

..Number

240222

..Version

PROPOSED SUBSTITUTE A

..Reference

210894, 220703

..Sponsor

ALD.BAUMAN

..Title

Substitute resolution to reallocate American Rescue Plan Act funds from the Environmental Collaboration Office Modular Housing Program to Near West Side Partners, Inc. for the purpose of constructing affordable housing units.

..Analysis

This resolution directs the Department of Administration to reallocate the remaining unspent and unencumbered amount of American Rescue Plan Act funds within the Environmental Collaboration Office Modular Housing program, which totaled \$894,810 as of May 10, 2024, to Near West Side Partners, Inc. for the purpose of supporting the construction of affordable housing units at Concordia 27 at 801 North 27th Street.

..Body

Whereas, The City of Milwaukee is committed to expanding all residents' access to affordable, quality housing; and

Whereas, Common Council File Number (CCFN) 210894, adopted October 21, 2021, appropriated \$43,500,000 of the City's first tranche of American Rescue Plan Act (ARPA) funds for affordable housing and Common Council File Number 220703, adopted November 22, 2022, appropriated \$4,700,000 from the City's second tranche of ARPA funds for affordable housing and housing support projects; and

Whereas, Exhibit A and the "Finance & Personnel Committee 2021 ARPA Proposal Recommendations (Yellow Packet) Revised" attachment of CCFN 210894 described how the City's appropriation would include \$1,000,000 for the Modular Housing Program administered by the Environmental Collaboration Office (ECO); and

Whereas, Federal guidelines from the U.S. Department of Treasury require that the City of Milwaukee: expend ARPA funds directly by December 31, 2024; and/or have ARPA funds under firm or fixed-price contracts by December 31, 2024 in order to expend them indirectly by December 31, 2026; and

Whereas, The Concordia 27 Project ("the Project") is a \$20 million historic redevelopment of a vacant building into a community hub with 33 high-quality, affordable rental housing units with wraparound services, including community health and wellness resources, affordable fresh food access, job training, and opportunities for entrepreneurs to grow sustainable businesses to help support an inclusive neighborhood; and

Whereas, Current data indicate that there are about 70,000 families in Milwaukee County who earn \$15/hour or less, but only about 30,000 rental homes available to them; and

Whereas, The Project's 33 historic rental housing units will be affordable to low-wage workers making 60% of the area median income; and

Whereas, The Project is funded by \$5 million from the Wisconsin Department of Administration's American Rescue Plan Act grant, \$2 million from the U.S. Department of Housing and Urban Development's Community Project Funds, \$2 million from the Milwaukee County tax levy, \$5.9 million in private equity, and \$4 million in private mortgages; and

Whereas, Under U.S. Department of Treasury guidance, the Project is an eligible activity and Near West Side Partners, Inc. is an eligible sub-recipient for use of State and Local Fiscal Recovery Funds; and

Whereas, ECO's Modular Housing Program completed a Request for Proposal process but was unable to finalize the contracting process with the selected developer, leading ECO to seek a sub-recipient for program administration over the next two years; and

Whereas, ECO's Modular Housing Program (Expenditure Category 2.15, Project Number RG1511513210) has a budgeted amount of \$1,000,000, with a remaining unspent and unencumbered amount of \$894,810 as of May 10, 2024; and

Whereas, ECO uses ARPA funds via the Modular Housing Program to cover \$95,000 in salaries (\$25,000/year over two years for the Environmental Sustainability Director and \$15,000/year over three years for the Business Finance Officer) and \$43,700 in fringe benefits, with the first costs incurred in April, 2022; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of Administration (DOA) is directed to reallocate the ECO Modular Housing Program's unspent and unencumbered portion of ARPA funds to Near West Side Partners, Inc. for the purpose of supporting the construction of affordable housing units at Concordia 27; and, be it

Further resolved, That Near West Side Partners, Inc. is authorized to apply these reallocated ARPA funds to the construction of affordable housing units at Concordia 27, expending this amount directly before December 31, 2024 and/or having this amount under firm or fixed-price contracts by December 31, 2024 in order to expend it indirectly by December 31, 2026.

..Requestor

..Drafter
Ned Littlefield
LRB 179908-3
07/09/2024