Legislation Details (With Text)

File #:	210341 **Version:** 1		
Type:	Resolution	**Status:**	In Committee
File created:	6/15/2021	**In control:**	FINANCE & PERSONNEL COMMITTEE
On agenda:		**Final action:**	
Effective date:			
Title:	Substitute resolution relating to the allocation of $150 million of American Rescue Plan Act grant funds to support affordable housing.		
Sponsors:	ALD. BAUMAN, ALD. RAINEY		
Indexes:			
Attachments:	1. Motion by Ald Bauman, 2. MPA Support Letter, 3. Hearing Notice List		

Date	Ver.	Action By	Action	Result	Tally
6/15/2021	0	COMMON COUNCIL	ASSIGNED TO		
6/29/2021	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	SUBSTITUTED	Pass	5:0
6/29/2021	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
6/29/2021	1	CITY CLERK	DRAFT SUBMITTED		
7/20/2021	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED WITHOUT RECOMMENDATION AND ASSIGNED TO	Pass	5:0

210341
SUBSTITUTE 1

ALD. BAUMAN
Substitute resolution relating to the allocation of $150 million of American Rescue Plan Act grant funds to support affordable housing.
This resolution allocates $150 million of American Rescue Plan Act grant funds to support programs and initiatives that bolster and expand affordable housing in the city. The Department of City Development will receive $105 million to rehabilitate in rem houses, $35 million for the Housing Trust Fund, and $9 million for affordable housing programs. The Department of Neighborhood Services will receive $1 million for the Code Compliance Loan Program.
Whereas, The American Rescue Plan Act (ARPA) grant is scheduled to operate from March 3, 2021 to December 31, 2024 and is anticipated to provide approximately $394,226,649 to the City of Milwaukee through the Local Fiscal Recovery Fund (LFRF); and

Whereas, The City has received the initial LFRF grant award of $197,113,324.50, of which the full amount is provided by the grantor, with $0 provided by the City; and

Whereas, The LFRF provides substantial flexibility for the City of Milwaukee to provide a foundation for a strong and equitable recovery from the COVID-19 pandemic; and

Whereas, The affordable housing crisis in the U.S. has been exacerbated by the COVID-19 pandemic, with

many Milwaukeeans struggling to pay their rent and mortgages; and

Whereas, Members of the public frequently expressed their support for the City to invest in and expand affordable housing throughout Milwaukee during three recent town hall-style ARPA listening sessions hosted by the City; and

Whereas, The City currently owns a substantial inventory of one- and 2-family residential structures that have been acquired through in rem foreclosure; and

Whereas, This inventory of in rem properties are mostly vacant and in various states of disrepair, yet are largely intact and are candidates for renovation at a fraction of the cost of building new one- and two-family homes, given the cost of lumber and shortages of other building materials; and

Whereas, Rehabbed in rem one- and 2-family properties could be sold at affordable prices to owner-occupants, or be retained by the City as part of an affordable housing rental portfolio, while income from sales and rentals could be rolled over to fund ongoing in rem rehabilitation projects; and

Whereas, The Department of City Development (DCD) administers many affordable housing programs that would benefit from new investment, including the Housing Infrastructure Preservation fund, the STRONG Homes Loan program, the Targeted Investment Neighborhood (TIN) Down Payment Grant program, the Milwaukee Employment/Renovation Initiative (MERI), the Rental Rehabilitation program, the Homebuyer Assistance program, the Live/Work Duplex Conversion program, and the Bronzeville Homeownership programs; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that $105 million in American Rescue Plan Act (ARPA) funds shall be allocated to the Department of City Development to rehabilitate approximately 700 City-owned one- and 2- family in rem properties, at an average cost of $150,000 apiece, for a total of about 1,000 housing units, while a portion of the funds shall be used to cover DCD’s expanded administrative costs; and, be it

Further Resolved, That DCD shall provide recommendations to the Council related to whether rehabilitation projects should be led by the City or through contracts with local developers, and guidance concerning the most effective model for the management of rental properties; and, be it

Further Resolved, That $35 million in ARPA funds shall be allocated to the Housing Trust Fund to develop new and renovated affordable housing in partnership with private developers, non-profits, and other entities; and, be it

Further Resolved, That $9 million in ARPA funds shall be allocated to DCD to increase capacity within DCD’s affordable housing programs, including but not limited to the Housing Infrastructure Preservation fund, the STRONG Homes Loan program, the Targeted Investment Neighborhood (TIN) Down Payment Grant program, the Milwaukee Employment/Renovation Initiative (MERI), the Rental Rehabilitation program, the Homebuyer Assistance program, the Live/Work Duplex Conversion program, and the Bronzeville Homeownership programs; and, be it

Further Resolved, That DCD shall provide recommendations related to specific allocations among various programs; and, be it

Further Resolved, That $114 million of the LFRF grant funds are appropriated to the Department of City

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Development, which is authorized to:

1. Expend from the amount appropriated sums up to $105 million for the rehabilitation of in rem properties and up to $9 million for existing affordable housing programs, and incur costs consistent with the award date.

2. Expend from the grant budget funds for specific items of equipment.

3 Expend from the grant budget funds for training and out-of-town travel by departmental staff.

4. Enter into leases and subcontracts as needed to fulfill the purposes of the grant.

;and, be it

Further Resolved, That $35 million of the LFRF grant funds are appropriated to the Housing Trust Fund under the administration of the Department of City Development, which is authorized to:

1. Expend from the amount appropriated sums for the development of new and renovated affordable housing and incur costs consistent with the award date.

2. Expend from the grant budget funds for specific items of equipment.

3 Expend from the grant budget funds for training and out-of-town travel by departmental staff.

4. Enter into leases and subcontracts as needed to fulfill the purposes of the grant.

;and, be it

Further Resolved, That $1 million in ARPA funds shall be allocated to the Department of Neighborhood Services (DNS) to increase capacity in the Compliance Loan program (CLP); and, be it

Further Resolved, That $1 million of the LFRF grant funds are appropriated to the Department of Neighborhood Services, which is authorized to:

1. Expend from the amount appropriated sums for the Code Compliance Loan Program and incur costs consistent with the award date.

2. Expend from the grant budget funds for specific items of equipment.

3 Expend from the grant budget funds for training and out-of-town travel by departmental staff.

4. Enter into leases and subcontracts as needed to fulfill the purposes of the grant.

Alex Highley
Kathleen M. Brengosz
LRB176766-3

6/28/2021

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