



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin 53202

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD

ALD. MURPHY, CHAIR

Bethany Sanchez, Vice Chair

Ald. Robert Bauman, Cecelia Gore, James Hiller, Craig Kammholz, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, and Michael Soika

Staff Assistant, Terry MacDonald

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Friday, June 12, 2009

11:00 AM

Room 301-B, City Hall

Meeting convened: 11:11 A.M.

1. Roll call

Present 8 - Hiller, Kammholz, Peters, Dummer Combs, Lyles, Sanchez, Madden and Murphy

Excused 2 - Bauman and Schmidt

Also present: Mario Higgins, Grant Monitor, Community Development Grants Administration

2. Approval of the minutes of the May 14, 2009 meeting

Ms. Sanchez moved approval of the minutes, Mr. Kammholz seconded. There were no objections.

3. Discussion and approval of recommendations submitted by the Finance Subcommittee relating to the Public Policy Forum Study titled "Give Me Shelter: Responding to Milwaukee County's affordable housing Challenges"

Mr. Rob Henken, Public Policy Forum, appeared to answer questions by board members.

Mr. Lyles said at the May 21, 2009 HTFAB Finance Subcommittee meeting the Committee came up with the following recommendation on the Public Policy Forum Study titled "GIVE ME SHELTER: Responding to Milwaukee County's affordable housing challenge":

1. Identify and define the supply of rental housing that is needed and realistic for the "extremely low income" end of the market (as defined on pp. 14-16 of the Public Policy Forum Study, May 2009).

• (LISC will convene meetings with developers, tenant services and others for input)

2. Create an economic model that quantifies the financing gap in the development of a typical affordable housing project serving the "extremely low income" end of the market.

3. Identify public policy needs to address the gaps in #1 and #2.

4. Explore creation of a permanent intergovernmental Affordable Housing Planning Commission, made up of government, private sector and non-profit stakeholders, to establish broad policy goals and strategies to address the broad range of affordable housing needs (including rental, homeownership and homelessness).

• Possible "foundation" for this Housing Committee: Special Needs Housing Commission?

Ald. Murphy said in terms of the economic model that would quantify the financing gap, if that recommendation is approved, is it inferred that this board would come up with that model?

Ms. Madden replied that LISC would assist in coming up with an economic model and would bring its findings to the HTFAB Finance Subcommittee for its review and then it will be forwarded to the full HTFA Board for final approval.

Mr. Henken said that one of the recommendations that wasn't put forth at this time is related to the Section 8 program. He said once the above recommendations move forward and the planning committee is established the recommendation on the Section 8 program will be brought forth.

Ms. Sanchez asked if Mr. Soika's recommendations (Exhibit 1) would be considered at this time also?

Ald. Murphy said Mr. Soika isn't here to discuss them.

Ms. Madden said that Mr. Soika's recommendations were discussed by the HTFAB Finance Subcommittee and the Subcommittee felt that the recommendations it has put forth above are the next steps that need to be taken at this time. Once those recommendations have been accomplished then some of the other recommendations

in the Public Policy Forum study and Mr. Soika's recommendations can be considered.

Mr. Higgins said that the Community Development Grants Admin. has received \$6.9 million in grant funds (stimulus funds) for the Section 8 program for the next three years.

A motion was made by Ms. Madden to approve all four of the recommendations submitted by the Finance Subcommittee, Mr. Lyles seconded. There were no objections.

4. Discussion and approval of the housing trust fund owner occupied guidelines

Mr. Higgins referred members to a draft copy of the "2009 Housing Trust Fund Awards Owner Occupied Rehabilitation" guidelines and regulations (Exhibit 2) that was previously provided to all members and was also presented and discussed at the April 9, 2009, HTFAB meeting.

Mr. Higgins said whatever the pleasure of this board is relating to Owner Occupied Rehabilitation guidelines and regulations the CDGA will administer them.

Ms. Sanchez said she still has concerns with item #2, which says "All projects will meet lead hazard safety requirements", and asked if there is some way that requirement can be worked out with the organizations that already received housing trust fund awards?

Mr. Higgins replied that lead abatement and code compliance are important issues that need to be dealt with when projects receive any type of City funds.

Ms. Sanchez asked if an organization that received City funds can partner with another organization to help coordinate projects so that the owner occupied guidelines and regulation requirements are met?

Mr. Higgins replied in the affirmative.

Ald. Murphy said he met with representatives for the Building Together and Dominican projects and the problem they're facing is if they're doing a home repair and the Dept. of Neighborhood Services (DNS) comes in and inspects and sees a code violation, DNS would have to issue a repair order and the property owner would need to get it fixed, but the property owner most likely doesn't have the money to fix it. He asked Mr. Higgins how the City could help in coordinating partnerships between organizations?

Mr. Higgins said that some of the NIP agencies could help. He said the organization that received the housing trust funds could refer the property owner to one of the NIP agencies, but the NIP program timeframe is a bit long. It could take six months from the time the application is submitted to receive service. He also suggested that the organization that received the housing trust funds could do the repairs.

Ms. Lana Katz with Rebuilding Together appeared and gave a summary of their programs. She said Rebuilding Together doesn't receive any other government funding resources. All their funding comes from donations from corporations, foundations and individuals. She said they are willing to partner with other organizations.

A motion was made by Ms. Kammholz to approve the 2009 Housing Trust Fund Awards Owner Occupied Rehabilitation guidelines and regulations, Mr. Lyles seconded. There were no objections.

5. Discussion and approval of a housing trust fund logo

Ald. Murphy referred members to his handout that shows ten different logos (Exhibit 3) that was provided to the members prior to the meeting.

A motion was made by Ms. Sanchez to approve the third logo in the top row with the hand, Mr. Kammholz seconded. There were no objections.

6. Review and approval of the Housing Trust Fund 2008 annual report

A motion was made by Mr. Lyles to approve the 2008 Annual report, Mr. Peters seconded. There were no objections.

7. Discussion on the process and timeline for the next round of funding awards

Mr. Higgins said that WHEDA is awarding another round of tax credits in early August. He said that would be a good time to do the next round of housing trust fund awards.

Mr. Lyles asked how much is available in the Housing Trust Fund as of today?

Mr. Higgins said the current balance is \$962,250.

Ms. Sanchez said she has concerns with an August timeframe for the next round of funding awards, because if the recommendations of this board comes after WHEDA's tax credits due date, the applicants wouldn't get the extra tax credit points for local support.

Mr. Higgins replied that sometimes City funds have been awarded and WHEDA didn't approved an applicant's request for tax credits. The City then had to rescind the award.

8. Discussion on how applicants can get a better understanding of the housing trust fund rules and procedures prior to applying for Housing trust funds

Ald. Murphy asked Mr. Higgins if the Department could have an information meeting prior to the due date for the submission of the applications?

Mr. Higgins replied that the last time the City offered a training session it didn't go as well as expected. He said a training session is part of the normal process for CDGA funding.

Mr. Sanchez said that another issue that could use some discussion prior to a training session is if an allocation of housing trust funds could be in the form of a loan.

9. Public comments relating to housing trust fund process

There were no public comments.

10. Set next meeting agenda

Next meeting date: July 9, 2009

Ms. Sanchez suggested that discussion on the pros and cons of revolving loans be scheduled for the next meeting.

Mr. Peters said he will not be able to attend the July 9, 2009 HTFAB meeting.

Meeting adjourned: 11:41 A.M.

Mr. Soika's Recommendations

Whereas, the Public Policy Forum report entitled "Give Me Shelter" (The Report) documents that over 72,000 people – or 40% of all Milwaukee County Renters - live in inadequate housing; and

Whereas, the Report shows that the greatest burden of inadequate housing falls on the poorest in our community – those 47,000 extremely low income households making less than 30% of the Area Median Income; and

Whereas, during 2007 and 2008 there were over 10,000 foreclosure actions against properties in the City of Milwaukee, as compared to an average of 2,600 per year prior; and

Whereas, the Report shows how efforts to address the lack of affordable housing are fragmented and confusing for all involved; and

Whereas, the Report does not address the significant economic development aspect of creating more affordable housing; and

Whereas, the Report makes five broad recommendations on how to begin to alleviate the affordable housing problems in our community;

Therefore Be it Resolved, that the City of Milwaukee Housing Trust Fund Advisory Board go on record supporting the key recommendations of the Report; specifically:

- Creation of a permanent intergovernmental planning committee
- Establish an infrastructure to coordinate private & investment capital
- Milwaukee County contract with the City of Milwaukee to administer the County's Section 8 program
- Secure a stable public funding source for a consolidated city/county housing trust fund
- Create a local rent subsidy program

And, be it Further Resolved, that the Common Council direct appropriate City Departments to take direct and immediate action to implement the Report recommendations; and

And Be it Further Resolved, that the Common Council of the City of Milwaukee direct the Department of City Development to write and issue a report documenting the economic benefit of the creation of affordable housing, to be completed and published by September 1, 2009.

EXHIBIT

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2009 Housing Trust Fund Awards
Owner Occupied Rehabilitation

Three groups were funded to provide rehabilitation for owner-occupied housing under Homeownership Category. CDGA has funded numerous owner-occupied rehabilitation projects for many years. Program guidelines and regulations exist for these projects. It is essential that regulations and guidelines be established for the Trust Fund projects.

CDGA is recommending the following:

- 1) All projects must be code compliant upon completion.
- 2) All projects will meet lead hazard safety requirements.
- 3) Work performed must be done in a professional manner.
- 4) Eligible types of properties will include only single family and duplex structures.
- 5) Scopes of work should include only defective items (for example defective porches), and not include remodeling activities.
- 6) Contractors must be licensed by the City of Milwaukee and obtain any other certification needed by the State.
- 7) Program participants' household income must meet the income eligibility guidelines established by the Housing Trust Fund
- 8) Types of ownership may not include land contracts, life estate or trust deeds, or multiple owners who do not reside in the property.
- 9) All property taxes must be current.
- 10) Homeowners must have current Homeowner's Insurance.
- 11) Establishing priorities for service provision, such as existing building code violations already cited by DNS, health & safety emergencies etc.
- 12) Establishing a minimum cost per structure as well as a maximum cost cap per structure.
- 13) Restricting applicants from owning other rental/income property.

There are many issues that must be resolved regarding the operation of these owner-occupied programs:

- 1) Who should prepare the scopes of work and cost estimates? Agency...Outside Inspector
- 2) Who should conduct interim and final property inspections? Agency...Outside Inspector...DNS

EXHIBIT

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- 3) **Is this program at no cost to the owner or provided through a deferred or forgivable loan. How long a period of time is owner-occupancy required prior to the application process and how long after the work is completed?**

2-26-09/mr



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