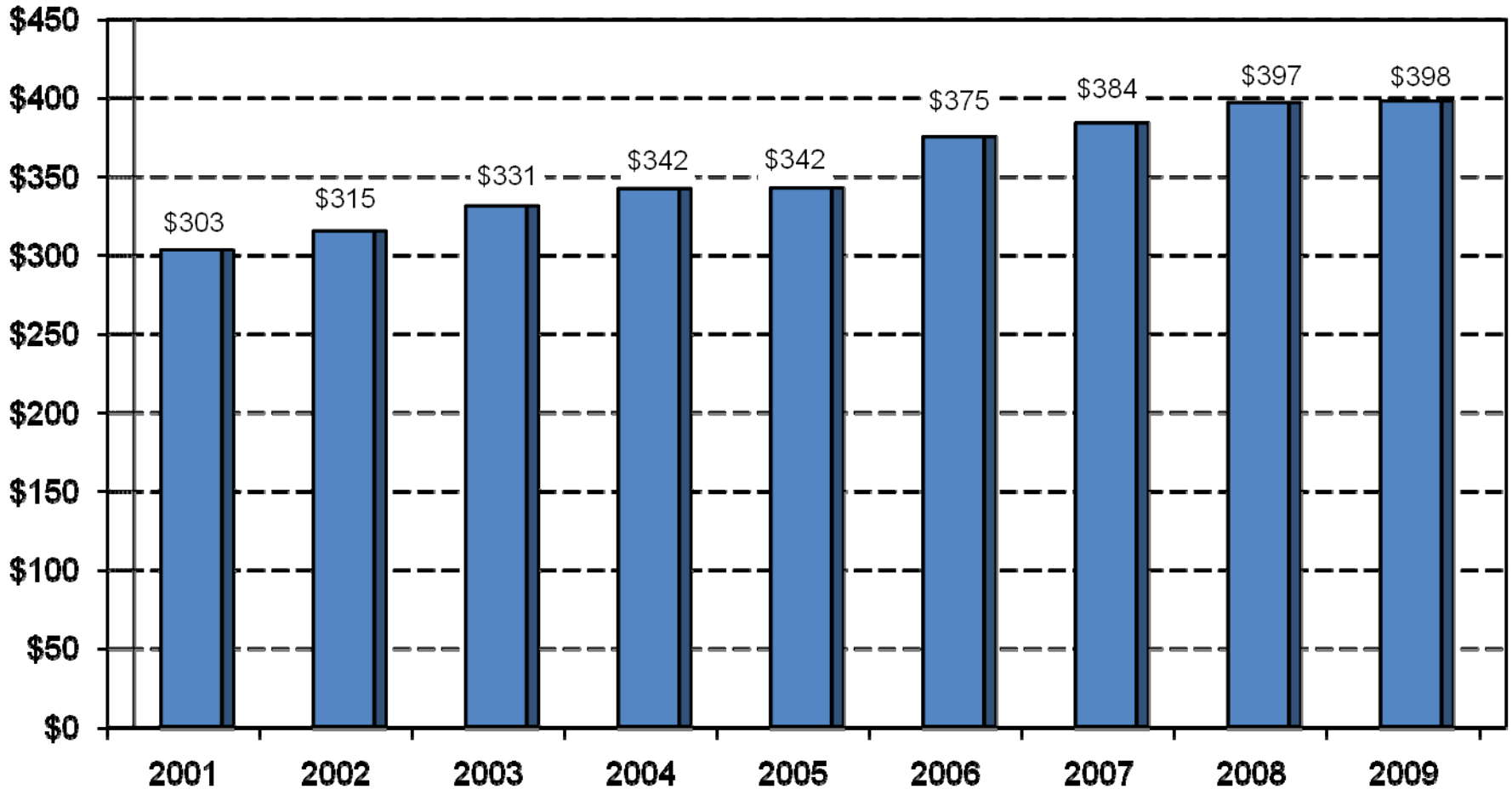


The inflation-adjusted decline in Shared Revenue and ERP between 2003 & 2008 is \$61.1m.

# State Appropriations: 1995 and 2008 By Major Category



# City Tax Levy Per Capita

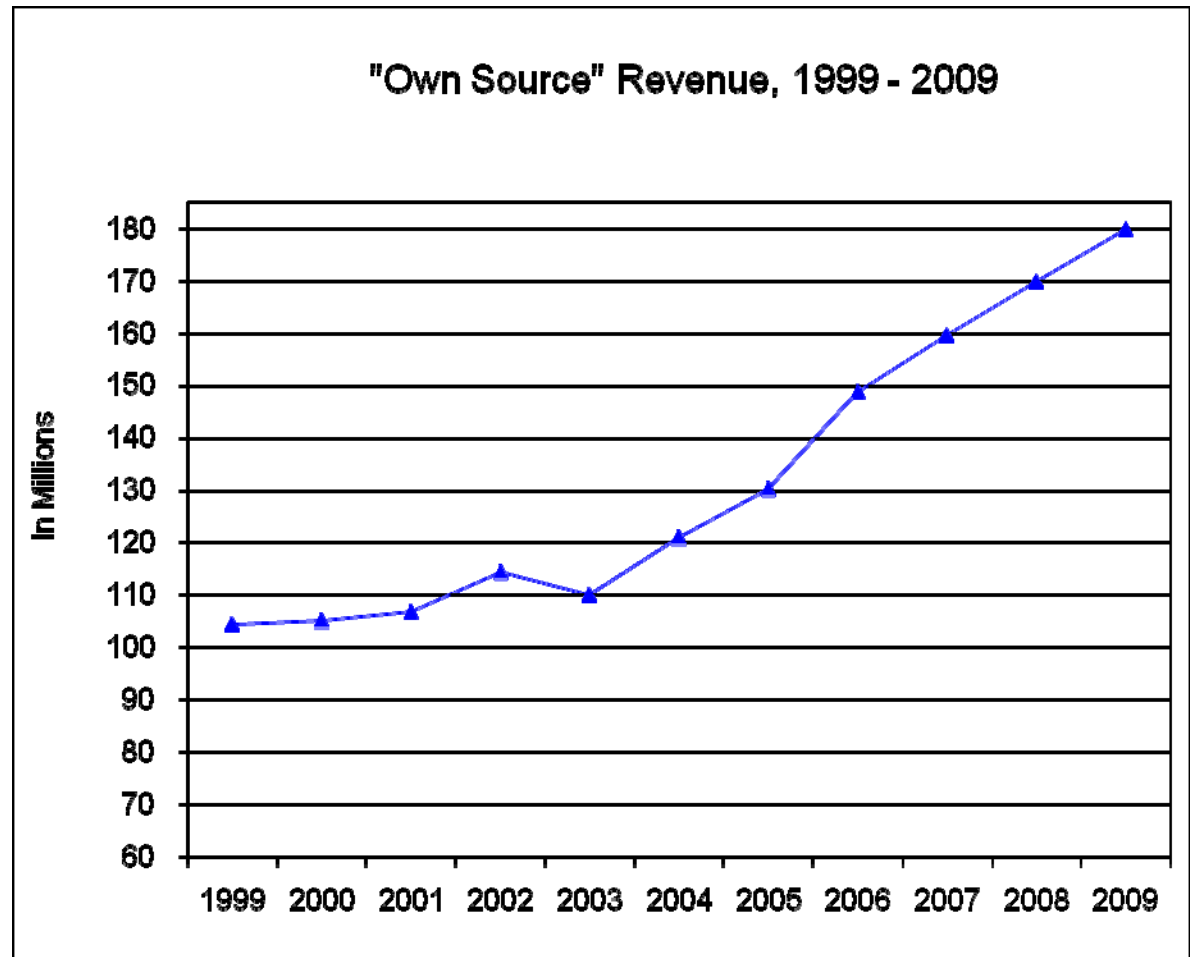


Source: City of Milwaukee Budget & Management Division



# “Own Source” Non-Property Tax Revenue: City of Milwaukee

Year *	"Own Source" Revenue
1999	\$104,536,238
2000	\$105,232,512
2001	\$107,011,389
2002	\$114,432,852
2003	\$110,176,664
2004	\$121,057,813
2005	\$130,387,881
2006	\$149,079,452
2007	\$159,734,862
2008	\$169,810,095
2009	\$180,240,515



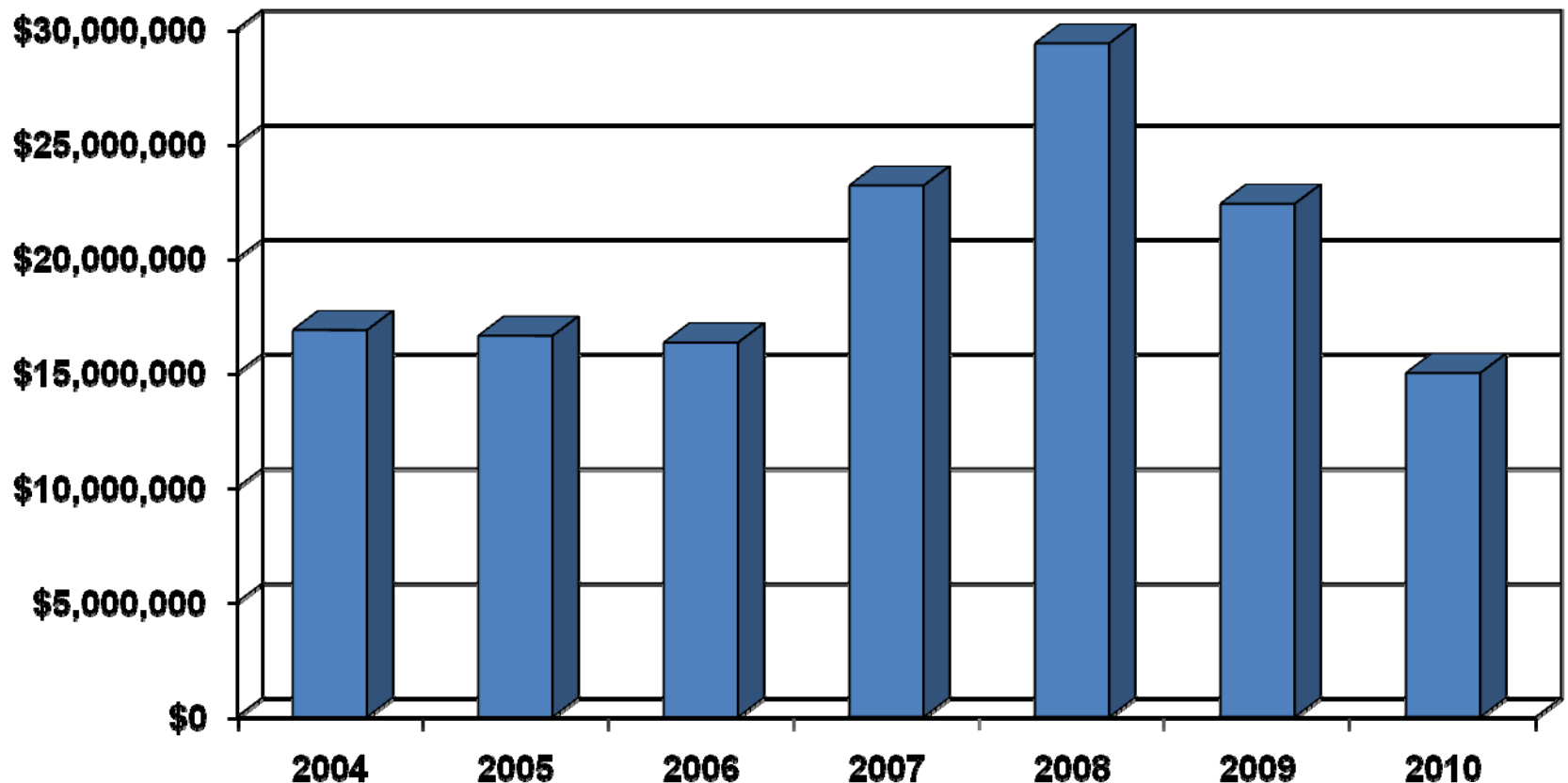
\*Amounts = Budgeted Levels

# City of Milwaukee Municipal Service Fees: Annual Revenues

	Solid Waste Charges	Snow & Ice Fee	Storm Water Charge	Local Sewer Charge
1999	---	---	---	9,522,524
2000	---	---	---	15,539,870
2001	7,951,900	---	---	17,255,434
2002	13,875,000	3,000,000	---	25,097,111
2003	13,875,000	2,400,000	---	26,286,959
2004	13,875,000	2,400,000	---	23,861,733
2005	14,000,000	2,400,000	---	31,000,000
2006	24,600,000	2,400,000	6,575,552	27,600,000
2007	25,000,000	2,400,000	13,451,392	23,605,260
2008	25,000,000	6,100,000	12,600,000	25,382,000
2009	28,500,000	4,965,402	18,720,330	26,617,000

Source: City of Milwaukee Budget & Management Division

# Tax Stabilization Fund Use: 2004-2009 & 2010 Projected



Source: City of Milwaukee Budget & Management Division

# Tax Base Projections

1. Residential property values will decline by more than 5% for 2009. Flat to moderately negative growth expected for 2-4 years thereafter.
2. Commercial property values are expected to be flat for 2009, with the possibility of negative growth for 2-3 years thereafter.
3. Value of new construction will decline from 2-3% annual increases in recent years to less than 1% a year.

# 2010 Budget Revenue Change from 2009 Budget

- PILOTs +\$0.5 million
- Licenses & Permits -\$1.0 million
- Intergovernmental -\$1.4 million
- Charges for Service -\$0.2 million
- Fines & Forfeitures -\$0.3 million
- Miscellaneous -\$3.4 million
- Fringe Benefits +\$0.4 million
  
- Total -\$4.3 million

# Implications for 2010 Budget Challenge

Projected cost to continue current services

- Projected available revenues #

= Structural Imbalance

# Assumes a trend total levy increase of 3.5%

- Based on our initial projections, the opening 2010 imbalance = \$85-\$90 million

# Competitive Problems: City Revenue System

## Comparative Revenue & Expenditure Report (2008)

1. Annual report from Comptroller's Office analyzes City government revenues & expenditures from 10 regional "lead cities", including Milwaukee.
2. Key findings include:
  - Milwaukee's per capita total revenue is 23% less than the 10-city average
  - Milwaukee's per capita total expenditures are 17% less than the 10-city average (8<sup>th</sup> highest of 10)
  - Milwaukee's per capita total local revenues are 49% less than the 10-city average (10<sup>th</sup> highest of 10)
  - Milwaukee's per capita property taxes are 32% higher than the 10-city average (4<sup>th</sup> highest of 10)
  - Milwaukee's per capita intergovernmental revenues are 31% higher than the 10-city average (3<sup>rd</sup> highest of 10)
  - The other cities in the 10-city sample average \$482 in per capita "other" local taxes (\$0 per capita for Milwaukee)

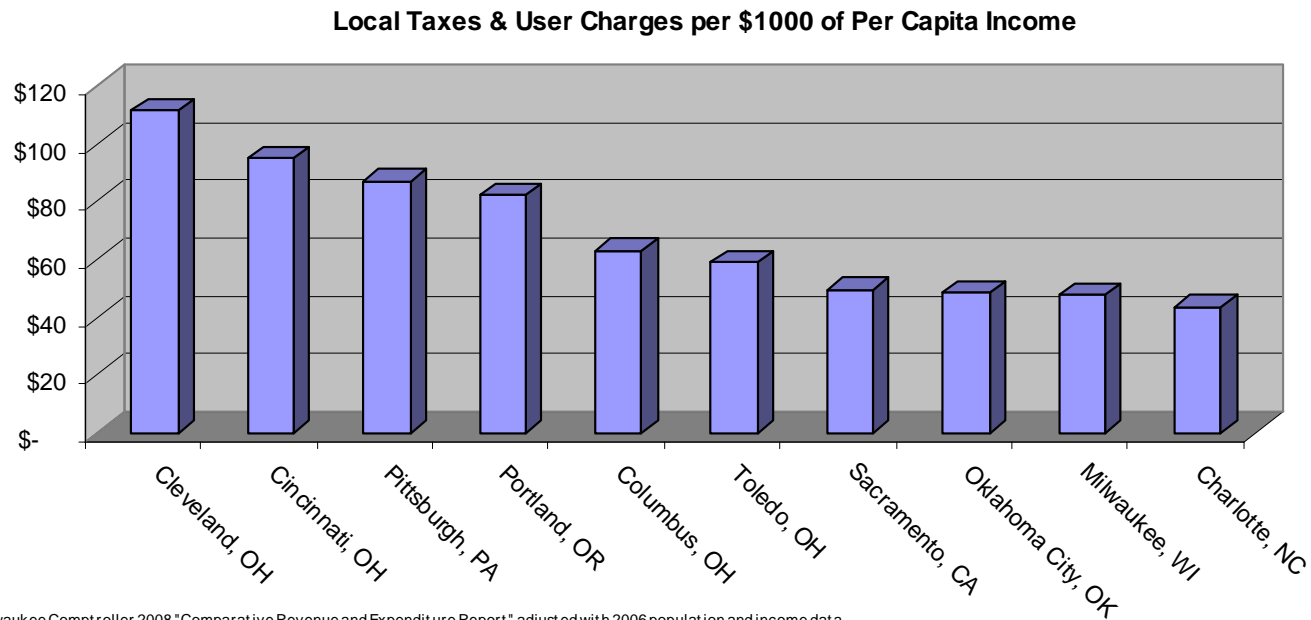
# Competitive Problems: City Revenue System (cont'd)

## Comparative Report: Policy Implications

1. State-local government fiscal relationship no longer equalizes fiscal capacity:
  - Purpose of Shared Revenue was to equalize local government fiscal capacity by redistributing state tax revenues while limiting local option taxes.
  - Fiscal capacity results from the interaction of state aids & the local revenue system
2. Milwaukee's local revenue diversification relies heavily on extractions from property & the residential sector.
3. Milwaukee's local revenue portfolio lacks a consumption component to redistribute some of the tax burden from residential property & export some cost of government to non-residents.
4. State income tax and sales tax revenue growth is being applied to the other 4 major State GPR programs—not to Shared Revenue.
5. Interaction of a stagnant state shared revenue component combined with a poorly diversified local revenue structure => uncompetitive fiscal capacity.



# Impacts on Income from City Own Source Revenues



Source: City of Milwaukee Comptroller 2008 "Comparative Revenue and Expenditure Report" adjusted with 2006 population and income data.

# 2010 Revenue Options

## 1. Solid Waste Fee

- Current charge (\$37.62 per quarter) recovers ~ 90% of applicable costs
- Full cost recovery => ~ \$4 m increased revenue (~ \$5.25 per quarter increase)
- Potential for enterprise fund approach to recover capital and pension contribution costs

## 2. Snow & Ice Removal Charge

- 10-year average costs of ~ \$7 million
- 2009 annual charge: 52.83 cents per foot of street frontage (\$22.71 on a 43' wide lot) => \$5 million
- Full cost recovery for \$7 million budget => ~ \$32/year for typical residential property, versus \$22.71 in 2009 (74.4 cents per foot of street frontage)

# 2010 Revenue Options (cont'd)

3. Adjust license, fee, municipal service components, and special charges for inflation & pension contribution costs
  - Results in 8-10% increase (\$3-\$5 million) for applicable items
  - Potential economic & avoidance impacts
4. Accident Response Charge
  - Charged to insurance companies for extrications from vehicles
  - \$500,000--\$1 million annual potential

# 2010 Revenue Options (cont'd)

5. Implement Red Light Running Traffic Enforcement (in Proposed State Budget)
  - Widely used in many communities
  - \$5-\$10 million of annual revenue appears feasible (offset traffic control and enforcement costs)
  - Limited potential 2010 Budget impact
6. Employer's Pension Reserve
  - Can help "bridge" transition to a major contribution increase
  - Projected \$12-\$15 million available for 2010 Budget

# Value of 2009 Budget Adjustments

1. Increase TSF “regeneration”
  - Improve future budgets’ reserve capacity
  - Address rating agency concerns
2. Enhance 2010 budget flexibility
  - Vacancies => reduced layoff exposure
  - Carryover potential in limited cases
3. Ensure adequate funding for Q4 snow & ice operations
4. Reduce future debt impact of emergency borrowing in 2009
  - \$15 million of expenses for 2008 snow & ice operations => \$2.8 million estimated borrowing

# Comments & Questions??

- Note: Any recommended 2009 Budget adjustments will be presented during the next Council cycle.
- You may contact Mark Nicolini (x 5060) or Dennis Yaccarino (x 8552) for information about this presentation