



# City of Milwaukee

200 E. Wells Street  
Milwaukee, Wisconsin  
53202

## Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD

**ALD. MURPHY, CHAIR**  
**Ms. Cathie Madden, Vice-Chair**

**Ald. Robert Bauman, James Hiller, Craig Kammholz, Kenneth Little, Jim Mathy, Joanne Passaro, Brian Peters, Kori Schneider Peragine, Michael Soika and Lanie Wasserman**  
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Thursday, September 9, 2010

11:00 AM

Room 301-A, City Hall

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### Meeting Call to Order at 11:15 a.m

#### 1. Roll call

**Present** 7 - Kammholz, Madden, Peters, Passaro, Mathy, Schneider Peragine and Wasserman  
**Excused** 4 - Soika, Little, Hiller and Bauman

#### Also present:

**Steve Mahan, Dept. of Administration**  
**Mario Higgins, Dept. of Administration**  
**Tom Gartner, City Attorney's Office**  
**Jeff Osterman, Legislative Reference Bureau**

*Chair, Ald. Murphy welcomed and introduced Ms. Lannie Wasserman as the new member appointed to the Housing Trust Fund Advisory Board.*

*Ms. Wasserman representing Wisconsin IFF. Company provides below market loans to the non profit organizations that serve low income or special needs population. IFF started in Chicago about 22 years ago. Ms. Wasserman is the Director of the Wisconsin IFF office here in Milwaukee. The company has spread in 5 states. In Milwaukee they have done about \$19 million dollars in lending to affordable housing projects, for example Veterans Manor on 35th and Wisconsin Ave, Lisbon Terrace, Villard Square and also community based residential facilities. Ms. Wasserman thanks the board and is excited to be part of the Housing Trust Fund Advisory Board for its involvement with housing.*

#### 2. Review and approval of the May 13, 2010 meeting minutes

*Mr. Kammholz moved approval of the May 13, 2010 minutes. There were no objections.*

**3. Nominations and election of the Housing Trust Fund Board Vice-Chair**

*Chair, Ald. Murphy nominated Mr. Mathy for the position of Vice-Chair.  
Mr. Mathy declined the nomination.*

*Chair, Ald. Murphy nominated Ms. Cathy Madden to Vice Chair.  
Ms. Madden accepted. There were no objections.*

**4. Discussion relating to advantages and disadvantages of creating a 501 (c)(3)**

*Ald. Murphy asked Mr. Gartner what would be the best way to try to get additional funding sources into the Housing Trust Fund and distribute more to those who are in need? The Housing Trust fund is listed with AChoice where city employees can make a contribution to the Housing Trust Fund, something like United Way.*

*Mr. Gartner said that it is ultimately a policy decision for both the Housing Trust Fund Advisory Board and the Common Council. He said that there are a number of different mechanisms that could be use to create a new entity or for the City and Housing Trust Fund Advisory Board to work in cooperation with an existing entity, the focused should be not so much in a new entity, but in the individuals that would be involve in the process and the sources of funding that may be available. There are several options; the City has in the past, worked to create free standing 501(c)(3), an example would be the Milwaukee Economic Development Corporation staffed through the Department of City Development. Once a dependant 501(c)(3) is created there are two issues, what the government structure is and how that entity would relate with the government. If the case is that there would be some kind of cooperation agreement than, there is no need to create a new entity. The city can work with an existing entity. Mr. Gartner said that there are no firm rules as to what the organizational structure should be or to what extent there should be governmental involvement or input. If the basis to create this new entity is to separate that entity from governmental control, than some of the other models might not work as well. Two governmental agencies can get together and form an intergovernmental cooperation agreement to create some form of commission or a body to perform these types of functions. The issue becomes what is the level of governmental participation and what is the perception among the potential donors. At this point if there is really an interest in pursuing a 501(c)(3) structure, the biggest question is, should the Housing Trust Fund Advisory Board look for an existing 501(c)(3) would which could cooperate or would the policy maker pursue the creation of a new entity.*

*Ald. Murphy said that from the political aspect of things, it would probably not be a likely scenario for the CC to give up control until those two questions are asked in terms of the governance and in terms of the finance. It would be very unlikely. Simple because these are property tax dollars and the city will not give up to the private group to distribute without oversight.*

*Ms. Passaro asked if the main driver of this exploration is the diversification of revenue.*

*Ald. Murphy said yes.*

*Ms. Passaro asked would there be a way to structured some tax dollars separate, then bring together with other dollars for particular projects.*

*Ald. Murphy said that there could number of scenarios that would do that. So the two*

*big questions ended up going back to the same thing, finding additional financing scenarios whether it would be a foundation on a regular schedule where they are funding it or a large grant and coming up with the appropriate governance structure. It still within the Finance Committee's prerogative of looking at that.*

*Ms. Madden asked in terms of the financing levels is there a specific amount the Common Council would be looking for to be able to launch this 501(c)(3)*

*Ald. Murphy said that it would be a policy question, but he thinks it would have to be something that would match the City's contribution (\$400,000/yr).*

*Ms. Madden asked if the existing entity is a Community Development Financial Institution (CDFI), can they become the city's 501(c)(3).*

*Mr. Gartner said that he is not sure what their tax as; he said that they may not be 501(c)(3).*

*Ms. Wasserman said that this topic would be something to look into.*

*Ald. Murphy said that the subcommittee can follow up on this topic. however, the funding source have to be identified.*

*Ms. Wasserman asked if anyone has thought of a foundation to support something like this.*

*Mr. Kammholz said that yes, there was some interest there, but there was reservations.*

**5. Review and approval of the recommendations submitted by the Technical Review Subcommittee on the revisions to the application form and scoring sheet**

*Mr. Mahan said that these were very technical as far as changes made and also information that the department did not use in the review. There was a lot of subjective terminology. The reviews are not ready for distribution. Common council has not looked at the final revision*

*Ald. Murphy said that this topic needs to be brought back to the next meeting of the Housing Trust Fund Advisory Board. Also, there was a question in creating a second application for consideration of smaller projects. Is that part of that technical review?*

*Ald. Murphy asked if there is a need to change anything in the ordinance as it relates to the new application.*

*Ms. Madden said that in prior discussion about the timing of the technical review to coincide with the WHEDDA tax credit being allocated is there any more discussion about that?*

*Mr. Kammholz said that he anticipates the use of the time tables used for last year.*

*Ald. Murphy asked how much dollars we have to allocate.*

*Mr. Higgins said that it should be \$750,000*

*Mr. Kammholz said that historically the city has awarded \$1.1 - 1.4 Million*

*Ald. Murphy asked how much has been awarded this year.*

*Mr. Higgins said that about \$940,000*

*Ms. Wasserman asked how much money each project received.*

*Ald. Murphy said that it have been a big range. Also he asked what is the expectation for time lien of the next round of applications.*

*Mr. Higgins said probably late October.*

*Mr. kammholz said that this housing trust fund has been in effect since 2007. When the \$2.5 million dollars in capital funds, bonds proceeds were borrowed for the 2.5 million, but \$900,000 of those dollars have yet to be allocated onto projects. This is not a problem because they can always be change to a later year. If those projects awarded in 2007 never come to fruition, there would probably be a need to have a contingent borrowing file to keep the remaining \$900,000 alive. Also, Mr. Kammholz said that if money lapses there may need to be a clean up resolution for money awarded in a given year that, was not used by the end of such year.*

*Ald. Murphy asked for an update on the projects.*

*Mr. Higgins said that most of the projects were under contract. This information will be provided at the next HTFAB meeting.*

**6. Discussion relating to the process and timeline for next round of Housing Trust Fund awards**

*This item will probably be discussed in the next HTFAB meeting.*

**7. Status report on awarded projects**

*Individuals present from the different agencies that have been awarded by the the Housing Trust Fund that wanted to tell the board how these monies have help their agencies:*

*Lynne J. Oehlke, President/Executive Director - St. Catherine  
Sara Kiersek, Executive Director - The Dominican Center for Women  
Charlotte John -Gomez, Executive Director - Layton Blvd West Neighbors  
Teig Whaley-Smith, UMCS Housing Plan - Washington Park Dept.*

*Ald. Murphy requested the representatives of the agencies present to submit in writing to his office how the award monies has helped their agency.*

**Meeting adjourned at 12:05 noon**  
**Joanna Polanco**  
**Staff Assistant**