

# **HOUSING TRUST FUND ADVISORY BOARD**

## **2007 Annual Report**

The attached report is submitted pursuant to s. 316-1 of the Milwaukee Code of Ordinance.



**HOUSING  
TRUST FUND  
CITY OF MILWAUKEE**

# **HOUSING TRUST FUND ADVISORY BOARD**

## **2007 ANNUAL REPORT**

### **Purpose: (Per s. 316-1 of the Milwaukee Code of Ordinances)**

The Housing Trust Fund is created to support developers and governmental entities in the acquisition, construction, rehabilitation and modification of affordable and accessible housing for low-income households, and to finance support services that assist low-income households in obtaining and maintaining affordable housing.

### **Members (for 2007)**

Thirteen member advisory board consisting of the following members, who shall serve staggered, two-year terms:

#### **CHAIR**

**Ald. Michael Murphy**

#### **MEMBERS**

Ald. Michael McGee  
(Appointed by the Common Council President)

Ms. Cecelia Gore  
(Appointed by the Mayor)

Mr. Ray Schmidt  
(Appointed by the Mayor)

Mr. Craig Kammholz  
(The City Comptroller or his/her designee)

Mr. Michael Van Alstine, Milwaukee Christian Center  
(A non-profit developer (appointed by the Common Council President))

Mr. Christopher Laurent, Gorman & Company  
(A for-profit developer (appointed by the Common Council President))

Mr. Michael Soika  
(A representative of Continuum of Care)

Mr. Vincent Lyles, M&I Community Development Corp.  
(A representative of a financial institution (appointed by the Common Council President))

Ms. Cathie Madden  
(A representative of the Local Initiatives Support Corporation)

Ms. Bethany Sanchez  
(A representative of the Metropolitan Milwaukee Fair Housing Council)

Mr. Brian Peters  
(A representative of Independence First)

Ms. Heather Dummer Combs  
(A representative of the Interfaith Conference of Greater Milwaukee)

### **Staff**

Ms. Terry J. MacDonald, Staff Assistant  
Ms. Joanna Polanco, Council File Specialist  
Mr. Steve Mahan, Director, Community Development Grants Administration  
Mr. Garry Werra, Community Development Grants Administration  
Mr. Tom Gartner, Assistant City Attorney

### **Committee meetings held in 2007:**

April 18, 2007

May 2, 2007

May 22, 2007

June 12, 2007

July 10, 2007

September 11, 2007

October 9, 2007

In 2007 the Housing Trust Fund Advisory Board created two subcommittees; The Housing Trust Fund Advisory Board Technical Review Subcommittee (Created May 2, 2007) and the Housing Trust Fund Advisory Board Finance Subcommittee (Created June 12, 2007).

### **Housing Trust Fund Advisory Board Technical Review Subcommittee**

**Purpose:**

This subcommittee was created as a permanent subcommittee and its first task is to create a scoring measure for the scoring of the applications and its main task thereafter was to review the housing trust fund applications and to make funding recommendations to the full Housing Trust Fund Advisory Board.

#### **MEMBERS**

Mr. Craig Kammholz, Chair

Ms. Bethany Sanchez, Vice Chair

Mr. Michael Soika  
(October 29, 2007, resigned from subcommittee)

Ms. Cecelia Gore  
(Replaced Mr. Soika)

Ms. Cathie Madden

**Subcommittee meetings held in 2007:**

May 11, 2007

May 31, 2007

November 6, 2007

November 30, 2007

## **Housing Trust Fund Advisory Board Finance Subcommittee**

### **Purpose:**

This subcommittee was created to investigate ways to raise money for the housing trust fund.

### **MEMBERS**

Mr. Vincent Lyles, Chair

Ms. Cathie Madden, Vice Chair

Mr. Brian Peters

Mr. Ray Schmidt

Ms. Bethany Sanchez

### **Subcommittee meetings held in 2007:**

July 2, 2007

August 6, 2007

September 4, 2007

December 3, 2007

## **HISTORY**

On December 13, 2005, the Common Council adopted File Number 051017, substitute resolution creating an affordable housing task force to study issues related to establishing a City of Milwaukee Housing Trust Fund. (**APPENDIX A**)

On July 12, 2006, the Common Council received and placed on file, File 060070 - Communication from the Milwaukee Housing Trust Fund Task Force transmitting its final report and recommendations. (**See APPENDIX A, File #060071 for list of recommendations**)

On September 26, 2006, the Common Council adopted File Number 060071, substitute resolution relating to the recommendations of the Milwaukee Housing Trust Fund Task Force for the operation and funding of a housing trust fund. (**APPENDIX A**)

On November 10, 2006, the Common Council approved an amendment (84A) to the 2007 City Budget, submitted by Ald. Murphy that added a \$2.5 million general obligation borrowing authority for a Housing Trust Fund. (**APPENDIX B**)

On November 14, 2006, the Common Council passed File Number 041537, a substitute ordinance relating to the establishment, operation and funding of a Milwaukee housing trust fund. (**APPENDIX A**)

On May 8, 2007, the Common Council passed File Number 070140, an ordinance relating to the staffing and residency requirements of the housing trust fund advisory board. (**APPENDIX A**)

On April 18, 2007, the Housing Trust Fund Advisory Board met for the first time.

## ACCOMPLISHMENTS IN 2007

The Housing Trust Fund Advisory Board and its Technical Review Finance Subcommittees worked together to accomplish the following in 2007:

- The Board's first goal was to create an application form.

At the board's April 2007 meeting, Ald. Murphy offered a proposed draft application form and the board members reviewed, revised and, came up with a final version. That final version was approved at the Board's June 12, 2008 meeting. **(APPENDIX C)**

- The second goal was to create a scoring measure.

The full board deferred this task to the Technical Review Subcommittee.

The Technical Review Subcommittee at its May 11, 2007 and May 31, 2007, meetings created a proposed scoring sheet and it was then reviewed, revised and approved by the full board at its June 12, 2007 meeting. **(APPENDIX C)**

- The Director of the Community Development Grants Administration prepared a list of Administrative Policies and Procedures for the Housing Trust Fund and the board approved those at its September 9, 2007 meeting. **(APPENDIX D)**
- At the board's May 22, 2007 meeting, the board decided that the first round of funding would go to brick and mortar projects only.
- In September of 2007 a request for proposal (application) process began and the due date for that first round of applications was set for October 10, 2007.

1. The first round of request for proposals brought in 21 applications.

2. In October 2007, each of the Technical Review Subcommittee members began reviewing and scoring the applications. The members would each bring their completed scoring sheets to a subcommittee meeting, which will take place in January 2008, where their scores will be compiled and calculated to come up with a final score for each of the applications. The

subcommittee would make its award recommendations based on the final scores and forward those recommendations to the full board for final review and approval.

- The Technical Review Subcommittee created a proposed “Funding Guidelines for the 2007 Housing Trust Fund project awards” and the full board approved it at its January 18, 2008 meeting. (**APPENDIX E**)
- On December 11, 2007, Ald. Murphy submitted File 071312- Resolution expressing the City of Milwaukee's support for the establishment of a National Affordable Housing Trust Fund; for Immediate Adoption by the Common Council was adopted unanimously. (**APPENDIX F**)
- The Finance Subcommittee met several times throughout 2007 and its meetings consisted of reviewing the recommendations for funding from the Housing Trust Fund Task Force and then gathering information from City sources, such as the City Comptroller’s staff, Department of City Development and City Assessor, who appeared at the meetings and either gave a presentation or offered information and suggestions on fund options. Some of the subcommittee members also provided information on how other cities were funding their housing trust funds.
- The full board Advisory Board will review the Technical Subcommittee recommendations first round of awards in January 2008.

# APPENDIX A

# City of Milwaukee

Office of the City Clerk

200 E. Wells Street  
Milwaukee, Wisconsin 53202

Certified Copy of Ordinance

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**FILE NO: 041537**

**Title:**

**A substitute ordinance relating to the establishment, operation and funding of a Milwaukee housing trust fund.**

**Body:**

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Chapter 316 of the code is created to read:

CHAPTER 316  
HOUSING TRUST FUND

316-1 Establishment; Purpose  
316-3 Administration  
316-5 Housing Trust Fund Advisory Board  
316-7 Financing the Housing Trust Fund

316-1. Establishment; Purpose. There is established a housing trust fund to support developers and governmental entities in the acquisition, construction, rehabilitation and modification of affordable and accessible housing for low-income households, and to finance support services that assist low-income households in obtaining and maintaining affordable housing.

316-3. Administration. The housing trust fund shall be administered by the community development grants administration division of the department of administration. The community development grants administration division, guided by the recommendations of the Milwaukee housing trust fund task force approved by the common council in resolution file number 060071, shall:

1. Administer the housing trust fund.
2. Develop and implement appropriate rules, procedures, guidelines and regulations for the proper operation of the housing trust fund, including the necessary internal controls over the fund.
3. Review requests for funding from the housing trust fund and make funding recommendations to the housing trust advisory board.
4. Establish criteria and procedures for reviewing requests for funding from the housing trust fund, and for allocating funds from the housing trust fund.
5. Prepare and submit an annual report to the mayor and common council concerning the administration and activities of the housing trust fund.

316-5. Housing Trust Fund Advisory Board. 1. CREATED. a. There is created a housing trust

fund advisory board consisting of the following 13 members who shall serve staggered 2-year terms:

- a-1. 2 common council members appointed by the common council president.
  - a-2. 2 members appointed by the mayor.
  - a-3. The city comptroller or designee.
  - a-4. A non-profit developer, appointed by the common council president.
  - a-5. A for-profit developer, appointed by the common council president.
  - a-6. A representative of Continuum of Care, appointed by the agency.
  - a-7. A representative of a financial institution, appointed by the common council president.
  - a-8. A representative of the Local Initiatives Support Corporation, appointed by the agency.
  - a-9. A representative of the Metropolitan Milwaukee Fair Housing Council, appointed by the agency.
  - a-10. A representative of Independence First, appointed by the agency.
  - a-11. A representative of the Interfaith Conference of Greater Milwaukee, appointed by the agency.
  - b. The mayor shall designate the committee chair and vice-chair.
2. DUTIES. Guided by the recommendations of the Milwaukee housing trust fund task force approved by the common council in resolution file number 060071, the housing trust fund advisory board shall:
- a. Evaluate requests for funding from the housing trust fund after the requests have been submitted to and reviewed by the community development grants administration division.
  - b. Make recommendations to the common council concerning the allocation of housing trust funds based on the recommendations of the community development grants administration division.
  - c. Identify sources of financing the housing trust fund that may be utilized for consideration by the common council.
  - d. Adopt rules, guidelines and criteria to assist the board in carrying out its responsibilities.
3. STAFFING. The community development grants administration division shall provide staff support to the board.

#### 316-7. Financing the Housing Trust Fund.

1. SOURCES. a. It is anticipated that the housing trust fund is to be funded by sources identified in common council resolution file number 060071, such as start-up funding using general obligation bonds, surplus Potawatomi Bingo Casino revenues, post-closure tax incremental district revenues, excess payments in lieu of taxes and other funding sources that may be identified by the common council and the housing trust advisory board.  
b. The housing trust fund shall be initially capitalized for a maximum of \$5 million in general obligation proceeds, with the resulting annual debt service being amortized by surplus Potawatomi Bingo Casino revenues, post-closure tax incremental district revenues, excess payments in lieu of taxes, and secondarily by the property tax levy. Bonds shall be issued as bond-funded projects are approved by the common council. These bonds shall be issued such that bond-sale proceeds will be used for a purpose for which the city will be exempt from the requirement to hold a referendum on the bond sale, as provided in state law. This bond sale shall be considered a one-time commitment intended to provide start-up funding for the housing trust fund.
2. DEPOSITS AND EXPENDITURES. The city comptroller shall establish the necessary accounts for the deposit and expenditure of housing trust funds.

- Part 2. For purposes of staggering the terms of the members of the housing trust fund advisory board, members shall be initially appointed under s. 316-5 as follows:
- a. One-year terms for members appointed under s. 316-5-a-2, 6, 8, 9, 10 and 11.
  - b. 2-year terms for members appointed under s. 316-5-a-1, 3, 4, 5, and 7.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Ordinance Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on November 14, 2006, published on December 1, 2006, effective December 2, 2006.

*Ronald D Leonhardt*

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Ronald D. Leonhardt

August 07, 2008

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Date Certified

# City of Milwaukee

Office of the City Clerk

200 E. Wells Street  
Milwaukee, Wisconsin 53202

Certified Copy of Resolution

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FILE NO: 051017

**Title:**

**Substitute resolution creating an affordable housing task force to study issues related to establishing a City of Milwaukee Housing Trust Fund.**

**Body:**

Whereas, In wake of the various national disasters and global wars, the numbers of homeless and other economically disadvantaged persons are growing; and

Whereas, Private businesses, community-based organizations, city, county and state agencies administer and manage various programs dedicated to ensuring that children and families are provided clean and safe shelter at affordable rents; and

Whereas, The City of Milwaukee continues to support and develop programs that provide quality, safe, affordable housing as a stabilizing factor for those persons and families most in need; and

Whereas, The Common Council in 2000 supported federal legislation designed to create and fund a National Affordable Housing Trust Fund, a bill that did not become law but would have leveraged funds against various publicly and privately run housing programs that serve thousands annually; and

Whereas, On October 18, 2005, the Common Council adopted Resolution File Number 050755, appropriating \$25,000 in non-tax levy funds to hire a consultant, who along with an advisory task force, will help develop the City of Milwaukee Housing Trust Fund (HTF); and

Whereas, It is the Common Council's intent that the advisory task force conduct various start up tasks including but not limited to, developing a formal structure for the administration of the Housing Trust Fund, recommending guidelines to select and develop worthy projects, and identifying on-going sources of revenue to support future Housing Trust Fund projects; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that a housing task force is created and shall consist of:

1. Two members appointed by the Common Council President, one to serve as chair and the other as vice-chair.
2. The Mayor or the Mayor's designee.
3. The Commissioner of the Department of City Development or the Commissioner's designee
4. The Director of the Housing Authority of the City of Milwaukee or the Director's designee.
5. Two members from the Interfaith Conference, appointed by the Common Council President.

6. One member from the business community, appointed by the Common Council President.
7. One member of the Milwaukee County Board of Supervisors, appointed by the Common Council President.
8. One member from the Wisconsin Housing and Economic Development Corporation, appointed by the Common Council President.
9. One member from the Fair Housing Council, appointed by the Common Council President.
10. One member from Independence First, appointed by the Common Council President.
11. One member from Continuum of Care, appointed by the Common Council President.

; and, be it

Further Resolved, That the Common Council President may appoint others to the task force from the private and public sectors that can assist the task force in reaching its objectives; and, be it

Further Resolved, That the task force shall evaluate and make recommendations relating to the hiring of a consultant and the structure, goals, objectives, strategies, financial resources and programs for the City of Milwaukee HTF; and, be it

Further Resolved, That the City Clerk's Office shall provide staff support to the task force; and, be it

Further Resolved, That all City departments are authorized and directed to cooperate with and assist the task force in carrying out its mission; and, be it

Further Resolved, That the task force may request assistance from non-City entities in carrying out its mission; and, be it

Further Resolved, That the task force shall submit its findings and recommendation to the Common Council within 180 days of adoption of this resolution, and shall thereafter be dissolved.



**I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on December 13, 2005.**

*Ronald D. Leonhardt*

Ronald D. Leonhardt

August 07, 2008

Date Certified

# City of Milwaukee

Office of the City Clerk

200 E. Wells Street  
Milwaukee, Wisconsin 53202

Certified Copy of Resolution

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**FILE NO: 060071**

**Title:**

**Substitute resolution relating to the recommendations of the Milwaukee Housing Trust Fund Task Force for the operation and funding of a housing trust fund.**

**Body:**

Whereas, On December 13, 2005, the Common Council adopted File Number 051017, a resolution establishing a 13-member Affordable Housing Trust Fund Task Force to evaluate and make recommendations relating to the structure, goals, strategies, financial resources and programs for a City of Milwaukee Housing Trust Fund; and

Whereas, The Task Force was given 180 days (until June 13, 2006) to submit its findings and recommendations to the Common Council, and this deadline was later extended to July 31, 2006, by File Number 060069, adopted May 31, 2006; and

Whereas, The Task Force submitted its Final Report and Recommendations to the Common Council in June, 2006, under File Number 060070, a communication transmitting the Final Report and Recommendations of the Housing Trust Fund Task Force; and

Whereas, The report was given a public hearing under the communication file by the Common Council's Zoning, Neighborhoods and Development Committee on July 7, 2006; and

Whereas, The recommendations of the Housing Trust Fund Task Force were as follows:

**Financing the Housing Trust Fund**

1. The Housing Trust Fund should be funded at a minimum level of \$5 million annually.
2. The City shall issue up to \$5 million in general obligation bonds to fund the Housing Trust Fund in its first year of operation, with debt service being funded by the property tax levy. These bonds should be issued in such a manner that it is clear that bond-sale proceeds will be used for a purpose for which the City would be exempt from the requirement to hold a referendum on the bond sale, as provided in the Wisconsin Statutes. This bond sale should be viewed as a one-time commitment intended to provide start-up funding for the Housing Trust Fund. It is anticipated that funding from other revenue sources, including those for which changes in state legislation are necessary, will provide the funding needed for the Housing Trust Fund in the second and subsequent years.

Assuming a 15-year term and an interest rate of 5%, annual debt service payments for this \$5 million

bond issuance would range from \$350,000 to \$583,333.

3. If future City payments from the Potawatomi Bingo Casino exceed the current amount of \$3.38 million per year, the additional revenues shall be dedicated for the Housing Trust Fund. If the casino is expanded, payments to the City could increase by \$2 million to \$4 million.

4. When a tax incremental district is closed, for each of the 4 years immediately following the year in which closure occurred, the City shall designate General Fund revenue for the Housing Trust Fund in an amount equal to the incremental tax revenue (City portion) received from the TID during the last tax collection cycle in which the tax incremental district was in existence. Thus, for any year in the future - 2010, for example -- the total funds generated for the Housing Trust Fund for that year would be the final-year tax increment (City portion) for all TIDs that were closed in the preceding 4 years (in this case, TIDs that closed in 2006, 2007, 2008 and 2009).

Based on TID-closure years anticipated by the Department of City Development and the Comptroller's projection of the City tax increment from each tax incremental district in the TID-closure year, this option could generate the following revenues for the Housing Trust Fund over the next 10 years:

2007	\$2,674,900
2008	\$3,115,000
2009	\$3,431,800
2010	\$3,684,500
2011	\$1,068,100
2012	\$628,000
2013	\$1,741,300
2014	\$1,712,800
2015	\$1,890,400
2016	\$2,869,400

Note: In developing these projections, the Comptroller's Office assumed that no new TIDs will be created and closed within the 10-year period, that equalized values of TIDs will increase 8% per year over the 2005 equalized value and that the City tax rate will continue to decrease until 2011, after which time it will level off.

5. 80% of the net proceeds from the sale of City-owned vacant land should be designated for the Housing Trust Fund. The remaining 20% would continue to go to the Redevelopment Authority for its administration of the land-sale program. Based on actual City land-sale proceeds over the past 5 years, it appears that this option could generate \$132,000-\$275,000 for the Housing Trust Fund each year.

6. Any payments in lieu of taxes ("PILOTs") received by the City from newly-negotiated PILOT agreements with owners of tax-exempt property should be dedicated for the Housing Trust Fund. Based on recent experience, PILOTs could generate \$20,000-\$27,000 per year for the Housing Trust

Fund.

7. The City, through appropriate Common Council resolutions and the efforts of the Department of Administration-Intergovernmental Relations Division, should seek introduction and passage of state legislation that would:

- Allow revenues from tax incremental districts to be used for housing trust fund purposes outside those districts.
- Allow municipalities to assess linkage fees in the range of 10 to 30 basis points per square foot of new construction (both residential and non-residential), with the proceeds from such fees available to support local housing trust funds.
- Create a 50% state tax credit for contributions to housing trust funds.
- Enable municipalities and counties to levy taxes and fees that solely support housing trust funds. Such taxes and fees should be exempt from state-imposed revenue caps or tax-levy freezes.
- Create a State of Wisconsin housing trust fund to be funded, at least in part, by real estate transfer fee proceeds, with no funds coming from local governments. Specifically, this housing trust fund should be funded by 5% of the real estate transfer fee revenues (i.e., the share of transfer fee revenues retained by the State for other purposes would be reduced from 80% to 75%).
- Increase the amount of the real estate transfer fee statewide from \$3 per \$1,000 of sale price to \$4 per \$1,000, with the increased revenues being dedicated to the state housing trust fund (if one is created) or to local housing trust funds (if no state housing trust fund is created).
- Eliminate the exemption from the requirement to pay the real estate transfer fee that currently applies to transfers involving purchasers that are limited liability companies ("LLCs"), with the additional transfer fee revenues being dedicated to the state housing trust fund or, if no state fund is created, to local housing trust funds.

#### Operation of the Housing Trust Fund

1. The Housing Trust Fund should be administered by the Community Development Grants Administration Division of the City's Department of Administration. If this agency is unable or unwilling to assume this responsibility, the Department of City Development/Neighborhood Improvement Development Corporation should administer the program. A third, but less-preferred, option would be to have a private, non-profit agency administer the Trust Fund.

While the Housing Trust Fund would be administered by Community Development Grants Administration, requests-for-proposals, public hearings and funding-allocation decisions should be kept separate from the City's CDBG activities.

2. Oversight of administration of the Housing Trust Fund, as well as final funding recommendations to the Common Council, should be provided by a 13-member advisory board consisting of the following members, who shall serve staggered, 2-year terms:

- Two Common Council members (appointed by the Common Council President)

- Two members to be appointed by the Mayor
- The City Comptroller or his/her designee
- A non-profit developer (appointed by the Common Council President)
- A for-profit developer (appointed by the Common Council President)
- A representative of Continuum of Care
- A representative of a financial institution (appointed by the Common Council President)
- A representative of the Local Initiatives Support Corporation
- A representative of the Metropolitan Milwaukee Fair Housing Council
- A representative of Independence First
- A representative of the Interfaith Conference of Greater Milwaukee

(For advisory board members where no appointing authority is specified, the agency which the individual represents shall make the appointment.)

The board should be responsible for evaluating requests for funding from the Housing Trust Fund (after those requests have been submitted to and reviewed by the administering agency). In making funding-allocation decisions, the board should consider a report on Milwaukee's housing needs that is prepared annually by the Community Development Grants Administration Division and the Department of City Development.

3. A minimum of 25% of Housing Trust Fund dollars should be used to develop housing and provide services for people who are homeless. A minimum of 35% should be used to develop or rehabilitate rental housing. A minimum of 25% should be used to create and maintain home ownership opportunities. The remainder of the Fund (15% or less) should be set aside for "flexible" use to respond to whatever housing needs the advisory board identifies, subject to the income-eligibility requirements of items #7 and #8. In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. Each year, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, should be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership).

For all projects financed by the Housing Trust Fund, Trust Fund dollars should be used to leverage and complement other sources of financing and to close funding gaps, but should not be viewed as the primary source of funds for the project.

4. Rental housing which is supported by the Housing Trust Fund shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.

5. For acquisition, new construction or rehabilitation of an owner-occupied dwelling, a Housing Trust Fund loan should be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years could be imposed through a deed restriction. If the owner sells the home before the end of the 5-year period, the owner would be required to reimburse the Housing

Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

6. For housing for the homeless, the period of affordability should be 50 years.

7. Financial assistance from the Housing Trust Fund for acquisition or new construction of owner-occupied housing should be limited to households with incomes at or below 100% of the County Median Income (currently \$67,200 for a family of 4), where "income" is as defined on the Census Bureau's Long Form. For homeowners seeking financial assistance for rehabilitation projects, household income should be limited to 65% of County Median Income (currently \$43,680) for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). The dollar values of these income limits will, naturally, be adjusted over time as County Median Income changes.

8. Housing Trust Fund assistance for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) should be limited to projects that serve households and individuals at or below 50% of the County Median Income (currently \$33,600).

9. Housing Trust Fund dollars should be available for home-buying counseling, but agencies providing counseling should be required to demonstrate that they serve low- and moderate-income clients. Also, any organization that receives Housing Trust Fund money for this purpose should be required to prove that it has the ability to assist disabled individuals needing counseling (e.g., the organization offers translation services, materials in Braille, etc.).

10. The advisory board should give weighted consideration to an application for Housing Trust Fund assistance if the proposed project will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

11. The following accessibility standards shall apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).

- Wisconsin Open Housing Act.
- Architectural Barriers Act.
- The design principles of any one of the following:
  - “Aging in place”.
  - “Universal design”.
  - Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund’s advisory board.
- For new housing units in one- to 3-unit structures, each ground-floor unit shall be constructed to the following “visitability” standards:
  - One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32” clear passage opening.
  - A usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36” at any point except for interior doorway openings with a minimum 32” clear passage opening.
  - A powder room (half bath) on the main-level floor that has: 1) a doorway entrance with a minimum 32” clear passage opening; 2) sufficient space to close the entrance door while the room is occupied; 3) a minimum 30” by 48” floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.
- Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund’s advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

; and

Whereas, Implementation of any of the recommendations contained in the Task Force’s Final Report will require endorsement and implementation by the Common Council via appropriate legislation, including ordinances, resolutions and budget amendments; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Common Council endorses the following structure and strategies for the financing and operation of the City of Milwaukee Housing Trust Fund:

#### Financing the Housing Trust Fund

1. The Housing Trust Fund should be funded at a minimum level of \$5 million annually.
2. The City shall issue up to \$5 million in general obligation bonds to fund the Housing Trust Fund in its first year of operation, with debt service being funded first by the additional Potawatomi Bingo Casino revenues and tax incremental district revenues described in numbers 3 and 4 below and secondarily by the property tax levy. Bonds shall be issued as bond-funded projects are approved by the Common Council. These bonds shall be issued in such a manner that it is clear that bond-sale proceeds will be used for a purpose for which the City would be exempt from the requirement to hold

a referendum on the bond sale, as provided in the Wisconsin Statutes. This bond sale should be viewed as a one-time commitment intended to provide start-up funding for the Housing Trust Fund.

3. If future City payments from the Potawatomi Bingo Casino exceed the current amount of \$3.38 million per year, 50% of the additional revenues shall be dedicated for the Housing Trust Fund.

4. When a tax incremental district is closed, for each of the 2 years immediately following the year in which closure occurred, the City shall designate General Fund revenue for the Housing Trust Fund in an amount equal to one-half the incremental tax revenue (City portion) received from the TID during the last tax collection cycle in which the tax incremental district was in existence. Thus, for any year in the future - 2010, for example -- the total funds generated for the Housing Trust Fund for that year would be one-half the final-year tax increment (City portion) for all TIDs that were closed in the preceding 2 years (in this case, TIDs that closed in 2006, 2007, 2008 and 2009).

Based on TID-closure years anticipated by the Department of City Development and the Comptroller's projection of the City tax increment from each tax incremental district in the TID-closure year, this option could generate the following revenues for the Housing Trust Fund over the next 10 years:

2007	\$1,337,450
2008	\$1,557,500
2009	\$378,450
2010	\$284,750
2011	\$155,600
2012	\$29,250
2013	\$715,050
2014	\$827,150
2015	\$230,150
2016	\$607,550

5. Any payments in lieu of taxes ("PILOTs") received by the City from newly-negotiated PILOT agreements with owners of tax-exempt property shall be dedicated for the Housing Trust Fund, if so designated by the property owner.

6. The City, through appropriate Common Council resolutions and the efforts of the Department of Administration-Intergovernmental Relations Division, shall seek introduction and passage of state legislation that would:

- Allow revenues from tax incremental districts to be used for housing trust fund purposes outside those districts.
- Allow municipalities to assess linkage fees in the range of 10 to 30 basis points per square foot of new construction (both residential and non-residential), with the proceeds from such fees available to support local housing trust funds.
- Create a 50% state tax credit for contributions to housing trust funds.

- Enable municipalities and counties to levy taxes and fees that solely support housing trust funds. Such taxes and fees should be exempt from state-imposed revenue caps or tax-levy freezes.
- Create a State of Wisconsin housing trust fund to be funded, at least in part, by real estate transfer fee proceeds, with no funds coming from local governments. Specifically, this housing trust fund should be funded by 5% of the real estate transfer fee revenues (i.e., the share of transfer fee revenues retained by the State for other purposes would be reduced from 80% to 75%).
- Increase the amount of the real estate transfer fee statewide from \$3 per \$1,000 of sale price to \$4 per \$1,000, with the increased revenues being dedicated to the state housing trust fund (if one is created) or to local housing trust funds (if no state housing trust fund is created).
- Eliminate the exemption from the requirement to pay the real estate transfer fee that currently applies to transfers involving purchasers that are limited liability companies (“LLCs”), with the additional transfer fee revenues being dedicated to the state housing trust fund or, if no state fund is created, to local housing trust funds.

#### Operation of the Housing Trust Fund

1. The Housing Trust Fund shall be administered by the Community Development Grants Administration Division of the City’s Department of Administration. While the Housing Trust Fund would be administered by this office, requests-for-proposals, public hearings and funding-allocation decisions shall be kept separate from the City’s CDBG activities.

2. A Housing Trust Fund Advisory Board shall be established to make project funding recommendations to the Common Council for approval. The 13-member Advisory Board shall consist of the following members, who shall serve staggered, 2-year terms:

- Two Common Council members (appointed by the Common Council President)
- Two members to be appointed by the Mayor
- The City Comptroller or his/her designee
- A non-profit developer (appointed by the Common Council President)
- A for-profit developer (appointed by the Common Council President)
- A representative of Continuum of Care
- A representative of a financial institution (appointed by the Common Council President)
- A representative of the Local Initiatives Support Corporation
- A representative of the Metropolitan Milwaukee Fair Housing Council
- A representative of Independence First
- A representative of the Interfaith Conference of Greater Milwaukee

(For advisory board members where no appointing authority is specified, the agency which the individual represents shall make the appointment.)

The Advisory Board shall be responsible for evaluating requests for funding from the Housing Trust Fund (after those requests have been submitted to and reviewed by the administering agency). In making funding-allocation recommendations, the board shall consider a report on Milwaukee’s housing

needs that is prepared annually by the Community Development Grants Administration Division and the Department of City Development.

3. A minimum of 25% of Housing Trust Fund dollars shall be used to develop housing and provide services for people who are homeless. A minimum of 35% shall be used to develop or rehabilitate rental housing. A minimum of 25% shall be used to create and maintain home ownership opportunities. The remainder of the Fund (15% or less) shall be set aside for “flexible” use to respond to whatever housing needs the advisory board identifies, subject to the income-eligibility requirements of items #7 and #8. In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. Each year, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, shall be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership).

For all projects financed by the Housing Trust Fund, Trust Fund dollars shall be used to leverage and complement other sources of financing and to close funding gaps. The Trust Fund should not be viewed as the primary source of funds for the project.

4. Rental housing which is supported by the Housing Trust Fund shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The Common Council shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.

5. For acquisition, new construction or rehabilitation of an owner-occupied dwelling, a Housing Trust Fund loan shall be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years may be imposed through a deed restriction. If the owner sells the home before the end of the 5-year period, the owner shall be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

6. For housing for the homeless, the period of affordability shall be 50 years, with a review of the affordability requirement at 15 years and 30 years. The Common Council shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review or the 30-year review.

7. Financial assistance from the Housing Trust Fund for acquisition or new construction of owner-occupied housing shall be limited to households with incomes at or below 100% of the County Median Income (currently \$67,200 for a family of 4), where “income” is as defined on the Census Bureau’s Long Form. For homeowners seeking financial assistance for rehabilitation projects, household income shall be limited to 65% of County Median Income (currently \$43,680) for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). The dollar values of these income limits shall be adjusted over time as County Median Income changes.

8. Housing Trust Fund assistance for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) shall be limited to projects that serve households and individuals at or

below 50% of the County Median Income (currently \$33,600).

9. Housing Trust Fund dollars shall be available for home-buying counseling, but agencies providing counseling shall be required to demonstrate that they serve low- and moderate-income clients. Also, any organization that receives Housing Trust Fund money for this purpose shall be required to prove that it has the ability to assist disabled individuals needing counseling (e.g., the organization offers translation services, materials in Braille, etc.).

10. The Advisory Board shall give weighted consideration to an application for Housing Trust Fund assistance if the proposed project will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.
- Be taxable.

11. The following accessibility standards shall apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.
- The design principles of any one of the following:
  - “Aging in place”.
  - “Universal design”.
  - Any other accessible and/or adaptable design criteria recommended by the Housing Trust Fund Advisory Board and approved by the Common Council.
- For new housing units in one- to 3-unit structures, each ground-floor unit shall be constructed to the following “visitability” standards:
  - One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32” clear passage opening.
  - A usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36” at any point except for interior doorway

openings with a minimum 32" clear passage opening.

--A powder room (half bath) on the main-level floor that has: 1) a doorway entrance with a minimum 32" clear passage opening; 2) sufficient space to close the entrance door while the room is occupied; 3) a minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.

Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Common Council if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

; and, be it

Further Resolved, That the Common Council's Legislative Reference Bureau and the appropriate City officials are directed to draft legislation necessary for further Common Council action to implement the recommendations endorsed herein, including but not limited to an ordinance establishing a Milwaukee Housing Trust Fund and provisions related to its operation and funding; and, be it

Further Resolved, That the Housing Trust Fund Task Force is dissolved as provided in File Number 060069, adopted May 31, 2006, which provided that the Task Force shall be dissolved upon Common Council final action on Final Number 060071, a resolution relating to the recommendations of the task force for the operation and funding of a housing trust fund.



**I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on September 26, 2006.**

*Ronald D. Leonhardt*

Ronald D. Leonhardt

August 29, 2008

Date Certified

# City of Milwaukee

Office of the City Clerk

200 E. Wells Street  
Milwaukee, Wisconsin 53202

Certified Copy of Ordinance

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FILE NO: 070140

**Title:**

**An ordinance relating to the staffing and residency requirements of the housing trust fund advisory board.**

**Body:**

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 316-5-1-b of the code is amended to read:

316-5. Housing Trust Fund Advisory Board.

1. CREATED.

b. The mayor shall designate the [[committee]]>>board<< chair and vice-chair.

Part 2. Section 316-5-1-c of the code is created to read:

c. Members need not be city residents.

Part 3. Section 316-5-3 of the code is amended to read:

3. STAFFING. The community development grants administration division >>and the city clerk's office<< shall provide staff support to the board.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Ordinance Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on May 8, 2007, published on May 24, 2007, effective May 25, 2007.

*Ronald D. Leonhardt*

Ronald D. Leonhardt

August 07, 2008

Date Certified

# APPENDIX B

**SPONSOR: FINANCE AND PERSONNEL COMMITTEE****AMENDMENT 84A**

<b>DEPARTMENT</b>	<b>BUDGET IMPACT</b>	<b>TAX LEVY IMPACT</b>	<b>TAX RATE IMPACT PER \$1,000</b>
Capital Improvements Budget: Housing Trust Fund	\$+2,500,000	\$+0	\$+0.000

**AMENDMENT INTENT**

This amendment provides \$2.5 million in general obligation borrowing authority for a Housing Trust Fund. Note: It is assumed that borrowing for this program will not take place until Fall 2007 at the earliest and future debt service is expected to be paid from revenues outlined in the Housing Trust Fund ordinance..

**OVERVIEW**

One financing recommendation proposed by the Housing Trust fund Task Force and approved by the Common Council provides for the City of Milwaukee to issue up to \$5 million general obligation authority for start up costs.

This amendment provides for the following:

- \$2.5 million in general obligation borrowing authority for a Housing Trust Fund start up costs with a footnote that the funds are to be expended pursuant to an agreement between DOA and DPW.
- Borrowing will not take place until at least Fall 2007.
- Future debt service is expected to be paid from revenues outlined in the Housing Trust Fund ordinance.
- Revises the Subtotal Grants and Aids Projects (3) referenced on page 580.1 in the proposed budget to accommodate the intent of this amendment

**IMPACT**

By adopting this amendment, the budget increases by \$+2,500,000 but neither the property tax levy nor the tax rate is impacted.

**ORIGINAL SPONSOR:** Ald. Murphy

**COMMITTEE VOTE (4-0-1):** In Favor: Ald. Murphy, D'Amato, Donovan, Witkowiak  
 Opposed: None  
 Excused: Ald. Davis

**COUNCIL VOTE (12-3):** In Favor: Ald. Hamilton, D'Amato, Bauman, Bohl, Wade, McGee, Donovan, Puente, Murphy, Witkowiak, Witkowski, Hines  
 Opposed: Ald. Davis, Dudzik, Zielinski

Prepared by: Emma J. Stamps (286-8666)  
 LRB – Research & Analysis Section  
 October 26, 2006  
 Revised: November 3, 2006

**OBJECTIVE, OVERALL BUDGET LEVY EFFECT OF THIS POSSIBLE AMENDMENT TO THE 2007 PROPOSED BUDGET**

By Ald. Murphy

Item 84a

CAPITAL IMPROVEMENTS, PROPOSED BORROWING AUTHORIZATIONS

Provide \$2.5 million in General Obligation borrowing authority for a Housing Trust Fund. It is assumed that borrowing for this program will not take place until the fall of 2007 at the earliest. Future debt service is expected to be paid from revenues outlined in the Housing Trust Fund ordinance.

<u>BUDGET</u>	<u>TAX LEVY</u>	<u>TAX RATE EFFECT</u>
<u>EFFECT</u>	<u>EFFECT</u>	<u>(PER \$1,000 A.V.)</u>

\$+2,500,000	\$+0	\$+0.000
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Capital Improvements Budget

BMD-2 PAGE AND LINE NUMBER	DETAILED AMENDMENT	CHANGE IN 2007 POSITIONS OR UNITS COLUMN		CHANGE IN 2007 AMOUNT COLUMN	
		NUMBER TO BE CHANGED	AMOUNT OF CHANGE	AMOUNT TO BE CHANGED	AMOUNT OF CHANGE
450.3-8	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS  SPECIAL CAPITAL PROJECTS OR PURPOSES  Immediately following the line:  "(F) Funds to be expended pursuant to an agreement between DOA and DPW."  Insert the following lines and corresponding amounts:  "Housing Trust Fund" "New Borrowing"	--	--	--	\$+2,500,000
450.40-13	SECTION I.C.2. SOURCE OF FUNDS FOR CAPITAL IMPROVEMENTS BUDGET  New Authorizations - City Share	--	--	\$57,501,490	\$+2,500,000
580.1	SECTION II. PROPOSED BORROWING AUTHORIZATIONS  A. Grants and Aids Projects  Delete the following line and corresponding amounts:  Subtotal Grants and Aids Projects (3)	--	--	\$300,000	\$-300,000

Change totals, subtotals, and related amounts accordingly.

OBJECTIVE, OVERALL BUDGET LEVY EFFECT OF THIS POSSIBLE AMENDMENT TO THE 2007 PROPOSED BUDGET

By Ald. Murphy

CAPITAL IMPROVEMENTS, PROPOSED BORROWING AUTHORIZATIONS (cont'd)

BMD-2 PAGE AND LINE NUMBER	DETAILED AMENDMENT	CHANGE IN 2007 POSITIONS OR UNITS COLUMN		CHANGE IN 2007 AMOUNT COLUMN	
		NUMBER TO BE CHANGED	AMOUNT OF CHANGE	AMOUNT TO BE CHANGED	AMOUNT OF CHANGE
	Insert the following lines and corresponding amounts:				
	"Subtotal Grants and Aids Projects (Lines 1 to 6)(3)			\$0	\$+300,000
	"7. Low-interest mortgage loans under s. 62.237"				
	"8. For blight elimination, slum clearance, redevelopment, community development and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337 and 66.1105."				
	"9. Parking lots or other parking facilities"				
	"10. Housing public purpose under s. 67.12(12)"				
	"Subtotal Grants and Aids Projects (Lines 7 to 10)(3)"	--	--	\$0	\$+2,500,000

# APPENDIX C



**CITY OF MILWAUKEE  
HOUSING TRUST FUND**

**APPLICATION FOR FUNDING  
FY2007**



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

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### **BACKGROUND:**

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund services that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

### **FUNDING GUIDELINES**

- A minimum of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A minimum of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

***HOUSING TRUST FUND ACTIVITIES MUST OCCUR IN  
THE CITY OF MILWAUKEE***

***REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF  
MILWAUKEE WILL BE REJECTED***



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

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Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. **Housing Trust Funds may not be used as the primary source of funds for any project.**

### ELIGIBLE APPLICANTS

1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.
2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

### AFFORDABILITY REQUIREMENTS

1. Rental Housing: Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
2. Owner-Occupied Housing and Homeownership: Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.
3. Housing and Services for the Homeless: All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

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### INCOME ELIGIBILITY

1. Owner-Occupied Housing: Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are based on the CMI and are subject to change annually.

2. Rental Housing and Housing for the Homeless: Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income.

Please refer to Attachment A for current Housing Trust Fund income limits

### APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

**Please refer to Attachment C for a detailed description of application scoring measures.**



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

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### OTHER REQUIREMENTS

The following accessibility standards apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.
- The design principles of any one of the following:
  1. Aging in place
  2. Universal design
  3. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.
- For new housing units in one- to three-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:
  1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
  2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
  3. Powder room (half bath) on the main-level floor that has:
    - i. A doorway entrance with a minimum 32" clear passage opening;
    - ii. Sufficient space to close the entrance door while the room is occupied;
    - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.
- Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

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### INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding.*

**Completed applications and required attachments must be received at the Community Development Grants Administration office no later than 4:00 p.m. on Wednesday, October 10, 2007. No extensions will be granted. Submit the original and fifteen (15) copies to:**

Mr. Steven L. Mahan, Director  
Community Development Grants Administration  
200 East Wells Street, Room 606  
Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647. Your application will begin when your complete application has been received, including all items indicated below:

- A fully completed application. If a question does not apply, indicate this on the application.
- Applicants should include audited financial statements for three years, if in existence for less than three years, all statements received to date (balance sheets, cash flow statements, and profit and loss statements). For special limited purpose corporations, the supporting organization's statements.
- Tax returns for three years (Individual 1040, Corporate 1120, Form 990, and Partnership 1065).
- Project or Business plan
- Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- Market analysis for projects containing twelve or more residential units.
- Resumes and qualifications of the development team.
- Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- A minimum 5-year projected pro-forma
- An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- Post rehabilitation or new construction appraisal



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

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### NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

### FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding will be notified by mail within 30 days of Common Council action.

In addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

*ALL AWARDS ARE SUBJECT TO NEGOTIATION OF FINAL TERMS.*



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

Organization Name: \_\_\_\_\_

Organization Address: \_\_\_\_\_ City \_\_\_\_\_ Zip \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_ FEIN \_\_\_\_\_

Indicate the amount requested in the appropriate category below. ***Please submit a separate application for each category being requested.***

The use of HTF dollars is currently limited to capital improvement (brick and mortar) activities. Housing Trust Fund dollars may not be used as the primary source of funds for any project.

Activity	2007 Funds Available	Amount Requested
<b>Homelessness</b>	<b>\$750,000</b>	
- Rehabilitation of Existing Facility		\$
- New Construction of Facility		\$
<b>Rental Housing</b>	<b>\$1,000,000</b>	
- Rehabilitation of Existing Structure		\$
- New Construction		\$
<b>Home Ownership</b>	<b>\$750,000</b>	
- Rehabilitation of Existing Structure(s)		\$
- New Construction		\$
- Owner-Occupied Rehabilitation		\$
<b>TOTAL</b>	<b>\$2,500,000</b>	<b>\$</b>
Indicate the percentage and amount of HTF funds requested that will be used to fund accessibility improvements or modifications. →		_____ % \$ _____

**Proposals must be authorized and signed by the Chief Executive Officer -AND- an official of the Board of Directors.**

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_  
Title: \_\_\_\_\_

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_  
Title: \_\_\_\_\_



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

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### **PART I: PROJECT DESCRIPTION**

1. **Describe the Project:** Briefly identify the project location and the specific activity to be completed.

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- a. **If project involves construction or rehabilitation, please attach photos of the site and sketches or drawings of the proposed project.**

\_\_\_\_\_ Photos and/or sketches are attached

\_\_\_\_\_ Project does not involve construction or rehabilitation

- b. **If the project involves the provision of services, briefly describe the specific services to be provided.**

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\_\_\_\_\_ Project does not involve the provision of supportive services

2. **Households/Clients Served:** Briefly describe the specific population to be served, including target income level and special needs populations, as applicable.

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3. **Indicate the unduplicated number of units/household to be served**

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# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

*DO NOT WRITE BELOW*  
*For City of Milwaukee HTF Use Only*

Reviewer's Comments:

Score:





# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

### PART III: PROJECT SITE CONTROL, ZONING, & ENVIRONMENTAL ISSUES

1. Site Control is in the form of:

- Deed
- Purchase Agreement
- Option (Expiration Date \_\_\_\_\_)
- Other \_\_\_\_\_

a. Please Attach Written Documentation of Site Control

2. Site is currently zoned: \_\_\_\_\_

a. Please Attach Written Verification of Zoning Designation

3. Is the zoning appropriate for your project?

Yes       No

If no, is rezoning currently in process and when is it anticipated that this issue will be resolved?

Date \_\_\_\_\_

4. Describe what, if any, Environmental Assessment activities have been conducted.

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a. Please attach a copy of any environmental findings/reports received.

<i>DO NOT WRITE BELOW</i> <i>For City of Milwaukee HTF Use Only</i>	
Reviewer's Comments:	Score:



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

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### PART IV: PROJECT FINANCING

1. **Please Attach the Following Items**

- Sources and Uses of all funds
- Development Budget
- Project 5-Year Pro-Forma
- Cash Flow Statement

2. **Please describe the specific use of Housing Trust Fund dollars:**

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3. **Has the project secured a firm commitment from a construction lender?**

\_\_\_\_\_ Yes                  \_\_\_\_\_ No

4. **Has the project received a conditional commitment from a construction lender?**

\_\_\_\_\_ Yes                  \_\_\_\_\_ No

5. **Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with.**

Lender Name \_\_\_\_\_ Phone number \_\_\_\_\_

Contact Person \_\_\_\_\_

Address \_\_\_\_\_

Commitment Amount \$ \_\_\_\_\_ Rate/Term \_\_\_\_\_



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

6. Identify the project total amount of other funds (private and/or public) that would be leveraged by the Housing Trust Fund dollars.

Funding Source	Amount Leveraged
	\$
	\$
	\$
	\$
	\$
	\$
	\$
<b>TOTAL FUNDS LEVERAGED</b>	<b>\$</b>

<i>DO NOT WRITE BELOW</i> <i>For City of Milwaukee HTF Use Only</i>	
Reviewer's Comments:	Score:



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

### PART V: CAPACITY AND EXPERTISE

1. Has your agency previously undertaken this type of project before?

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

a. If yes, identify the three most recent projects completed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Identify the staff responsible to complete the project and indicate any experience specifically related to this project

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

***DO NOT WRITE BELOW***  
*For City of Milwaukee HTF Use Only*

Reviewer's Comments:

Score:



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

### PART VI: FURTHERANCE OF HOUSING TRUST FUND GOALS

1. Describe the accessibility improvements or modifications that will be included as a part of this project:

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2. Explain how this project serves the lowest-income segment of the population:

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3. Does the project affordability period exceed the minimum period required by the Housing Trust Fund (please refer to page 3)?

Yes       No

Affordability Period Required by HTF: \_\_\_\_\_ (years)

Affordability Period Proposed for Project: \_\_\_\_\_ (years)



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

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3. Will this project utilize workers from the neighborhood and/or give priority to emerging business enterprise contractors?

Yes  No

- a. If yes, please describe:

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4. Does this project encourage neighborhood diversity and increase housing choices within the neighborhood?

Yes  No

- a. If yes, please describe:

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5. Will this project utilize green building principles?

Yes  No

- a. If yes, please describe:

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6. Will this project coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies?

Yes  No

- a. If yes, please describe:

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# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

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7. Will this project facilitate the movement of persons from institutions into the community?

Yes  No

a. If yes, please describe:

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8. Will the project use contractors who pay family-supporting wages for all workers on the project (family supporting wages are defined as \$8.25 per hour)?

Yes  No

a. If yes, please describe:

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*DO NOT WRITE BELOW  
For City of Milwaukee HFF Use Only*

Reviewer's Comments:

Score:



# CITY OF MILWAUKEE HOUSING TRUST FUND

## APPLICATION FOR FUNDING FY2007

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### PROPOSAL CHECKLIST - YEAR 2007

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Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office **no later than 4:00 p.m. on Wednesday, October 10, 2007.** No extensions will be granted.

Submit the original and fifteen (15) copies to:

Mr. Steven L. Mahan, Director  
Community Development Grants Administration  
200 East Wells Street, Room 606  
Milwaukee, Wisconsin 53202

Faxed or electronic applications will not be accepted. All proposals received after the closing date noted above will be returned to the applicant without review.

#### **PLEASE BE CERTAIN TO**

- Complete and submit *1 original and 15 unbound copies* of all documents:
- Attach all required supporting documentation as requested in the application.
- If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will be discarded.

**If your Application is funded, additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.**

ATTACHMENT C

CITY OF MILWAUKEE HOUSING TRUST FUND  
Scoring Point System - Final Draft Recommendation

	Max 100 Pt Scale(a)	
	Point Range	Max Points
<b>Leveraged Dollars</b>		<b>15</b>
HTF dollars are less than 3% of total project cost	15	
HTF dollars account for 3 - 5% of total project cost	12	
HTF dollars account for 6 - 10% of total project cost	9	
HTF dollars account for 11 - 15% of total project cost	6	
HTF dollars are more than 15% of total project cost	3	
<b>Income Targets - Please Use Attached Chart</b>		<b>15</b>
# of units with residents up to 50% of income target	15	
# of units with residents between 51% and 70% of income target	12	
# of units with residents between 71% and 75% of income target	9	
# of units with residents between 76% and 85% of income target	6	
# of units with residents between 86% to 100% of income target	3	
<b>Affordability Period</b>		<b>10</b>
Meets HTF Affordability Period (Required - Zero Points)	0	
Exceeds HTF Affordability Period by 25%	2	
Exceeds HTF Affordability Period by 50%	5	
Exceeds HTF Affordability Period by 75%	8	
Exceeds HTF Affordability Period by 100% or more	10	
<b>Use of City of Milwaukee (resident) workers (Total Project)</b>		<b>5</b>
Less Than 18% Milwaukee (resident) workers	-5	
18% Milwaukee (resident) workers	1	
24% Milwaukee (resident) workers	2	
30% Milwaukee (resident) workers	3	
36% Milwaukee (resident) workers	4	
More than 36% Milwaukee (resident) workers	5	
<b>Use of City, County, or State EBE (Total Project)</b>		<b>5</b>
Less Than 18%	-5	
18% EBE	1	
24% EBE	2	
30% EBE	3	
36% EBE	4	
More than 36% EBE	5	
<b>Neighborhood Diversity</b>		<b>5</b>
Project Increase neighborhood diversity in housing choices	5	
<b>Green Building Principles</b>		<b>5</b>
Project Utilizes Green building Principles	5	
<b>Coordination with Community Institutions</b>		<b>5</b>
Project is Coordinated with Community Institutions	5	
<b>Community Integration</b>		<b>5</b>
Move persons from institutions to community	5	
<b>Family Supporting Wages (applies to entire project)</b>		<b>5</b>
Vendor/Contractor pays employees a minimum of \$8.25 to \$10.25 per hour	1	
Vendor/Contractor pays employees a minimum of \$10.26 to \$12.25 per hour	2	
Vendor/Contractor pays employees a minimum of \$12.26 to \$14.25 per hour	3	
Vendor/Contractor pays employees a minimum of \$14.26 to \$16.25 per hour	4	
Vendor/Contractor pays employees a minimum of \$16.26+ per hour	5	
<b>Experience</b>		<b>10</b>
Agency experience with same type/similar project	5	
Staff experience with same type/similar project	5	
<b>Accessibility improvements or modifications</b>		<b>5</b>
Meets Minimum Standards	1	
Exceeds Minimum Standards	5	
<b>Service Partners (b)</b>		<b>5</b>
Provision of services on site w/out use of HTF \$	5	
<b>Construction Financing</b>		<b>5</b>
Construction Loan is Firmly Committed	5	
Construction Loan is Conditionally Committed	2	
Construction Loan is not Identified	0	
<b>Proposal Meets Community Needs (Subjective)</b>		<b>15</b>
TBD by Reviewer	0-15	
<b>Total Points</b>		<b>100</b>

NOTE: All proposals must receive at least fifty (50) points for further consideration

- (a) 100 point maximum applies to projects requiring on-site services such as Shelter + Care. Maximum points available for all other projects is 95.
- (b) Only applies to projects requiring on-site services such as Shelter + Care

INCOME TARGETING TABLE							
		100% CMI		65% CMI		50% CMI	
CMI %	Rating Points	67,200		43,680		33,600	
Up to 50%	15	1.00	33,600	1.00	21,840	1.00	16,800
51% to 70%	12	33,601	47,040	21,841	30,576	16,801	23,520
71% to 75%	9	47,041	50,400	30,577	32,760	23,521	25,200
76% to 85%	6	50,401	57,120	32,761	37,128	25,201	28,560
86% to 100%	3	57,121	67,200	37,129	43,680	28,561	33,600

UNIT FORMULA TABLE				
Up to 50% of Target	51% to 70% of Target	71% to 75% of Target	76% to 85% of Target	At HTF Target
15 $\frac{B}{A}$	12 $\frac{B}{A}$	9 $\frac{B}{A}$	6 $\frac{B}{A}$	3 $\frac{B}{A}$

A = Total Units  
B = Units meeting HTF Income Targets

- Step 1: Determine which HTF income target your project falls under (100% CMI, 65% CMI or 50% CMI)
- Step 2: Using the INCOME TARGETING TABLE, identify the income level which is appropriate for your project
- Step 3: Locate the Rating Points associated with the income target for your project (15, 12, 9, etc)
- Step 4: Using the Rating Points identified in step 3, locate the appropriate formula set to use in the UNIT FORMULA TABLE
- Step 5: Using the UNIT FORMULA TABLE, place the number of units meeting the project income target identified in step 2 as the Numerator (B).
- Step 6: Place the Total Number of units as the Denominator (A).
- Step 7: Run the calculation to determine the appropriate number of points awarded for this section.

Example:

- Project is in the 50% CMI category
- Project will have 50 units of which 25 are for individuals making at or around \$22,000/yr
- The above two facts results in the project being given 9 rating points.

Calculation:  $12 * \frac{25}{50}$   
 $50 = 12 * 0.5$  or 6 points.

# APPENDIX D

ADMINISTRATIVE POLICIES AND PROCEDURES FOR THE CITY OF MILWAUKEE  
HOUSING TRUST FUND

**DEFINITIONS:**

ZND	The City of Milwaukee Zoning, Neighborhood & Development Committee, or successor body.
HTFAB	The City of Milwaukee Housing Trust Advisory Board
HTF	As applicable, funds received by the City of Milwaukee from various sources that comprise the financing of the Housing Trust Fund.
CDGA	The City of Milwaukee Community Development Grants Administration.

**GENERAL CRITERIA**

The following criteria will apply to all projects receiving HTF funds through the Community Development Grants Administration.

1. **Acknowledgment of HTF Funding.** Contractor must acknowledge the receipt of grant funds in literature and promotional materials in one of the following manners:
  - a. Use of City of Milwaukee logo (obtainable from the City Clerk).
  - b. Inclusion of specific language as follows: "This project is funded in part through a City of Milwaukee Housing Trust Fund allocation".
2. **Equal Opportunity.** Contractor shall provide equal employment and promotional opportunities to all present and prospective employees without regard to race, religion, color, age, handicap, sex, national origin, sexual orientation, marital status, creed or ancestry. A policy of equal employment opportunity shall apply to all personnel transactions, including, but not limited to, recruitment, hiring, compensation, promotion, transfer, demotion, recall from lay-off and educational opportunity. Grantees shall maintain a positive, continuing affirmative action program to eliminate barriers to employment which have had the effect, although unintentional, of denying equal employment opportunities to the above groups. Contractor shall monitor certain key indicators to measure positive progress in this area such as minority composition of staff and boards of directors.
3. **Non-English Speaking Clienteles.** If Contractor serves a large non-English speaking population, it shall demonstrate how language needs are met, either by having translation capacity available or having multilingual staff.
4. **Board of Directors Membership.** If Contractor is a non-governmental entity, it shall maintain a board of directors of not fewer than five members. The Board of Directors is to be independent and separate from the paid staff (except for the chief executive officer may serve as a board member). Board members may not profit or benefit in any manner from HTF-funding and shall be subject to City of Milwaukee Conflict of Interest regulations.
5. **Participation by City Officials.** Contractor must disclose participation of elected or appointed city officials in their organizations.

6. Funded agencies must demonstrate that they are "financially viable". In other words, the agency would be able to maintain a minimal level of program activity even without funding administered through the Community Development Grants Administration. The Zoning, Neighborhoods & Development Committee will handle this on a case-by-case basis.
7. Continuing projects must meet various programmatic and financial quality standards in order to receive further funding.
8. **Reporting.** The Contractor agrees to submit reports as may be required by the CITY at such times as may be scheduled for submittal as described in the contract hereto. These data-collection instruments will be a part of CDGA's monitoring and evaluation of the Contractor's activities. Reimbursement requests will be held until specific report deadlines are met.
9. **One Year Fiscal Agency Rule.** Projects with fiscal agency arrangements must be able to deal with internal accounting policies and procedures in-house. An alternative to in-house fiscal management is an alternative source of funding to pay for a continued fiscal agency arrangement. If an agency needs to extend the fiscal relationship for more than one year, due to extenuating circumstances, approval must be obtained from the Zoning, Neighborhoods & Development Committee. Evidence of fiscal autonomy shall be provided to the office of the Community Development Grants Administration.
10. Applicant's principal organization or business address must be listed. Post office boxes are not acceptable except for legitimate security reasons surrounding the organization and its programs. Also unacceptable are home addresses and organizations or businesses located in residences or domiciles.

#### **FISCAL PROCEDURES**

1. **Ninety-Day Rule.** An award of funds remaining 90 days after award shall be subject to revocation by the Zoning, Neighborhoods & Development Committee if the grantee has not, within ninety days of the final approval of the award, provided all documentation necessary for contract execution.
2. **Timely Expenditure.** If Contractor has not expended or encumbered at least sixty percent of the contract amount prior to the beginning of the tenth month of the contract term, this Contract shall be subject to full or partial termination by the Zoning, Neighborhoods & Development Committee.
3. **Final Cost Report.** The final cost report for this Contract must be filed no later than 4:00 P.M. on the fifteenth day after the end of the contract term (e.g., for January 1 - December 31 contracts).
4. **Payment of Accrued Costs.** All accrued costs reported on the final cost report must be paid no later than the forty-fifth-day after the end of the contract term (e.g., for January 1 - December 31 contracts, not later than February 15 of the succeeding year). Accrued cost is any cost incurred (goods or services ordered, in transit, or received) but not yet paid and/or recorded as such on the financial records of the project.
5. **Fiscal Year Close Out.** Costs submitted to the City for reimbursement after the close out date of the close of the fiscal year, CDGA is authorized to charge the amount in question to the project's current year contract.
6. **Recovery of Unexpended Funds.** All budget balances remaining sixty days after the end of the contract term shall revert to the HTF.

7. **Method of payment.** Requests for Disbursement of Funds. The HTF operates on a reimbursement basis. All claimed costs must be paid before submission of reimbursement requests. Any act(s) of non-compliance will require the entire amount of HTF subsidy to be repaid to the HTF account. The CONTRACTOR may not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs as determined by the HTFAB. Compensation and/or reimbursement for services required under this Contract shall be contingent upon each activity being reviewed for approval by the CDGA approving officer.
  
8. **Contract Extensions.** The HTFAB may recommend that ZND consider contract extensions based on the following criteria:
  1. Groups which received funds out of cycle to finance individual programs as they are approved by Common Council Resolution. An extension will allow the project to operate at a full 12 month period.
  2. Groups which have met productivity goals and have extenuating circumstances.
  3. All work has been completed but final payment must be made.
  4. To pay a specific outstanding commitment or obligation which has been encumbered prior to the end of the fiscal year.

Encumbrances from previous CDBG years not liquidated by the end of the next CDBG year will be subject to review by the HTFAB/ ZND.

Extension requests must be submitted to the office of Community Development Grants Administration for approval, before the start of the new program fiscal year.

9. **Complaints.** The Director of the Community Development Grants Administration has the authority to hear appeals to all complaints involving administrative policies and procedures of all HTF funded programs administered by CDGA. Exceptions to administrative policies and procedures shall be granted only when in the opinion of the Director of the Community Development Grants Administration, extenuating circumstances prevented a project, an individual funded with grant funds, or a citizen from reasonably complying with the letter and intent of Administrative Policies and Procedures.

#### **ADDITIONAL DEFINITIONS AND CRITERIA**

**Close Out** - Expeditious payment of all costs accrued through December 31\*, preparation and submittal of final cost report to CDGA, and reconciliation of any variance between budgeted and actual costs. (\*Unless an extension has been authorized by ZND, or a project contract specifies a termination date other than December 31.)

## PROCUREMENT POLICIES

- A. **Procurement Procedures:** Proper procurement procedures must be followed in order to secure any goods and services to be purchased (or reimbursed) with City funds, including the selection of contractors, suppliers and related vendors. As such, City of Milwaukee funded housing production agencies must adhere to the following procurement procedures:
1. Contracts and Purchase of Less than \$5,000 - An agency must document that it has contacted at least three bonafide sources and has selected the source that provides the most appropriate product, at a price most reasonable for the project.
  2. Contracts and Purchases From \$5,000 to \$30,000 - Agencies must request proposals from at least three bonafide sources. Requests for proposals must be in writing and provide all contractors, vendors, and suppliers the same information and opportunity to "walk-through" a project, if appropriate. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contractors, licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and/or materials and services to be provided.
  3. Contracts and Purchases Greater than \$30,000 All Requests for Proposals greater than \$20,000 must be advertised in either the Milwaukee Journal Sentinel or the Daily Reporter. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contractors licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and or materials and services to be provided. Failure to follow these procurement procedures will result in a Finding during a CDGA monitoring visit and will require the agency to "payback" all HTF funds disbursed using non-Federal funds.

### Conflict of Interest Regulations Applicable to City of Milwaukee Housing Trust Fund

#### Persons Covered

1. Employees of the City of Milwaukee
2. Employees of the subrecipient organizations (Including Board members)
3. Agents of the City
4. Consultants of the City
5. Officers of the City
6. Elected officials of the City
7. Appointed officials of the City

#### No Persons (identified above)

- who exercise any functions or responsibilities with respect to HTF activities, or
- who have exercised any functions or responsibilities with respect to HTF activities, or
- who are in a position to participate in a decision making process, or
- who are in a position to gain inside information with regard to such activities.

## Prohibition

- may obtain a *financial interest* from a HTF assisted activity, or
- obtain a *benefit* from a HTF assisted activity, or
- have a *financial interest* in any contract, subcontract, or agreement with respect to a HTF assisted activity, or with respect to the proceeds of the HTF assisted activity
- either for themselves, or
- those with whom they have business or immediate family ties,
- during their tenure or for one year thereafter.

### Employees of both the City and Employees of Subrecipient Organizations that receive HTF funds:

Before any employee who exercises or has exercised any functions or responsibilities with respect to HTF activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to HTF activities, is permitted to avail himself or herself of a financial interest or benefit from programs funded with those grants, or is permitted to enter into any contract or agreement relating to such activities, the City, on behalf of the employee, is required to first seek an exception to the conflict of interest regulations .

City Employees & Board members: Any City employee who exercises or has exercised any functions or responsibilities with respect to HTF activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to HTF activities, and who wishes to participate in a program funded with HTF funds, should first seek a confidential advisory opinion from the Ethics Board. In order to seek an exception from the conflict-of-interest regulations, an employee or Board member must provide an opinion of the City Attorney that the relationship at issue does not violate state or local law.

Any other City Employee described above whose position involves activities related to a HTF funded program in which he or she wishes to participate should seek a confidential advisory opinion from the Ethics Board before participating in the program.

# APPENDIX E

## Funding Guidelines for 2007 Housing Trust Fund Project Awards

### Funding

Funding for the 2007 Housing Trust Fund project awards consists of \$2.5 million in capital budget authority. Capital budget authority for City projects is available for up to four years – 2007 through 2010. It is assumed that any capital authority remaining after the 2007 project awards will be available for subsequent years (2008 through 2010). Consistent with the City's capital guidelines, the \$2.5 million Housing Trust Fund capital authority will be used for capital-type projects, not operating activities. Debt issued for projects authorized under the \$2.5 million capital authority will be supported by the City's tax levy for debt service, barring the availability of other identified funding sources. The City, at its option, may choose to substitute up to \$400,000 in tax levy in the 2008 budget for capital funding authority to avoid debt service for Housing Trust Fund projects. Any such substitution will not reduce overall funding for Housing Trust Fund purposes. **2007 Housing Trust Fund consisted of only public funds.**

### Project Scoring

Projects will be ranked according to the scores received under the Housing Trust Fund Application Score Sheet and an assessment of the project financing gap. Housing Trust Funds will be preliminarily allocated to projects receiving the highest rankings within each category of funding that have a demonstrated financing gap. **Final allocations should not exceed the demonstrated funding gap for the project.**

After a project has received a preliminary funding allocation, it will continue in the process. In general, projects will have six months from receiving their preliminary allocation to finalize a term sheet with the City of Milwaukee, submit final financing commitments, and satisfy all other conditions.\* Projects will have 12 months to commence construction. The City, through CDGA, may grant extensions to these conditions in its sole discretion.

If the conditions are not met, the preliminary allocation may be reallocated to another project. The next highest ranking application that did not receive funding may receive a preliminary allocation and continue in the process at that time.

\*Projects that receive a funding allocation that will be applying for Section 42 tax credits in 2008 and are not awarded tax credits may not retain their preliminary allocation.

### Funding Contingencies and Conditions

Projects recommended for funding by the Housing Trust Fund Technical Review Subcommittee for approval by the Housing Trust Fund Advisory Board and Common Council are contingent upon successful negotiation of a term sheet, including an overall project schedule, and subsequent negotiation and execution of all project documents.

# APPENDIX F

# City of Milwaukee

Office of the City Clerk

200 E. Wells Street  
Milwaukee, Wisconsin 53202

## Certified Copy of Resolution-Immediate Adoption

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FILE NO: 071232

**Title:**

**Resolution expressing the City of Milwaukee's support for the establishment of a National Affordable Housing Trust Fund.**

**Body:**

Whereas, The U.S. House of Representatives passed H.R. 2895, the National Affordable Housing Trust Fund Act of 2007, on October 10, 2007 by a strong bi-partisan vote of 264-148; and

Whereas, The National Affordable Housing Trust Fund is designed to:

1. Address the national shortage of housing that is affordable to low-income families by creating a permanently appropriated fund, with dedicated sources of funding, to finance additional housing activities without supplanting existing housing appropriations or existing state and local funding for affordable housing.
2. Enable rental housing to be built for families with the greatest economic need, in mixed income settings and in areas with the greatest economic opportunities.
3. Promote ownership of one-to-four family owner-occupied housing by low-income families. re on PROD1PC65 with BILLS
4. Construct, rehabilitate, and preserve at least 1,500,000 affordable dwelling units over the next decade.

; and

Whereas, The National Affordable Housing Trust Fund will be the largest expansion in federal housing programs in decades, initially allocating between \$800 million and \$1 billion annually directly to states and local communities, without increasing government spending or the federal deficit; and

Whereas, The U.S. Senate will be considering the National Affordable Trust Fund Act of 2007 as proposed under a draft bill by Senator John Kerry; and

Whereas, A summary of the Senate Draft is attached to this resolution; and

Whereas, Supporting the National Housing Trust Fund Act is in the best interest of the City of Milwaukee and its residents, particularly since the City recently established its own Affordable Housing

Trust Fund and related advisory board, and continues to seek new sources of funding for this purpose; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Council expresses its support for the Affordable Housing Trust Fund Act of 2007, approved by the U.S. House of Representatives, and urges its passage by the U.S. Senate as proposed by Senator John Kerry.



**I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution-Immediate Adoption Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on December 11, 2007.**

*Ronald D. Leonhardt*

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Ronald D. Leonhardt

August 12, 2008

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Date Certified