



City of Milwaukee

Meeting Minutes

MILWAUKEE HOUSING TRUST FUND TASK FORCE

200 E. Wells Street
Milwaukee, Wisconsin
53202

ALD. MICHAEL MURPHY, CHAIR

Ald. Michael McGee, Jr., Vice-Chair

**Tom Capp, Sup. Marina Dimitrijevic, Heather Dummer Combs, Rocky Marcoux, Lucia Murtaugh,
Tony Perez, Brian Peters, Leo Ries, Bethany Sanchez, Mike Soika, Robert Shelledy**

Staff Assistant, Linda Elmer, (414)-286-2232

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File Specialist, Charlotte Rodriguez, 286-8797; E-mail: crodri@milwaukee.gov

Thursday, May 4, 2006

1:00 PM

Room 301-B, City Hall

Meeting convened: 1:10 P.M.

Members present: Mike Soika, Heather Dummer Combs, Brian Peters, Michael McGee, Michael Murphy, Lucia Murtaugh, Bethany Sanchez, Robert Shelledy, Una Van Duvall and Tom Capp

Members excused: Sup. Marina Ditrjevic, Tony Perez and Leo Ries

1. Presentation by and discussion with Ms. Mary Brooks, Project Director of the Housing Trust Fund Project, with the Center for Community Change in Washington, D.C.

Ms. Brooks noted that affordable housing efforts have historically relied on federal funds and budget appropriations, which are dramatically decreasing. Ms. Brooks stated that securing a dedicated source of revenue is the key to creating and maintaining a housing trust fund. There are 38 states with housing trust funds and 45 city housing trust funds. Almost all housing trust funds are administered by a government agency because public funds are involved. Ms. Brooks is a huge supporter of an oversight board. The programs aspect is the most challenging in terms of getting a consensus on how the funds should be spent.

Housing trust funds are typically targeted to serve the lowest income in the community. If 80% of median income is set as the target and money isn't set aside for the poorest of the poor, then 80% of median income is the group that will be served. Most funds give out their money through grants and loans. The money comes into the fund every year and is spent every year. Money is applied for through a request for proposal process, with an overlying ordinance setting the criteria for recipients.

Obtaining revenue for a trust fund is politically difficult. There are 40 sources of revenue among the various trust funds, including creation of a condominium conversion fee, hotel-motel tax, developer linkage fees (the most common at the city level) and a sales tax among others. It's important to find some new, rather than existing, revenue so the fund is not merely taking money from the general revenue. Affordable housing needs will be constant as long as wages cannot keep up with housing costs.

Boulder, Chicago, St. Louis, Minneapolis, Seattle, Columbus and Cambridge have successful housing trust funds. Ten percent of the housing in Boulder is set aside as permanently affordable due to the housing trust fund. Housing does have a large, positive, documented impact on the economy, with many housing trust funds tracking

their economic benefits. In the nation's 60 largest housing markets, administrative support, clerical occupations and services jobs account for 1/3 of the workforce. Janitors can afford housing in only 10% of those areas; salespersons in only 5%.

Ms. Brooks feels that broadening who the funds serve may dilute support for that fund. She notes that overcrowding has increased in Milwaukee, which shows that more people are edging closer to homelessness. Ms. Brooks feels that accessibility standards, green housing principles, keeping units affordable and who is served are all important issues for the fund to look at

In the nearly 30-year history of housing trust funds, only one fund has ever been dismantled. The 3 earliest housing trust funds were created in Boston, Palo Alto and Sacramento. Ald. McGee asked if trust funds have been used for property tax relief for low-income owners and Ms. Brooks noted that some do use funds for that. The oversight board is usually the body reacting to changing market conditions on an annual basis.

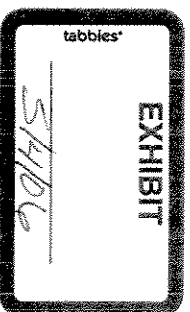
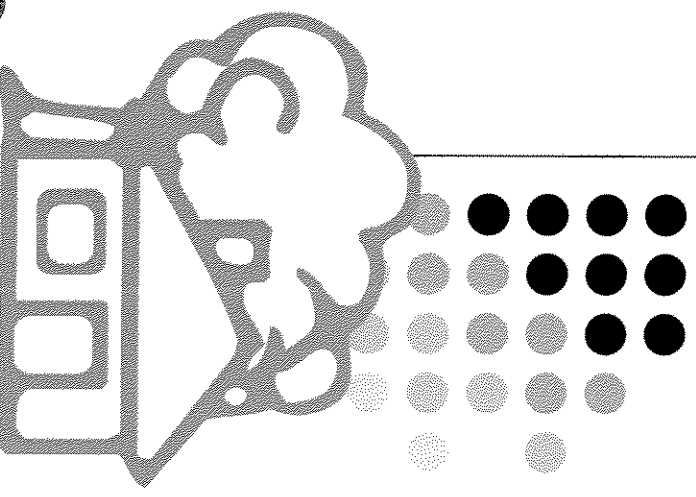
Ms. Brooks recommended looking at Philadelphia's ordinance for general background and the City of Chicago in terms of who benefits. She will also forward a copy of a sample ordinance.

Steve Adams, a member of the audience, asked about tapping pension funds for a housing trust fund. Ms. Brooks was aware of one instance where this was done, but not successfully. Ms. Brooks noted that tapping wealthy individuals has typically been done after a trust fund has successfully been in operation for a period of time.

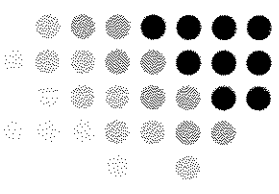
*Meeting adjourned: 1:56 P.M.
Linda M. Elmer
Staff Assistant*

Housing Trust Funds

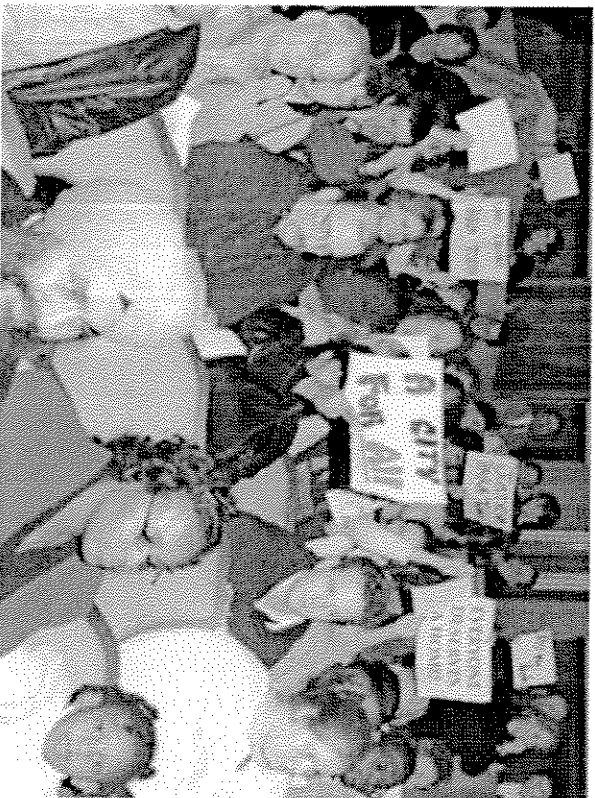
Mary E. Brooks
Housing Trust Fund Project
Center for Community Change
1113 Cougar Court
Frazier Park, CA 93225
661-245-0318
mbrooks@communitychange.org



Housing Trust Funds: advancing how we fund affordable housing

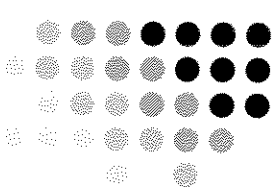


- **Securing Dedicated Sources of Public Revenue**

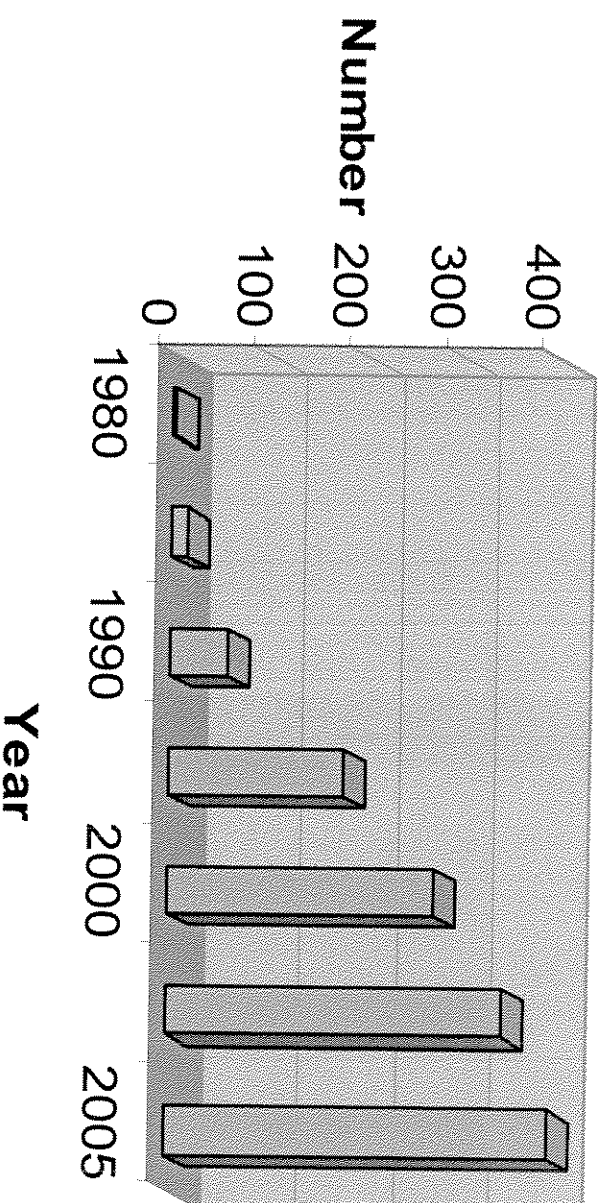


- **Committing that Revenue to Support Critical Housing needs**

Today ... there are more than 400 Housing Trust Funds



Growth of Housing Trust Funds

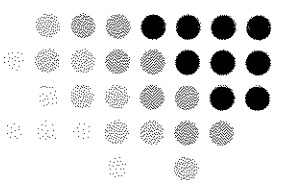


There are 38 states with housing trust funds

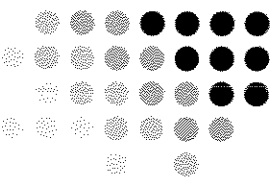
- Arizona
- California
- Connecticut
- Delaware
- Florida
- Georgia
- Hawaii
- Idaho
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Louisiana
- Maine
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Missouri
- Montana
- Nebraska
- Nevada
- New Hampshire
- New Jersey
- New Mexico
- North Carolina
- Ohio
- Oklahoma
- Oregon
- Rhode Island
- South Carolina
- Texas
- Utah
- Vermont
- Washington
- West Virginia
- Wisconsin



Illinois SHAC and then-Governor Thompson at Trust Fund signing ceremony

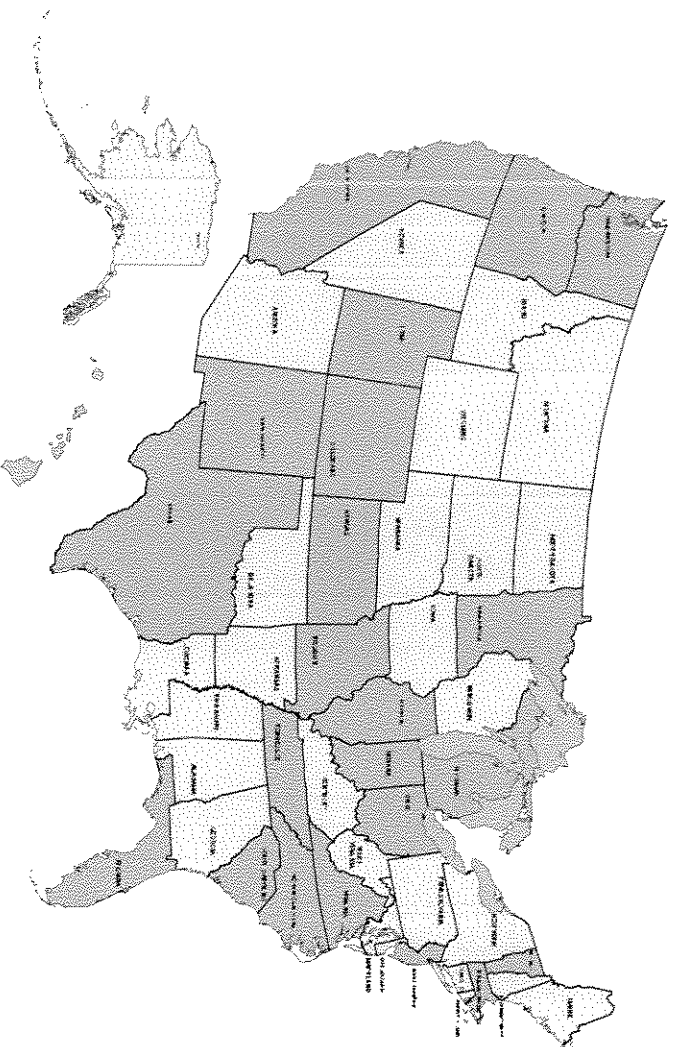


City Housing Trust Funds

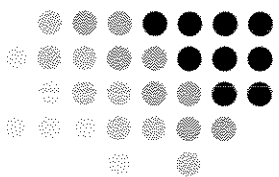


45 City housing trust funds exist in 23 states, including Washington DC.

In addition, both New Jersey and Massachusetts have passed legislation encouraging local housing trust funds, adding nearly 200 more.

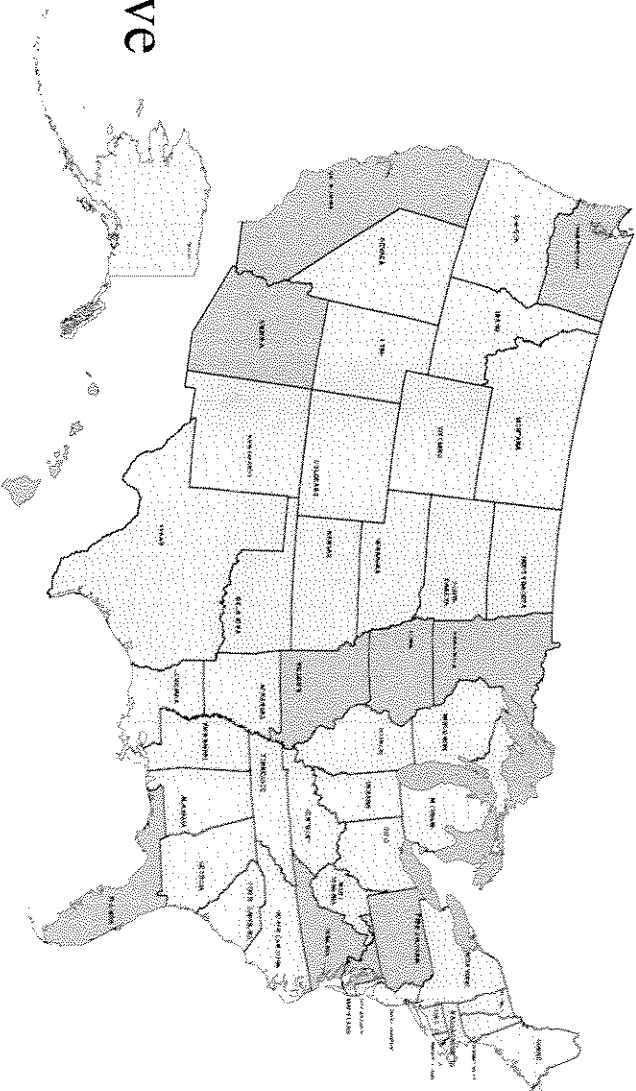


County Housing Trust Funds

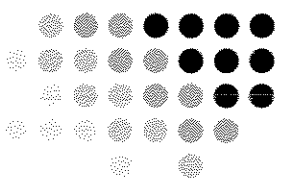


Seventeen county housing trust funds exist outside of Pennsylvania, Missouri, Iowa and Washington.

These four states have enabling legislation adding another 90 trust funds.



How Housing Trust Funds Work



Legislation or Ordinance → Establishes the Housing Trust Fund

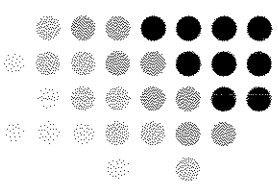
Administration
Agency or Department
Oversight Board

Dedicated Revenue Sources
Taxes or Fees
Program Generated Revenue
Interest Earned
Other Revenues

Programs
Distribution of Funds
Program Requirements
Eligible Applicants
Eligible Uses

Cities and Counties Commit

Dozens of New Revenue Sources



- **Montgomery County, Maryland**

- *condominium conversion fees*
- *MPDU ordinances*

- **Phoenix, Arizona**

- *contributions from tax-exempt mortgage revenue bond projects*

- **Columbus/Franklin Co, Ohio**

- *hotel/motel taxes*
- *real estate transfer taxes*

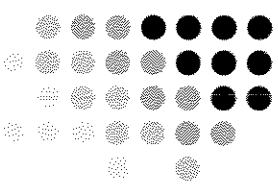
- **Seattle, Washington**

- *bonus fee on new commercial construction*
- *property tax increment revenues*

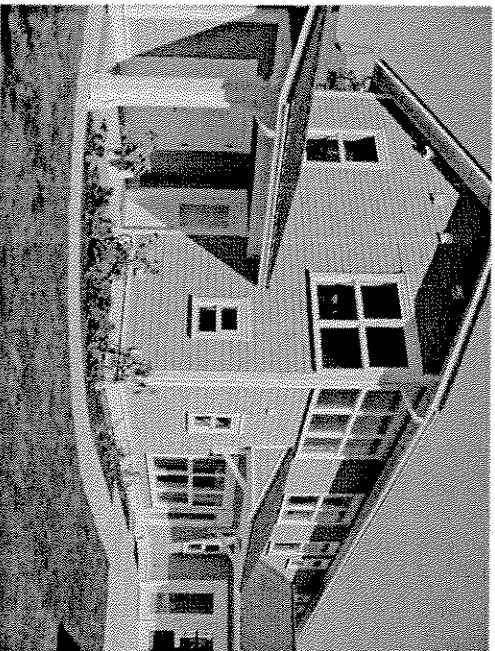


Homeless shelter in Montgomery County, Maryland

And then some ...

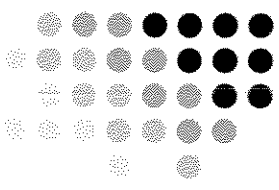


- **King County, Washington**
 - *real estate excise tax*
 - *document recording fees*
- **Boulder, Colorado**
 - *housing excise tax*
 - *property tax, and other revenues*
- **Berkeley, California**
 - *tax increment funds and other local sources*
- **Dayton/Montgomery Co, Ohio**
 - *sales tax*
- **Cambridge, Massachusetts**
 - *developer linkage fees*



Affordable housing in King County

Why Dedicate Public Revenues to Affordable Housing



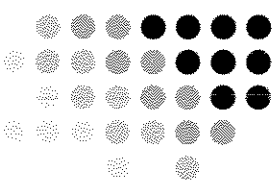
- Affordable housing is fundamental to the health of Milwaukee.
- The private market cannot respond to homes that require subsidies.
- Affordable housing needs are constant as long as wages continue to lag behind.
- Affordable housing requires long-term planning and investment.



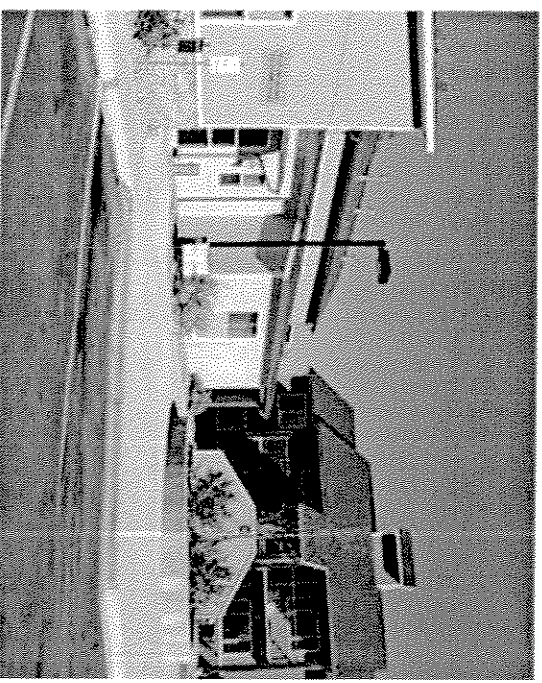
- Affordable housing cannot be dependent on budget surpluses.

Boulder, Colorado

Community Housing Assistance Program

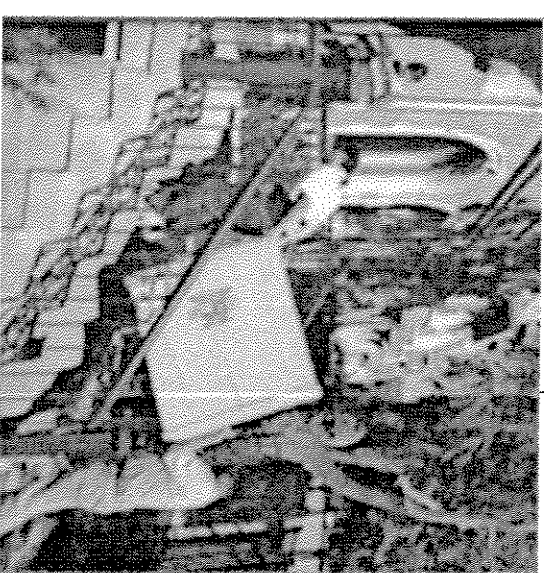
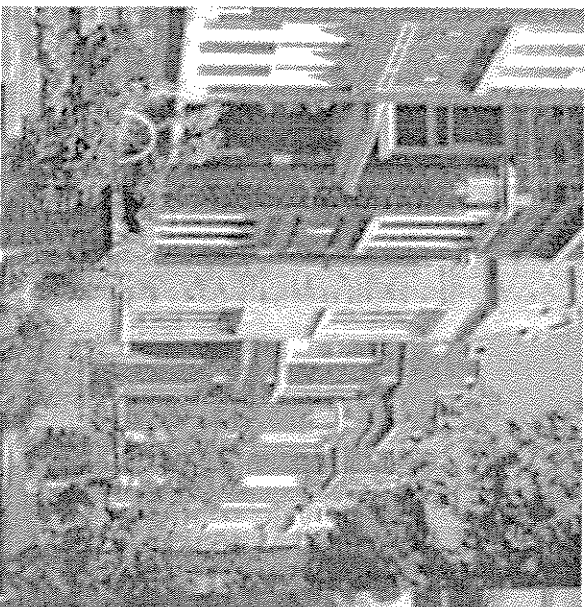


- \$3.1 million made available in 2002 through RFP process combining funds from CHAP, HOME, CDBG, and Inclusionary Zoning.
- CHAP receives funding from property tax and an excise tax on new developments--generates \$1-1.5 million annually.



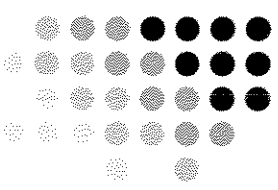
Chicago Creates Low Income Housing Trust Fund

All funding supports households earning 30% of area median income or less.

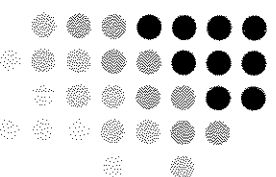


A majority of the funds provide rental assistance.


Funds also support homeless initiatives and essential services.



St. Louis Campaign Wins Voters Approve Proposition H

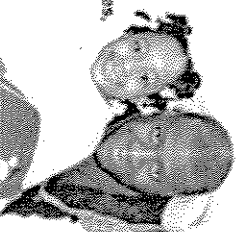


- 58% of the voters approve use tax for housing trust fund and a health trust fund.
- Campaign for Housing and Jobs, ACCORN, SEIU, and others prevail.
- Funds support lead paint abatement, new housing, rehabilitation, etc.

Vote  **Yes**
on Proposition H
Healthy Families - Healthy Homes

Voting YES means

- Access to Health Care
- Increased Home Ownership
- Health and Housing for Families, Seniors, and Neighbors with Disabilities



Punch #65 on the ballot

This Tuesday, April 3

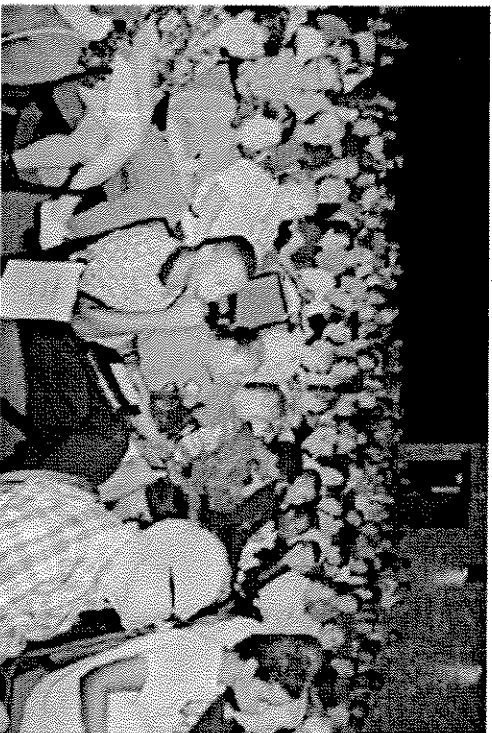
Polls are open from 6am – 7pm

For more information call 314.991.7023

or visit our website: affordablehousingfund.20m.com

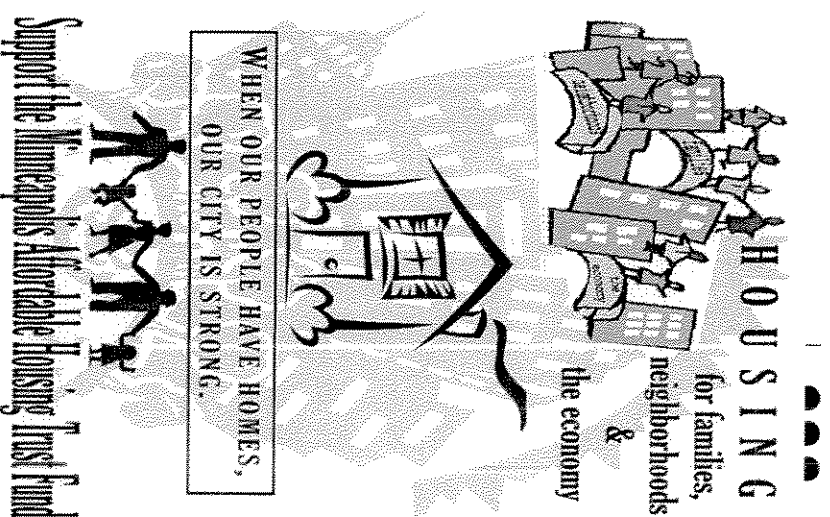
Produced by Healthy Families - Healthy Homes, Treasurer David Sklar

Minneapolis Creates Housing Trust Fund

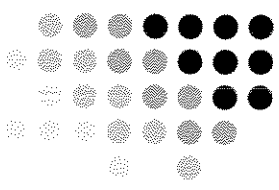


Mayor makes \$10 million commitment.

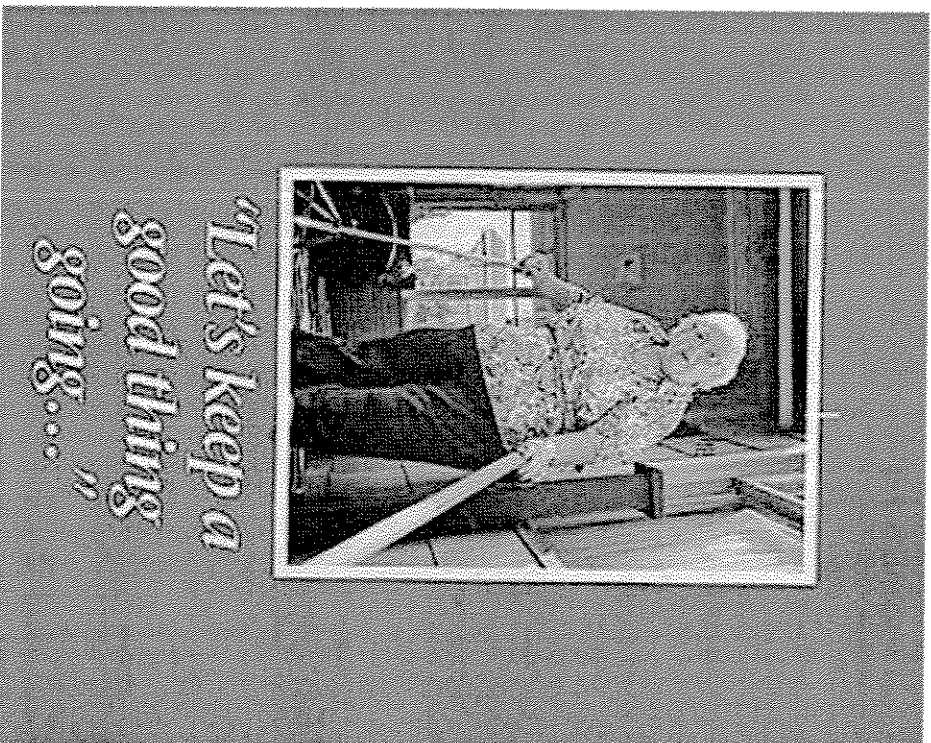
MICAH, Jobs and Affordable Housing Coalition, ISAIAH,
MN Senior Federation, MN ACCORN, Progressive Minnesota,
Jewish Community Action, and MPIRG



Seattle Advocates Win Housing Levy for 4th Time

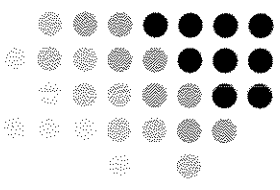


- 54% of Seattle voters approve continuation of property tax support for affordable housing.
- The new levy will produce 2,000+ affordable homes.
- Provides \$86 million over the next seven years.



*"Let's keep a
good thing
going..."*

B.R.E.A.D. Wins Columbus Housing Trust Fund



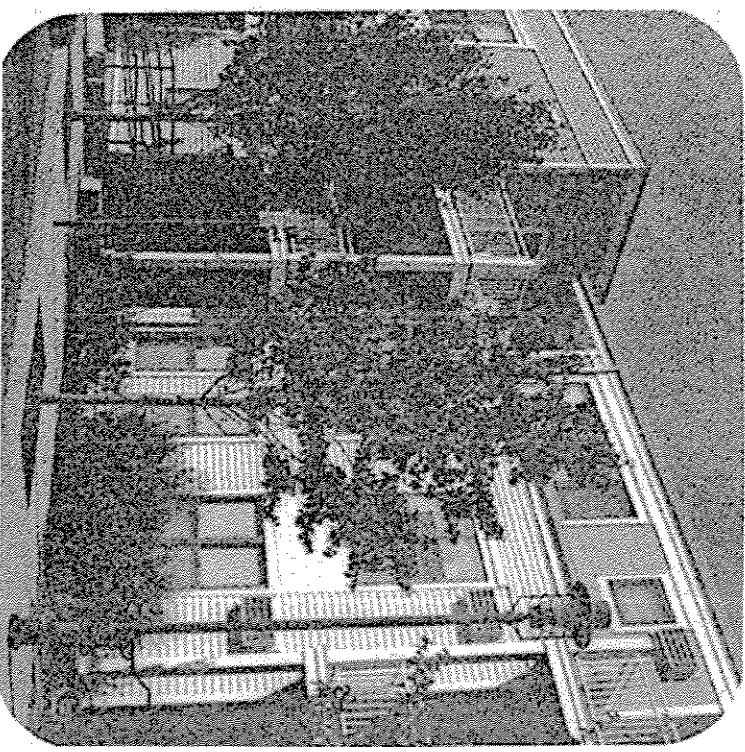
- City commits hotel/motel tax and capitalizes fund with UDAG payments.
- Franklin County joins one year later. Adds real estate transfer tax revenue.

Cambridge, Massachusetts Housing Trust Fund

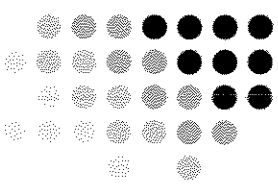
Created in 1988 to maintain socio-economic diversity through new and preserved affordable housing.

CITYHOME Initiative began in 1995:

- Acquisition of multifamily units;
- Homebuyer assistance;
- Preservation of expiring use properties;
- Rehab loan program.

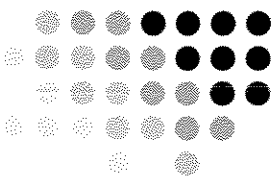


Auburn Court: 77 mixed-income rental homes by Homeowner's Rehab. Inc.

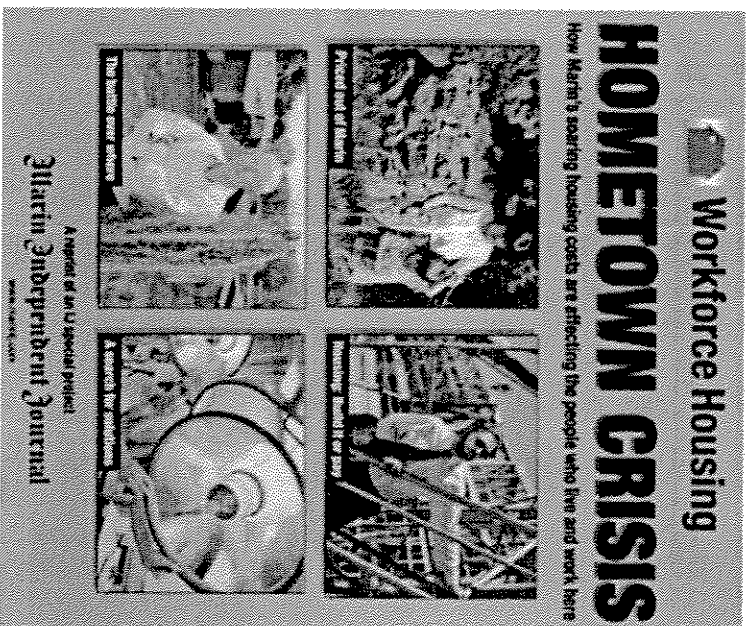


Housing is good for the Economy

The argument shifts ...

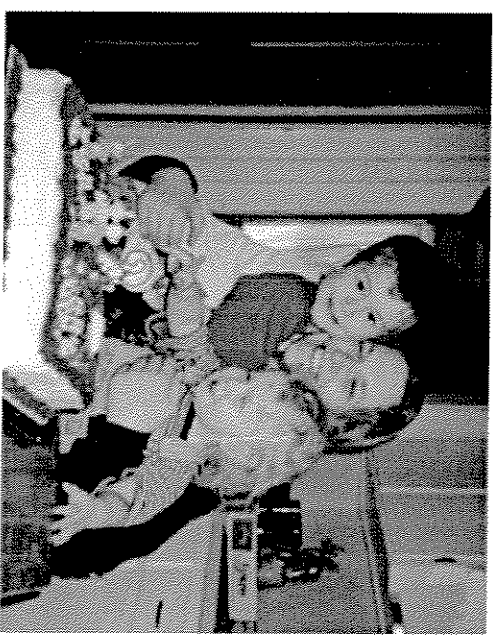


Marin County Independent
Journal covers wide impact of
housing crisis.

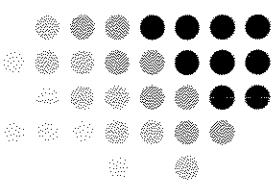


Study in Lee County, Florida documents that the need for more affordable housing costs the County more than \$249 million annually!

NAHB documents
1,000 multi-family
homes generates
1,000+ full time jobs,
\$33.5 million in
wages, and \$17.8
million in tax
revenues and fees.



Vermont Reports on Economic Benefits of Investments



Job creation: \$305 million in construction activity created 10,725 jobs.

Downtown investment: more vital downtowns increased commercial activity and tourism.

Employers: availability of housing has been a critical factor in attracting and retaining employers.



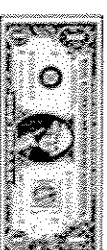
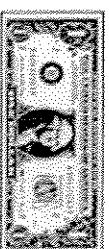
Increased revenues: taxes on wages, construction materials and property transfers; higher property taxes and increased commercial activities.

Reduced expenditures: minimizing services, infrastructure costs, and reducing transportation costs.

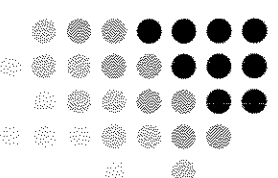
Greater local spending: stabilizing costs for housing, makes more income available for other basic needs.

Lower health costs and increased school performance: studies document increased health benefits from renovated housing and improved school performance from stable living environments.

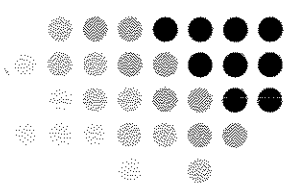
Economic Analyses



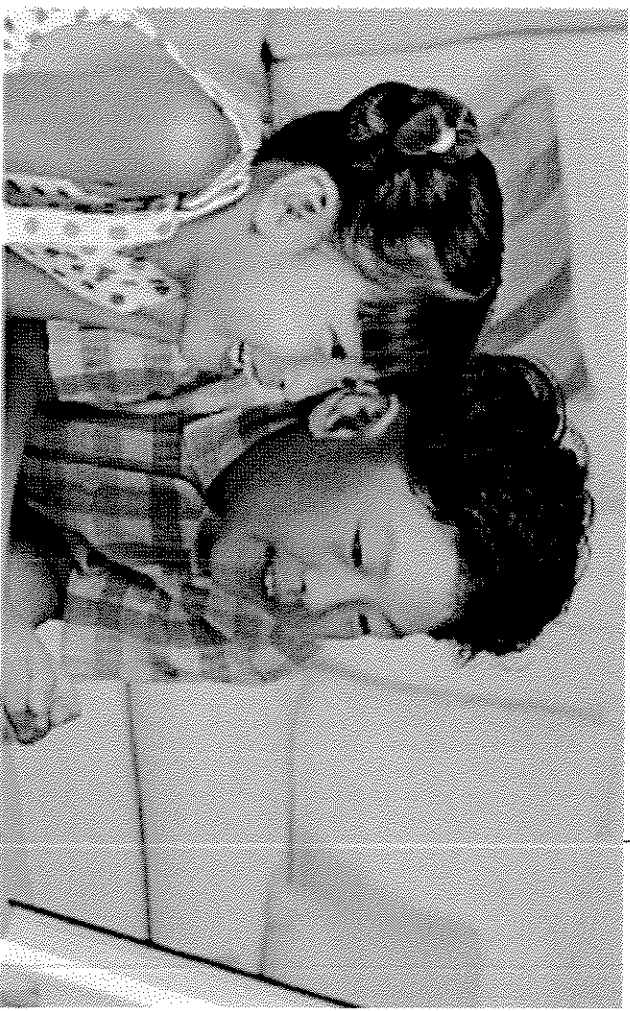
- Philadelphia's \$15 million housing trust fund will generate \$85 million in economic activity for the City (Econsult Corporation 2004 study).
- In the nation's 60 largest housing markets, administrative support, clerical occupations, and service jobs account for 1/3 of the workforce. Janitors can afford housing in only 10% of these areas; salespersons in only 5% (National Housing Conference report).
- The Twin Cities loses out on roughly \$128 million in annual consumer spending because it does not provide workforce housing and businesses lose even more (Family Housing Fund 2001 report).



Housing trust funds give affordable housing a new face

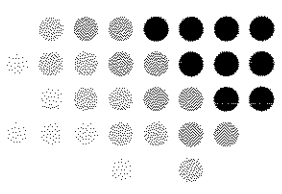


- Recognize that the most critical housing needs must be addressed.
- Incorporate sustainable housing principles: accessibility, long-term affordability, green housing.



- Leverage funding (\$1:\$5-10) bringing in additional resources to Milwaukee.

In a nearly 30 year history with housing trust funds ...



- More than **\$750 million** each year is committed to affordable housing.
- Housing trust funds have produced **hundreds of thousands** of affordable homes.



The Sustainability of Housing Trust Funds

- ❑ An on-going government commitment of public funds.
- ❑ A community-based process to create and sustain the fund.
- ❑ A component of housing policy that drives innovation and cooperation.
- ❑ A flexible model that can adapt to changing market conditions.

