



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes

MILWAUKEE HOUSING TRUST FUND OPERATIONAL CRITERIA SUBCOMMITTEE

BETHANY SANCHEZ, CHAIR

Tom Capp, Vice-Chair

Heather Dummer Combs, Rocky Marcoux, Tony Perez and Brian Peters

Staff Assistant, Linda Elmer, (414)-286-2232

Fax: 286-3456; E-mail: lelmer@milwaukee.gov

File Specialist, Charlotte Rodriguez, 286-8797; E-mail: crodri@milwaukee.gov

Tuesday, May 9, 2006

1:00 PM

Room 301-B, City Hall

Meeting convened: 1:10 P.M.

1. Roll call

Members present: Bethany Sanchez, Tom Capp, Heather Dummer Combs, Brian Peters, Bobbi Marsells (designee for Tony Perez) and Una Van Duvall (designee for Rocky Marcoux)

Also present: Stephen Adams - Community Development Management Partnerships, Marianne Walsh, Emma Stamps and Jeff Osterman - Legislative Reference Bureau, Judy Allen - Dept. of City Development and Richard Li - Comptroller's Office

2. Approval of the minutes of the May 4th meeting

Under items 4, 5 and 6, it should be note that discussion was brief.

Mr. Capp moved, seconded by Ms Van Duvall, for approval of the minutes as amended. There were no objections.

3. Eligible uses and affordability terms

Ms. Dummer Combs summarized the discussion of the last meeting related to funding of the categories. Mr. Capp suggested taking 5% from each category, leaving 25% for the homeless, 35% for rental housing and 25% for homeownership, which would leave 15% of the fund for flexibility to respond to changing needs.

Mr. Capp moved, seconded by Ms. Dummer Combs, for categories with minimums of 25% to develop housing and provide services for people who are homeless, 35% for developing and/or rehabbing rental housing and 25% for creating, maintaing and rehabbing owner-occupied homes with 15% to be set aside as flexible funds to respond to needs at the board's discretion. There were no objections. (Ms. Marsells excused).

Mr. Peters moved that accessibility standards be included in all categories. There were no objections. (Ms. Marsells excused)

Ms. Sanchez strongly supported extending the affordability terms to 50 years. Mr. Capp noted, that as a developer, the affordability terms really don't matter, but it might matter to a community in ensuring that properties are habitable and don't harm rising market conditions in an area. He also noted that many major building systems fail in 15-20 years, so there needs to be an incentive to inject capital into a project in order to maintain

it in good condition. Ms. Van Duvall noted that the model ordinance proposed by Ms. Brooks does not speak to the long-term maintenance of housing and so the Subcommittee may not wish to act on this, but just mention this as an issue the board needs to be aware of.

Ms. Van Duvall moved, seconded by Ms. Dummer Combs, for a minimum of 30 years of affordability for rental housing, with a review at 15 years where the authority refers the right to remove the property from the program, with additional points if it goes longer than 30 years. Mr. Capp cautioned that the affordability terms need to match up with the other gap funding used by the project to make the project minimally complicated for the developer and the need to ensure that these rental units are maintained as quality, habitable units. Ms. Dummer Combs said that some funds could be reserved for rehabilitation. There were no objections (Ms. Marsells was excused)

Ms. Van Duvall moved, seconded by Ms. Dummer Combs, that the rehabbing money would be forgiven for home owners if the property is kept by the same owner for 5 years. This would be ensured through a deed restriction on the property to prohibit a sale following the rehabbing of the property. The Housing Trust Fund will be reimbursed the entire loan amount if the property is sold sooner than 5 years unless the property is sold to another income-eligible household as defined under the income limits set by the trust fund. There were no objections (Ms. Marsells was excused).

4. Eligible recipients within each use category

This item was not discussed due to time constraints.

5. Funding allocation among eligible uses

This item was not discussed due to time constraints.

6. Administrative body, allocation and monitoring procedures

The Subcommittee discussed item #6 first during the meeting, then moved on to item #3.

The proposal as submitted by Ms. Dummer Combs and Ms. Sanchez was discussed (Exhibit 1). The proposal recommended that the fund be administered by the Community Block Grant Administration (CBGA). Mr. Capp supported having an existing structure administering the fund. Ms. Van Duvall mentioned having 3 recommended agencies, with CBGA as the first, Department of City Development/Neighborhood Improvement Development Corporation (DCD/NIDC) as the second choice and a non-profit agency as the third choice. Ms. Dummer Combs is concerned that if a non-profit administers the fund, then part of the funds will need to be allocated for administrative costs. Ms. Van Duvall said that the model ordinance provided by Ms. Brooks (Exhibit 2) notes that the administrative body must not use trust fund dollars for administrative costs. Ms. Marsells supported CBGA, with back-up recommendations in case CBGA cannot perform the task.

Ms. Marsells moved, seconded by Mr. Capp, that CBGA be identified as the primary staffing agency, with looking at DCD/NIDC as the second choice and a private non-profit agency as the third choice. There were no objections.

Mr. Capp stressed that the Advisory Board have real authority to act and be flexible to respond to ongoing programs and conditions and an annual or 2-year plan. Mr. Capp liked the suggestions of who serve on the board, but he would add more developers who

are actually producing housing. Ms. Dummer Combs was concerned about conflict of interest if those individuals served on the board. Mr. Capp stated that the Wisconsin Housing and Economic Development Authority (WHEDA) does rotate developers on and off of its board. Ms. Van Duvall said that CBGA would staff the board and the board would be advisory to the Community and Economic Development Committee of the Common Council. Ms. Sanchez questioned if someone from Fannie Mae/lender/bank could be added as a member.

Ms. Walsh noted that the Common Council appointing authority is typically the president with 2 Council members on a body of this size. TMs. Van Duvall moved, seconded by Ms. Dummer Combs, that the advisory board be composed of the following 13 members. There were no objections:

2 Common Council members to be appointed by the Common Council President.

2 members to be appointed by the Mayor.

The Comptroller or his designee

A non-profit developer

A for-profit developer

A representative from Continuum of Care Consortium

A representative from a financial institution

A representative from the Local Initiatives Support Corporation

A representative from the Fair Housing Council

A representative from Independence First

A representative from the Interfaith Conference

Members will serve staggered, 2-year terms

Mr. Capp moved to have the board assess housing needs every 2 years. The board's report would be coordinated with the city's consolidated plan, with separate hearings for the consolidated plan and the board's plan. Ms. Van Duvall is concerned that administrative plans be kept down as much as possible and if the advisory board's report is widely different from the consolidated plan, then what are the ramifications for the board? Ms. Walsh noted that if the consolidated plan and advisory board plan run parallel that will decrease administrative costs, as well as minimize confusion. Ms. Sanchez agreed with Ms. Walsh up to a point in regards to having the process and hearings run in tandem, but supported having 2 request for proposals cycles per year, in order to react more quickly. Ms. Sanchez would support, for example, having the categories of 30% for the homeless, 40% for rental housing and 30% for homeownership with the board having the ability to put varying amounts (or none) into subcategories within those categories. Ms. Dummer Combs supported having flexibility within the subcategories. Mr. Capp still supports having flexibility among the categories rather than solely in the subcategories.

Ms. Van Duvall moved that the board's duty is to evaluate the proposals submitted to it, with the staff responsible for evaluating housing needs and providing a report on those needs to the board. The report will follow the current schedule followed by the city staff in reviewing housing needs on an annual basis and provide the board with a tool to use in allocation of funds. There were no objections.

Ms. Sanchez questioned if the board or staff is responsible for setting interest rates and deciding if loans/grants will be given out. Mr. Capp and Ms. Van Duvall thought that this would need to be done by staff.

The Common Council will make the final decision on funding, through the Community and Economic Development Committee and the body as a whole.

Richard Li from the Comptroller's Office appeared and spoke about the issuing of city debt. Notes can be issued for any purpose for a maximum of 10 years while bonds can be issued for 20 years and must be approved by referendum unless exempted from such by state statutes. One of the exemptions is blight elimination, which is defined by the City Attorney's Office. In general, bond proceeds should be used for capital purposes (bricks and mortar, rather than services). Bonds must also be issued for a public purpose and preferably borrowing as a tax-exempt institution, which offers lower interest rates. The body must also detail how the borrowed amount will be repaid, either through incoming revenue or the tax levy.

7. Visitability and universal design

Ms. Marsells left at 2:40 P.M.

*Mr. Peters presented members with accessibility guidelines (Exhibit 3)
Mr. Peters moved, seconded by Ms. Van Duvall, that the accessibility guidelines presented in Exhibit 3 be made part of the guidelines of the trust fund. There were no objections.*

8. Green design

This item was not discussed due to time constraints.

9. Set next meeting date and agenda

Friday, May 19th at 9 a.m.

Meeting adjourned: 3:29 P.M.

*Linda M. Elmer
Staff Assistant*

Discussion Paper Administration of Milwaukee Housing Trust Fund

Goal

Meet a portion of low-income Milwaukeeans' need for affordable, decent, safe and sanitary housing.

Uses of Funds

Funds shall support nonprofit and for-profit developers and government entities in the construction and rehabilitation of affordable housing for low-income households in Milwaukee. Milwaukee Housing Trust Fund shall also fund support services and counseling that assist households in receiving and maintaining housing.

Funding Allocation

Each year the funding available shall be used in these categories: 30% of the available funding will be used to develop housing and provide services for people who are homeless; 40% will be used to develop and/or rehab rental housing; and 30% will go toward creating and maintaining homeownership opportunities.

Affordability Terms

Housing units developed or rehabbed with the use of Housing Trust Fund dollars shall remain affordable for a set number of years. Homeowner-occupied units developed or rehabbed with HTF funds, shall remain affordable for 15 years. Rental housing units developed or receiving substantial rehab with HTF funds shall remain affordable for no less than 50 years. Homeless supportive housing funded by HTF shall remain affordable for no less than 50 years.

Income Limits

Incomes for renters or homeless individuals or families living in units supported by the Housing Trust Fund must not exceed 50% of the County's Median Income (CMI). Incomes for homeowners acquiring units developed or rehabbed with HTF funds must not exceed 80% of CMI. Households benefiting from the Housing Trust Fund must not spend more than 30% of their income on housing. They may also exempt medical and care expenses from their total household income in accordance with HUD's Section 8 policies.

Accessibility

(Brian Peters will propose language for this section)

Administering Agency / Process

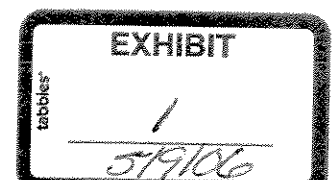
The Milwaukee Housing Trust Fund (HTF) will be administered by the City of Milwaukee Community Development Block Grant Administration, with oversight and policy direction from the HTF Advisory Board. Requests for proposals (RFPs) will be issued by CDBGA, and the Advisory Board will oversee the application process and make recommendations for funding. The Common Council and Mayor will approve funding recommendations.

Housing Trust Fund Advisory Board

The HTF Advisory Board will be appointed by the Common Council to serve two-year terms. There will be 13 members of the board including representatives from: the Common Council, Mayor, Department of City Development, Comptroller's office, LISC, Interfaith Conference, Continuum of Care, Independence First, and Metro Milwaukee Fair Housing Council.

Selection of Projects

Every three years the Advisory Board will assess housing (and related services) needs in Milwaukee; evaluate priorities for funding categories, staying within the parameters listed above; and create a three-year plan.



Each year, in accordance with the HTF ordinance and the three-year plan, CDBG staff will issue Requests for Proposals in each of the three funding allocation areas: homeless, rental and homeownership. Additional points will be given to applications that include such things as:

- Projects that demonstrate the ability to leverage other funds (private and public)
- Projects serving the lowest income population
- Projects that extend the length of affordability
- Developers who will use workers from the neighborhood and/or give priority to DBE contractors
- Projects that encourage more diverse neighborhoods and increase housing choice within neighborhoods
- Projects that use green building principles
- Projects that 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

Model Housing Trust Fund Ordinance Working Draft

Prepared by:
Housing Trust Fund Project
Center for Community Change
1113 Cougar Court
Frazier Park, CA 93225
661-245-0318
mbrooks@communitychange.org

(1) Legislative Findings

The City Council finds that:

- a) There is a critical shortage of affordable and accessible housing in the City of Philadelphia.
- b) 130,000 households in Philadelphia have annual incomes below \$20,000 and pay more than 30% of their income on housing. Researchers estimate that at least 60,000 more affordable housing units are needed to meet this need.
- c) Creating more affordable housing will improve the well-being of Philadelphia's children. Children who are homeless or do not have stable, safe, affordable housing are significantly more likely to have health problems, go hungry, and fall behind in school.
- d) There is a particular shortage of accessible housing. In 2003, the Office of Housing and Community Development estimated that there are 65,300 disabled people with housing needs in Philadelphia.
- e) Many of our communities need assistance in order to begin or continue the process of neighborhood revitalization.
- f) Philadelphia has almost 60,000 abandoned buildings and vacant lots, more per capita than any other city in America.
- g) On an inflation-adjusted basis, the average home in the Philadelphia area has lost value over the past decade.
- h) Many of our communities are becoming increasingly income-segregated and need help to attract middle-income families in order to become more economically diverse and strengthen neighborhood property values.
- i) The City's existing housing stock is in need of repair
- j) Half of the housing in Philadelphia was built before 1956. Thirty percent of homeownership units are owned by people 65 or older, many of whom are low-income.
- k) City programs that assist homeowners to repair their homes have a proven effect of reducing abandonment and blight.

These findings are from a draft ordinance in Philadelphia, but they illustrate the type of information you want to provide. Just insert key data that you already have available. It doesn't need to be this extensive.



- l) Additional housing production and preservation resources will strengthen the Neighborhood Transformation Initiative and enable it to more effectively meet its goals.
- m) Significant outside housing resources are available that could be leveraged by initial City investment. These resources are not currently coming to Philadelphia.
- n) There are more than 275 other cities, counties, and states around the country that have created Housing Trust Funds to resolve similar problems.
- o) Therefore, the City Council finds that creating a Philadelphia Housing Trust Fund is sound public policy that will provide needed resources to support affordable housing development, housing preservation, and neighborhood revitalization, strengthen the Neighborhood Transformation Initiative, and leverage outside funding to the City of Philadelphia.

(2) Definitions

For the purposes of this act, the term

- a) “Affordable housing” shall mean rental or homeownership housing that requires a household to spend no more than 30% of their gross income on housing related expenses.
- b) “Community based organization” shall mean a community based non profit corporation, which has been determined to be an organization described in section 501(c)(3) of the Internal Revenue Code of the United States, and that has a demonstrated capacity to carry out proposed housing activities.
- c) “Housing development organization” shall mean a community based organization whose mission includes providing housing and/or revitalizing a community or communities.
- d) “Low income household” shall mean a household whose annual income does not exceed 80% of the area median income.
- e) “Very low income households” shall mean a household whose annual income does not exceed 50% of the area median income.
- f) “Extremely low income household” shall mean a household whose annual income does not exceed 30% of the area median income.

These are just a few examples of the kinds of definitions that you want to have contained in the ordinance. You may think of others or may want to change some of these.

- g) "Homeless" shall mean persons and families who have no access to or can reasonably be expected not to have access to either traditional or permanent housing which can be considered safe, sanitary, decent and affordable.
- h) "Homelessness prevention" shall mean emergency assistance to prevent a household from becoming homeless, such as emergency heater repair and grants for back rent, utilities, or mortgage payments.
- i) "Department" shall mean the Department of Housing and Community Development or its successor agency.
- j) "Advisory Board" shall mean the Affordable Housing Trust Fund Advisory Board, as described in § ?.

(3) Statement of Purpose

Example ONE: Philadelphia, Pennsylvania

The purposes of the Philadelphia Housing Trust Fund are:

- a) To increase resources available for affordable housing and neighborhood revitalization;
- b) To create and preserve affordable and accessible housing to meet the needs of low and moderate income Philadelphians;
- c) To provide housing investment to revitalize distressed neighborhoods; and
- d) To leverage additional outside resources.

Example TWO: San Diego, California

It is the intent of the City Council to create a Housing Trust Fund as a permanent and annually renewable source of revenue to meet, in part, the housing needs of the city's very low, low, and median income households. That low income community includes all those households which earn less than 80% of the area median income, adjusted for family size; and also possess one or more of the following characteristics: (1) they are burdened by paying more than 30% of their gross income for housing costs; (2) they live in overcrowded conditions; (3) they live in substandard housing units; (4) they are homeless individuals and families; or (5) they consist of individuals and families with special housing needs such as the elderly, the developmentally disabled, the mentally ill, the physically disabled, single parent households and large families.

The Statement of Purpose should state clearly what you intend for the housing trust fund to accomplish. Here are three examples from other ordinances.

Example THREE: Nebraska

It is the intent of the Homeless Shelter Assistance Trust Fund Act to provide funds aimed at meeting the needs of homeless individuals and other individuals with locally identified and documented special housing needs.

(4) Establishment of the Affordable Housing Trust Fund

- a) The Affordable Housing Trust Fund is hereby established as a separate segregated account under the name of the Affordable Housing Trust Fund, held by the City in trust to address the purposes set forth in this Ordinance.
- b) Into this account shall be deposited revenue collected under §? of this ordinance.
- c) It is the intention of the City Council that the Trust Fund be a dedicated fund for the purposes set out in §?. Therefore, any assets remaining in the Trust Fund at the end of any fiscal year shall be carried into the next fiscal year, including all interest and income earned, as well as any repayments or forfeitures of loans and/or grants.

This is a statement that the trust fund is established, will receive dedicated funding, and that funds will be carried over from fiscal year to fiscal year, if unspent.

(5) Administration of the Affordable Housing Trust Fund

Administration of the Affordable Housing Trust Fund

- a) The Department of Housing and Community Development will staff the Affordable Housing Trust Fund.
- b) The Department shall provide administrative support to the Advisory Board as necessary.

Advisory Board

Example ONE: Philadelphia, Pennsylvania

1. There is hereby established an Advisory Board consisting of nine (9) members. The Oversight Board shall be composed of the following:
 - Three (3) representatives of community development organizations.
 - Three (3) housing advocates.
 - Three (3) other housing professionals.

The key administrative issues include: the agency responsible for administering the housing trust fund; the oversight board; and whether housing trust fund dollars can be used for administrative costs.

2. Board members shall be appointed by the Mayor and confirmed by City Council.
3. Each member of the Oversight Board shall be a resident of the City of Philadelphia.
4. Of the nine members of the Oversight Board initially selected, one member from each category shall be appointed for a three year term, one member from each category shall be appointed for a two-year term, and one member from each category shall be appointed for a one-year term. All Members of the Oversight Board appointed thereafter shall be appointed for full terms of three years. No person shall be eligible for appointment to the Oversight Board for more than two consecutive full terms.
5. A full term of office for a member of the Oversight Board shall begin on the first day of the calendar year following their appointment and shall expire on the last day of the calendar year three years later.
6. Should there be a vacancy on the Oversight Board, the Mayor shall appoint, and City Council shall confirm, a replacement to serve the remainder of the vacant term.
7. Members of the Oversight Board shall serve without compensation.
8. For the purposes of conducting any official business, five Members of the Oversight Board shall constitute a quorum.
9. Meetings of the Oversight Board shall be open to the public.
10. The Members of the Oversight Board shall elect a Chair by a majority vote of the total Members of the Oversight Board.

The number of members on the Advisory Board; who they are to represent; how they are to be appointed; their responsibilities; and their term of service must be described. Here are some examples.

Example TWO: Minneapolis, Minnesota

1. The City will establish guidelines for the use of Trust Fund resources, and these guidelines will be reviewed annually by the Trust Fund Advisory Committee with future recommendations made to the City Council.
2. The Advisory Committee will include up to 12 members experienced in affordable housing. The make-up of the Committee will include representatives from the following: one for-profit developer, one nonprofit developer, one provider of supportive housing, one tenant with a low income; two advocates nominated by the Housing Trust Fund coalition, one MPHA representative, the MCDA Housing Director, the

Empowerment Zone Director, one Planning Department representative, one NRP representative and one foundation representative.

3. The members will be nominated by their peers. The Mayor will appoint half of the members; the City Council will appoint the other half.

Example THREE: St. Louis, Missouri

1. The Fund shall be administered by an independent commission of 13 members, 11 of whom shall be appointed by the Mayor and approved by the Board of Aldermen. The Director of the St. Louis Community Development Administration and the Director of the Department of Human Services shall serve on the commission ex-officio.
2. The commission should have one member representing the financial community, one representing the St. Louis Labor Council, one representing the Home Builders Association, one representing the Real Estate Association, one representing the low income community, one representing the disabled community, and at least one representing the affordable housing and social service communities and the rest at large.
3. The commission shall reflect the racial demographics of the City and each member should have a demonstrated interest in the needs of low income people and the revitalization of neighborhoods.
4. The commission shall be responsible for oversight of the Fund's management.

Powers and Duties of the Oversight Board

Example ONE: St. Louis, Missouri

The commission shall be responsible for oversight of the Fund's management and, on an annual basis, shall issue a report to the Mayor, the Board of Aldermen and the public about programs, services and allocations made during the previous year.

Example TWO: Philadelphia, Pennsylvania

1. The Oversight Board shall set standards, policies, and goals for the Trust Fund, consistent with the purposes and policies set forth in this

The Advisory Committee can have full responsibility for administering the trust fund, including deciding how the funds will be spent; or they may be merely advisory. An annual report on the activities of the fund should be required and receive a public hearing. An independent annual audit should be required.

- ordinance, including without limitation criteria for eligible projects, number and type of units funded, and scoring of applications for funding.
2. The Oversight Board will have the duty of annually reviewing Trust Fund grant awards to ensure that Trust Fund moneys are expended in a manner that conforms with this Ordinance and with Oversight Board directives, and shall revise Trust Fund policies as needed to ensure this conformity.
 3. By December 31 of each year, the Oversight Board shall issue an Annual Report on the activities and accomplishments of the Trust Fund in the previous fiscal year. This report shall:
 - a. Provide total numbers of housing units produced, homes preserved, and households prevented from becoming homeless with Trust Fund support.
 - b. List projects funded through the Trust Fund.
 - c. Report on funds expended and dollars leveraged by Trust Fund funds.
 - d. Report in aggregate form the number of households benefiting from the Trust Fund by income level, geographic distribution, family size, and other criteria as selected by the Oversight Board.
 4. Each year the Trust Fund shall be audited in accordance with generally accepted accounting standards, and a copy of the audit report shall be made part of the annual report.

Example THREE: Cambridge, Massachusetts

1. The Board of Trustees shall manage and administer the Affordable Housing Trust Fund including the dispersal of all funds, units and land conveyed to the City of Cambridge.
2. The Board of Trustees shall review and approve or disapprove proposals submitted for use of the Housing Trust Fund. The Board shall develop policies and standards appropriate for affordable housing units pursuant to the Incentive Zoning provisions.
3. The Board shall serve as the Advisory Committee for the purpose of the Massachusetts Housing Partnership. The Board shall review and make recommendations on housing proposals to be submitted to the MHP.
4. The Board shall explore the feasibility of and assist in the establishment of new programs designed to meet

Cambridge's affordable housing needs. These programs may include a city-wide Land Bank Program and Home Mortgage Pool.

5. The Board of Trustees shall provide assistance and necessary reports where appropriate to any special permit granting authority authorized to issue a special permit for any development making use of funds from the Affordable Housing Trust.

Example FOUR: Nebraska

The housing advisory committee established pursuant to section 81-1281 shall advise and assist the department in establishing criteria, priorities, and guidelines for eligibility requirements, application requirements and dates, public notification, and monitoring and shall assist the department in adopting and promulgating rules and regulations for providing grants from the fund.

Administrative Costs

No housing trust fund revenues shall be spent for the administrative costs of the Affordable Housing Trust Fund.

OR

No more than ??? (% or \$) of annual housing trust fund revenues shall be spent for the administrative costs of the Affordable Housing Trust Fund.

It is advisory to place some limit on whether or the amount of funds that can be expended for administrative costs of the housing trust fund.

(6) Programs and Operations of the Affordable Housing Trust Fund

Eligible Applicants

Example ONE: Nebraska

1. Projects and programs to which funds shall be provided include eligible community, neighborhood-based, housing-assistance organizations, institutions, associations, and societies or corporations that:
 - a. Are exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended;
 - b. Do not discriminate on the basis of age, religion, sex, race, color, or national origin;
 - c. Provide twenty-four hour residential housing;
 - d. Conduct an annual certified external audit; and
 - e. Operate a drug-free premises.

The intent here is to outline at least five elements: who is eligible to apply for housing trust fund dollars; how funds can be awarded; what kinds of projects are eligible for funding; what criteria must be met for projects to be eligible; and what procedures will be followed for making these awards.

Example TWO: Philadelphia, Pennsylvania

Trust Fund resources may be distributed to any community based organization that is in compliance with Federal, State, and City laws, ordinances, and resolutions and can demonstrate capacity to complete and/or implement a Trust Fund-supported project or program.

While some ordinances limit eligible applicants to nonprofit organizations, generally eligible applicants are broadly listed to be all inclusive.

How Funds Can Be Awarded

Example ONE: Philadelphia, Pennsylvania

Trust Fund resources may be distributed as grants and/or loans, pursuant to the terms and conditions set forth in the Requests for Proposals, and in conformance with the directives of the Oversight Board.

Typically, it is permitted for funds to be awarded as grants and loans, although more options or conditions may be included. For instance, for-profit developers may be limited to applying for loans.

Example TWO: San Diego, California

Funds from the Trust Fund may be used in any manner, through loans, grants, or indirect assistance for the production and maintenance of assisted units and related facilities. Funds shall not be used, however, for the operation of supporting services such as child care or social services unless:

- a. The funds are used in connection with transitional housing or in neighborhoods where the addition of units will create the need for supportive services.
- b. The recipient can demonstrate to the Commission that other funds are not available; and
- c. No more than twenty-five percent of the loan, grant or assistance is designated for such services.

Eligible Projects

Example ONE: Cambridge, Massachusetts

Trust funds may be made available for projects containing affordable ownership or rental units whether they are developed through new construction, rehabilitation, or conversions of existing rental units to ownership units. The projects shall be primarily residential but may include commercial uses.

Eligible projects are typically defined broadly, so that the trust fund ensures maximum flexibility. However, this flexibility must work in tandem with the requirements that funded projects must meet [see below].

Example TWO: Philadelphia, Pennsylvania

Eligible uses of Trust Fund resources include, but are not limited to, affordable housing projects consisting of new construction rental and homeownership housing, substantial or moderate rehabilitation of rental or homeownership housing, housing preservation, including home repair grants and grants to make homes accessible to individuals with disabilities, and homelessness prevention activities.

Criteria for Eligibility

General Review Criteria

Example ONE: Cambridge, Massachusetts

The Trustees shall review the extent to which eligible proposals meet the following review criteria in order to determine which, if any, best meet the purposes of the Trust and the needs of the City.

- a. The number of affordable units to be developed through new construction, rehabilitation, conversion or acquisition.
- b. The amount of Trust funds requested per affordable unit to be developed, preserved, or acquired.
- c. The developer's capacity, determined through consideration of the developer's past history in completing projects or similar scale and nature, and for developers proposing rental housing, the property management history of the developer and management agent.
- d. The timeliness with which units shall be developed.
- e. The number of years that the project shall maintain units at affordable rental or sales prices, and the strength of the enforcement mechanisms offered to ensure this long-term affordability.
- f. The number of the affordable units that shall be made available to low income households.
- g. The extent to which projects provide housing for families.
- h. The degree to which Trust funds monies are used to leverage additional funds and/or the funds return, through repayment, to the Trust to enhance its available resources.
- i. The extent to which the developer has addressed or intends to address community concerns related to the project.

It is critical to incorporate in the ordinance every condition that you consider essential in the development of housing for the targeted population. While more detailed criteria will be developed by staff for the application guidelines, the criteria listed here are those that are not subject to compromise.

- j. The extent to which the developer's proposal minimizes negative impacts on existing tenants, particularly displacement.
- k. Such other criteria as the Trustees may establish in request for proposals or alternative application process.

Income Targeting

Example ONE: San Diego, California

Funds in the Trust Fund shall be distributed to the target income groups according to the following guidelines:

- a. No less than ten percent of the funds in the Trust Fund shall be expended to provide transitional housing for households who lack permanent housing;
- b. Not less than sixty percent of the funds in the Trust Fund shall be expended to provide housing to very low income households at affordable housing costs.
- c. No more than twenty percent of the funds in the Trust Fund shall be expended to provide housing to low income households at affordable housing costs;
- d. No more than ten percent of the funds in the Trust Fund shall be expended to assist median income first-time home buyers purchase a home at an affordable housing cost with special consideration given to those proposals involving neighborhoods that are predominately low income with substantial incidence of absentee ownership or which further goals of the Balanced Community Policy.

Among the criteria typically considered most important are:
(1) The targeted population to be served;
(2) Long term affordability requirements ;and
(3) Accessibility requirements.
But you might think of additional ones.

Example TWO: Minnesota

At least 75 percent of the units must be rented to or cooperatively owned by persons and families whose income at the time the person or family originally occupied the unit was at or below 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2.

Example THREE: Chicago, Illinois

... Providing financial and other assistance to address the permanent housing needs of persons whose income is at or below 50% of the median income for the City of Chicago. Included, among others, are the disabled, the elderly, the homeless, Single Room Occupancy

residents, and low-income families. It is the purpose ... to fund projects which promote stability and long term affordability for low-income persons.

Long Term Affordability

Example ONE: San Diego, California

1. Whenever funds from the Trust Fund are used for the acquisition, construction or substantial rehabilitation of an affordable rental or cooperative unit, the Commission shall impose enforceable requirements on the owner of the housing unit that the unit remain affordable for the remaining life of the housing unit, assuming good faith efforts by the owner to maintain the housing unit and rehabilitate it as necessary. The remaining life of the housing unit shall be presumed to be a minimum of fifty-five years.
2. Whenever funds from the Trust Fund are used for the acquisition, construction or substantial rehabilitation of ownership housing, the Commission shall impose enforceable resale restrictions on the owner toward the end of keeping the housing unit affordable for the longest feasible time, while maintaining an equitable balance between the interests of the owner and the interest of the Commission.
3. For programs funded with funds from the Trust Fund which are not described above, the Commission shall develop appropriate mechanisms to ensure affordability which shall be described in the Program Plan.
4. The affordability restriction requirements described in this section shall run with the land and the Commission shall develop appropriate procedures and documentation to enforce these requirements and shall record such documentation in the Official Records of the Recorder of San Diego County.

Example TWO: Boulder, Colorado

1. The Housing fund Program is composed of several fund sources. The fund sources have been combined to create a pool of money to fund a variety of housing projects and programs which allow community groups to help provide housing options for households earning up to the

U.S. Department of Housing and Urban
Development low income limit.

2. Based on the Comprehensive Housing Strategy, Council concurred with a recommended affordable housing goal of securing at least 10% of the housing stock as permanently affordable in a ten-year time frame. With 45,000 housing units projected to build out, a target of 4,500 housing units equals the 10% affordable housing goal.

Accessibility Requirements

Example ONE: Philadelphia, Pennsylvania

It is the intent of Council to promote increased housing access for individuals with disabilities. Therefore:

- a. In each development supported through the Housing Trust Fund, a minimum of 5% of new construction units shall be accessible to individuals with mobility impairments, and a minimum of 2% of new construction units shall be accessible to individuals with sensory impairments.
- b. A minimum of 10% of total new construction units supported by the Housing Trust Fund each year shall be accessible to individuals with physical disabilities.
- c. New construction units supported by the Housing Trust Fund must be visitable, subject to the following conditions:
- d. Average per unit cost for visitability will be capped at \$3,000 per new construction unit in a project. This cost cap will be adjusted for inflation on an annual basis.
- e. Visitability requirements will be waived for a project to the extent necessary if site conditions are unsuitable. If site conditions make a zero step entrance impractical, it is not required to implement other visitability requirements.
- f. Visitability and/or accessibility requirements will be waived for a project if the City does not provide additional funds needed to implement visitability and/or accessibility for that project.

Procedures for Awarding Funds

Example ONE: Cambridge, Massachusetts

1. The Trust will accept applications for use of funds at any time. Decisions on acceptance or rejection of proposals will be made on a quarterly basis unless special circumstances exist which require a more timely decision. Applications will be available at the Cambridge Community Development Department and should be submitted to the Affordable Housing Trust Fund Board via the community Development Department.
2. In addition, the Trust may, from time to time, issue a Request for Proposal. The request may be for a particular type of project or for general housing development/preservation proposals. The RFP's will be advertised in, at least, one local newspaper and will be mailed to any group or individual who has expressed an interest in being included on a RFP mailing list. The RFPs will be available for review at the Community Development Department.

Two general types of procedures are used to distribute funds: a Request for Proposal process (which generally has a deadline and applicants compete against each other for available funds) or a Notice of Funding Availability process which is an open window until funds from a specific announcement are no longer available.

Example TWO: Philadelphia, Pennsylvania

The staff of the Office in conjunction with the RDA shall issue requests for proposals as follows:

1. Two annual requests for proposals for eligible development projects, one for rental and one for homeownership.
2. To better coordinate use of available housing resources, each such request for proposals shall collect information related to the proposed project and the financing sources, and shall be used to distribute monies from the Trust Fund, Community Development Block Grant funds, HOME funds and all other available resources under the control of the Office to be dedicated to the development of affordable housing.
3. As needed, a request for proposals for the administration and coordination of housing preservation programs by community based organizations.
4. The staff of the Office in conjunction with the RDA shall establish a ranking process for responses to the Requests for Proposals enumerated in §7.4, as directed by the Oversight Board. The overall ranking of responses to these

Requests for Proposals shall be public information.

(7) Other Provisions

Possible inclusions:

1. Encouragement of supportive services.
2. Encouragement of employment opportunities for local residents.
3. Special programs or consideration for capacity building of nonprofit organizations.
4. Set aside of funds for an operating and maintenance fund for housing serving extremely low income households.
5. Requirement for prevailing wages.
6. Conformance to fair housing laws.
7. Tenant or applicant rights.

(8) Sources of Revenue

Capitalization

Example ONE: Delaware

\$8,000,000 committed to capitalize the Housing Development Fund through general fund monies.

Example TWO: South Carolina

\$3,000,000 committed to capitalize the Housing Trust Fund through revenues from the State Housing Development Authority.

Example THREE: San Antonio, Texas

\$10,000,000 committed to endow the Housing Trust Fund from the sale of a city-owned cable television franchise.

Dedicated Sources of Revenue

Example ONE: Nebraska

1. There is hereby imposed a tax on the grantor executing the deed as defined in section 76-203 upon the privilege of transferring beneficial interest in or legal title to real estate at the rate of

Capitalization refers to a one-time allocation or gift of funds to help jump-start operations of the trust fund.

Each dedicated source of public funding should be itemized with inclusion of references to the authorizing ordinances for the funding source.

- one dollar and seventy-five cents for each one thousand dollars value or fraction thereof.
2. [Details describing this tax and its collection have not been included here.]
 3. From each one dollar and seventy-five cents of tax collected pursuant to section 76-901, the register of deeds shall retain fifty cents to be placed in the county general fund and shall remit the balance to the State Treasurer who shall credit one dollar of such amount to the state General Fund and twenty-five cents of such amount to the Homeless Shelter Assistance Trust Fund.

Example TWO: San Diego, California

The Trust Fund shall consist of funds derived from the commercial development linkage fees to be paid to the City pursuant to Division 6, Article 8, Chapter IX (Sections 98.0601 et.seq.) of the San Diego Municipal Code; funds derived from the growth in revenues from the Transient Occupancy Tax as provided in Section 35.0128 of the San Diego Municipal Code and any other appropriations as determined from time to time by legislative action of the City Council.

Example THREE: Minnesota

Each broker shall maintain a pooled interest-bearing trust account for deposit of client funds. The interest accruing on the trust account, less reasonable transaction costs, must be paid to the state treasurer for deposit in the housing trust fund account created under section 5 unless otherwise specified pursuant to an expressed written agreement between the parties to a transaction.

Optional Task Force

Example ONE: Chicago, Illinois

It shall be the goal of this corporation to expand the capital base of the corporation to between \$20,000,000 and \$25,000,000 within five years after the corporation is legally incorporated.

Example TWO: Ohio

The Governor's Advisory Committee on Funding of the Housing Trust Fund shall study and make recommendations regarding the existence and potential

As a last resort, if you are unable to secure dedicated sources of public funding, the ordinance could request that a task force be established to do just this. It should include a dollar goal and a date for completing the task.

utilization of additional funding sources for the Low and Moderate Income Housing Trust Fund created under section 175.21 of the Revised Code. Not later than six months after the effective date of this section, the committee shall submit to the Governor a preliminary report of its findings and recommendations, and not later than one year after the effective date of this section, the committee shall submit to the Governor a final report of its findings and recommendations. The committee shall then cease to exist.

Other Protective Language

Any funds collected by the Trust Fund in the ordinary course of its business, including other sources that may be identified, interest and income earned, repayments, or forfeitures under any loan or grant agreements shall be deposited into the Trust Fund.

In order to increase available resources for affordable housing production and preservation, the Trust Fund shall not supplant current funding levels for housing.

(9) Effective Date

Accessibility

-All projects will be expected to comply with the accessibility required by laws including:

- Section 504 of the Rehabilitation Act of 1973
- Fair Housing Act as Amended
- Americans with Disabilities Act (marketing office and common areas)
- Wisconsin Open Housing Act
- Architectural Barriers Act

-All new construction and substantially rehabilitated housing shall be designed for greater accessibility following principles of one of the following:

- Aging in Place
- Universal Design
- Any other accessible and/or adaptable design criteria approved by the Advisory Board

-New Single-family housing (1-3 units) shall be constructed to be Visitable. This includes:

(a) One zero step entrance to the dwelling that will permit a visitor using a wheelchair to enter the main level floor of the dwelling through a doorway entrance that has a minimum 32" clear passage opening.

(b) A usable path of travel throughout the interior main level floor that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.

(c) A powder room on the main level floor that has a doorway entrance with a minimum 32" clear passage doorway opening providing, sufficient space to close the door while inside the powder room, a minimum 30" x 48" floor space clearance, and reinforced walls for future installation of grab bars to provide access to the toilet if necessary.

-The Trust Fund's Visitability and/or accessibility requirements may be waived or reduced for a project if site conditions are unsuitable, but any such waiver does not exempt the project from any other applicable requirements regarding visitability and/or accessibility. Note that Federal requirements would still be applicable.

