

CITY OF MILWAUKEE

Form CA-43

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October 4, 2002

To the Honorable Members of the
Zoning, Neighborhoods & Development
Committee of the Common Council
200 East Wells Street, Room 205
Milwaukee, WI 53202

RE: CC File No. # 020821 – Substitute Resolution relating to a Cooperation Agreement between the City of Milwaukee and the Housing Authority of the City of Milwaukee for the receipt and furnishing of services, materials and equipment by and between the City and the Housing Authority.

Dear Committee Members:

By letter dated October 1, 2002, you asked our opinion “whether the Housing Authority of the City of Milwaukee (HACM) has the legal authority, under its Cooperation Agreement, to utilize borrowing and/or Housing Authority revenue bond funds. . . to implement a proposed program for the rehabilitation and/or construction of housing for low -, moderate - and middle-income households without using HUD grants or operating subsidies.”

The answer to your question, as drafted, is “no,” there is no language in either the most recent Cooperation Agreement adopted by the Common Council (Common Council File No. 981196) nor in the proposed successor agreement approved by the HACM Board of Commissioners in June, 2002, under its Resolution Number 11681, that provides such authority. Each of those agreements, as with their predecessors, encompass the reciprocal furnishing of services and materials between HACM and the city, through its various departments, thereby enabling HACM to fulfill its statutory purposes as well as providing for appropriate reimbursement. While the pending and past agreements have included various initiatives which HACM has agreed to pursue, a program such as suggested is not among them.

Our answer would be different if your question was asked outside the context of the Cooperation Agreement, or with respect to an amended Cooperation Agreement such as the

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one proposed in Substitute Resolution Common Council File No. 020821. HACM has independent statutory authority to do what it appears is being sought in the substitute, to wit: to borrow (secs. 66.1201(a)(k) and (21), Stats.); to issue bonds (secs. 66.1201(9)(q) and (13), Stats.); to provide for the construction, reconstruction, improvement, alteration or repair of city housing (sec. 66.1201(9)(a), Stats.); to take over any housing project undertaken by the city if located within the city and approved by the council (sec. 66.1201(9)(b), Stats.); and to cooperate with the city in the construction or operation of a housing project (sec. 66.1209, Stats.).

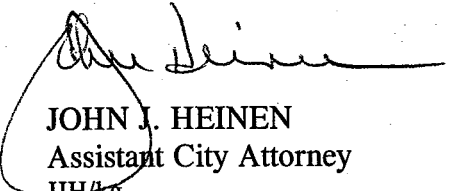
Likewise, had HACM's Board of Commissioners approved of the amended Cooperation Agreement being proposed under your Substitute Resolution, it has the power to implement the proposed program, independently or cooperatively. Please be advised, however, that the HACM Board considered the amended Cooperation Agreement at its September 18, 2002, meeting and declined to approve it. According to its Resolution No. 11704, the HACM Board, by way of response, looked to yet another of its enumerated powers and offered to cooperate in a study or other effort to investigate "into the means and methods of improving" housing conditions and develop more affordable housing (sec. 66.1201(9)(f), Stats.). (A copy of the resolution is attached.)

We hope this is responsive to your question. We would be happy to assist you and HACM in pursuit of providing more affordable housing in any way we can.

Very truly yours,



GRANT F. LANGLEY
City Attorney



JOHN J. HEINEN
Assistant City Attorney

JJH/kg

Attachment

c: Willie Hines
Tony Perez

1121-2002-3038

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Housing Authority of the
City of Milwaukee

Resolution No. 11704

Adopted: September 18, 2002

RESOLUTION: Responding to Common Council Zoning, Neighborhoods and Development Committee's proposed amendment to the Cooperation Agreement pending full common council approval

WHEREAS, the Housing Authority of the City of Milwaukee (Housing Authority) adopted resolution #11681 at its meeting on June 19, 2002 authorizing execution of a Cooperation Agreement between the City of Milwaukee (City) and the Housing Authority for the Receipt and Furnishing of Services, Materials, and Equipment by and between the City, through its Various Departments, and the Housing Authority for the Year 2000 and beyond; and

WHEREAS, on September 17, 2002 the Common Council's Zoning, Neighborhoods and Development Committee proposed adding the attached amendment to the Housing Authority's resolution #11681 directing the Housing Authority to create, fund, carryout and implement a new housing rehabilitation and construction program; and

WHEREAS, the Housing Authority Board of Commissioners considered the proposed amendment to the Cooperation Agreement at their meeting on September 18, 2002; and

WHEREAS, the Housing Authority Commissioners support the goal of providing more decent, safe and sanitary housing that is affordable; and

WHEREAS, the Housing Authority has a significant track record and national recognition as a high performer in developing affordable housing; and

WHEREAS, the statutory authority for the Housing Authority to sell revenue bonds has been recently exercised in order to maintain and improve its current housing inventory; and

WHEREAS, the statutory powers of the Housing Authority include the authority to investigate into housing conditions and into the means and methods of improving those conditions in order to develop more affordable housing; and

WHEREAS, the annual Cooperation Agreements entered into by the City and the Housing Authority have historically arranged for the furnishing of services, materials and equipment by mutual agreement of the parties and at agreed rates of compensation rather than direct the Housing Authority to establish and carryout new programs; now, therefore, be it

RESOLVED, by the Housing Authority Board of Commissioners that the Cooperation Agreement approved under resolution #11681 and submitted to the City for Common Council approval not be amended in the manner proposed; and, be it

FURTHER RESOLVED, that the Housing Authority will cooperate with the creation of a study group or ad hoc committee to determine ways to accomplish the identified objective (development of more affordable housing).