

HOUSING TRUST FUND ADVISORY BOARD

2010 Annual Report

The attached report is submitted pursuant to s. 316-1 of the Milwaukee Code of Ordinance.



**HOUSING
TRUST FUND
CITY OF MILWAUKEE**

Purpose: (Per s. 316-1 of the Milwaukee Code of Ordinances)

The Housing Trust Fund is created to support developers and governmental entities in the acquisition, construction, rehabilitation and modification of affordable and accessible housing for low-income households, and to finance support services that assist low-income households in obtaining and maintaining affordable housing.

Members (for 2010)

The Housing Trust Fund Advisory Board consists of the following members, who serve staggered, two-year terms:

CHAIR

Ald. Michael Murphy

MEMBERS

Ald. Robert Bauman
(Appointed by the Common Council President)

Mr. Kenneth Little
(Appointed by the Mayor)

Dr. Joanne Passaro
(Appointed by the Mayor)

Mr. Craig Kammholz
(The City Comptroller or his/her designee)

Mr. James Hiller
(A non-profit developer appointed by the Common Council President)

VACANT
(A for-profit developer appointed by the Common Council President)

Mr. Jim Mathy

(A representative of Continuum of Care)

Ms. Lanie Wasserman

(A representative of a financial institution appointed by the Common Council
President)

Ms. Cathie Madden

(A representative of the Local Initiatives Support Corporation)

Ms. Kori Schneider-Peragine

(A representative of the Metropolitan Milwaukee Fair Housing Council)

Mr. Brian Peters

(A representative of Independence First)

Mr. Michael Soika

(A representative of the Interfaith Conference of Greater Milwaukee)

Staff

Ms. Joanna Polanco, Staff Assistant

Mr. Steve Mahan, Director, Community Development Grants Administration

Mr. Mario Higgins, Community Development Grants Administration

Attorney Tom Gartner, Assistant City Attorney

Committee meetings held in 2010:

February 11, 2010

May 13, 2010

September 9, 2010

October 14, 2010

The Housing Trust Fund Advisory Board created two subcommittees; the Housing Trust Fund Advisory Board Technical Review Subcommittee (created May 2, 2007) and the Housing Trust Fund Advisory Board Finance Subcommittee (created June 12, 2007).

Housing Trust Fund Advisory Board Technical Review Subcommittee

Purpose:

This subcommittee was created as a permanent subcommittee and its main task is to review the housing trust fund applications and to make funding recommendations to the full Housing Trust Fund Advisory Board.

MEMBERS

Mr. Craig Kammholz, Chair

Ms. Joanne Passaro

Mr. Brian Peters

Ms. Kori Schneider – Peragine

Ms. Lanie Wasserman

Subcommittee meetings held in 2010:

January 1, 2010

February 5, 2010

June 25, 2010

December 3, 2010

December 10, 2010

Housing Trust Fund Advisory Board Finance Subcommittee

Purpose:

This subcommittee was created to investigate ways to raise money for the housing trust fund.

MEMBERS

Ms. Cathie Madden Chair

Mr. Jim Mathy Vice Chair

Mr. Brian Peters

Mr. Ken Little

Ms. Kori Schneider – Peragine

Ms. Lanie Wasserman

Subcommittee meetings held in 2010:

March 18, 2010

May 12, 2010

July 13, 2010

2010 ACTIVITIES:

The Housing Trust Fund Advisory Board and its Technical Review and Finance Subcommittees worked together to accomplish the following in 2010:

- At the January 15, 2010, Technical Review Subcommittee meeting, members reviewed and revised and approved the housing trust fund 2009 funding guidelines. **(APPENDIX A)**
- The Housing Trust Fund Advisory Board met on February 11, 2010, and approved the following housing trust fund 2009 award recommendations submitted by the Technical Review Subcommittee:

CATEGORY: HOMEOWNERSHIP

Layton Blvd. at \$20,000

Northcott Neighborhood House, Inc. at \$105,000

CATEGORY: RENTAL

Center for Veterans at \$168,395

Hartland at \$150,000

Our Space, Inc. at \$375,000

Total 2009 awards: \$818,395

- The Finance Subcommittee met several times throughout the year to review funding options for the housing trust fund.
- At the October 14, 2010, Housing Trust Fund Advisory Board meeting, the members reviewed and revised the application form and scoring worksheet. **(APPENDIX B)**
- In September of 2010, the forth request for proposals process began and the due date for those applications was set for November 12, 2010.
 1. The forth round of request for proposals brought in 12 applications. **(APPENDIX C)**
 2. In November and December of 2010, City staff worked on

reviewing and computing the objective scores (when required), for each of the applications. When City staff completes its review, each of the Technical Review Subcommittee members were given a set of applications with a list of recommendations prepared by City Staff for their review and computing of the subjective scores. When the Technical Review Subcommittee convenes its next meeting, it will review and combine all the scores for the fourth round of applications, craft recommendations and forward those recommendations to the full Housing Trust Fund Advisory Board for its approval.

- At the December 3, 2010, Technical Review Subcommittee meeting, members reviewed and revised and approved the housing trust fund 2010 funding guidelines. (APPENDIX D)
- Lastly, the following is a detailed list of projects that received awards through December 31, 2010 and the status of each of those projects progress:

| Project Description | Funding Category | Award / Completion Date |
|---|---------------------------|--------------------------------------|
| <i>Common Council Approved 02/05/08</i> | | |
| <u>Guest House/Heartland Housing</u> Located at 1218 W. Highland. This development contains 24 units of supportive housing to Very Low Income residents, most of whom were homeless or at risk of being homeless. | Rental/Supportive Housing | \$125,000 Completed February 2009 |
| <u>Mercy Housing Lakefront</u> Located at 1230 W. Grant St. This development contains 91 units of permanent supportive housing for the homeless. Project included rehabilitation and new construction. | Homelessness | \$750,000 Completed October 2010 |
| <u>Milwaukee Christian Center</u> This project developed four fully accessible single family homes for persons with physical disabilities. | Homeownership/Accessible | \$68,000 Completed February 2011 |

| | | |
|--|-------------------------------------|---|
| <p><u>St. Catherine's Residence</u> Located at 1018 E. Knapp Street. This development contains 46 total units with 42 units reserved for low-income residents. The project shares supportive services and amenities with St. Catherine's original project located right next door.</p> | <p>Rental/Supportive Housing</p> | <p>\$264,000 Completed July 2008</p> |
| <p><u>United Methodist Children's Services</u> Located at 3940 W. Lisbon Avenue. This development contains 24 units of family housing. All units have 3 bedrooms and an average family size of 4-5 persons.</p> | <p>Rental</p> | <p>\$200,000 Completed 2009</p> |
| <p><i>Common Council Approved 09/16/08</i></p> | | |
| <p><u>LISC</u> Joint Study with Public Policy Forum "A Sustainable Approach to Creating and Administering Low-Income and Special Needs Housing in Milwaukee County". Report submitted May 2009.</p> | <p>Other – Study</p> | <p>\$10,000 Completed 2009</p> |
| <p><i>Common Council Approved 02/10/09</i></p> | | |
| <p><u>Bishop's Creek Family Housing</u> Located at 4765 N. 32nd Street. This development contains 55 units of affordable family housing. This development is Phase I of a much larger development to include a dormitory for a nearby school and a hotel.</p> | <p>Rental</p> | <p>\$250,000 Completed May 2010</p> |
| <p><u>Dominican Center for Women</u> This project was funded to provide home repairs for low-income owner-occupied households with an emphasis on recruiting applicants from the Center's own target area. The majority of recipients were elderly households. The Center is located at 2470 West Locust Street.</p> | <p>Homeownership/Owner-Occupied</p> | <p>\$147,000 Completed August 2010</p> |
| <p><u>Layton Blvd. West Neighbors</u> This project was funded to provide homeownership opportunities for low-income households. The project rehabilitated a vacant and foreclosed home within the agencies surrounding area in order to help stabilize the neighborhood.</p> | <p>Homeownership/Foreclosure</p> | <p>\$14,000 Completed October 2010</p> |

| | | |
|---|--|-------------------------------------|
| <p><u>Milwaukee Christian Center</u> This project was funded to rehabilitate owner-occupied homes with the primary focus on health, safety, and code issues. The agency will assist projects that are outside of the CDBG target area. The agency has an agreement with the Department of Neighborhood Services to provide final code compliance.</p> | Homeownership/Owner-Occupied | \$126,000 Project Underway |
| <p><u>Milwaukee Community Service Corp.</u> This project was funded to provide energy efficient homes for sale to low-income households. The agency used the HTF dollars to install solar panels utilizing their Youthbuild crews. The project provided solar installation training for the crew members.</p> | Homeownership/Energy Improvements | \$33,750 Completed December 2010 |
| <p><u>Milwaukee Habitat for Humanity</u> This project was funded to provide homeownership opportunities for very low-income households. The agency will rehabilitate 10 vacant condominium units within The Woodlands. Because of the low acquisition and rehabilitation cost units will be sold for as low as \$30,000.</p> | Homeownership | \$100,000 Project Underway |
| <p><u>Martin Luther King EDC</u> Located at 2735 N. Martin Luther King Dr. (King Commons III) this development will contain 24 units of affordable housing and commercial space. This is the third phase of an extensive development plan. Commercial space will be leased by Growing Power to run a fresh food market.</p> | Rental | \$100,000 Completed October 2010 |
| <p><u>Rebuilding Together Greater Milwaukee</u> This project was funded to rehabilitate owner-occupied homes by making accessibility and minor home improvements. The project utilizes hundreds of volunteers and professional trades' persons to do a weekend "blitz" to complete projects in two days.</p> | Homeownership/Accessibility Improvements | \$75,000 Completed December 2010 |

| | | |
|---|------------------------------------|--|
| <p><u>United Community Center</u> Located at 6th and Scott Streets this facility will contain 16 rooms of transitional supportive housing for very low-income persons with mental illness and AODA issues. The project will help to move persons to permanent housing.</p> | <p>Homelessness/AODA Treatment</p> | <p>\$75,000 Completed January 2010</p> |
| <p><i>Common Council Approved 03/02/10</i></p> | | |
| <p><u>Center for Veterans Issues</u> Located on the Northeast corner of 35th Street and Wisconsin Avenue this development will contain 52 units of supportive housing for low-income veterans. Project will utilize the "Universal Design" concept in all common areas, 20 percent of the units will be fully accessible to persons with mobility impairment and two units will be accessible the visually and hearing impaired.</p> | <p>Rental/Supportive Housing</p> | <p>\$168,395 Project Underway Expected Completion May 2010</p> |
| <p><u>Layton Blvd. West Neighbors</u> This project was funded to provide homeownership opportunities for low-income households. The project will rehabilitate vacant and foreclosed homes. Additional funding sources may include NSP funds. This is the second round of funding for this project.</p> | <p>Homeownership/Foreclosure</p> | <p>\$20,000 Projects Underway</p> |
| <p><u>Northcott Neighborhood House</u> This project was funded to provide homeownership opportunities for low-income households. The project will construct 3 fully accessible units utilizing their Youthbuild training participants.</p> | <p>Homeownership/Accessible</p> | <p>\$105,000 Completed April 2011</p> |
| <p><u>Our Space</u> Located at 1527 W. National Avenue this development will contain 35 units of permanent supportive housing for low-income persons with serious mental illness. The project will include rehabilitation and new construction.</p> | <p>Rental/Supportive Housing</p> | <p>\$375,000 Project Underway</p> |

APPENDIX A

Revised 2009 funding guidelines

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

APPENDIX B

Revised application and scoring sheet

REVISED 10/18/10



**CITY OF MILWAUKEE
HOUSING TRUST FUND**

**APPLICATION RELEASE DATE
OCTOBER 22, 2010**



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

PROPOSAL CHECKLIST - YEAR 2010

Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office **no later than 4:00 p.m. on Friday, November 12, 2010.** No extensions will be granted.

Submit the original and ten (10) copies to:

Mr. Steven L. Mahan, Director
Community Development Grants Administration
200 East Wells Street, Room 606
Milwaukee, Wisconsin 53202

Faxed or electronic applications will **not** be accepted. **All proposals received after the closing date noted above will be returned to the applicant without review.**

PLEASE BE CERTAIN TO

- Complete and submit *1 original and 10 unbound copies* of all documents:
- Attach all required supporting documentation as requested in the application.
- If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will be discarded.

If your Application is funded, some additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.

Successful applicants must be able to obtain insurance consistent with the City of Milwaukee Community Development Grants Administration policy.



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund services that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

FUNDING GUIDELINES

- A minimum of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A minimum of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, a goal of at least 2% of available Housing Trust Fund dollars should be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

***HOUSING TRUST FUND ACTIVITIES MUST OCCUR IN
THE CITY OF MILWAUKEE***

***REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF
MILWAUKEE WILL BE REJECTED***



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

Trust Fund dollars should always be used to leverage and complement other sources of financing and to close funding gaps. Priority will be given to projects that demonstrate substantial leveraging of other funds.

ELIGIBLE APPLICANTS

1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.
2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

AFFORDABILITY REQUIREMENTS

1. **Rental Housing:** Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
2. **Owner-Occupied Housing and Homeownership:** Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

Housing Trust Fund dollars are available for home-buying counseling. Homebuyer counseling agencies must demonstrate that they serve low- and moderate-income clients. In addition, any organization that receives Housing Trust Fund money for this purpose must demonstrate that it has the ability to assist disabled individuals (e.g., the location is accessible and the organization offers translation services, materials in Braille, etc.).

3. **Housing and Services for the Homeless:** All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.

NOTES:

- Projects not meeting the minimum affordability requirements are ineligible.
- Additional points will be assigned, on a sliding scale, for projects that exceed the minimum period of affordability.



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

INCOME ELIGIBILITY

1. Owner-Occupied Housing: Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are based on the CMI and are subject to change annually.

2. Rental Housing and Housing for the Homeless: Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 60% of the County Median Income.

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Exceed the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to Minority/Women/Disadvantaged/Emerging/Section 3 business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

ACCESIBILITY REQUIREMENTS

1. **Multi Family PROJECTS (Three or more units)**

All new construction or substantial rehabilitation projects receiving Housing Trust Funding must comply with the following standards:

- Section 504 of the Rehabilitation Act of 1973 - <http://www.epa.gov/civilrights/sec504.htm>.
- Fair Housing Act as amended - <http://www.hud.gov/offices/fheo/disabilities/fhefhag.cfm>.
- Americans with Disabilities Act (with respect to marketing-office and common areas) - <http://www.ada.gov/stdspdf.htm>.
- Wisconsin Open Housing Act - http://dwd.wisconsin.gov/er/discrimination_civil_rights/publication_erd_11057_p.htm.
- Architectural Barriers Act - <http://www.access-board.gov/about/laws/aba.htm>.

Additionally, these projects must meet at least one of the following design principles:

1. Aging in place
2. Universal design
3. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.

2. **HOMEOWNERSHIP PROJECTS (New housing units in one- to three-unit structures)**

Each ground-floor unit shall be constructed to the following "visitability" standards:

1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
3. Powder room (half bath) on the main-level floor that has:
 - i. A doorway entrance with a minimum 32" clear passage opening;
 - ii. Sufficient space to close the entrance door while the room is occupied;
 - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.
3. Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding.*

Completed applications and required attachments must be received at the Community Development Grants Administration office no later than 4:00 p.m. on Friday, November 12, 2010. No extensions will be granted. Submit the original and ten (10) copies to:

Mr. Steven L. Mahan, Director
Community Development Grants Administration
200 East Wells Street, Room 606
Milwaukee, Wisconsin 53202

Questions may be directed to Mario Higgins of Community Development Grants Administration at Mario.Higgins@milwaukee.gov. Your application should be submitted on or before the above indicated date and time and should include all items indicated below:

1. A fully completed application. If a question does not apply, indicate this on the application.
2. Project or Business plan
3. Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
4. Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
5. A minimum 5-year projected pro-forma for all rental projects (Not required for Homeownership Category)
6. An affordability analysis indicating the income level of the household that can afford the proposed housing at current interest rates or rent levels.
7. Applicants should include audited financial statements for three years, if in existence for less than three years, all statements received to date (balance sheets, cash flow statements, and profit and loss statements). For special limited purpose corporations, the supporting organization's statements.
8. Tax returns for three years (Individual 1040, Corporate 1120, Form 990, and Partnership 1065).
9. Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
10. Market analysis for projects containing twelve or more residential units.
11. Resumes and qualifications of the development team.
12. Post rehabilitation or new construction appraisal

The City of Milwaukee reserves the right to request additional information as deemed necessary by the Housing Trust Fund Advisory Board



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding will be notified by mail within 30 days of Common Council action.

In addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

ALL AWARDS ARE SUBJECT TO NEGOTIATION OF FINAL TERMS.



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

| | | |
|-----------------------------|-------------|-----------|
| Organization Name: _____ | | |
| Organization Address: _____ | City _____ | Zip _____ |
| Contact Person: _____ | Title _____ | |
| Telephone Number: _____ | Fax: _____ | |
| E-Mail: _____ | FEIN _____ | |

Indicate the amount requested in the appropriate category below. **Please submit a separate application for each category being requested.**

| Activity | 2009 Funds Available | Amount Requested |
|--|----------------------|------------------|
| Homelessness | \$173,464 | |
| - Rehabilitation of Existing Facility | | \$ |
| - New Construction of Facility | | \$ |
| - Provide Supportive Services | | |
| Rental Housing | \$242,850 | |
| - Rehabilitation of Existing Structure | | \$ |
| - New Construction | | \$ |
| Home Ownership | \$173,464 | |
| - Rehabilitation of Existing Structure(s) | | \$ |
| - New Construction | | \$ |
| - Owner-Occupied Rehabilitation | | \$ |
| - Homebuyer Counseling Services | | |
| - Post-Purchase Counseling Services | | |
| Other Needs as Identified | \$104,077 | |
| TOTAL | \$693,855 | \$ |
| Indicate the percentage and amount of HTF funds requested that will be used to fund accessibility improvements or modifications. → | | ____ % \$ _____ |

Proposals must be authorized and signed by the Chief Executive Officer -AND- an official of the Board of Directors.

Signature: _____
Printed Name: _____

Date: _____
Title: _____

Signature: _____

Date: _____



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

Printed Name: _____

Title: _____

PART I: PROJECT DESCRIPTION

1. **Describe the Project:** Briefly identify the project location and the specific activity to be completed.

- a. **If project involves construction or rehabilitation, please attach photos of the site and sketches or drawings of the proposed project.**

_____ Photos and/or sketches are attached

_____ Project does not involve construction or rehabilitation

- b. **If the project involves the provision of services, briefly *describe the specific services to be provided. Also, describe the partners and specific funding source(s) for the services to be provided.***

_____ Project does not involve the provision of supportive services

2. **Households/Clients Served:** Briefly *describe the specific population to be served, including target income level and special needs populations, as applicable.*

3. **Indicate the unduplicated number of units/household to be served**



**CITY OF MILWAUKEE
HOUSING TRUST FUND**

APPLICATION FOR FUNDING 2010

***DO NOT WRITE BELOW
For City of Milwaukee HTF Use Only***

Reviewer's Comments:

Score:



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

PART II: PROJECT TIMELINE

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

| MONTH | EVENT(S) |
|-------|----------|
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***DO NOT WRITE BELOW
For City of Milwaukee HTF Use Only***

Reviewer's Comments:

Score:



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

PART III: PROJECT SITE CONTROL, ZONING, & ENVIRONMENTAL ISSUES

1. **Site Control is in the form of:**

- Deed
- Purchase Agreement
- Option (Expiration Date _____)
- Other _____

a. **Please Attach Written Documentation of Site Control**

2. **Site is currently zoned:** _____

a. **Please Attach Written Verification of Zoning Designation**

3. **Is the zoning appropriate for your project?**

Yes No

If no, is rezoning currently in process and when is it anticipated that this issue will be resolved?

Date _____

4. **Describe what, if any, Environmental Assessment activities have been conducted.**

a. **Please attach a copy of any environmental findings/reports received.**

| <i>DO NOT WRITE BELOW</i> <i>For City of Milwaukee HTF Use Only</i> | |
|--|--------|
| Reviewer's Comments: | Score: |
| | |



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

PART IV: PROJECT FINANCING

1. Please Attach the Following Items

- Sources and Uses of all funds
- Development Budget
- Project 5-Year Pro-Forma (Not required for Homeownership projects)
- Cash Flow Statement

2. Please describe the specific use of Housing Trust Fund dollars (i.e.:

3. If the project utilizes Tax Credits, have the Tax Credits been awarded?

_____ Yes _____ No

a. If yes, attach notice of Tax Credit award.

b. If yes, has the project secured an equity investor and at what price

_____ Yes _____ No Price of Credits - _____ cents.

4. Has the project secured a firm commitment from a construction lender?

_____ Yes _____ No

5. Has the project received a conditional commitment from a construction lender?

_____ Yes _____ No



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

6. Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with.

Lender Name _____ Phone number _____

Contact Person _____

Address _____

Commitment Amount \$ _____ Rate/Term _____

7. Identify the total amount of other funds (private and/or public) in the project that would be leveraged by the Housing Trust Fund dollars?

| Funding Source | Amount Leveraged |
|------------------------------|------------------|
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| TOTAL FUNDS LEVERAGED | \$ |

| <i>DO NOT WRITE BELOW</i> <i>For City of Milwaukee HTF Use Only</i> | |
|--|--------|
| Reviewer's Comments: | Score: |



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

PART V: CAPACITY AND EXPERTISE

1. Has your agency previously undertaken this type of project before?

_____ Yes _____ No

a. If yes, identify the three most recent projects completed:

2. Identify the staff responsible to complete the project and indicate any experience specifically related to this project

4. Briefly summarize the project management plan. Identify the staff or agency responsible for ongoing project management and any experience specifically related to this project. (Does not apply to Homeownership Programs)

Attach copy of Management Plan.



CITY OF MILWAUKEE HOUSING TRUST FUND

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Score:

PART VI: FURTHERANCE OF HOUSING TRUST FUND GOALS

1. Describe the accessibility *improvements or modifications that are in excess* of what are required by the Fair Housing Act and Section 504, please provide an *estimated cost*.

2. Explain how this project serves the lowest-income segment of the population:

3. Does the project affordability period exceed the minimum period required by the Housing Trust Fund (please refer to page 3)?

_____ Yes _____ No

Affordability Period Required by HTF: _____ (years)

Affordability Period Proposed for Project: _____ (years)



CITY OF MILWAUKEE HOUSING TRUST FUND

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4. Does this project increase the diversity of housing types in the neighborhood?

Responses to this question should describe how the proposed project will provide a new type of housing choice in the neighborhood in which it is situated.

_____ Yes _____ No

a. If yes, please describe:

5. Will this project utilize green building principles?

_____ Yes _____ No

a. If yes, please describe:

6. Will this project coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies?

(e.g. Example #1: Developers may have an MOU with a job training agency, agreeing to help train and/or employ the agency's clients – either in the construction of the project or in the ongoing management and operations of the project.

Example #2: Developers may have sited their project in a specific location as a result of discussions with neighborhood employers that have identified the lack of suitable affordable housing for their employees as a concern.)

_____ Yes _____ No

a. If yes, please describe:



CITY OF MILWAUKEE HOUSING TRUST FUND

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7. Will this project proactively facilitate the movement of persons from institutions into the community?

_____ Yes _____ No

a. If yes, please describe:

In this section please describe all the methods the project will utilize to employ and contract with local residents and businesses:

8. Will this project utilize workers from the neighborhood?

_____ Yes _____ No

a. If yes, please describe method of recruitment:



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

9. Will this project provide training opportunities or utilize local training programs to enhance employment opportunities to local residents?

_____ Yes _____ No

a. If yes, please describe:

10. Will this project give priority to Certified (City, County, or State) Emerging/Disadvantaged/Women/Minority/or Section 3 business enterprise contractors?

_____ Yes _____ No

a. If yes, please describe:

11. Will the project use contractors who pay family-supporting wages for all workers on the project (family supporting wages are defined as \$8.80 per hour)?

_____ Yes _____ No

a. If yes, please describe:



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

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Score:



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2010

PART VI: DEFINITION OF TERMS:

- **County Median Income (CMI)** – Median income of Milwaukee, Waukesha, Ozaukee, and Washington Counties as determined by Department of Housing and Urban Development.
- **Emerging Business Enterprise** – a business that is certified by the City of Milwaukee's Emerging Business Enterprise Program. It is small business concern that is owned, operated and controlled by one or more individuals who are at a disadvantage (i.e. educationally, employment, socially, in respect to business location, and business training). The individuals must have day-to-day operational and managerial control and interest in capital, financial risks and earnings commensurate with the percentage of their ownership.
- **Disadvantage Business Enterprise** – a business that is certified by Milwaukee County's Community Business Development Partners and (1) That is organized as a for-profit business, that at least 51% owned and controlled by a socially and economically disadvantaged individual(s) (2) Is a U.S. citizen or lawfully admitted permanent resident of the U.S. (3) That meets the Small Business Administration's (SBA's) size standard and does not exceed \$20.41 million in gross annual receipts.
- **Minority Owned Business Enterprise** – a business that is certified by the State of Wisconsin Department of Commerce and (1) Member of an ethnic minority group: Native American, Black, Hispanic, Asian Indian, Asian Pacific, Aleut, Eskimo, or Native Hawaiian. (WisDOT does not recognize women as minorities. Therefore, women-owned businesses are not eligible for minority certification); (2) Be at least 51% owned, controlled and actively managed by minority group members; (3) Serve a "useful business function" and have customers other than the State of Wisconsin; and (4) Must be at least one (1) year old under current ownership.
- **Section 3 Business** – (1) a business that is at least 51 percent or more owned by low-income (below 80% CMI) residents of the City of Milwaukee, or (2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents, or (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to a Section 3 business concern. Businesses can be certified by the City of Milwaukee Community Development Grants Administration.
- **Section 3 Resident** - Public housing residents and low and very-low income persons who live in the City of Milwaukee.
- **Women Owned Business Enterprise** – a business that is certified by the State of Wisconsin Department of Commerce. It is organized as a for-profit business, it is at least 51% owned, controlled, and actively managed by one or more women who are either U.S. citizens or lawfully admitted to the United States for permanent residence.



CITY OF MILWAUKEE HOUSING TRUST FUND
Scoring Point System

| | <i>Max 115 Pt Scale(a)</i> | |
|--|----------------------------|------------|
| | Point Range | Max Points |
| Leveraged Dollars | | 15 |
| HTF dollars are less than 3% of total project cost | 15 | |
| HTF dollars account for 3 - 5% of total project cost | 12 | |
| HTF dollars account for 6 - 10% of total project cost | 9 | |
| HTF dollars account for 11 - 15% of total project cost | 6 | |
| HTF dollars are more than 15% of total project cost | 3 | |
| Income Targets - Please Use Attached Chart | | 15 |
| # of units with residents up to 30% of income target | | |
| # of units with residents between 30% and 50% of income target | | |
| # of units with residents between 50% and 60% of income target | | |
| # of units with residents between 60% and 80% of income target | | |
| # of units with residents between 80% and 100% of income target | | |
| Affordability Period | | 10 |
| Meets HTF Affordability Period | 1 | |
| Exceeds HTF Affordability Period by 25% | 2 | |
| Exceeds HTF Affordability Period by 50% | 5 | |
| Exceeds HTF Affordability Period by 75% | 8 | |
| Exceeds HTF Affordability Period by 100% or more | 10 | |
| Employment and Contracting for City of Milwaukee residents and businesses | | 15 |
| Creation of training program to provide better employment opportunities | | |
| Use of existing training programs that provide employment opportunities | | |
| Use of Residential Preference Program or Section 3 requirements | | |
| Did agency describe an effective method of recruitment for local residents? | | |
| Use of Certified M/W/D/E/Section 3 Businesses greater than 18% participation | | |
| Did agency describe an effective method of recruitment for local businesses? | | |
| All workers paid a Family Supporting Wage at a minimum of \$8.80 per hour? | | |
| Neighborhood Diversity | | 5 |
| Project Increases diversity of housing types in the neighborhood | | |
| Green Building Principles | | 5 |
| Project Utilizes Green building Principles | | |
| Coordination with Community Institutions | | 5 |
| Project is Coordinated with Community Institutions | | |
| Community Integration | | 5 |
| Move persons from institutions to community | | |
| Experience | | 10 |
| Agency experience with same type/similar project | 2 | |
| Staff experience with same type/similar project | 4 | |
| Management Agency Experience | 4 | |
| Accessibility improvements or modifications | | 5 |
| Meets Minimum Standards | 1 | |
| Exceeds Minimum Standards | 5 | |
| Service Partners (b) | | 5 |
| Provision of services on site w/out use of HTF \$ | | |
| Construction Financing | | 5 |
| Construction Loan is Firmly Committed | 5 | |
| Construction Loan is Conditionally Committed | 2 | |
| Construction Loan is not Identified | 0 | |
| Proposal Meets Community Needs (Subjective) | | 15 |
| TBD by Reviewer | 0-15 | |
| Total Points | | 115 |

NOTE: All proposals must receive at least fifty (50) points for further consideration

- (a) 115 point maximum applies to projects requiring on-site services such as Shelter + Care. Maximum points available for all other projects is 110.
- (b) Only applies to projects requiring on-site services such as Shelter + Care

APPENDIX C

Intake Sheet – November 2010

HOUSING TRUST FUND
Application Intake Sheet - November 2010

| | Agency Name | Funding Category | Amount Requested |
|----|--|--|------------------|
| 1 | Affordable Housing Centers of America (AHCOA) | Home Ownership | 100,000 |
| 2 | Center for Veterans Issues, Ltd. | Rental Housing - New Construction | 242,850 |
| 3 | Community Advocates, Inc. | Homelessness - New Construction of Facility | 173,464 |
| 4 | Dominican Center for Women, Inc | Home Ownership - Rehabilitation of Existing Structure | 125,000 |
| 5 | Gorman & Company, Inc. DBA Northside Homeowners Initiative | Rental Housing - New Construction | 225,000 |
| 6 | Layton Boulevard West Neighbors, Inc. | Home Ownership - Rehabilitation of Existing Structure(s) | 30,000 |
| 7 | Martin Luther King Economic Development Corp | Rental Housing - Rehabilitation of Existing Structure & New Construction | 200,000 |
| 8 | Milwaukee Christian Center - Youthbuild/Fresh Start | Home Ownership - New Construction | 40,000 |
| 9 | Neighborhood Improvement Development Corporation | Home Ownership - Rehabilitation of Existing Structure(s) | 173,464 |
| 10 | Northcott Neighborhood House, Inc. | Home Ownership - New Construction | 105,000 |
| 11 | Rebuilding Together Greater Milwaukee (RTGM) | Home Ownership - Owner-Occupied Rehabilitation | 100,000 |
| 12 | Riverworks Development Corporation | Rental Housing - Rehabilitation of Existing Structure(s) | 242,850 |
| 13 | | | |
| 14 | | | |
| 15 | | | |

Total \$1,757,628

APPENDIX D

Revised 2010 funding guidelines

Funding Guidelines for 2010 Housing Trust Fund Project Awards

Funding

Funding for the 2010 Housing Trust Fund project awards consists of \$693,855 in current and carryover O&M (operating) budget authority. It is assumed that any available O&M authority remaining after the 2010 project awards will be available for subsequent years.

Consistent with prior year's funding guidelines, Housing Trust Fund authority will be used for capital-type projects and with limited exception operating type activities. The O&M authority is supported directly by the City tax levy and the 2010 Housing Trust Fund project awards will consist only of public funds.

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. Preliminary allocations should not exceed the demonstrated funding gap for the project. 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:MP:TOG
Revised:12-1-10