

APPLICATION FOR CDBG-EAP FUNDS

Applicant(s) Name: City of Milwaukee **County:** Milwaukee

Check here if you are submitting a joint application

FEIN #: City of Milwaukee FEIN 39-6005532

E-mail: skenea@milwaukee.gov **Fax:** 414-286-0395

Date of Disaster: June 7-15, 2008

Mailing Address:

200 East Wells Street, DOA, -City Hall Milwaukee, WI 53202
Street/Box City/Village Zip

Physical Location, if different from above:

Same
Street/Box City/Village Zip Phone

Contact Person:

Susan Kenealy, City of Milwaukee Grant Coordinator
Name Title

Address:

200 East Wells Street MILWAUKEE, WI, 53201 414-286-5583
Street/Box City/Village Zip Phone

E-mail: skenea@milwaukee.gov

Application Prepared By: Steve Jacquart, Milwaukee Metropolitan Sewerage District (414)225-2138

The amount requested for Housing \$ 13,800,000
Public Facilities \$ 7,500,000
Business \$ 2,300,000
(details listed in attached budget)

Chief Elected Official:

Thomas Barrett MAYOR Thomas M Barrett 12/3/09
Name Title Signature Date

Address, if different:

Same (414) 286-2200
Street/Box City/Village Zip Phone

A. PROJECT DESCRIPTION

A1. Damages

June of 2008 was the second wettest June in recorded history for the City of Milwaukee. Beginning with storms on June 7 and 8, Milwaukee was inundated with relentless rain. The greatest 48-hour rainfall ever recorded, 7.18 inches, fell within the City of Milwaukee creating devastating consequences. The massive and drenching storms caused widespread flooding throughout Milwaukee County. Milwaukee County Sheriff David Clarke, Jr. reported that county storm damages exceeded \$138 million. 11,488 residential homes in Milwaukee County sustained damage totaling nearly \$99 million, and 325 businesses sustained damage totaling approximately \$8.1 million.

The City of Milwaukee was hard hit. Over 1,100 residences reported damages exceeding \$23 million. Flooded roads were closed, drivers and passengers had to be rescued from their cars, buildings collapsed, basements were inundated with flood waters, and sewers backed up into homes creating safety and health risks. The Police and Fire Departments called in extra crews to deal with closings, rescues, natural gas leaks, and fires caused by the storm. The Department of Public Works brought in all available personnel to deal with removing debris and restoring flow at catch basins and to unplug clogged sewers.

Particularly hard hit was the **floodplain of the Kinnickinnic (KK) River** basin. The 8-mile long KK River is the most highly urbanized of Milwaukee's three major rivers, with over 145,000 people residing in the 26-square-mile watershed. About 280 structures in the neighborhood along the .7 mile stretch of river between 6th Street and upstream to 16th Street lie within the 1% probability (100-year storm) high hazard floodplain. The neighborhood, home to many of the City's disadvantaged residents, was flooded when the river's surface waters overwhelmed the channel and poured over its banks.

The KK River channel was been lined with concrete in 1961, ironically, to reduce the risk of flood damage to surrounding neighborhoods. The system met standards for flow and conveyance at that time, but the liner and narrow width now serve to accelerate flows in the river. After nearly 50 years, **the conveyance is insufficient to prevent repetitive flooding, and the concrete lining of the river channel is in serious decay.** Removing the concrete liner and replacing it with a new conveyance system that will improve public safety and reduce the risk of flooding is a necessity. The Wisconsin Department of Natural Resources (WDNR) along with the KK River stakeholders have requested that any replacement channel retain some stream functionality, while not further exacerbating the risk of flooding in the area. This has led to consideration of a bioengineered channel approach being developed by the Milwaukee Metropolitan Sewerage District (MMSD) and the City of Milwaukee (City). The WDNR has indicated in writing that replacing the old concrete channel with new concrete would not be in compliance with their policy and would not be likely to get a permit. Without a permit, construction in the channel would not be possible.

Flooding has been a recurring problem in this urbanized neighborhood. In 2007, MMSD and the City of Milwaukee began an extensive public planning process called the Kinnickinnic Flood Management Project to study a variety of alternatives to address the recurring problems of flood-related property damage, public safety concerns, and the failing concrete in the river channel. In 2008, the Southeastern Wisconsin Regional Planning Commission (SEWRPC) issued a new floodplain map for the KK River, which added 280 structures to the high hazard flood area. If nothing is done to reduce the size of the floodplain, all of the properties within the 1% probability floodplain that have mortgages will be required to buy flood insurance. This is another financial burden that will be placed on these residents.

A1. Damages (continued)

More than five drowning deaths have occurred in the KK River, some of them were children drawn to the water and unable to fight the fast moving water and escape up the steep concrete banks. The most recent drowning death in the KK River occurred in the spring of 2009.

The record volume of water inflow and rain during the month of June, 2008 caused flooding in this area which was increased due to the undersized bridge openings that cannot accommodate the updated flows that were calculated by SEWRPC for the KK River. Replacement of these bridge structures, five vehicular and two pedestrian, would decrease the flood risk and improve public safety. One bridge (6th Street) is scheduled for replacement in 2010.

River overflow inundated streets, houses, basements, and businesses up to three blocks from the KK River. Many low income residents sustained losses and many were reluctant to report them for fear of not being able to sell their homes in the future. Many area residents are Hispanic and wary of government processes. Door-to-door canvassing by Spanish speaking outreach workers was conducted as part of the KK River Flood Management Project. Continuing mold issues plague the inundated buildings, and residents are reluctant to invest in improvements knowing flooding is likely to reoccur (June 7th, 2008 amateur videos of a raging KK River (Burned CD disk of videos is also in the back of one binder): <http://www.youtube.com/watch?v=lem1uLA4yvM>; <http://www.youtube.com/watch?v=C8DYDmAVs4I>).

In addition to the KK River area described, several other areas were also hard hit and sustained substantial damage during the June 2008 rains. In the **Lincoln Creek Watershed 30th Street Corridor**, located within the City's CDBG area, **sewer backups and inundation of property to residences** and businesses **caused extensive damages**. One of the oldest and most racially diverse neighborhoods in the City, the residents are already over burdened with high unemployment, loss of major employers (Tower Automotive), higher than average crime, and health concerns and are the least able to cope with additional losses due to flooding.

The Lower Menomonee Valley also experienced flooding during the June 2008 rains causing economic damage to businesses. One manufacturing firm, the Falk Corporation, owned by Rexnord Corporation, is the sole North American supplier of strategic large-form gear castings for military and mining equipment employing over 700 highly skilled persons in their workforce. A portion of their property and buildings lie within the SEWRPC mapped Lower Menomonee floodplain. They have continually upgraded their protective flood walls, but, during the floods of June 2008, experienced pockets of **flooding forcing the shutdown of much of the plant** and especially their massive 70-ton arc furnace, which is the life blood of their manufacturing processes. The cost of furnace shutdown alone is over \$20,000 per day and does not include lost wages, lost income, or re-start costs. Raising the floodwall and height of the surrounding land to remove it from floodplain status is paramount to the economic health of not only the firm, but also the City of Milwaukee, as it struggles to maintain manufacturing jobs and lower unemployment. The facility cannot be expanded unless the new floodwalls and levees meet National Flood Insurance Standards (NFIP) standards. The facility could accommodate up to an additional 150 manufacturing jobs if the flood management system meets the NFIP standards.

(See Table of Contents for support documentation)

A2. Activities to be funded:

1) Owner Occupied Rehab or Replacement: Funding is requested for replacement housing for approximately 50 owner occupied households that are being acquired and removed from the KK River floodplain and approximately 18 households within the 30th Street Corridor.

2) Renter Occupied Rehab or Replacement: Funding is requested for replacement housing for approximately 100 tenant occupied households that are being acquired and removed from the KK River floodplain and an additional 150 households within the 30th Street Corridor.

3) Acquisition/Demolition/Relocation as part of an HMGP Buyout Program to remove properties from the floodplain: Up to 83 residential properties representing 150 households currently located in the KK River high hazard floodplain will be acquired followed by deconstruction/salvage of those units.

The Department of City Development/Redevelopment Authority of the City of Milwaukee (RACM) will provide relocation services to these households, working with each owner and tenant to identify suitable replacement housing options with the goal to make it possible for households to relocate within the City of Milwaukee, with particular sensitivity to the importance of maintaining connections to the neighborhoods in which they currently live. Although the KK River Project will reduce the risk of flooding for nearly 200 homes, some City policymakers have expressed concern about the economic impact the loss of tax base resulting from the loss of 83 homes will have on future City budgets. To help mitigate that loss of housing, the City is working to implement a number of housing rehab and replacement strategies.

The City is currently working with a developer who seeks to **create a new subdivision on property on a five-acre parcel at South 5th and West Harrison Streets**, located approximately one mile from the KK River neighborhood. The project calls for construction of 35 to 50 units of owner-occupied housing in single-family and townhouse buildings. The site will require limited demolition, installation of utilities, and construction of new streets and alleys. CDBG-EAP funds would be used for site preparation work, to develop green space, to add sustainable features to the new homes, and to fund forgivable second mortgages to make these new homes affordable to low and moderate-income buyers. The City is also working with a developer who seeks to construct a **\$25 million mixed-use workforce housing rental community at the northeast corner of Pleasant and Commerce Streets, on the Milwaukee River in the “Beerline B” neighborhood**. The proposed development includes 140 one, two, and three-bedroom units. The developer will apply for an allocation of Low-Income Housing Tax Credits in 2010. CDBG-EAP funds are requested to pay for specific site costs associated with ensuring permanent protection from future flood damage and to fill a development financing gap. The City is also working with a developer who seeks to construct up to **20 new affordable homes for owner occupancy in the 30th Street Corridor** at a site bounded by W. Galena, W. Walnut and N. 31st Streets. CDBG-EAP funds are requested to pay for site preparation costs including excavation, remediation, and installation of sewer and water laterals. The City is also requesting CDBG-EAP funding to develop a home rehabilitation grant and loan program to provide assistance to property owners whose homes were damaged to replace hot water heaters and furnaces, replace laterals, install sump pumps, and repair foundations.

4) Public Facilities: Remove 12,000 linear feet of damaged concrete liner from the KK River channel, widen the channel to currently acceptable hydraulic conveyance engineering specifications, replace five vehicular and four pedestrian bridges, relocate sewer lines, and reconstruct several alleys within the project area to facilitate flood control within specific streets. In the 30th Street Corridor, line 500 sewer laterals and install Palmer valves to prevent sewer backups.

5) Business Assistance: In the Lower Menomonee River floodplain, design and construct an improved floodwall protection system including flood gates, flood wall, and internal drainage system at the Falk/Rexnord industrial facilities (3001 West Canal Street) bordering the Menomonee River. MMSD has budgeted \$823,000 for design and construction of an improved levee and flood wall and internal drainage system at Falk that will provide adequate drainage in the event of a storm greater than the 1% probability flood. There are currently approximately 700-750 manufacturing jobs at the facility which could be expanded to accommodate an additional 150 jobs if the project is completed.

A3. Available Resources

The City is operating under enormous fiscal pressure at a time when unemployment, poverty and the need for basic social services has increased dramatically. The result is an unprecedented need for CDBG funds to shore up basic city programs and assist non-profits offering critical social service and neighborhood based programs. Although CDBG entitlement funds are stretched to the absolute limit, the City is successfully marshalling other internal and external funding resources to implement these vital projects.

The Milwaukee is the largest City in Wisconsin and contains the largest concentration of LMI housing in the State. According to the 2000 census figures, 21.3% of residents fell below Federal poverty guidelines making Milwaukee home to the state's largest concentration of LMI households and straining available funds for City programs. Data also indicates that

- ▶ The City's housing stock is aging with over 42% built prior to World War Two;
- ▶ The housing vacancy rate more than doubled in the City between 1990 and 2008 when it was measured at 11.3%. (The recent housing crisis has resulted in a spike in foreclosures and pushed demand to the rental market.);
- ▶ Milwaukee is the most ethnically and racially diverse city in the county, metro area, and the State. More than 53% of city residents are racial and ethnic minorities and 88% of Milwaukee County's minority population live in the City of Milwaukee including 96% of the County's black population and 81% of the County's Hispanics;
- ▶ The City's poverty rate peaked at 26.2% in 2006, the 8th highest among US cities with populations over 250,000; and
- ▶ In September of 2009, the Wisconsin Department of Workforce Development estimated the unemployment rate in Milwaukee reached 11%.

With growing poverty and increasing need, the City's Community Development Block Grant (CDBG) entitlement has been stretched but cannot meet all of the ongoing needs. Funding is highly sought and has been used to fund basic city programs and assist nonprofit organizations offering critical housing, social services, and neighborhood based programs. The CDBG entitlement funds could not have been made available for flood damage rehabilitation or for repair or housing relocation due to floods, without severely impacting other programs serving LMI residents. In 2010, the allocation of U.S. Housing and Urban Development funds includes program funding in the area of Community Development Block Grant (\$16,900,000); HOME (\$6,900,000); Emergency Shelter Grants (\$741,009); and Housing for People with Aids – HOPWA (\$531,988) for a total of \$25,072,997.

However, other funding totaling more than \$58,000,000 will be used to match CDBG-EAP funds being applied for (*see attached budget for details*). Funding partners include the City of Milwaukee, the Milwaukee Metropolitan Sewerage District, private developers and businesses, local foundations, the Sixteenth Street Community Health Center, and the American Recovery and Reinvestment Act.

It is the intention of the City of Milwaukee to leverage all possible benefit from awarded CDBG-EAP funds to address identified residential housing needs and further enhance similarly aligned initiatives. An important goal for the Department of City Development is to boost net impact by using complementary programs to optimize the options available for both homeowners and renters. For example, teamwork between City Development staff and the Mayor's Office of Sustainability creates an opportunity to combine energy efficiency programs (ARRA Energy Efficiency Block Grant and an ARRA Solar Grant) with flood recovery funds to promote a broader spectrum of structure improvement options with the result being greater long-term stability in targeted neighborhoods. Likewise, DCD will work with Neighborhood Stabilization Program staff to enhance the attractiveness of available housing stock to help eligible households with relocation.

Using federal **Neighborhood Stabilization Program (NSP) funds**, the City of Milwaukee has created a program that provides grants of up to \$30,000 to individuals who purchase and renovate a foreclosed home. CDBG-EAP funds would provide funds to make supplemental grants to those relocating households who use this program.

B. Projects Timetable

KK River Flood Management Schedule

6 th -16 th Street Housing Acquisition Approval	2 rd Quarter 2010
Housing/Property Acquisitions Completed (ER completed)	4 th Quarter 2013
Housing/Property Deconstruction Project Start	2 nd Quarter 2010
Housing/Property Deconstruction Project Completion	1 st Quarter 2014
Owner and renter relocation	3 rd Quarter 2010
Owner and renter relocation completed	4 th Quarter 2013
Facilities Design Project Approval	4 th Quarter 2013
Facilities Design Project Start (ER Completed)	1 st Quarter 2013
Facilities Design Project Completion	1 st Quarter 2014
Facilities Construction Project Approval	2 nd Quarter 2014
Facilities Construction Project Start	3 rd Quarter 2014
Facilities Construction Project Completion	1 st Quarter 2016

Falk/Rexnord Levee, Floodwall and Internal Drainage Design and Construction

Memorandum of Understanding Signed Start:	1 st Quarter 2010
Design Start	1 st Quarter 2010
Design Completed (ER Completed)	3 rd Quarter 2010
Construction* Start	3 rd Quarter 2010
Construction Completion	3 rd Quarter 2011
FEMA Letter of Map Revision Started	3 rd Quarter 2011
FEMA Letter of Map Revision Completed**	1 st Quarter 2012

*Design and Construction will be managed by Falk/Rexnord

** Includes City of Milwaukee Council approval and action.

30th Street Corridor Schedule – Lateral repair

Common Council approval of reimbursement methodology	2 nd Quarter 2010
Procurement of contractors and lateral inspections	3 rd Quarter 2010
Complete repairs and install backflow preventers (ER Completed)	4 th Quarter 2011

30th Street Corridor Schedule - Housing

City approvals for Owner Occupied Rehab or Replacement & Renter Occupied Rehab or Replacement Projects	3 rd Quarter 2010
Design Project Start (ER Completed)	3 rd Quarter 2010
Construction Project Approval	4 th Quarter 2011
Construction Project Start	1 st Quarter 2012
Construction Project Completion	1 st Quarter 2015

Davis Bacon wage rates will apply to all project activity.

C. Capacity

1. Who will be responsible for program administration? (check all that apply)

- Applicant staff
- Consultant staff
- Other (specify) Redevelopment Authority- City of Milwaukee (RACM) and Milwaukee Metropolitan Sewerage District (MMSD)

2. Identify the personnel and the percentage of time that will be involved with carrying out the program activities. Include Name, Title, Current/ongoing duties, estimated time to be devoted to CDBG-EAP activities.

Mr. Dave Fowler, CFM,
Senior Project Manager
Milwaukee Metropolitan Sewerage District
Mr. Fowler will devote 40% of his time to CDBG – EAP activities.

Mr. Dave Misky, MS, CFM
Assistant Executive Director of the Redevelopment Authority of the City of Milwaukee.
Mr. Misky will devote 15% of his time to CDBG – EAP Activities

3. Identify the relevant experiences of the person/agency that will administer the proposed activities:

Mr. Fowler holds a Master's degree in Stream Ecology and is a Certified Floodplain Manager since 2002. With 28 years of experience at MMSD, Mr. Fowler has managed projects encompassing over \$150 million in project budgets. His accomplishments include planning, design, and construction of Hart Park Flood Management Project on the Menomonee River Creek, the Whitnall Park Creek Flood Management Project, and the Underwood Creek Restoration Project. Mr. Fowler was also responsible for the planning and design for portions of the Lincoln Creek Flood Management Project. He is a member of numerous professional associations and has served on the boards of several national organizations in his field. Mr. Fowler will lead the project overseeing all activities within the Kinnickinnic River corridor, the 30th Street corridor, and the Menomonee Valley.

Mr. Misky manages all housing/development initiatives and environmental mitigation along with financing oversight for the Redevelopment Authority of the City of Milwaukee (RACM). He has over 14 years of diversified experience in real estate development with a strong focus on environmental issues. He currently oversees the City of Milwaukee's real estate, 30th Street Industrial Corridor, and Brownfield programs. Mr. Misky and his team manage projects from small vacant residential lots to vast economic drivers that address development plans, zoning changes, gap financing, and environmental aspects of remediation and sustainability. He managed the Menomonee Valley Industrial Center, an award-winning project often known as the most visible Brownfield in the State of Wisconsin. Mr. Misky holds a Bachelor's degree in Biological Sciences from UW-Milwaukee and a Master's degree in Water Resources from the Institute of Environmental Studies, UW-Madison. RACM will prepare relocation plans for each stage of the Kinnickinnic River project identifying replacement housing for residential occupants, preparing relocation claims and coordinating house moves. RACM will also provide translation services as approximately 35% of residents being relocated require translation assistance.

D. CDBG-EAP BUDGET (see attached excel spreadsheet)

PROGRAM COMPONENT ACTIVITIES	TOTAL PROJECT \$		CDBG-EAP \$ AMOUNT	Admin	Units	LMI	Other Committed Resources	Source
1. Owner Occupied Rehab or Replacement	7,000,000	3,000,000			50	33*	4,000,000	City/Private Developers
2. Renter Occupied Rehab or Replacement	24,900,000	2,000,000			100	66*	22,900,000	City/Private Developers
3. Acquisition/Demolition/Relocation as part of an HMGP Buyout Program to remove properties from the floodplain								
Acquisition/Relocation	14,813,000	6,500,000			150	100*	8,313,000	MMSD
Deconstruction/Salvage	1,660,000	500,000			150	100*	1,160,000	MMSD
RACM			495,000				495,000	RACM/City
MMSD			416,191				416,191	MMSD
Design of flood management plan	374,000						374,000	MMSD
Acquisition Plats/Neighborhood outreach	10,000						10,000	MMSD
neighborhood outreach and water resource planning	235,000						235,000	16th Street Community Health Center
community involvement & education	250,000						250,000	16th Street Community Health Center
community outreach	72,000						72,000	16th St - Groundwork MKE
4. Public Facilities								
Planning & Preliminary Engineering in response to June flooding	690,000						690,000	MMSD
Replace pedestrian bridges lacking hydraulic capacity	4,800,000		1,200,000		4			Future City funding
Replace vehicular bridges lacking hydraulic capacity	10,000,000		2,500,000		5			Future City funding
Reconstruction of river channel for increased flow capacity and flood damage mitigation including relocation of sewer lines and outfalls.	11,500,000	5,000,000	3,500,000		12,000 LF			Future MMSD funding
6th Street Bridge Replacement due to hydraulic capacity failure					1			
Engineering	532,000						532,000	City of Milwaukee American Recovery and Reinvestment Act
Reconstruction design	1,579,034						1,579,034	Reinvestment Act
land acquisition	432,000						432,000	MMSD
planning & design	22,000						22,000	MMSD
Channel rehabilitation/construction to mitigate increased flows	25,000						25,000	City
	2,684,000						2,684,000	MMSD

City of Milwaukee Application for CDBG-EAP Funds

Table of Contents

1. Cover letter
2. Table of Contents
3. CDBG-EAP Application & Budget
4. Flood Damage Documentation (June 7-8, 2009)
 - a. Milwaukee County Office of Sheriff News Release
 - b. FEMA News Release
 - c. Wisconsin Emergency Management Uniform Disaster Situation Report
 - d. U.S. Department of Homeland Security Project Worksheets (Milwaukee Police & DPW)
 - e. Map of Flood and Basement Backup Damage in Southeastern Wisconsin
5. Flood Damage Media Coverage
6. KK River Floodplain & Watershed Maps
7. KK River Flood Management Project and Neighborhood Plan Documents
 - a. Sixteenth Street Community Health Center Letter
 - b. Ms. Karen Arvelo Letter
 - c. Sixteenth Street Community Health Center Storm Damage Canvassing Results
 - d. KK River Technical Review Committee
 - e. KK River Neighborhood Plan Outreach Activities
 - f. KK River Flood & Channel Photos
 - g. MMSD KK River Flood Project Certified Resolutions
8. Falk/Rexnord Flood Management Project Documentation & Menomonee River Watershed & Floodplain Maps
 - a. Mr. Dan Sterk, Rexnord Industries, Letter
 - b. Falk Complex Preliminary Design Report
9. Lincoln Creek Subwatershed Map (30th Street Industrial Corridor)
10. End of Document Attachments (# 1-9)
11. Documents Included in the Back of the 3-Ring Binder
 - a. KK River Corridor Neighborhood Plan
 - b. Disk Featuring Flooding Video on the KK River (in one packet only; video links listed are listed in the application)
 - c. Illustrations of KK River Neighborhood Redevelopment Opportunities and Neighborhood Plans
 - d. *The Lost River*, Milwaukee Magazine, August, 1, 2006

(12/4/09)