



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes

ARPA FUNDING ALLOCATION TASK FORCE

Ald. Milele Coggs, CHAIR

Molly King, Luke Knapp, Ald. Jocasta Zamarripa, Ald. Mark Chambers, Aycha Sawa, Nik Kovac, Bernadette Karanja, Steven Mahan, Cecilia Gilbert, and Stephanie Mercado

Staff Assistant, Chris Lee, 414-286-2232, Fax: 414-286-3456, cleee@milwaukee.gov

Legislative Liaison, Tea Norfolk, 414-286-8012, tea.norfolk@milwaukee.gov

Andrea Fowler, ARPA Director, 414-286-3556, anfowler@milwaukee.gov

Wednesday, July 26, 2023

2:00 PM

Room 301-B, City Hall

This is also a virtual meeting conducted via GoToMeeting. Should you wish to join this meeting from your phone, tablet, or computer you may go to <https://meet.goto.com/649272781>. You can also dial in using your phone United States: +1 (646) 749-3122 and Access Code: 649-272-781.

1. Call to order.

Meeting called to order at 2:13 p.m.

2. Roll call.

Present 9 - Gilbert, Coggs, Sawa, Knapp, King, Zamarripa, Mercado, Kovac and Chambers Jr.

Absent 1 - Mahan

Excused 1 - Karanja

Also present:

*Andrea Fowler, Budget Office ARPA Director
Tea Norfolk, LRB Fiscal Planning Specialist*

3. Review and approval of the previous meeting minutes from July 6, 2023.

Meeting minutes from July 6, 2023 were approved without objection.

4. Review, discussion, and/or motion(s) relating to a proposal from Columbia Savings & Loan Association for a partnership with the city.

Appearing:

William Martin, Columbia Savings and Loan Association Executive Vice President & CRA Officer

Ald. Zamarripa prefaced that CSLA had pitched a revolving loan fund proposal to assist construction developers in funding housing redevelopment in the City to the Community and Economic Development Committee, that there may be interest from the task force, that there may be restrictions related to lending on using ARPA dollars, that this idea perhaps could use another funding source such as the proposed community-led SPA.

Mr. Martin presented. CSLA was a Milwaukee's only CDFI-designated bank focusing on economically distressed communities. CSLA was founded 99 years ago to help African-Americans access capital for homes, businesses, or churches where access and home ownership challenges were prevalent for African Americans in the City. CSLA holds nearly \$20 million in residential mortgages financing low-to-moderate income families. CSLA was Wisconsin's only Black-owned bank, 6th oldest in the US, and one of 25 in the nation.

CSLA was proposing a partnership with the City to accelerate affordable housing development in conjunction with their "100 by 100th" campaign as they celebrate their centennial year in 2024. The campaign goal was to provide \$10 million to support 100 new homeowners by the 100th year anniversary. CSLA had already raised \$5.5 million. CSLA could fund 10 mortgages in the near north and south sides of the City with \$1 million where that same amount would only fund two mortgages in the suburbs. This partnership would align with the City's HOME MKE Initiative in rehabilitating 150 City-owned houses into affordable housing.

CSLA would request the City to provide \$500,000 in matching funds. \$1 million would serve as a revolving fund to provide construction loans for developers where developers (on the front end) may fail to acquire such loans from larger banks. CSLA would use its Centennial fundraising to provide low-to-moderate income families with mortgages. CSLA, as a member of the Federal Home Loan Bank of Chicago, would also be able to provide access to \$10,000 first-time homebuyer grants to eligible families. The grants would help cover closing costs, and any remaining grant funds could be applied to mortgages. \$500,000 was an initial ask, but they could request up to \$1 or \$1.5 million.

Members and Ms. Fowler discussed the \$15 million in 1st tranche of ARPA funds for the HOMES MKE Initiative, all but one contract being executed, there was no risk to lose those funds, those funds would be encumbered by 2024 and spent by 2026, that \$8.6 million were under contract as of end of June 2023, that the intention of the program was to make up the difference between what one could actually sell the property for and how much it costs to renovate, that a drawn down methodology for developers would not cover entire renovation costs, that subsidized portions and bills of a renovation would need to be completed and paid by the end of 2026 under ARPA rules, that awarding an ARPA grant to CSLA would make them a subawardee, and CSLA would be required to meet the same ARPA obligations and deadlines.

Ms. Fowler said that any tax levy dollars freed up can be put in a SPA to grant to a project such as CSLA's proposal. These funded projects would not be under ARPA federal guidelines and be given more flexibility such as longer timelines.

Members inquired about CSLA lending to those with ITIN numbers, ability of CSLA to have developers keep prices affordable when selling homes to homebuyers, Act 12's impact on the City' using tax levy dollars to fund a project like the one from CSLA, any preferential race-based service treatment given by CSLA, and whether there had been conversations with the Dept. of City Development on CSLA's proposal.

Mr. Martin replied that has not seen CSLA lending to those with ITIN accounts recently but will research further, that the HOMES MKE Initiative and the City would place covenants with developers on making homes affordable, and that CSLA offers like any other bank providing lending to anyone.

Member Kovac and Ms. Fowler replied that he was still confirming with the City Attorney's Office on Act 12's impact, that initial reaction was that Act 12 would not apply to the budget, that Act 12 but would apply to City ordinances and resolutions and require 10 Common Council votes, there has not been conversation with DCD on CSLA's proposal, and that \$497,000 in DCD In-Rem Initiative funds had been agreed to be reprogrammed.

Chair Coggs said that CSLA's proposal merited further discussion in the future and that no decision on the proposal would be made presently.

Member Chambers, Jr. moved to hold to the call of the chair. There was no objection.

5. Review, discussion, and/or motion (s) on the City's 2024 budget process, plans, and department requests.

Member Kovac gave an update. The 2024 proposed budget was in development. The City's sales tax was passed recently, would begin 2024, and would change future budgets drastically with new revenues. He was soliciting feedback from Council members on their budget priorities and would send a letter to them. It was too early to give out any budget amounts. ARPA reprogramming dollars was important but independent. Budget goals would include stabilizing reserves, reduce borrowing, and not defer capital projects. There were opportunities for a community-led SPA or other SPAs. 2024 sales tax recognition was not known. There was a good pension estimate. A desire was to incorporate ideas and priorities, including from the task force, into the mayor's proposed budget. It was too late to issue an ARPA RFP and to incorporate RFP feedback or proposals into the mayor's proposed budget, but ideas could be solicited for budget amendments. The hope was to avoid budget cuts. Fire and police budgets would go up possibly in order to comply or start to comply with Act 12 based on the sales tax amount. Increases to the budgets for the Office of Equity and Inclusion and the Office of African American Affairs would be included in the proposed budget. Reclassifications, especially recent ones, in City personnel would increase salary costs.

6. Review, discussion, and/or motion(s) on ARPA reallocation procedure, schedule, and/or recommendations.

Ms. Fowler presented a preliminary draft of ARPA reprogramming recommendations. Total reprogramming amount recommendation was \$9,304,194 million. These dollars were identified by departments to be reprogrammed. Some program dollars had moved outside the scope of their time frames and/or omnibus descriptions, such as those dealing with COVID-19 response. A second draft would come later in August.

Preliminary recommendations were as follows by department, project/description, current budget, and proposed reduction (reprogramming):

- OAAA; Improving OAAA Service Access Using Existing & New Programming Partnerships; \$400k; \$365,987*
- Library; COVID-19 Public Health; \$300k; \$6,786*
- Health; City of Milwaukee COVID-19 Response and Recovery; \$13.3 million, \$6,913,451*
- Health; Public Health Operations and Maintenance; \$5,223,635; \$834,465*
- DPW; Lighting Circuit Reliability Improvement; \$19.5 million; \$268,800*
- DPW; Community Supported Traffic Safety Improvements (Reckless Driving); \$6 million; \$54,297*
- DOA; Administrative Services (Grant monitoring/administration); \$1,960,000; \$350k*
- DCD; In-Rem Initiative/Homes MKE; \$15 million; \$487,867*
- City Clerk; 53206 Survey; \$15,655; \$1,008*
- DOA; Early Childhood Education; \$315,687; \$11,533*

Members inquired about OAAA proposed reduction and legislation process for ARPA reprogramming.

Ms. Fowler replied that OAAA funds were intended to respond to COVID-19 but the pandemic had ended with the majority of funds unspent, keeping OAAA funds would require additional legislation and a different program description, and legislation to reprogram ARPA dollars would occur as part of the budget approval process via a separate resolution.

7. Review, discussion, and/or motion(s) on the task force ARPA allocation review and recommendations process relative to timeline, deadlines, special purpose account, RFP, and/or other aspects.

Ms. Fowler presented a RFP draft for Citizen-Led Transformational Growth Funding application.

Members, Ms. Fowler, and Ms. Norfolk discussed creating one legislative file or two separate files to recommend remaining ARPA funds to 2024 salaries and creating a community-led SPA along with changing the ARPA task force into a SPA task force. The task force would make an advisory recommendation to the Finance and Personnel Committee and Common Council. Both aspects could occur simultaneously as two separate resolution files or as one file. A file could perhaps be created with conditions.

Chair Coggs and member Chambers, Jr. said they would prefer one legislative file, that two files posed a risk to one or the other not passing, and that one file would reflect the public process, perspective, and commitment made by the task force.

Ms. Fowler and members discussed whether to submit the SPA RFP prior to its creation or after its creation with a known amount, whether to set a monetary cap on a RFP request, and whether to change the RFP into a request for input.

Member Kovac said that, as mentioned at the previous meeting, submitting an RFP now would be premature. RFP solicitation could be done informally, which was occurring anyway.

Chair Coggs said that her preference was not to set a RFP monetary cap, that a cap was not useful, applications would come in above any caps, prior ARPA awardees were not granted their full ask, and changing the RFP process into a request for input process would not be the same as the original intent of the task force.

Member Zamarripa said that the task force could vote today to move forward with necessary legislation to recommend creating a community-led SPA, allocating remaining ARPA funds to 2024 salaries, and changing the task force from the ARPA funding review body to a community-led SPA review body.

Chair Coggs said that although she did not oppose to such a recommendation with the aforementioned SPA route, she still had unresolved questions that she wanted to have clarity on before moving forward or not moving forward. Unanswered issues that she still had included the voting count (10) requirement from the Common Council, amount of ARPA funds to allocate towards the budget, and number of legislation to have for task force recommendations.

Members discussed that the task force would have to meet and make ultimate decisions prior to the mayor's propose budget presentation on September 19, 2023 and to the Common Council in September.

Ms. Norfolk said that at a minimum, a title-only file regarding the task force's ARPA recommendation can be introduced September 1, 2023.

Member King questioned the mayor presenting a balanced budget in light of the fluidity of the use of ARPA remaining funds.

Member Kovac said that presentation of a balanced or unbalanced budget would be at the mayor's discretion.

8. Next steps.

A. Items for future agenda.

Same agenda items from today's meeting.

B. Set next meeting date(s) and time(s).

Friday, September 1, 2023 at 11 a.m.

9. Adjournment.

Meeting adjourned at 4:01 p.m.

*Chris Lee, Staff Assistant
Council Records Section
City Clerk's Office*

Meeting materials of the task force can be found within the following file:

[220789](#)

Communication relating to the activities of the American Rescue Plan

Act Funding Allocation Task Force.

Sponsors: THE CHAIR