



Department of City Development
Milwaukee Health Department
Department of Administration – Community Development Grants Administration

Date: April 15, 2026
To: Honorable Common Council Members
CC: CC File No. 251925 and File No. 252110
From: Lafayette Crump (DCD), Mike Totoraitis (MHD), Mario Higgins (DOA-CDGA)
Re: Implementation Plan for Funding Available to Support the Milwaukee Neighborhood Food & Pharmacy Stabilization Initiative

MEMORANDUM

Overview

Two files recommended for approval at the April 9, 2026 Community and Economic Development Committee (CED) meeting propose to allocate funding for attraction and retention of grocery store and pharmacy retailers and to improve access to healthy food in neighborhoods impacted by recent closures. The Administration supports these efforts and DCD, MHD, and DOA-CDGA look forward to partnering with Common Council members to carry out the programs funded through these funding sources consistent with the proposed legislation and our shared goals. To ensure streamlined implementation of these proposed programs and alignment with Council intent, this memorandum describes how our departments understand the roles and responsibilities contained within the legislation and our plans for implementation. We believe this aligns with Council intent, but would welcome additional discussion or updates to the documents within the files if required prior to these items being considered by the full Council at your April 21st meeting.

Background on funding allocations

- **File No. 251925 (“Substitute resolution relating to the allocation of funds from the Large Impact Development Fund”)** proposes to allocate up to **\$1,005,000** in funding from the Large Impact Development (“LID”) Fund to the **Department of City Development’s Commercial Revitalization Grants Program** for a pilot grocery and pharmacy access program. Created pursuant to File No. 220276 in 2022, the LID Fund utilizes reprogrammed federal Community Development Block Grant (“CDBG”) funds to incentivize new physical development projects and job creation.
- **File No. 252110 (“Substitute resolution relating to the expenditure of funds from the Grocery Store Retention Fund for the purpose of healthy food access”)**, proposes to authorize the expenditure of **\$400,000** to support the activities of the **Healthy Food Establishment Fund (a.k.a. “Fresh Food Access Fund”)**, which is currently operated by the **Milwaukee Health Department**. The source of these funds is contained within Common Council File No. 251678, adopted on February 10, 2026, which authorized the acceptance of settlement funds arising from Multi-District Litigation No. 2:18-mn-2873 and directed \$1.8 million of settlement funds to be allocated to a Grocery Store Retention Fund in the Office of the City Clerk. The funds being allocated to MHD through File No. 252110 ultimately stem from the funds obtained through the litigation settlement. As such, the Administration is not aware of any restrictions associated with these funds, other than those that would apply to any public funds administered by the City.



- The Legistar files for both of the above legislative items include a document titled the *Milwaukee Neighborhood Food & Pharmacy Stabilization Initiative*, proposed by Ald. Russell W. Stamper II. The proposal references the use of funds to assist with brick-and-mortar improvements that can help to attract/retain grocers and pharmacies in line with the proposed **Retail Investment Fund-Grocery Access Program (“RIF-GAP”) program**, which is included as an attachment within File No. 251925. In addition to the program components proposed within the RIF-GAP program, the *Milwaukee Neighborhood Food & Pharmacy Stabilization Initiative* document proposes a wider use of funds as well, including support for local farmers in an effort to strengthen local food infrastructure and relaxed matching requirements for the RIF-GAP program and the opportunity for applicants to receive a portion of the grant funds as an advance rather than a reimbursement as would typically be required.

These two files were unanimously recommended for approval at the CED Committee meeting on April 9, and are currently being considered for adoption by the full Common Council at the April 21 meeting. If adopted, they would make immediately available up to a combined \$1,405,000 for attraction and retention of grocery stores and pharmacies and to support related fresh food access initiatives.

Implementation Plan

Based on discussion at recent committee meetings and through communication with Common Council members, DCD, MHD, and DOA-CDGA have developed an implementation plan that we believe aligns with the Council intent of this legislation, maximizes the uses of both funding sources and aligns with the underlying requirements of the CDBG funds allocated to the RIF-GAP program, while maintaining as much as possible the desired flexibilities identified by the sponsors and others.

- The \$1,005,000 allocated through File #251925 would be utilized for the RIF-GAP program in accordance with the draft RIF-GAP program description uploaded to the file for that legislation, but with the following adjustments called for in the *Milwaukee Neighborhood Food & Pharmacy Stabilization Initiative* document:
 - Eligible projects would be broadened to include urban agriculture, provided that applicants agree to provide food or pharmaceuticals for sale during regular business hours at the site where they are grown or processed, utilize funds on a reimbursement basis, and carry out the necessary job creation activities in accordance with CDBG rules.
 - The match requirement may be reduced for non-profit, cooperative, or local farmer-owned entities that currently employ low- or moderate-income City of Milwaukee residents from the neighborhood surrounding the project. Non-cash sources of in-kind match may be considered if the match ties directly into the investment to be paid for with grant funds.
 - The maximum grant size would be capped at \$210,000, which would require the creation of at least six Full-Time Equivalent (FTE) jobs through the project.
 - Flexible implementation schedules will be considered and will be aligned with the operational capacity of each specific applicant.
 - Given the underlying federal CDBG rules that the City must adhere to when using these funds, and the potential that HUD could take action to recapture funds used in ways they deem to be ineligible or impose sanctions on future funding allocations, RIF-GAP projects would follow standard City CDGA processes related to reimbursement of grantee expenses once the funded project is complete and has been verified to meet all applicable Federal rules.
 - As a way to help bridge the gap for applicants who might struggle to complete a project by paying for it upfront, DCD commits to help applicants with accessing



- short-term financing options through locally-operated revolving loan fund programs as a relatively inexpensive way to finance the project and to pursue other strategies to reduce these barriers consistent with sponsors' intent.
- For projects that cannot adhere to the CDBG rules of the RIF-GAP program, but still align with the goals of this initiative, DCD may: 1) refer projects to MHD that may qualify for funding under the Healthy Food Establishment Fund; or, 2) present high impact projects to the Common Council for consideration for funding via the remaining unallocated "Grocery Store Retention Funds" derived from the Multi-District Litigation settlement that do not have the associated CDBG funding requirements.
 - The \$400,000 allocated from the Grocery Store Retention Fund (originally from the \$1.8 million litigation settlement) to the Healthy Food Establishment Fund will be utilized by the Health Department to carry out other activities identified in the Milwaukee Neighborhood Food & Pharmacy Stabilization Initiative and other ongoing programming that aligns with the Healthy Food Establishment Fund, including activities such as the following:
 - Supporting innovative concepts outlined in the *Milwaukee Neighborhood Food & Pharmacy Stabilization Initiative* including:
 - Delivery systems for food and medication
 - Use of technology to streamline delivery services
 - Food preservation efforts
 - Working capital and supply chain development
 - Education around healthy eating and cooking
 - Implement programs carried out by faith-based institutions and community organizations to expand access to food banks
 - Research best practices around shifting dynamics in food delivery models
 - Retail food or pharmaceutical access projects that would not meet the requirement of the RIF-GAP program
 - Other forms of urban agricultural models that address fresh food access

This division of roles and responsibilities would also streamline the process for potential applicants, with DCD soliciting and reviewing applications and administering funds for the RIF-GAP program for brick and mortar retailers using the application systems and review processes already in use for DCD's Commercial Revitalization grants, and MHD working with applicants proposing alternative strategies as described above and consistent with MHD's current operations of the Healthy Food Establishment Fund.

Conclusion

This approach maximizes the strengths of DCD and MHD respectively, by enabling DCD to focus on economic support to retailers and small businesses through the narrower scope required by the CDBG funds, and allowing MHD to utilize their expertise in policy making and public health approach to food access issues to advance projects that might be less suited to traditional economic development practices. By implementing these two approaches, the Administration proposes to creatively advance as much of the work desired by Common Council members as possible, while navigating the different sets of regulations governing separate sources of funding.