



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes

MILWAUKEE HOUSING TRUST FUND OPERATIONAL CRITERIA SUBCOMMITTEE

BETHANY SANCHEZ, CHAIR

Tom Capp, Vice-Chair

Heather Dummer Combs, Rocky Marcoux, Tony Perez and Brian Peters

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

Fax: 286-3456; E-mail: lelmer@milwaukee.gov

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

Friday, May 19, 2006

9:00 AM

Room 301-B, City Hall

Meeting convened: 9:18 A.M.

1. Roll call

Members present: Bethany Sanchez, Una Van Duvall (designee for Rocky Marcoux) and Brian Peters, Heather Dummer Combs and Tony Perez

Members excused: Tom Capp

Also present: Gary Werra - Community Development Block Grant and Emma Stamps - Legislative Reference Bureau

2. Review and approval of the minutes of the May 9th meeting

Ms. Van Du Vall moved, seconded by Ms. Dummer Combs, for approval of the minutes. There were no objections.

3. Discussion and approval of the final recommendations

With regards to the Advisory Board assessing house needs on a period basis, Mr. Werra noted that every 2 years, rather than annually, would be easier for the staff. Mr. Perez thought that every 2-3 years would allow staff to follow what the market is doing. Ms. Van Duvall thought that Advisory Board should have the flexibility to extend the term to 3 years. Mr. Perez moved that an assessment of housing needs would be completed by the Advisory Board, in conjunction with the Community Block Grant Administration and the Department of City Development, for a minimum period of 2 years and a maximum period of 3 years between assessments. There were no objections.

Ms. Sanchez supported having public hearings tied to public hearings related to block grant funding, while Ms. Van Duvall and Mr. Werra cautioned that the housing trust fund reports might be overshadowed or overpoliticized amidst the block grant hearings. Ms. Dummer Combs noted that there are 2 possible public hearings related to the fund - a hearing on the assessment report and a hearing on projects which will be funded.

Ms. Sanchez asked that 5% of funds be held out for good projects that don't necessarily fit into a category. Mr. Perez noted that opportunities do occur and it would be good to be able to respond to them and would prefer that the administrative duties be handled by staff, rather than the Board. Ms. Dummer Combs noted that it will all be driven by when the funds are available and Ms. Van Duvall noted that if the fund amounts change, it will

radically affect how the Board functions.

Mr. Werra noted that staffing would need to be coordinated with community development block grant (CDBG) activities, but he would encourage having separate public hearings to highlight the fund. Ms. Sanchez would like to have staggered public hearings so developers know how much CDBG funds they will be getting.

Ms. Van Duvall moved, seconded by Mr. Perez, that administration of the fund be coordinated with CDBG administration, but the public hearings, request for proposals and allocation decisions be separate from community block grant administration (CBGA) activities. There were no objections.

Ms. Dummer Combs pointed out that the Subcommittee had not yet discussed terms of affordability for the homeless. Ms. Sanchez noted that at the last meeting the Subcommittee just voted on rehabilitation for home owners, not developer-finance and home-purchasing. Mr. Werra noted that the CBGA office can file covenants or other documents to get funds back if the home is sold.

Ms. Sanchez moved that funds would be provided for home-buying counseling, even for groups that serve over-limit income individuals, but those grant funds would not be tracked to ensure that repayment is made. Ms. Dummer Combs asked that the organization provide proof that individuals are being served and Mr. Peters amended the motion that any organization receiving funds provide proof that the organization can assist disabled individuals needing counseling, such as translation services, materials in braille, etc. There were no objections.

The Subcommittee amended its previous motion adopted on May 9th, that for homeowner-occupied units that are either developed or rehabbed (adding the "rehabbed" text) that those funds would be forgiven for home owners if the property is kept by the same owner for 5 years. This would be ensured through a deed restriction on the property to prohibit a sale following the rehabbing of the property. The Housing Trust Fund will be reimbursed the entire loan amount if the property is sold sooner than 5 years unless the property is sold to another income-eligible household as defined under the income limits set by the trust fund. There was one objection (Ms. Sanchez voting "no").

Ms. Sanchez moved, seconded by Ms. Dummer Combs, that housing for the homeless remain affordable for 50 years if trust fund dollars are used. Ms. Van Duvall and Mr. Perez feared that this would result in units that are no longer maintained as there is no incentive on the part of developers to put funds into a unit. Mr. Perez also noted that developers may not want to access fund dollars if this type of restriction exists. Ms. Sanchez felt that there is an untapped market that would be interested in developing single-room occupancy (SRO) units. Ms. Dummer Combs noted that this would also be attractive to the Housing and Urban Development agency (HUD) and so that would draw in additional funds. There was one objection (Ms. Van Duvall voting "no").

The Subcommittee moved the discussion to income limits for homeowners. Ms. Dummer Combs provided a sheet providing HUD income limits for 2006 and providing income amounts for the percent of county median income (Exhibit 1). Twenty six percent of city residents live in poverty. Ms. Dummer Combs noted that if fund dollars were opened to 80% of the county median income (CMI), then a majority of city residents would be eligible to receive funds. Ms. Van Duvall noted that this is a philosophical difference among members - those who wished to serve primarily the very poor and those who wished to serve those at the 80%-120% level to create more stable neighborhoods and

growth and development. In the field, Ms. Dummer Combs has heard support for serving the lowest income, not those individuals at the 120% level, which translates into a family of 4 earning \$80,640. She fears that if the 80%-120% market is served, then political and public support will be lost. Mr. Perez wanted to include moderate-income families which might be at a tipping point as a way to stabilize neighborhoods. Mr. Perez also noted that for Section 8 vouchers, 75% of the funds are set aside for the very poor, which creates a gap for those who do not fit those very low-income limits. Ms. Dummer Combs noted that Habitat for Humanity and the Neighborhood Improvement Project (NIP) both use 50% of the CMI for their cut-off income limit.

Mr. Werra noted that CBGA used the Census Long Form definition for "income", which does not include assets. Mr. Werra can provide members with that definition of "income". Ms. Sanchez moved that income limits for rehab for existing homeowners be set at 65%. There were no objections.

Ms. Dummer Combs moved that development (acquisition, rehab or new construction) for homeowner-occupied properties. by new owners, have income limits at 80%. There was not a vote on this motion. Mr. Werra noted that with increasing housing costs and higher purchase prices, 120% needs to be discussed as 80% is no longer enough to assist homeowners. Ms. Sanchez does not support 120% and reported that, from her work in the field, colleagues support 90% or 100%. Mr. Perez moved, seconded by Ms. Van Duvall, that development (acquisition, rehab or new construction) for homeowner-occupied properties by new owners income limits be set at 100%. There were 2 objections (Ms. Dummer Combs and Ms. Sanchez voting "no")

Ms. Sanchez moved, seconded by Mr. Perez, that income limits for rental (rehab, acquisition, new development) and homeless be at 50%. There were no objections.

Mr. Peters was concerned that income not include long-term medical costs or other fixed costs that adversely impact ones income. Ms. Dummer Combs motioned to have the Census Long Form definition of "income" be used. There were no objections. Mr. Werra will provide Ms. Elmer with a copy of the Long Form definition for distribution to all members.

Mr. Perez cautioned that the Advisory Board be provided with overall objectives and not tie them down with details. Mr. Werra suggested providing a mission statement for the Advisory Board.

The guiding principals are:

1. Reduce housing costs for low-income persons
2. Increase and maintain decent, safe and affordable housing
3. Improve accessibility

Ms. Sanchez will create the final guiding principals and distribute them for discussion at the full task force meeting on June 5th

The Subcommittee voted to award extra points for applications that include the following:

1. Projects that demonstrate the ability to leverage other funds (private and public)
2. Projects that serve the lowest income population
3. Projects that extend the length of affordability
4. Developers who will use workers from the neighborhood and/or give priority to disadvantaged business enterprise contractors
5. Projects that encourage more diverse neighborhoods and increase housing choice within neighborhoods

6. *Projects that use green building principles*

7. *Projects that 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*

Mr. Peters would like to add projects that facilitate the movement of people from institutions into the community, which the Subcommittee agreed to.

Mr. Perez noted that these points are yes or no, not ranges. If one complies, then one gets the point. Mr. Werra was hesitant as he has seen deals with leveraging with \$500 or \$7,000,000 and having to rank them equally was difficult for the CBGA department. The yes or no remains for the categories except for leveraging (using a percentage of total), lowest income and length of affordability (items #1-#3) .

Transition housing is included under the category of homeless.

4. Set next meeting date and agenda, if needed

No need for an additional meeting.

Meeting adjourned: 11:12 A.M.

Linda M. Elmer

Staff Assistant

HUD Income Limits for 2006
Milwaukee County Median Income (CMI)
Annual Income by Household Size

% of median	1	2	3	4	5	6	7	8
30%	\$14100	\$16150	\$18150	\$20150	\$21750	\$23400	\$25000	\$26600
50%	23500	26900	30250	33600	36300	39000	41650	44350
80%	37650	43000	48400	53750	58050	62350	66650	70950
100%	47000	53800	60500	67200	72600	78000	83300	88700
120%	56400	64560	72600	80640	87120	93600	99960	106440

DHHS 2006 Federal Poverty Guidelines
Annual Income by Household Size

% of poverty	1	2	3	4	5	6	7	8
100%	\$9800 (21% CMI)	\$13200 (25% CMI)	\$16600 (27% CMI)	\$20000 (30% CMI)	\$23400 (32% CMI)	\$26800 (34% CMI)	\$30200 (36% CMI)	\$33600 (38% CMI)

2004 U.S. Census data for city of Milwaukee

Poverty: 143,000 residents living in poverty (26%) – 7th highest in the nation
 Household: average size is 2.42, median income is \$31,231 (equivalent to 58% of CMI for 2)
 Family: average size is 3.22, median income is \$39,419 (equivalent to 65% of CMI for 3)

