



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes

BRONZEVILLE ADVISORY COMMITTEE

RALPH HOLLMON, CHAIR

Rhonda Manuel, Vice-Chair

**Jayne Montgomery Baker, Fidel Verdin, Theresa Garrison,
Christopher McIntyre, and Clifton Crump**

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Wednesday, February 10, 2016

9:00 AM

Room 303, Third Floor, City Hall

1. Call to Order.

Meeting called to order at 9:05 a.m.

2. Roll Call.

Ms. Montgomery Baker joined the committee during item 4 at 9:14 a.m.

Present 6 - Manuel, Hollmon, Montgomery Baker, Crump, Garrison and McIntyre

Excused 1 - Verdin

3. Review and Approval of the Previous Meeting Minutes from January 13, 2016.

Mr. McIntyre moved approval, seconded by Mr. Crump, of the meeting minutes from January 13, 2016 with the amendment on page 2 to insert the word "not" before "fallen" in the second sentence of the second paragraph. There were no objections.

4. Discussion on the Rental Housing Rehabilitation Program in the 6th Aldermanic District.

Ms. Montgomery Baker joined the committee at 9:14 a.m.

Individual appearing:

Larry Kilmer, Department of City Development

Mr. Kilmer appeared before the committee again to give an overview on the rental housing rehabilitation program, other programs, and opportunities in the 6th aldermanic district.

DCD, with Neighborhood Improvement Development Corporation (NIDC), has two different types of rental rehabilitation programs. First program is the Target Invested Neighborhoods (TIN) program and is implemented in target invested neighborhoods. The second program is an expansion rental rehabilitation program and is implemented citywide in community block grant areas through the City's Strong Neighborhoods Plan.

The TIN district in the 6th aldermanic district is the Beerline TIN, which was designated last year. TINs are for 3 years. Every year about 3 or 4 TINs expire and 3 or 4 new TINs are designated. There is an average of 9 TINs for any given year. The TIN partner is Riverworks Development Corporation. The TIN rental rehabilitation program is for existing property owners who already own 1-4 unit rental properties within TIN boundaries. The City receives federal dollars from the US Department of Housing and Urban Development (HUD) with compliance requirements. The City can provide up to a \$14,999 forgivable loan per unit after five years provided the projects and terms are in compliance. The owner must match and provide 50% of the rehabilitation cost. A unit must have at least two bedrooms with some exceptions. An owner must obtain a landlord training certificate from the City. The property must be code compliant and in a lead safe state after completion of the rehabilitation. The Health Department and the Department of Neighborhood Services (DNS) do come out and inspect the properties for lead safe and code compliance.

Tenant income and rent limits do apply. Tenant income and lease information is obtained for qualification review annually for five years after the anniversary date of the completion of the rehabilitation. Property owner is not reviewed. There are other property owner requirements under the program, such as not having outstanding back taxes or DNS orders. The focus is for affordable and high quality rental units.

The expansion program is the same as the TIN program but differs in being citywide relative to block grant areas. The majority of the 6th aldermanic district is in the block grant area. Also, the program differs in being open to any existing property owner looking to purchase City eligible rental property, and the owners have to reach the same benchmarks and compliance as those under the TIN program.

Those interested in the expansion program will have to access the city website to look at available City-owned rental properties for sale. There are two listings: current listing and extended listing. The current listing is only for owner occupants. The majority of properties in the extended listing are available for purchase. The listing information will have the asking price and estimated rehabilitation cost, which may be out of date. DCD will go out and do an updated scope of work. Interested buyers should contact a real estate agent, go out to look at the property, submit an offer to purchase contingent on acceptance into the expansion program, and submit an application to the program.

The next step involves review of an application, credit check, and background check for program eligibility. The proceeding step involves doing a scope of rehabilitation work and assistance in acquiring contracting bids. Then internal loan review, closing, and construction follow. Final step is the ongoing compliance activities.

Chairman Hollmon inquired about the timeframe of the program process?

Mr. Kilmer replied that the process can take a few months from the beginning of the application to the start of construction due to many moving pieces. Each step of the process may take one or several weeks to finish relative to program eligibility review, scope of work inspection, contracting bids, internal review, and setting up of construction funds. The construction timeframe desired is 90 days.

Chairman Hollmon inquired about programs for business and commercial property rehabilitation.

Mr. Kilmer replied. Through DCD's commercial corridor team and colleague, Ken Little, there are multiple programs and grant available for commercial property rehabilitation. Façade grants and white box grants are a few examples. Mr. Little

can give more details. Recently, Deshea Agee, has become the executive director for the Historic King Drive Business Improvement District (BID). Mr. Agee previously was a member of the commercial corridor team. Mr. Agee has worked with the advisory committee and done tremendous work in Bronzeville.

Chairman Hollmon said that of importance are strong businesses in the district and on Dr. Martin L. King Jr. Drive. City commercial property rehabilitation programs should be discussed further in the near future, possibly at the next meeting, so that members can help disseminate information.

Chairman Hollmon acknowledged Mr. Agee in his new position and commended him for his staff support to the advisory committee. He added that Mr. Agee, once settled, can come meet with the advisory committee in the future to talk about the BID's goals, objectives, and synergy.

Mr. Kilmer responded to the committee's inquiry s about Common Council File Number 151197. The file is part of the DCD's rehab to rent program under headed by his colleague, Amy Turim. The program is a brand new program that was created in 2015 with \$1 million to assist in renting out City-owned properties. The goal is to renovate 20 to 30 City-owned 1-2 unit residential properties for a three year term. The City will hire an outside company for property management and rehabilitation. The program is different from the typical process of the City trying to turn over or demolish City-owned properties. Of priority are the rental rehabilitation programs and the properties associated with those programs. Of subsequent priority is the rehab to rent program and the properties associated with that program.

Friends of Housing Inc. has been selected as the vendor. The company is working with DCD to identify and select properties. Once identified, they will write a scope of work, find and hire contractors, manage the rehabilitation, market and acquire tenancy, and manage the properties.

Initial target areas for the rent to rehab program are the 6th and 15th aldermanic districts where the majority of City-owned residential properties are located in. The properties identified for the program will be those unattractive properties owned by the City that no one is buying either through the private market or through city programs. The program is committed to 40% small business enterprise (SBE) contracting work.

Mr. McIntyre inquired about the process of becoming a SBE certified firm and the inclusion of mixed-use properties in the programs?

Mr. Kilmer replied. The City's Office of Small Business Development (OSBD) is the department that handles SBE certification and more information can be obtained through that office. Any other requirements of having a business would need to be acquired appropriately where required, such as obtaining a specific contracting license through the city or state. The TIN program can consider mixed-use buildings on a case by case basis, but the loan assistance can only apply to the residential unit and not the commercial unit. Additionally, the whole property, including the commercial portion, would have to be lead safe and code complaint.

Mr. Crump said that properties in Bronzeville, cluster sites, pocket parks, and vacant lots should be considered for the rent to rehab program and any other applicable programs that are available. He added that a holistic approach for Bronzeville needs to occur to keep people in the area.

Mr. McIntyre concurred and added that mixed-use properties in Bronzeville should

also be considered.

Ms., Garrison inquired about homes being rehabilitated for rent from 5th Street and North Avenue to Clark Street and on 6th Street and Wright Street?

Mr. Kilmer replied those homes may be part of the Milwaukee Prosperity Project involving 20 to 30 properties being renovated for rent; however, he is not sure and can speak to Ms. Garrison privately to confirm. Generally, the rental rehabilitation programs are smaller in scale in terms of number of homes and the extent of property owners. Bigger rental projects usually involve a 15 year lease to own option through a low income housing tax credit (LIHTC) deal with WHEDA.

Chairman Hollmon said that Mr. Kilmer or Ms. Turim should come back to the advisory committee to give an update on the progress of the rent to rehab program.

5. Bronzeville RFP and Project Updates.

-Garfield School Redevelopment Project

Melissa Goins, Maures Development, appeared and gave an update.

It has been about a year that her firm was selected for the project. Another application was submitted to WHEDA on January 29, 2016. Award announcements will be made in April. The application for the new construction was not funded by WHEDA during last summer's application round due to a technicality regarding site control and desire for more information. The last couple of months involved preparing the necessary documents sought by WHEDA. The land sale for the new construction was approved by the Redevelopment Authority of the City of Milwaukee (RACM) for the former Pagoda and museum sites. The proposal remains the same for a 41 one to three bedroom residential new building with first floor commercial space. There is a combination for market rate, 30%, 50%, and 60% units with rates ranging from \$414 to \$870. Parking will still be on the land associated with the school building. The overall transaction cost is about \$8.4 million with about \$1 support from the City between TIF and block grant dollars. The African American Black Holocaust Museum is still very much part of the plans.

One major change is the departure of Common Bond Communities from the deal. Maures Development is currently the primary applicant to WHEDA, and a different development partner will be identified in the next few months. The partner has the role to bring financial guarantees to the table. Anticipated is for the advisory committee to meet the new partner once a partner is chosen.

The next step is waiting for WHEDA to grade this and other applications. There is also the focus on the school building budget, which is presently priced higher than what WHEDA wants relative to a per unit cost cap. Current construction estimates are over that. Alternative bids from different firms will be considered to determine if costs on the school construction can be reduced to fall within WHEDA's guidelines. The new construction building is being submitted through a competitive 9% WHEDA credit while the school building should ideally be separately submitted through a noncompetitive 4% WHEDA credit. The low income housing tax credit (LIHTC) will go for the new construction. Another process that occurred was the submittal for and approval of \$3 million in historic tax credit equity to come to the transaction through the National Park Service.

Members questioned the timeframe for both the new building and school

construction, WHEDA competitive consideration of other simultaneous projects in the area, ways the advisory committee can assist in the project,

Ald. Coggs, 6th aldermanic district, appeared and replied. There is a Gorman Company senior housing project that will have an 8 point scoring disadvantage compared to the Garfield school project and other proposals in the area.

Ms. Goins replied. The expectation is for both buildings to undergo construction at the same time. The hope is for the new construction building to be competitive enough to receive WHEDA High Impact Project Reserve (HIPR) 9% credit, costs to be reduced for the school building, and align the construction of both buildings at the same time around October this year with 10 to 12 months of construction. WHEDA scoring is really competitive, and each score is valuable. Support from groups such as the Greater Milwaukee Committee (GMC), Metropolitan Milwaukee Association of Commerce (MMAC), Urban League, and Milwaukee Bucks should help in making her firm's HIPRA application more competitive. There is tremendous pressure for the school project to be successful. The advisory committee probably can do nothing further presently to assist the project.

Ms. Montgomery Baker said it is important for the school redevelopment project break ground to change people's perception that nothing is being done inside of Bronzeville.

Ms. Goins said that the conversation is not easy to discuss. There are many deeper challenges for redevelopment in distressed areas and for local developers and smaller communities. Other areas such as downtown come with money and developers who can fund projects. In areas such as Bronzeville, the developers and local community lack enough tools, have to rely on governmental assistance, and are disadvantaged in being competitive. These challenges need to be addressed in some way to bring more money to areas like Bronzeville to realize redevelopment.

Chairman Hollmon said that real estate projects are extremely complicated, even for those with money, and progress takes time. Despite local frustrations, there needs to be an understanding that complications are inherent in the process. He added that Melissa and her team should come back to give an update to the advisory committee after the WHEDA award announcement in April.

-Other

Ald. Milele Coggs, 6th aldermanic district, appeared and said that there may likely be two upcoming RFPs to come before the advisory committee for review both on the front end prior to issuing the RFPs and backend on reviewing applicant submissions. She is hopeful that a consistent method of reviewing RFPs will be developed going forward starting with these two upcoming RFPs similar to the Garfield school RFP.

6. Presentation from King Solomon Missionary Baptist Church.

Pastor Charles Watkins appeared and discussed the community activities and interests of the church. The church is currently engaged in restoring and rescuing the church building, which is one of the oldest churches in the City. Grants are being sought for the restoration. A goal is to make the church a City landmark. The church was the first one to conduct an interracial marriage between an African American and Caucasian. The church serves hot lunch to the community every Tuesday, goes on prayer "Jericho" walks in the community, and has thrown block events. The church wants to become more of a part of Bronzeville and events. The church restoration

will benefit Bronzeville.

Chairman Hollmon made comments. There are a number of ways the church and the advisory committee can work together to have a strong and prosperous Bronzeville. Some advisory members are members of the church and can serve as conduits between the advisory committee and church. The church is a historic building, especially the exterior. Church members are welcome to attend the meetings of the advisory committee.

Ms. Montgomery Baker said that the church should apply to become a historical site, which opens opportunities and resources to maintain the property.

Pastor Watkins said that the church is in the process of acquiring historic designation, grants, and donations for the church, which is in disrepair.

7. Old Business.

There was no old business.

8. New Business.

There was no new business.

9. Set Next Meeting Date and Time.

Wednesday, March 9 or Thursday, March 10, 2016 at 9 a.m. based on the majority of members attending.

Next meeting agenda items to possibly include:

- Commercial rehabilitation programs presentation by DCD (Ken Little).*
- Two upcoming RFP listings for advisory committee review from DCD real estate staff.*
- King's Fresh Food Market project update.*

Ms. Manuel said that she can confirm on the above agenda item suggestions.

10. Adjournment.

*Meeting adjourned at 10:22 a.m.
Chris Lee, Staff Assistant*