



# 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, James Hiller, Craig Kammholz, Kenneth Little, Cathie Madden, Jim Mathy, Joanne Passaro, Brian Peters, and Michael Soika*

*Staff Assistant, Terry MacDonald*

*Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail:  
tmacdo@milwaukee.gov*

---

Thursday, February 11, 2010

11:00 AM

Room 301-B, City Hall

---

Meeting convened: 11:06 P.M.

**1. Roll call**

**Present** 7 - Soika, Kammholz, Madden, Mathy, Little, Murphy and Hiller

**Excused** 4 - Sanchez, Peters, Passaro and Bauman

**Also present:** Steven Mahan, Director, Dept. of Admin., Community Development Grants Administration, Mario Higgins, Community Development Grants Administration and Jeff Osterman, Legislative Reference Bureau

**2. Review and approval of the December 10, 2009 meeting minutes**

*Mr. Hiller moved approval of the minutes, Mr. Mathy seconded. There were no objections.*

**3. Review and approval of the recommendations for the Housing Trust Funds submitted by the Technical Review Subcommittee**

*Mr. Kammholz directed the board members to the handout that shows the list of award recommendations. (Exhibit #1)*

*Mr. Kammholz said there are no recommendations under the "Homelessness" category, because there was only one applicant and it did not meet the minimum standards.*

*Mr. Kammholz said there were seven applications in the "Rental" category and the committee awarded the top three highest scores as follows: Center for Veterans Issues, LTD Veteran Manor - \$168,395, Hartland Housing, Inc., 2500 W. Fond du Lac Ave - \$150,000, Our Space, Inc., Empowerment Village 525 W. Lincoln Ave. - \$375,000. He said the dollar amounts recommended for each were one-half of the applicants possible requested amounts.*

*Mr. Kammholz said there were six applicants in the "Homeownership" category and the committee awarded the top two highest scores as follows: Layton Blvd. West Neighbors, Turnkey Renovation Program - \$20,000, Northcott Neighborhood House, Inc., Youthbuild - \$105,000. He said the amounts recommended are the applicants' requested amounts.*

*Mr. Mahan explained the applicants' projects who received award recommendations. He said some of the other applicants weren't recommended, because some they were slated to receive funds from other funding sources, others have already received a housing trust fund award and have not spent it yet.*

*Mr. Hiller asked if the board has formal guidelines that state that if an applicant has already received a housing trust fund award and has not spent it yet, it will not be considered for another award?*

*Mr. Mahan replied in the negative.*

*Mr. Hiller said the applicants should be made aware that their application will not be considered if they have a housing trust fund award that has not been spent yet.*

*Ald. Murphy replied in the affirmative. He said that there should be additional discussion at a future board meeting on how to let the applicants know that their application will not be considered if they have a previous housing trust fund award that has not been spent yet.*

*Mr. Soika asked if any of those applicants, that did not get an award due to not spending their previous award, can fault the City because their contract had been delayed?*

*Mr. Mahan replied in the negative. He then gave an overview each of the applicants' projects that did not receive an award recommendation and explained why they didn't receive an award recommendation.*

*Mr. Mathy moved approval of the following list of housing trust fund award recommendations submitted by the Technical Review Subcommittee, Mr. Kammholz seconded. There were no objections.*

*CATEGORY: RENTAL*

*Center for Veterans Issues, LTD Veteran Manor - \$168,395*

*Hartland Housing, Inc., 2500 W. Fond du Lac Ave - \$150,000*

*Our Space, Inc., Empowerment Village 525 W. Lincoln Ave. - \$375,000*

*CATEGORY: HOMEOWNERSHIP*

*Layton Blvd. West Neighbors, Turnkey Renovation Program - \$20,000*

*Northcott Neighborhood House, Inc., Youthbuild - \$105,000*

4. **Status report given by Ms. Maria Prioletta, Department of City  
Development on the Housing and Economic Recovery Act - Neighborhood  
Stabilization Program**

*Ald. Murphy said he invited Ms. Prioletta to appear to give an update on the Neighborhood Stabilization Program and on how the home foreclosures are affecting the City. He said the action this board has taken through its efforts, over the past three years, have provided low income families with homeownership and helped to provide shelter for the poor and homeless persons. He said he wanted to get a larger perspective of what the difficulties the city is facing now and will face over the next few years as a result of the foreclosure crisis.*

*Ms. Prioletta said the number of bank foreclosed properties are at 1200 and another 200-300 in in-rem properties. She said what is most concerning to the City is that there are 6000 open foreclosure filings that are currently in process.*

*Ald. Murphy asked how many foreclosures has the City had to date?*

*Ms. Prioletta said the 6000 foreclosures is an increase of about 20% since 2008. She said a lot of the foreclosures are due to sub-prime predatory lending and in Milwaukee it had impacted the most vulnerable population and a great deal of those are concentrated in the community block grant areas.*

*Mr. Hiller asked if Ms. Prioletta has tracked the cases where the banks started the foreclosure then just walk away?*

*Ms. Prioletta replied negative.*

*She said a trend that she is seeing is that there are out-of-town banks who own some of the foreclosed properties and are dumping those properties for very low amounts and some of those properties are ending up in the hands of speculators and some cases out of state entities who are just purchasing the property and doesn't plan to do anything with them until the market gets better.*

*Mr. Mathy asked what point in the foreclosure process is a property eligible for NSP dollars?*

*Ms. Prioletta replied that NSP dollars are for properties that are already foreclosed on.*

*Ald. Murphy said the City has several programs available for individuals to purchase a foreclosed property.*

*Ms. Madden asked how is the City publicizing those programs to the general public?*

*Ms. Prioletta replied that the programs are advertised through the City's website, the local media channels 18 and 24, neighborhood meetings, counseling agencies and non-profit organizations.*

*Ms. Prioletta said that one of the housing trust fund applicants may be qualified for NSP funding. She said she will be working with Mr. Mahan.*

*Mr. Little asked how many of the 6000 foreclosure properties were owner occupied?*

*Ms. Prioletta replied that about 60-70% are owner occupied. She said the City is tracking foreclosed properties that are being sold and only 25-30% are going to owner occupants.*

*Ms. Prioletta said the City has been awarded an additional \$25 million from the federal government for foreclosure programs. She said they have three years to spend those dollars.*

*Ms. Prioletta suggested that maybe this board may want to include in it application that additional points would be given for projects that are using foreclosed properties.*

*Ald. Murphy asked if any of the NSP dollars can be use as a land bank, where the City uses the land bank monies to purchase foreclosure properties?*

*Ms. Prioletta replied in the affirmative.*

*She said the land bank could be used to purchase a foreclosed property that a developer is interested in rehabbing or developing.*

*Mr. Hiller asked what the reduction in tax bases has been over the past year?*

*Ald. Murphy replied that he had recently sent a request to City Assessor asked for an update on the tax base.*

*Ms. Prioletta said one of the thing that the City has asked HUD to look at is if the NSP funds could be use earlier in the foreclosed process, because the City has lost out on purchasing some foreclosed properties, because the City is competing with speculators.*

*Ald. Murphy said that he and the Comptroller have sent letters to the president's of the three largest banks, US, Wells Fargo and Deutsche, who own the majority of the foreclosed property asking them to partner with the City and the City could provide qualified home buyers. He said he is waiting for a response.*

*Mr. Hiller asked if the City could require the mortgage lender to notify the City when a borrower is three month behind in their mortgage payments?*

*Ald. Murphy replied in the negative.*

*Ald. Murphy said he did have legislation enact that requires the lender to maintain the property once the lender becomes the owner of the foreclosed property.*

**Meeting adjourned: 11:39 A.M.**

**Terry J. MacDonald**  
**Staff Assistant**

**FEBRUARY 2010 - HOUSING TRUST FUND ADVISORY  
TECHNICAL REVIEWL SUBCOMMITTEE  
AWARD RECOMMENDATIONS**

**CATEGORY: HOMELESSNESS**

NONE

**CATEGORY: RENTAL**

Center for Veterans Issues, LTD Veteran Manor - \$168,395

Hartland Housing, Inc., 2500 W. Fond du Lac Ave - \$150,000

Our Space, Inc., Empowerment Village 525 W. Lincoln Ave. - \$375,000

**CATEGORY: HOMEOWNERSHIP**

Layton Blvd. West Neighbors, Turnkey Renovation Program - \$20,000

Northcott Neighborhood House, Inc., Youthbuild - \$105,000

**Total awards: \$818,395**

**Remaining balance after above awards \$143,855, plus \$400,000 (2010)**



Applicant	Project Name/Location	# of Units			Amount Requested	SCORING														TOTAL
		Rehab	New	Owner-Occ		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	
<b>CATEGORY: HOMELESSNESS</b>																				
Retreiving Family Value Homeless Shelter	Retreiving Family Value Homeless Shelter	1			\$250,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Total:		1	0	0	\$250,000															
Amount Available	\$240,563																			
Amount Requested	\$250,000																			
Balance	(\$9,438)																			

Applicant	Project Name/Location	# of Units			Amount Requested	SCORING														TOTAL	
		Rehab	New	Owner-Occ		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
<b>CATEGORY: RENTAL</b>																					
Center for Veterans Issues, Ltd.	Veteran Manor		52		\$336,790	15	15	2	-5	2	3.5	5	5	2.5	3	9	5	5	5	12.5	84.5
Heartland Housing, Inc.	2500 W. Fond du Lac Avenue		38		\$300,000	12	14	1	-5	2	5	5	5	2.5	3	10	4	5	2	12.5	78.0
Hedwig House, Inc.	Hedwig House Apartments	2			\$65,000	9	0	0	-5	-5	2.5	3.5	4	5	1	6	1	3.5	0	4	29.5
Layton Blvd West Neighbors	Silver City Townhomes		20		\$150,000	12	13	1	3	3	5	5	5	1.5	4	10	1	2	1	1	67.5
Northwest Side CDC	Villard Square Family Housing Empowerment Village (525 W. Lincoln Ave.)		47		\$481,120	12	12	1	-5	5	5	3	3.5	2.5	3	9	2	3	5	4.33	65.3
Our Space Inc.			35		\$750,000	6	15	5	-5	2	4	5	4	1.5	3	8	1	5	2	15	71.5
United Methodist Children's Services	UMCS Phase III		24		\$240,000	12	15	10	2	4	5	5	2.5	0	2	9	0	1	1	2.5	71.0
Total:		2	216	0	\$2,322,910																
Amount Available	\$336,788																				
Amount Requested	\$2,322,910																				
Balance	(\$1,986,123)																				

Applicant	Project Name/Location	# of Units			Amount Requested	SCORING														TOTAL	
		Rehab	New	Owner-Occ		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
<b>CATEGORY: HOMEOWNERSHIP</b>																					
Layton Blvd West Neighbors	Turnkey Renovations Program	2			\$65,000	9	6	1	3	3	3	4	4	3	3	8.5	1	0	5	12.5	66.0
Milwaukee Christian Center	Youth Build Project (multiple locations)		1		\$150,000	9	6	1	5	1	5	4	2.5	1	1	10	5	4	5	5	64.5
Milwaukee Community Service Corps	MCSC Housing Accessibility Retrofit Program	3			\$481,120	6	6	1	5	1	4	4	5	1	1	8	5	0	2	10	59.0
Milwaukee Habitatat for Humanity	Woodland Condos		10		\$750,000	3	12	10	1	-5	1	4	2.5	0	-5	8	1	0	0	9	41.5
Northcott Neighborhood House, Inc.	Youthbuild - A Fresh Start Homeownership		4		\$240,000	9	6	1	5	1	4	4	4	0	1	10	5	1.5	2	13.5	67.0
Select Milwaukee	Purchase/Rehab Program	30			\$240,560	9	4	1	0	1	0	4	4	0	1	9	1	0	2.5	10	46.5
Total:		45	5	0	\$1,926,680																
Amount Available	\$240,563																				
Amount Requested	\$1,926,680																				
Balance	(\$1,686,118)																				

TOTAL ALL CATEGORIES		TOTAL ALL UNITS		
Amount Available	\$962,250	48	221	0
Amount Requested	\$4,499,590			
Balance	(\$3,537,341)			

837250

Total Leveraged: \$41,697,298

Applicant	Project Name/Location	Amount Requested	Proposed Amount Leveraged	Estimated Total Project Cost	Funding Recommendation	Population Served	Project Description
<b>CATEGORY: HOMELESSNESS</b>							
Retrieving Family Value Homeless Shelter	Retrieving Family Value Homeless Shelter	\$250,000	\$335,000	\$585,000	\$0	Homeless	Rehabilitation of rental housing
	<b>Total:</b>	<b>\$250,000</b>	<b>\$335,000</b>	<b>\$585,000</b>	<b>\$0</b>		
Amount Available		\$240,563					
Amount Requested		\$250,000					
Balance		(\$9,437)					

Applicant	Project Name/Location	Amount Requested	Proposed Amount Leveraged	Estimated Total Project Cost	Funding Recommendation	Population Served	Project Description
<b>CATEGORY: RENTAL</b>							
Center for Veterans Issues, Ltd.	Veteran Manor	\$336,790	\$11,194,253	\$11,531,043	\$168,395	Low-income Veterans	Construction of 52 units of supportive housing - homelessness and mental illness
Hoortland Housing, Inc.	2500 W. Fond du Lac Avenue	\$300,000	\$6,167,977	\$6,467,977	\$150,000	Very low-income individuals and couples	Construction of 35 units of supportive housing - homelessness and mental illness
Hedwig House, Inc.	Hedwig House Apartments	\$65,000	\$706,000	\$771,000	\$0	Very low-income individuals	Creation of community and office space in existing facility and combining 4 efficiency units into 2 one-bedroom units
Layton Blvd West Neighbors	Silver City Townhomes	\$151,000	\$4,062,882	\$4,212,882	\$0	Low-Income family	Construction of 20 rent-to-own townhomes.
Northwest Side CDC	Villard Square Family Housing	\$481,121	\$7,937,733	\$8,418,853	\$0	Low-Income family	Construction of mixed use building with 47 units of low-income "Grand Family" housing.
Our Space Inc.	Empowerment Village (525 W. Lincoln Ave.)	\$750,000	\$6,879,224	\$7,629,224	\$375,000	Mental Illness	Rehabilitation and Construction of 35 one bedroom apartments
United Methodist Children's Services	UMCS Phase III	\$240,000	\$5,149,399	\$5,389,399	\$0	Low-Income family	Construction of 24 units of large family housing
	<b>Total:</b>	<b>\$2,322,910</b>	<b>\$42,097,468</b>	<b>\$44,420,378</b>	<b>\$693,395</b>		

Amount Available		\$336,788					
Amount Requested		\$2,322,910					
Balance		(\$1,986,122)					

Applicant	Project Name/Location	Amount Requested	Proposed Amount Leveraged	Estimated Total Project Cost	Funding Recommendation	Population Served	Project Description
<b>CATEGORY: HOMEOWNERSHIP</b>							
Layton Blvd West Neighbors	Turnkey Renovations Program	\$20,000	\$155,000	\$175,000	\$20,000	Low-Income family	Purchase and rehabilitation of foreclosed property.
Milwaukee Christian Center	Youth Build Project (multiple locations)	\$40,000	\$513,868	\$553,868	\$0	Low-Income family	Accessible Single family housing (physical)
Milwaukee Community Service Corps	MCSC Housing Accessibility Retrofit Program	\$36,000	\$298,000	\$334,000	\$0	Low-Income family	Accessible Single family housing (physical, visual, and hearing)
Milwaukee Habitatat for Humanity	Woodland Condos	\$100,000	\$430,100	\$530,100	\$0	Low-Income family	Rehabilitation of condo units @ Woodlands
Northcott Neighborhood House, Inc.	Youthbuild - A Fresh Start	\$105,000	\$1,378,970	\$1,483,970	\$105,000	Low-Income family	Accessible Single family housing (physical)
Select Milwaukee	Homeownership Purchase/Rehab Program	\$240,560	\$2,663,602	\$2,904,162	\$0	Low-Income family	Assist Homebuyers in the acquisition and rehabilitation of affordable housing
	<b>Total:</b>	<b>\$541,560</b>	<b>\$5,439,540</b>	<b>\$5,981,100</b>	<b>\$125,000</b>		

Amount Available		\$240,563					
Amount Requested		\$541,560					
Balance		(\$300,997)					

OTHER Funds \$144,336

TOTAL ALL CATEGORIES	
Amount Available	\$962,250
Amount Requested	\$3,114,470
Balance	(\$2,152,220)

Proposed Leverage	\$47,872,008
-------------------	--------------

Total Funding Recommendation	\$818,395
------------------------------	-----------

Balance	\$143,855
---------	-----------

Footnote: (a) Formal appraisal was not provided, written estimate of value provided by developer.

- (b)
- (c)
- (d)
- (e)