



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin 53202

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD TECHNICAL REVIEW SUBCOMMITTEE

CRAIG KAMMHOLZ, CHAIR
Cecelia Gore, Cathie Madden, Brian Peters, and Bethany Sanchez

Staff Assistant, Terry MacDonald
Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov
File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Thursday, January 22, 2009

1:00 PM

Room 303, City Hall

Meeting convened: 1:07 P.M.

1. Roll call

Present 4 - Kammholz, Sanchez, Gore and Peters

Excused 1 - Madden

Also Present: Steven Mahan Director, and Mario Higgins, Community Blocks Grant Admin. and Eric Pearson, Dept. of Admin., Budget and Management Division

2. Approval of the minutes of the July 9, 2008 meeting

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

3. Update on the funding guidelines and procedures for the Housing Trust Fund

Mr. Kammholz provided the Subcommittee members with a draft copy of the "Funding Guidelines for 2008 Housing Trust Fund Project Awards" (Exhibit 1).

Mr. Kammholz gave an overview of the 2008 funding guidelines. He said the 2008 funding guidelines are almost identical to the 2007 funding guidelines, except for two changes that he made.

Mr. Kammholz said the first change is in the first paragraph under "Funding" and that change is to the available housing trust fund amount. He said the funding amount listed does not include the City's 2009 funding appropriation.

Ms. Gore asked if the dollar amount includes the dollars that were not allocated in the first round of funding awards?

Mr. Kammholz replied in the affirmative.

Mr. Kammholz said that the second change was that he removed the reference to the tax credits (Projects that receive a funding allocation that will be applying for Section 42 tax credits in 2008 and are not awarded tax credits may not retain their preliminary allocation.) He said he took that sentence out for a number of reasons; first is because of the fragile financial markets and what impact the market will have on tax credit pricing and the second reason is because of what happen with the Mercy Housing project award.

Ms. Sanchez said the last sentence in the second paragraph under "Project Scoring" says that the CDGA has the sole discretion to grant extensions. She said she thought extensions requests required the full HTF Board approval.

Mr. Kammholz said he would be willing to reword that sentence if Ms. Sanchez would like.

Ms. Sanchez said she would like wording added to the end of that sentence that would say something like "the applicant has the right to appeal the CDGA staff decision on grant extensions to the Housing Trust Fund Advisory Board."

Mr. Kammholz said that the wording "in its sole discretion" could be replaced with "with the approval of the Housing Trust Fund Advisory Board."

Ms. Sanchez moved to amend by replacing the wording "CDGA has the sole discretion to grant extensions." with "with the approval of the Housing Trust Fund Board."

Ms. Gore moved and Ms. Sanchez seconded to approve the Funding Guidelines for 2008 as amended and to forward to the Housing Trust Fund Advisory Board for its approval. There were no objections.

4. **Review of the housing trust fund applications**

Mr. Kammholz referred the Subcommittee members to the scoring sheet document that shows the list of proposed applicants (Exhibit 2) and to the e-mail with a list of recommendations from CDGA staff and the Comptroller's Office (Exhibit 3).

Mr. Peters said he has concerns with the city staff recommendations for the "Homeownership" category. He asked why City staff is only recommending one applicant, Layton Blvd West Neighbors, Inc., in the "Homeownership" category?

Mr. Mahan replied that it is due to stagnation in the housing market. He said some of the other homeownership applicants have received other City funding awards in 2008 and they haven't spent that yet and they are already approved to receive other 2009 City funds.

Mr. Kammholz replied that all the other homeownership applicants are already receiving other City funds through other means, and to keep the intent of the housing trust fund, which is that housing trust fund dollars are to be used for new and additional units that would not have happened otherwise.

Mr. Peters said that the Milwaukee Community Services Corps. wants money for energy improvements, Milwaukee Christian Center and Milwaukee Habitat for Humanity want monies for rehab projects and asked if all of those received other City funds in 2008?

Mr. Mahan replied that Milwaukee Community Services Corps has a contract with We Energies and they have received other City funding in 2008, but haven't spent it yet.

Ms. Gore asked if that comment could be put in the scoring sheet comment area?

Mr. Mahan replied in the affirmative.

Mr. Peters said his concern is that the percentage for each category will not be met if there is only one project recommended.

Mr. Mahan replied that there are two applications recommended from the "Homeownership" category.

Mr. Sanchez said that Rebuilding Together Greater Milwaukee isn't getting other City funds and asked why their application wasn't recommended?

Mr. Mahan replied that Rebuilding Together Greater Milwaukee application is for minor home repair, and it is a good project, but they already have a request in for reprogramming fund.

Mr. Peters suggested that the Subcommittee score the projects recommended by City staff and, if needed, adjust the percentage goals for each category. It could then consider and score some of the other applications.

Ms. Sanchez said she was uncomfortable that the first round of awards fell short in the percentage goals in the "Homeownership" category, therefore, in this round of funding awards she would like this subcommittee to consider all of the "Homeownership"

category projects.

Mr. Kammholz replied that the other "Homeownership" category projects, that weren't recommended by City staff will need to be reviewed and given subjective scores by City staff. He said those scores will then be e-mailed to all the subcommittee members prior to the next Technical Review Subcommittee meeting. He said that scoring of the subjective categories will also need to be done for any other application outside of the eight applications that were recommended by City staff.

Mr. Kammholz said that he would like to have a consensus on what the subcommittee members want to consider at next Technical Review Subcommittee meeting.

Ms. Gore commented that she is in favor of accepting the City staff's recommendations only, because the monies are limited and she feels the City staff has the experience and knowledge on what to look for in the applications.

Mr. Peters said he feels it is the Technical Review Subcommittee members' responsibility to review all the applications.

Mr. Kammholz asked how the members feel about the "Rental" and "Homelessness" categories recommendations? He said that when he reviewed the applications most of the consideration was on the applicants tax credit issues.

Ms Sanchez asked what was involved in recommending United Community Center's in the "Homelessness" category?

Mr. Kammholz replied that the United Community Center is a non tax credit project and most of their funding is through donations. He said the housing trust fund might help bring this project to a close and it has a lot of community support.

Mr. Mahan replied that the United Community Center project has funding from a national source.

Mr. Kammholz said that he does have some concerns with United Community Center project funding, because it is still \$200,000 short in meeting its financial gap.

Mr. Mahan said the United Community Center's ground breaking is scheduled for June and that its financial gap is labor related.

Mr. Kammholz said that the housing trust funds for Intercession, Inc. Andrea's Place would not be the last dollars into the project.

Mr. Kammholz said that Community Advocates, Inc. had submitted an amendment to its application and it changes the whole project, including the location.

Ms. Sanchez asked why the United Community Center, AODA project is considered a one unit project?

Mr. Mahan replied that it is a large facility with a 16 room open concept, that is why they considered it a one unit.

Ms. Sanchez asked which Gorman & Company project in the "Rental" category is City staff recommending?

Mr. Mahan replied that it is the "Gorman & Company, Metcalfe" project.

Mr. Kammholz said he has concerns with "Bishop's Creek" financing gap.

Mr. Kammholz said he is ok with adding Gorman & Company, Silver Spring Square Apts to the list of recommendations, but it is stated in the application that they were going to get tax credits at .90 cent on the dollar, which is quite high. He asked Mr. Mahan to check into that.

Mr. Kammholz said that MLK Economic Dev. Corp., Commons III, has a signed purchase offer, has a tax credit award, a LISC commitment letter priced around .75 cent on the dollar and a LISC commitment letter for \$535,000 in financing. He asked Mr. Mahan to get a confirmation from LISC.

Mr. Peters said he has concerns with the MLK Economic Dev. Corp., Commons III project, because during his review of the application, only 20 of the 24 units will have minimal accessibility.

Mr. Mahan replied that he would check into that for Mr. Peters.

Mr. Higgins replied that in his review of that MLK application, his interpretation was that a high percentage of the units would be accessible.

Ms. Sanchez said that she would like clarification that MLK Economic Dev. Corp. is partnering with Growing Power.

Ms. Mahan replied in the affirmative.

Mr. Kammholz gave a brief review of both of the William A. Passavant RCAC, LLC projects. He said he isn't sure if they have obtained site control and he didn't see any tax credit pricing but there is financing commitment. He asked Mr. Mahan to find out what their tax credit pricing will be.

Mr. Peters said he has concerns on where William A Passavant RCAC, LLC is getting its financing.

Mr. Kammholz replied that William A Passavant RCAC, LLC projects are tax credit projects and their per unit cost is high, but it is a hospital and maybe that is the reason why its per unit cost is high. He said in order for the Subcommittee members to consider William A Passavant RCAC, LLC two projects, William A. Passavant RCAC, LLC will need to provide a confirmation of its tax credit award, what the pricing of its tax credits are going to be, and a document stating its financial commitment.

Mr. Kammholz said City staff will need to confirm and obtain documentation from United Community Center, Gorman & Company, MLK Economic Dev. Corp. and William Passavant RCAC, LLC, that says they have received their tax credits and that the tax credit pricing is locked in.

Ms. Sanchez asked what are the reasons that some of the other applications were not recommended by City staff.

Mr. Kammholz replied that the other applications weren't recommended by City staff

because they didn't have their tax credit pricing.

Mr. Higgins replied that Star United Townhomes, LLC did have a tax credit letter from Great Lakes Capital Fund, but it wasn't a firm commitment.

Mr. Kammholz requested City staff to get a confirmation from Star United on its tax credit pricing.

Mr. Higgins said Lisbon Terrance, LLC does have a tax credit award but no tax credit pricing.

Mr. Kammholz requested City staff to get a confirmation from Lisbon Terrance, LLC on its tax credit pricing.

Mr. Kammholz said that Bishop Creek is essentially done. He said this project received Tax Incremental Financing and the Zoning, Neighborhood and Development Committee has already recommended approval of this project and that the project will go forward with or without housing trust funds.

Ms. Gore said that they will still need confirmation from Bishop Creek on its tax credit pricing.

*Mr. Kammholz asked if everyone is in agreement that the following projects will be reviewed and scored at the next Technical Review Subcommittee meeting?
Under "Homelessness" category: United Community Center, Inc.
Under "Rental" category: Gorman & Company-Silver Spring Square, MLK Economic Development Corp., William A. Passavant RCAC, LLC (2 projects), Lisbon Terrance, LLC, Bishop Creek and Star United Townhomes, LLC.
All the "Homeownership" category projects*

There were no objections.

Mr. Kammholz asked the Subcommittee members to pick up the rest of the applications for review

In addition, Mr. Kammholz said that City staff will do the objective scores for each of the above named projects that weren't on the list of City staff's recommendations and Ms. MacDonald will then e-mail those to all the Technical Review Subcommittee members prior to the next meeting.

Mr. Mahan said the scoring sheet has a total score of 115 points and he can't find anything in the HTFAB meeting minutes that could explain why the scoring is 115 points instead of 100 points. He said he thought the 15 points for the "Community Needs" category was removed.

Mr. Kammholz said he recalls that the "Community Needs" is a subjective category and those 15 points were removed to round the score out to 100 points.

Ms. Sanchez said she doesn't recall and asked if it matter what the total scoring is?

Mr. Kammholz said the scoring total need to be clarified as to whether this subcommittee wants to have a total of 100 points or 115 points.

Mr. Kammholz said if there are no objections they could just leave the scoring at total at 115 points. There were no objections.

5. Next meeting date, time and agenda

Next meeting date: January 30, 2009 at 9:00 A.M.

Agenda item for the next meeting: Review and scoring of housing trust fund applications and crafting of recommendations.

Meeting adjourned: 2:39 P.M.

Terry J. MacDonald
Staff Assistant

Funding Guidelines for 2008 Housing Trust Fund Project Awards

Funding

Funding for the 2008 Housing Trust Fund project awards consists of \$1,483,000 in capital and O&M (operating) budget authority. Capital budget authority for City projects is available for up to four years – 2007 through 2010. O&M budget authority lapses at year end, but may be carried over for up to three years through Budget Office and Common Council action. It is assumed that any available capital and O&M authority remaining after the 2008 project awards will be available for subsequent years.

Consistent with prior year's funding guidelines, Housing Trust Fund capital and O&M authority will be used for capital-type projects. Debt issued for projects authorized as capital authority will be supported by the City's tax levy for debt service. The O&M authority is supported directly by the City tax levy. The City, at its option, may choose to substitute O&M tax levy for capital funding authority to avoid debt service for Housing Trust Fund projects. Any such substitution will not reduce overall funding for Housing Trust Fund purposes.

Project Scoring

The Housing Trust Fund Technical Committee will score projects that are likely to proceed should they receive a Housing Trust Fund award. Projects will be ranked according to the scores received under the Housing Trust Fund Application Score Sheet and an assessment of the project financing gap. Housing Trust Funds will be preliminarily allocated to projects receiving the highest rankings within each category of funding that have a demonstrated financing gap. **Final allocations should not exceed the demonstrated funding gap for the project.**

After a project has received a preliminary funding allocation, it will continue in the process. In general, projects will have six months from receiving their preliminary allocation to finalize a term sheet with the City of Milwaukee, submit final financing commitments, and satisfy all other conditions. Projects will have 12 months to commence construction. The City, through CDGA, may grant extensions to these conditions in its sole discretion.

If the conditions are not met, the preliminary allocation may be reallocated to another project. The next highest ranking application that did not receive funding may receive a preliminary allocation and continue in the process at that time.

Funding Contingencies and Conditions

Projects recommended for funding by the Housing Trust Fund Technical Review Subcommittee for approval by the Housing Trust Fund Advisory Board and Common Council are contingent upon successful negotiation of a term sheet, including an overall project schedule, and subsequent negotiation and execution of all project documents.

CDK:TOG:1-9-9



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CDK:TOG:1-9-9

- Recommendations! Can we do better

MacDonald, Terry

From: Mahan, Steven
Sent: Friday, January 09, 2009 4:28 PM
To: MacDonald, Terry
Cc: Kammholz, Craig; Higgins, Mario
Subject: HTF Applications

Terry, attached are the applications recommended by CDGA and the Comptroller's Office for scoring by the Technical Review Committee. The TRC can pick up the applications next week Tuesday (January 13th).

Call me with any question and welcome back. Merry New Year.

Thanks
Steven

Bishop's Creek Family Housing Fund	Rental Housing - New Construction	500,000
Commonwealth Companies	Rental Housing - New Construction	250,000
Gorman & Company	Rental Housing - New Construction	180,000
Layton Blvd West Neighbors, Inc.	Home Ownership - Rehabilitation of Existing Structure	14,000
Martin Luther King Economic Development Corp.	Rental Housing - New Construction	200,000
Milwaukee Habitat for Humanity	Home Ownership - New Construction	200,000
United Community Center, Inc.	Homelessness - New Construction of Facility	75,000
William A Passavant RCAC, LLC	Rental Housing - Rehabilitation of Existing Structure	250,000
William A Passavant RCAC, LLC	Rental Housing - New Construction	226,000

EXHIBIT

tabbles

2

Applicant	Project Name/Location	# of Units			SCORING															Comments			
		Rehab	New	Owner-Occ	Amount Requested	Leveraged Funds	Income Targeting	Affordability Period	Use of City Residents	Use of EBE	Neighborhood Diversity	Green Building	Community Institutions	Community Integration	Family Wages	Experience	Accessibility	Improvements	Service Partners		Construction Financing	Community Needs	TOTAL
CATEGORY: HOMELESSNESS																							
United Community Center	AODA (6th and Scott Streets)	1			\$75,000	15	15	2	0	0	0	0	0	0	0	0	0	0	0	0	0	33.0	\$200,000 of yet to be identified grants needed to close gap With HTF, project still needs \$300,000 to \$400,000 in additional proceeds. No WHEDA Tax Credit Award, County commitment (\$500,000) pending
Intercession, Inc.	Andrea's Place Transitional House 3280 N. 7th Street	6			\$150,000	15	15	1	1	1	0	0	0	0	1	0	0	0	0	0	0	34.0	
Community Advocates, Inc.	Autumn West Apartments	26			\$350,000	6	11	11	0	0	0	0	0	0	0	0	0	0	0	0	0	6.0	
Total:		0	33	0	\$575,000																		
Amount Available	\$750,000																						
Amount Requested	\$575,000																						
Balance	\$175,000																						

Applicant	Project Name/Location	# of Units			SCORING															Comments			
		Rehab	New	Owner-Occ	Amount Requested	Leveraged Funds	Income Targeting	Affordability Period	Use of City Residents	Use of EBE	Neighborhood Diversity	Green Building	Community Institutions	Community Integration	Family Wages	Experience	Accessibility	Improvements	Service Partners		Construction Financing	Community Needs	TOTAL
CATEGORY: RENTAL																							
Gorman & Company	Silver Spring Square Apts (5513 N. Hopkins St)	48			\$175,000	15	12	1	1	2	0	0	0	0	1	0	0	0	0	0	0	32.0	Rent to own project
MLK Econ. Dev. Corp	King Drive Commons III (2735 MLK Dr.)	24			\$200,000	12	12	1	1	3	0	0	0	0	4	0	0	0	0	0	0	33.0	
William A. Passavant RCAC LLC	William A. Passavant RCAC (2195 W. State St.)	24			\$226,000	12	12	1	1	0	0	0	0	0	0	0	0	0	0	0	0	28.0	
Lisbon Terrace LLC	Lisbon Terrace (2704 W. Lisbon Ave.)	24			\$250,000	12	12	1	1	1	0	0	0	0	4	0	0	0	0	0	0	31.0	
William A. Passavant RCAC LLC	William A. Passavant RCAC (2195 W. State St.)	28			\$250,000	12	12	1	1	0	0	0	0	1	0	0	0	0	0	0	0	28.0	
Bishop's Creek	Bishop's Creek Family Housing (4763 N. 32nd St)	55			\$500,000	12	10	10	1	3	0	0	0	0	4	0	0	0	0	0	0	40.0	
Gorman & Company	Metcalf Park Homes (scattered site)	30			\$180,000	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15.0	
Layton Blvd West Neighbors	Silver City Townhomes	20			\$200,000	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15.0	
Volunteers of America National Services	Shiloh Manor (3418 N. MLK Dr.)	45			\$250,000	15	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15.0	
Star United Townhomes, LLC	New Construction Empowerment Village (525 W. Lincoln Ave.)	24			\$302,000	9																15.0	
Our Space Inc.		30			\$350,000	9																9.0	
Midwest Affordable Housing Corp.	Prince Hall Village	60			\$500,000	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9.0	
Total:		76	336	0	\$3,383,000																		
Amount Available	\$1,000,000																						
Amount Requested	\$3,383,000																						
Balance	(\$2,383,000)																						

Applicant	Project Name/Location	# of Units			SCORING															Comments			
		Rehab	New	Owner-Occ	Amount Requested	Leveraged Funds	Income Targeting	Affordability Period	Use of City Residents	Use of EBE	Neighborhood Diversity	Green Building	Community Institutions	Community Integration	Family Wages	Experience	Accessibility	Improvements	Service Partners		Construction Financing	Community Needs	TOTAL
CATEGORY: HOMEOWNERSHIP																							
Layton Blvd West Neighbors	LBWN Turnkey Renovations	2			\$14,000	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9.0	Add 20 additional homes to program. Add 27 additional homes to program. Need verification of other sources
Milwaukee Community Service Corps	Rehab & New Construction	5	5		\$33,200	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12.0	
Milwaukee Community Service Corps	Energy Improvement	4			\$33,750	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12.0	
Milwaukee Christian Center	Youth Build Project (multiple locations)	1			\$40,000	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9.0	
Milwaukee Christian Center	Handicap Accessibility Project	16			\$66,000	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3.0	
Rebuilding Together Greater Milwaukee	Owner occupied rehabilitation	20			\$75,000	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3.0	
ACTS Community Development Corporation	Owner occupied rehabilitation	68			\$100,000	12	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12.0	
Milwaukee Habitat for Humanity	Rehab	11			\$100,000	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3.0	
Milwaukee Christian Center	Neighborhood Improvement Project (multiple locations)	5			\$126,000	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9.0	
Dominican Center for Women, Inc.	Owner occupied rehabilitation	12			\$147,000	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3.0	
Milwaukee Habitat for Humanity	New Construction	25			\$200,000	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9.0	
Total:		85	31	57	\$934,950																		
Amount Available	\$750,000																						
Amount Requested	\$934,950																						
Balance	(\$184,950)																						

TOTAL ALL CATEGORIES		TOTAL ALL UNITS	
Amount Available	\$2,500,000	161	400 57
Amount Requested	\$4,892,950		
Balance	(\$2,392,950)		

Total Leveraged: \$72,625,292

Footnotes: (a) Formal appraisal was not provided, written estimate of value provided by developer.
(b)
(c)
(d)
(e)

