



Cavalier Johnson
Mayor

Ken G. Barbeau
Acting Secretary-Executive Director

Board of Commissioners

January 31, 2025

Milwaukee Common Council
City Hall
200 E. Wells Street
Room 205
Milwaukee, WI 53202

Dear City Council Member,

Because of your interest in Milwaukee and the Housing Authority of the City of Milwaukee (HACM), I wanted to reach out as the new Chair of the HACM Board and update you on some significant developments as well as open a direct line of communication. I believe that candor and an effort to build two-way dialogue with you and other key stakeholders will benefit all of us going forward.

First, I wanted to let you know that the board has agreed to enter into an agreement with the federal Department of Housing and Urban Development (HUD) on an effort we call the Milwaukee Recovery Plan to strengthen and enhance operations across the board at HACM.

The plan is aimed at shoring up the management and fiscal health of the agency and its real estate asset base. Specifically, the agreement with HUD requires the agency to follow a defined timeline and take distinct action steps to address a range of issues, including fiscal management, tenant services, housing conditions, facility operations, and related matters. Also included in the Milwaukee Recovery Plan are steps to add and improve financial controls and internal audit tools; adopt new efforts to increase occupancy rates; improve collections efforts; and upgrade the physical conditions of various properties.

In addition, we have notified officials that previous fiscal management deficiencies and accounting errors had allowed restricted federal funds to be used incorrectly for some administrative costs and staff salaries. As a result of these previous decisions and a changed financial fiscal position, we also notified HUD and city officials that HACM's bond rating had been adjusted by a rating agency to A- from its previous A+ ranking.

Let there be no doubt that we have some tough issues to tackle and some heavy lifting to do. But this newly constituted board is committed to openly addressing these matters and moving forward to do our best to improve and enhance the housing options and related services we provide to Milwaukee citizens.



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We believe that this agreement is an important turning point for HACM. By working with our federal partners, we can implement new ideas, consider different approaches, and do a better job overall. Putting the Milwaukee Recovery Plan in place will help us achieve our mission of serving people and being proper stewards of the important housing assets for which we are responsible. We believe this is the start of a new approach with new leadership and a new and strengthened commitment to the citizens we serve.

On behalf of the board, I want to express our appreciation for how hard agency staff has worked through the challenges of significant turnover and policy changes during the past year. With their help, the successful implementation of the Milwaukee Recovery Plan will result in better resident services and improved housing. It is clear that HACM needs to continue to evolve, and this plan will reshape the agency so that we can better provide the important services for people who count on us. Our organizational chart may look different in the future, but the mission and commitment will be stronger.

The board is in the process of identifying a potential independent, third-party professional to conduct a forensic audit and help us sort through the financial management issues related to the mistaken application of the federal funds and also help us determine the best course of action going forward. We are confident that we can work with HUD officials to cooperatively develop an appropriate and balanced approach going forward.

We are sharing this information with key stakeholders, leadership in the city, and other key community leaders. We will be reaching out to staff, residents, and others to update them about these changes and share news on the developments. We have posted the Milwaukee Recovery Plan on the HACM website (hacm.org/recoveryplan2025) so interested parties have easy access to it.

We hope you find this information helpful, and we will update you in the future as we move forward. As I indicated, we know that there are challenges in the weeks and months ahead, and this newly constituted board is committed to doing our best.

Sincerely,



Charlotte Hayslett

HACM Board



OPPORTUNITY

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