



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD TECHNICAL REVIEW SUBCOMMITTEE

Craig Kammholz, Chair, Bethany Sanchez, Brian Peters

*Staff Assistant, Terry MacDonald
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Friday, January 15, 2010

1:30 PM

Room 301-B, City Hall

Meeting convened: 1:42 P.M.

1. Roll call

Present 2 - Peters and Kammholz

Excused 1 - Sanchez

Also Present: Mario Higgins and Maria Pellerin, Community Development Grants Admin.

2. Review and approval of the minutes of the December 17, 2009 meeting

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

3. Review and approval of the funding guidelines for the Housing Trust Fund

Mr. Kammholz provided the subcommittee members with a draft copy of the "Funding Guidelines for 2009 Housing Trust Fund Project Awards" (Exhibit 1).

Mr. Kammholz gave an overview of the 2009 funding guidelines. He said the 2009 funding guidelines are almost identical to the 2008 funding guidelines, the only change he made was to the amount of funds available.

Mr. Kammholz moved approval of the 2009 Funding Guidelines, Mr. Peters seconded. There were no objections.

4. Review of the housing trust fund applications

Mr. Kammholz referred the subcommittee members to the scoring spreadsheet that shows the list of proposed applications and the objective scores for each of the applications (Exhibit 2).

Mr. Kammholz said that all subcommittee members should complete their subjective scoring for the each of the applications at least a week before the next meeting and forward them to Mr. Higgins so he can incorporate them into his scoring spreadsheet.

The members present reviewed and discussed each of the applications in each of the categories as follows:

*Under Homelessness Category:
Retrieving Family Value Homeless Shelter*

Mr. Kammholz said the Retrieving Family Value application was hand written and was hard to understand. He said it also doesn't look like it is a 501(c) (3) non-profit organization. He said this application would require a lot of staff time spent trying to document the existence of this entity and to confirm the other grant funds identified in the application. He recommended this application not be considered.

Mr. Peters replied that in his review of that application the organization did not answer some of the questions appropriately.

Mr. Kammholz said that at the next Technical Review Subcommittee meeting he will recommend that this application not be considered, because the application is incomplete. He said that would only be fair to the other applicants who put together solid applications.

Under Rental Category:

Mr. Peters asked Mr. Higgins if any of the applications could be removed from the list at this time, because they are receiving funding from other sources?

Mr. Higgins replied that the only applicant that is receiving funding from other sources is Habitat for Humanity. They were awarded NSP-2 dollars directly from the federal government in the amount of \$11 million for home construction in the Milwaukee area.

Mr. Higgins also said there are three other applicants that may receive state grant funding, but he has not received confirmation from them yet. He said those three applicants are: Center for Veterans Issues, Hartland Housing, Inc. and Northwest Side CDC. He said all three are slated to receive CDBG-EAP funds.

Mr. Peters asked if they should proceed with the review of those three applicants or should they hold them until the February meeting?

Mr. Kammholz replied that at the February meeting the final award decisions will need to be made, therefore, they should review those three applications in case any of them doesn't receive the other funding.

Mr. Kammholz said that in his review of the Centers for Veterans Issues application, he found that the developer fee and the financing leverage percentages all look pretty

good. He asked Mr. Higgins to get confirmation on the following: Confirm site control? Confirm that they will get tax credits at .65 cent on the dollar and verification of their financial commitments.

Mr. Higgins replied that the Centers for Veterans Issues does have site control and he will request verification from them on their financing.

Mr. Peters said in his review of the Center for Veterans Issues application it wasn't clear whether they had their funding for support services.

Mr. Kammholz replied that their application is for bricks and mortar for the facility and is made irrespective of their on going assistance that they receive from the federal and county governments for their mission and services.

Mr. Kammholz said the Hartland Housing project's developer fee seems a bit high. He asked Mr. Higgins to get verification on: site control, financing, Equity Investor and grant commitments, and on their WHEDA and Tax Credit Assistance Program (TCAP) tax credit awards.

Mr. Peters said in his review of Hartland Housing application it showed that they haven't purchased the land yet.

Mr. Higgins replied Hartland has land purchasing rights with the Redevelopment Authority of City of Milwaukee (RACM).

Mr. Higgins commented that if Hartland Housing doesn't receive EAP funds they may receive ESP-1 funds through the Department of City Development.

Mr. Kammholz said Hedwig House, Inc. does have site control and it doesn't have any developer fees. It is a unique project.

Mr. Peters said that Hedwig House seem like it will end up with a reduction in units.

Mr. Higgins replied in the affirmative.

Mr. Kammholz said Layton Blvd West Neighbors application is asking for \$150,000, but it is noted in the application, under sources and uses, they only need a \$100,000. He said the developer fee seems a bit high. Mr. Kammholz asked Mr. Higgins to get verification on the applicants' Tax Credit Assistance Program (TCAP) award. He said they should rate this application, but they should question it at the next meeting.

Mr. Peters said he recalls that the Layton Blvd project is for accessibility changes only.

Mr. Higgins replied in the affirmative.

Ms. Charlotte John Gomez with Layton Blvd. West Neighbors appeared to answer questions.

Mr. Kammholz said Northwest Side CDC developer fee is low. He said in the application, under the sources and uses, the housing trust fund amount of \$481,120 is included as part of their reserve funds, therefore, it doesn't seem like they need the housing trust fund dollars to do the project. He said their site control and their financing all look in order.

Mr. Peters said Northwest Side CDC states that it will take 10 month to lease the units and he feels that is a long time.

Mr. Peters asked if they are using universal design for all the units and is there accessible parking?

Mr. Higgins replied that he will get clarification on the universal design and the accessible parking.

Mr. Kammholz said Our Space, Inc. is asking for \$750,000, which is a lot considering how much HTF funds are available. He said the developer fees looks good, they have site control and their tax credits are at 0.65 cent on the dollar. He asked Mr. Higgins to verify their tax credits and financing commitments. He said this project looks pretty good, but the requested award amount seems a bit high.

Mr. Peters said the application was unclear as far as universal design.

Mr. Higgins replied that he will get clarification on the universal design.

Mr. Kammholz asked Mr. Higgins to find out when the project is scheduled to begin.

Mr. Kammholz asked Mr. Higgins to get verification on the Untied Methodist Children's Services site control, tax credits pricing and financing commitments.

Under "Homeownership" category:

Mr. Kammholz said he had used a different approach in reviewing the homeownership category applications. He said he looked at them not so much as a project, because their funds will be used mostly for programs, such as home buying counseling sessions. He said some of the applicants have received housing trust fund awards before and that should be included in the review. He said the per unit costing, leverage percentage and other funding availability should also be reviewed.

Mr. Peters referred to the Layton Blvd. West Neighbors Turnkey project and asked if the applicant's fund request would be use for energy equipment for homes and home buying classes?

Mr. Higgins replied in the affirmative.

Mr. Peters asked if the applicant will have accessible accommodations available for the home buying classes?

Mr. Higgins replied that he will get verification from the applicant on whether they will provide accessibility accommodations.

Mr. Peters asked Mr. Kammholz how does he feel about trust fund dollars going to products (energy equipment) and not housing?

Mr. Kammholz replied that as long as it is a legitimate fixture to the property.

Mr. Higgins replied that the funds will be used for rehab construction, such putting in new insulation.

Mr. Peters said in his review of the Milwaukee Community Services Corp. (MCSC) application it seemed like they have already started their rehab project.

Mr. Higgins replied that it has not been determined which of MCSC rehab projects that MCSC will use the housing trust funds dollars for.

Mr. Kammholz asked if Milwaukee Christian Center, MCSC and Habitat for Humanity stated in their applications a specific site scope for each of the units that they want to use the housing trust funds for?

Mr. Higgins replied that he doesn't recall whether Milwaukee Christian Center stating a specific site, but they probably have a site in mind. He said MSCS does have a specific site scope and Habitat for Humanity's units are always same as far as design. He said Northcott Neighborhood House, Inc. does have a specific site scope noted in their application.

Mr. Kammholz asked Mr. Higgins to get specific site scope from Milwaukee Christian Center.

Mr. Kammholz asked if Select Milwaukee is more of a consulting service?

Mr. Higgins replied that Select Milwaukee is a rehab program. He said their program assistance in counseling home buyers with financing and may enter into a contract with the owners to help the home owner with rehabbing.

Mr. Peters said that he is not clear as to what the Northcott project is going to be, because the application stated that the funds will go to rehab homes for accessibility, but later in the application it refers to using the funds for fixing blocks.

Mr. Higgins replied that Northcott is rehabbing homes on an entire block and three of the homes on that block will be made fully accessible. He said they were also doing basement block construction on several of the homes on that block.

Mr. Peters said his concern with Select Milwaukee is that the housing trust fund has some income limit requirements and asked if they will be able to keep track of each household's income limit?

Mr. Higgins replied in the affirmative.

Mr. Peters said Select Milwaukee's application states that they completed 47 rehab projects in $\frac{3}{4}$ of a year and asked if they are saying they could do an additional 30 units?

Mr. Higgins replied that Select Milwaukee did hire an expediter to speed up the completion of those projects.

Mr. Kammholz asked City staff to summarize what took place today and send it to Ms. Sanchez for her review and asked her if she has any questions she should submit them to Mr. Higgins and Ms. MacDonald.

Mr. Higgins and Ms. MacDonald replied in the affirmative.

Next meeting date is scheduled for February 5, 2010 at 9:00 A.M. in the Port of Milwaukee, Conference Room, 2323 S. Lincoln Memorial Dr.

Meeting adjourned: 2:48 P.M.

**Terry J. MacDonald
Staff Assistant**

Funding Guidelines for 2009 Housing Trust Fund Project Awards

Funding

Funding for the 2009 Housing Trust Fund project awards consists of \$926,250 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 with approval of the Housing Trust Fund Advisory Board.

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:
Revised 01-12-10

Project Name/Location	# of Units			Amount Requested	SCORING													Comments				
	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	TOTAL		
Retrieving Family Value Homeless Shelter	1			\$250,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	Incomplete - Verify 401(c) status; TaxRetruns; Annual Fin. Report
Total:	1	0	0	\$250,000																		
				\$240,563																		
				\$250,000																		
				(\$9,438)																		

Project Name/Location	# of Units			Amount Requested	SCORING													Comments				
	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	TOTAL		
Veteran Manor		52		\$336,790	15	15	2	0	2	0	0	0	0	0	3	0	0	0	0	0	37.0	
2500 W. Fond du Lac Avenue		38		\$300,000	12	14	1	0	2	0	0	0	0	0	3	0	0	0	0	0	32.0	
Hedwig House Apartments		2		\$65,000	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9.0	
Silver City Townhomes		20		\$150,000	12	13	1	3	3	0	0	0	0	0	4	0	0	0	0	0	36.0	
Villard Square Family Housing		47		\$481,120	12	12	1	0	5	0	0	0	0	0	3	0	0	0	0	0	33.0	
Empowerment Village (525 W. Lincoln Ave.)		35		\$750,000	6	15	5	0	2	0	0	0	0	0	3	0	0	0	0	0	31.0	
UMCS Phase III		24		\$240,000	12	15	10	2	4	0	0	0	0	0	2	0	0	0	0	0	45.0	
Total:	2	216	0	\$2,322,910																		
				\$336,788																		
				\$2,322,910																		
				(\$1,986,123)																		

Project Name/Location	# of Units			Amount Requested	SCORING													Comments				
	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	TOTAL		
Turnkey Renovations Program	2			\$20,000	9	6	1	3	3	0	0	0	0	0	3	0	0	0	0	0	25.0	
Youth Build Project (multiple locations)	1			\$40,000	9	6	1	5	1	0	0	0	0	0	1	0	0	0	0	0	23.0	
MCSC Housing Accessibility Retrofit Program	3			\$36,000	6	6	1	5	1	0	0	0	0	0	1	0	5	0	0	0	25.0	
Woodland Condos	10			\$100,000	3	12	10	1	-5	0	0	0	0	0	-5	0	0	0	0	0	16.0	
Youthbuild - A Fresh Start	4			\$105,000	9	6	1	5	1	0	0	0	0	0	1	0	0	0	0	0	23.0	
Homeownership Purchase/Rehab Program	30			\$240,560	9	4	1	0	1	0	0	0	0	0	1	0	0	0	0	0	16.0	
Total:	45	5	0	\$541,560																		
				\$240,563																		
				\$541,560																		
				(\$300,998)																		

TOTAL ALL CATEGORIES	TOTAL ALL UNITS
\$962,250	48 221 0
\$3,114,470	
(\$2,152,221)	

\$41,697,298

- (a) Formal appraisal was not provided, written estimate of value provided by developer.
- (b)
- (c) \$269
- (d) \$52
- (e) \$38

2
20
1
3
4
47
35
1
30
24
\$221 \$48 \$269