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MICHAEL J. MURPHY
ALDERMAN, 10TH DISTRICT

August 3, 2021

Willie Hines
Acting Director
Housing Authority of the City of Milwaukee
809 N. Broadway
Milwaukee, WI 53202

Dear Director Hines:

On July 13, 2021, Mayor Tom Barrett released his American Rescue Plan Act (ARPA) Milwaukee Recovery and Resilience Plan. Included in his Plan is \$15,000,000 to provide affordable housing in Qualified Census Tracts for Westlawn. The project includes replacement of existing public housing units with mix-income affordable housing units and replacement of existing infrastructure. The infrastructure work is 80% complete.

On April 29, 2020, Paul Anderman approved the Capital Fund Program – Five-Year Action Plan for the Housing Authority of the City of Milwaukee (HACM). The plan includes a Westlawn Tax Credit in the amount of \$50,000 in for relocation of residents, an allocation of \$719,220 for construction of new buildings for Westlawn West in 2018, and a work statement in the amount of \$5,000,000 for new development activities for Westlawn in 2020.


HACM is requesting gap financing in the amount of \$15,000,000 for the remaining cost on infrastructure, remaining replacement housing, and the market rate rental and home ownership units. The reason given for this request is increased pricing in construction material. Although the prices of construction prices increased considerably in the spring of 2021, those prices began to decrease in the summer, coming back down to a stable price range. Numerous factors, including wildfires, led to the spike in prices, and stabilizing factors, including increased production in the supply chain, led to the drop in prices. The temporary spike does not seemingly justify an increase in costs by \$15,000,000.

Please provide the following information to me:

1. What factors contribute to Westlawn being \$15,000,000 over budget – a number that is triple the cost of new development activities for 2020?
2. An update on the status of the 2018 allocations from the Five-Year Action Plan.
3. The budget for the 2020 and 2021 year to date development activities, including the amount expended, encumbered, and remaining work to be done.

4. The budget for the planned use of the requested \$15,000,000, including the work completed and the work that remains to be done on infrastructure, replacement housing, and market rate rental and home ownership units. Please also provide a detailed estimate of hours and labor for the remaining part of the project.
5. The current estimated funding sources vs. the estimated budget as well as initial estimated funding sources vs. budget.
6. The original budget by spending category vs. actual expenses.

Sincerely,



Michael J. Murphy
Alderman, 10th District

cc: Paul Frantz, Baker Tilly International
Lafayette L. Crump, Commissioner, Department of City Development
Aycha Sawa, City Comptroller
Dennis Yaccarino, Director, Department of Administration –
Budget & Management Division
Common Council Members