



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD TECHNICAL REVIEW SUBCOMMITTEE

Friday, January 30, 2009

9:00 AM

Room 301-B, City Hall

Meeting convened: 9:10 A.M.

1. Roll Call

Present 5 - Kammholz, Sanchez, Madden, Gore and Peters

Also Present: Steven Mahan Director, and Mario Higgins, Community Blocks Grant Admin. and Eric Pearson, Dept. of Admin., Budget and Management Division

2. Approval of the minutes of the January 22, 2009 meeting

Mr. Peters asked that the word universal be removed from his comment on page five. There were no objections.

Ms. Sanchez moved approval of the minutes as amended, Ms. Gore seconded. There were no objections.

3. Discussion on the housing trust fund applications and the crafting of recommendations

Mr. Kammholz directed the Subcommittee members to the revised scoring sheet document that shows the list of proposed applicants and the objective scores that the City staff has computed that was e-mailed to members prior to this meeting (Exhibit 1).

Mr. Kammholz said that once the scores are completed the subcommittee members will craft the recommendations and those recommendations will be heard this afternoon by the full Housing Trust Fund Advisory Board.

Mr. Kammholz said at the January 22, 2009 Technical Review Subcommittee meeting there were questions on several of the "Rental" category projects relating to confirmation of the applicants tax credits and or on the applicants financing. He said those questions have all been answer and City staff made its decisions based on those answers.

Mr. Kammholz asked Mr. Mahan to go over each of the projects that were recommended at the January 22, 2009, Technical Review Subcommittee meeting.

Mr. Mahan replied that the United Community Center (UCC) is not a tax credit project and they have already started phase one of their project.

Mr. Kammholz said that at the last meeting there were questions relating to UCC's financial gap and asked Mr. Mahan if UCC has a financial gab and also if UCC has already broken ground?

Mr. Mahan replied that UCC has four financial donations and in his review of UCC application it financial gap has been filled. He said the UCC has not broken ground yet.

Mr. Kammholz said that Intercession and Community Advocates does not have their tax credits.

Mr. Mahan said that none of the applicants have received its tax credits let, they have all applied and WHEDA's due date for the tax credit application is February 15, 2009.

Mr. Mahan said that Community Advocates had re-done its proposal. The change was because they have applied for NSP funds.

Ms. Sanchez said she would feel more comfortable if they could consider a second round of housing trust fund awards in May of June of this year. She asked if this subcommittee could make a recommendation to the full board to have a second round this year?

Mr. Kammholz replied that May or June may be a bit too soon, but possible June or July could work. He said that is an excellent idea.

Mr. Mahan replied that that is a good idea and said that maybe the economy will change by then.

Mr. Kammholz said that the five projects in the "Rental" category that City staff is

recommending still needs their tax credit award information.

Mr. Mahan said that Gorman & Company, Silver Spring project is off the table at this time, because it didn't get its tax credits.

Mr. Mahan said the MLK received a letter that its tax credits have been syndicated.

Mr. Mahan said that documents have been received from William Passavant that they have received its tax credits and it has been syndicated at .72 cents on the dollar.

Mr. Mahan said that Lisbon Terrace LLC received their tax credits and it syndicated at .74 cents on the dollars.

Mr. Higgins said he received a letter from Bishop Creek that they have received their tax credit.

Mr. Kammholz said that Bishop Creek will need tax credits at .92 cents on the dollar to fill its financial gap.

Mr. Mahan said the Gorman & Company, Metcalfe project is not being recommended.

Mr. Higgins said that Star United left him a voice message that they had to return their tax credits.

Mr. Kammholz said that all the projects are good projects, and the return of tax credits should not eliminate an applicant from being considered.

Ms. Sanchez said when working to create the trust fund, it was stated that the applicant would need to be able to fill its financial gap and show local support.

Mr. Kammholz said that one of the reasons the 2008 funding guidelines were changed was due to the economy.

Mr. Kammholz said that subjective scoring will need to be done for UCC in the "Homelessness" category; MLK, William Passavant-Rehab, Lisbon Terrace, William Passavant-New Construction and Bishop Creek in the "Rental" category and all the projects in the "Homeownership" category, except for ACTS.

Ms. Sanchez asked why not ACTS?

Mr. Kammholz replied that ACTS did not submit its financial documents.

Mr. Mahan replied that the concerns that City staff had on the ACTS request was that it is for a revolving loan and that a mechanism would be need to be created to recycle the funds back into the housing trust fund.

Mr. Kammholz asked if one of the application requirements is that the applicant needs to submit at least three years of financial audit statements or at least the most current financial data?

Mr. Mahan replied that ACTS is a concept and doesn't operate that way currently. He said the concept is good if it could be substantiate that ACTS could run it. He also said a revolving loan fund wasn't the intent of the housing trust funds.

Mr. Kammholz asked Mr. Mahan if he received any financial data from ACTS, because in his application packet there weren't any.

Mr. Mahan replied in the negative.

Mr. Kammholz said that the committee will take a short recess so those members who have scores can give them to Mr. Higgins and he can enter and calculate them.

Recess: 9:52 A.M.

Reconvened: 10:45 A.M.

Mr. Kammholz asked Mr. Higgins to begin by giving the committee the total combined objective and subjective scores for the projects in the "Rental" Category.

Mr. Kammholz said that according to Mr. Higgins calculations, in the "Rental" category, Bishop Creek and MLK have the highest scores.

Mr. Kammholz asked if the members are comfortable with recommending partial funding for the following in the "Rental" category: Bishop Creek at \$250,000 and MLK at \$100,000.

Ms. Gore said she is comfortable with those recommendations, because of the limited funds available under that category.

Ms. Gore said that since there is \$522,550 available under the "Rental" category could the subcommittee consider recommending one more of the projects in the "Rental" category or move some of the remaining funds from the "Rental" category to say the "Homeownership"?

Mr. Kammholz replied in the affirmative. He said the funding percentages in each category are only policy guidelines.

Mr. Peters said the Passavant application says it has accessibility information attached to the application but he didn't find any.

Mr. Mahan replied that since Passavant is a RCAC and it would be regulated by HUD for accessibility requirements.

Mr. Kammholz handed out a financial summary (Exhibit 2). He gave a brief review of MLK and both the Passavant projects finances.

Mr. Mahan said Passavant project is reusing a hospital building.

Mr. Kammholz said that there are \$1.4 million of housing trust funds available and asked member to use some restraint, because if all the money available is used now there will only be \$400,000 available for the third round of funding that will take place this summer.

Mr. Kammholz moved onto the "Homeownership" category. He said there are five really strong projects under the "Homeownership" category. Those are Layton Blvd., both of the Milwaukee Community Services Corps. (Rehab and Energy Improvement) and both of the Milwaukee Habitatat for Humanity projects (Rehab and new construction).

Ms. Sanchez said that her scores for Rebuilding Together are significantly different than what has been given by other subcommittee members. She said that Rebuilding Together has a lot of accessibility improvement experience and they pay good family wages.

Mr. Peters said he put N/A as his score for Rebuilding Together accessibility improvements, because there aren't any accessibility requirements for rehab projects.

Ms. Madden said she gave Rebuilding Together one point for accessibility for the same reason Mr. Peters stated. She said gave them an N/A for family wages, because they have a large volunteer base.

Ms. Sanchez said that they should not be looking at the scores exclusively, because if something is not applicable for a project it should not be given a zero, there should be some way to compensating for not applicable items in the scoring measure.

Mr. Kammholz said that if the strength of this project isn't come through in the way it was scored, than maybe something is missing. He said he is open for suggestions on how better to determine a project's strength.

Ms. Madden said that she doesn't know any of the organizations that are submitted applications the way some of the other subcommittee members do and she can only rely on the facts stated in the application. She feels that some latitude could be given on points for certain circumstances.

Ms. Sanchez said the information on the family supporting wages is stated in Rebuilding Together's application. It says \$30 to \$80 per hour depending on the complexity of the project and that is clearly more than the \$8.64 family wage requirement.

Mr. Mahan said that none of the projects in the "Homeownership" category are ready to go yet. He said that as far as an administrative standpoint all the projects are fundable and fine. He said the scope of the projects is not definite until the organization put out its bids.

Mr. Kammholz said what they are doing now is to accept or modify the scores that have been given. He said in the end he wants an agreed upon set of scores.

Ms. Gore said all of the "Homeownership" category projects are good and strong and do able. She asked if there could be consideration given to how many requests are made per organization and limit approval to just one request per organization?

Mr. Kammholz replied in the affirmative. He said that is the way it was done in the first round of funding.

Mr. Kammholz said that under the "Homeownership" category they should consider all the projects except for Acts.

Ms. Gore recommended that all the projects in the "Homeownership" to be recommended for an award, except for those organizations that submitted more than one application in that category; those organizations should receive just one award for one of its request and that should be determined by which project is the strongest.

Mr. Kammholz replied that under the "Homeownership" category there are multiple

requests by several organizations. There are two from Milwaukee Community Services Corps. (MCSC), three from Milwaukee Christian Center (MCC) and two from Milwaukee Habitatat for Humanity.

Ms. Madden said she likes Ms. Gore's approach.

Mr. Kammholz said the MCSC rehab score is higher than its Energy Improvement project.

Ms. Sanchez said she likes the MCSC Energy Improvement project over the rehab request.

Mr. Kammholz said the subcommittee will move forward with the Energy Improvement project for MCSC and put aside the rehab project.

Mr. Mahan said that most of the "Homeownership" projects have received other City funding in 2008 and they haven't spent those 2008 funds yet. He said if those projects are award housing trust funds, those funds would just sit, because the HTF is to be use as the last dollars that would into the project. He asked that the subcommittee set some kind of time line that the housing trust funds would need to be use by.

Ms. Sanchez said she would be comfortable with putting a timeline when the housing trust funds need to be use by.

Ms. Gore said she likes the MCC Youth Build project.

Mr. Mahan replied that City staff recommends, the MCC NIP project, because the Youth Build project already received other funds for 2009.

Mr. Peters said that he would prefer MCC rehab project over the new construction, therefore, he would also recommends the MCC NIP project.

Mr. Kammholz said that the Habitatat New Construction project rated higher than the Habitatat Rehab project.

Mr. Higgins replied that Habitatat does a good job in what ever they do, whether its new construction or rehab.

Ms. Madden said she feels that there is a critical need for rehab over new construction in the City.

Mr. Kammholz said the consensus is that the Habitatat's rehab project will be considered over its new construction project.

Mr. Kammholz said that the remaining three projects are: Layton Blvd. West, Rebuilding Together and the Dominican Center.

Ms. Gore recommended that all three of those be funded.

Ms. Madden suggested that they consider partial funding awards for the projects in the "Homeownership" projects.

Ms. Sanchez said that there is also 15% of housing trust funds that was put aside to be use at the digression of the Board.

Ms. Sanchez moved and Ms. Gore seconded to approve all the projects in the "Homeownership" category at the requested amounts.

Ms. Madden said she has concerns with that motion, because it is a vast chunk of the housing trust funds, which doesn't have funds being added into it, and it would be a lot of projects to manage.

Mr. Kammholz said that he has concerns with putting too much of the housing trust funds out there at one time.

Mr. Mahan said he is on the review team for the City's 2010 budget and he doesn't think there is going to be city funds for the housing trust fund in 2010.

Mr. Mahan said most of the applicants are not going to spend these housing trust fund allocations, because these groups are currently being funded by other sources and they haven't spent those funds yet.

Mr. Mahan said that the members should keep in mind that the projects will have to follow city code, pull permits and be code compliant.

Mr. Mahan said that Rebuilding Together has never received any type of funding by City.

Ms. Gore said they need to allow new groups to come in and be funded.

Ms. Sanchez said that Rebuilding Together and the Dominican Center should be recommended at their requested amounts and that it is made clear to those applicants the city expectation regarding the code compliance requirements.

Mr. Kammholz said that there is a motion on the floor and he is going to vote no on the Rebuilding Together and the Dominican Center project recommendations.

A motion was made by Ms. Sanchez and seconded by Ms. Gore to approve Layton Blvd. West Neighbors at \$14,000, Milwaukee Community Services Corp. at \$33,200, Rebuilding Together Greater Milwaukee at \$75,000, Milwaukee Habitatat at \$100,000, Milwaukee Christian Center \$126,000 and Dominican Center for Women, Inc. at \$147,000 in the Homeownership category (Total \$495,570). There were three ayes and one no. Mr. Kammholz voted no, Ms. Madden excused.

A motion was made by Ms. Gore and Ms. Sanchez to approve United Community Center at \$75,000 in the Homelessness Category. There were no objections.

A motion was made by Ms. Gore and seconded by Ms. Sanchez to approve the MLK Econ. Dev. Corp. at \$100,000 and Bishop Creek at \$250,000 in the Rental Category. There were no objections.

Total project awards: \$920,570.

4. Next meeting date, time and agenda

No future meeting date was set.

Meeting adjourned: 12:04 P.M.

**Terry J. MacDonald
Staff Assistant**

Applicant	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
CATEGORY: HOMELESSNESS																						
United Community Center	ACDA (6th and Scott Streets)	1			\$75,000	15	15	2	0	0	0	0	0	0	0	0	0	0	0	0	33.0	\$200,000 of yet to be identified grants needed to close gap With ITIF, project still needs \$300,000 to \$400,000 in additional proceeds No WIHEDA Tax Credit Award, County commitment (\$500,000) pending
Intercession, Inc	Andrea's Place Transitional House 3280 N 7th Street	6			\$150,000	0	15	1	-5	-5	0	0	0	0	0	0	0	0	0	0	7.0	
Community Advocates, Inc.	Autumn West Apartments	26			\$350,000	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6.0	
Total:		0	33	0	\$575,000																	
Amount Available	\$373,250																					
Amount Requested	\$575,000																					
Balance	(\$201,750)																					

Applicant	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	
CATEGORY: RENTAL																							
Gorman & Company	Silver Spring Square Apts (5513 N. Hopkins St)	48			\$175,000	10	12	1	1	3	0	0	0	0	0	0	0	0	0	0	0	32.0	Rent to own project Project completed per DCD annual report No WIHEDA Tax Credit Award, Rent to own project No WIHEDA Tax Credit Award Rent to own project, should be in rental category **No tax credits No WIHEDA Tax Credit Award WIHEDA Tax Credit Award, No Equity Commitment
MLK Econ. Dev. Corp	King Drive Commons III (2735 MLK Dr.)	24			\$200,000	12	12	1	1	3	0	0	0	0	0	0	0	0	0	0	0	33.0	
William A. Passavant RCAC LLC	William A. Passavant RCAC (2195 W. State St.)	24			\$226,000	12	12	1	1	1	0	0	0	0	0	0	0	0	0	0	0	28.0	
Lisbon Terrace LLC	Lisbon Terrace (2704 W. Lisbon Ave.)	24			\$250,000	12	12	1	1	1	0	0	0	0	0	0	0	0	0	0	0	31.0	
William A. Passavant RCAC LLC	William A. Passavant RCAC (12195 W. State St.)	28			\$250,000	12	12	1	1	1	0	0	0	0	0	0	0	0	0	0	0	31.0	
Bishop's Creek	Bishop's Creek Family Housing (4763 N 32nd St)	55			\$500,000	12	10	10	2	3	0	0	0	0	0	0	0	0	0	0	0	41.0	
Gorman & Company	Metalife Park Homes (scattered site)	30			\$180,000	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15.0	
Layton Blvd West Neighbors	Silver City Townhomes	20			\$200,000	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15.0	
Volunteers of America National Services	Shiloh Manor (3418 N. MLK Dr.)	45			\$250,000	9	15	1	5	2	0	0	0	0	0	0	0	0	0	0	0	33.0	
Star United Townhomes, LLC	New Construction Empowerment Village (525 W. Lincoln Ave.)	24			\$302,000	15	15	10	3	5	0	0	0	0	0	0	0	0	0	0	0	53.0	
Our Space Inc.	Empowerment Village (525 W. Lincoln Ave.)	30			\$350,000	0	15	10	2	5	0	0	0	0	0	0	0	0	0	0	0	32.0	
Midwest Affordable Housing Corp	Prince Hall Village	60			\$500,000	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9.0	
Total:		76	336	0	\$3,383,000																		
Amount Available	\$522,550																						
Amount Requested	\$3,383,000																						
Balance	(\$2,860,450)																						

Applicant	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	
CATEGORY: HOMEOWNERSHIP																							
Layton Blvd West Neighbors	LJBN Turnkey Renovations	2			\$14,000	0	15	1	3	3	0	0	0	0	0	0	0	0	0	0	0	26.0	Add 20 additional homes to program. Add x7 additional homes to program. Need verification of other sources
Milwaukee Community Service Corps	Rehab & New Construction	5	5		\$33,200	12	0	15	5	5	0	0	0	0	0	0	0	0	0	0	0	37.0	
Milwaukee Community Service Corps	Energy Improvement		4		\$33,750	12	0	15	5	5	0	0	0	0	0	0	0	0	0	0	0	37.0	
Milwaukee Christian Center	Youth Build Project (multiple locations)	1			\$40,000	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9.0	
Milwaukee Christian Center	Handicap Accessibility Project	16			\$66,000	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3.0	
Milwaukee	Rebuilding Together Greater Milwaukee	20			\$75,000	3	15	0	2	0	0	0	0	0	0	0	0	0	0	0	0	28.0	
ACTS Community Development Corporation	Owner occupied rehabilitation	68			\$100,000	12	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27.0	
Milwaukee Habitat for Humanity	Rehab	10			\$100,000	3	15	10	1	1	0	0	0	0	0	0	0	0	0	0	0	31.0	
Milwaukee Christian Center	Neighborhood Improvement Project (multiple locations)	5			\$126,000	9	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24.0	
Dominican Center for Women, Inc.	Owner occupied rehabilitation	12			\$147,000	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3.0	
Milwaukee Habitat for Humanity	New Construction	25			\$200,000	9	15	5	5	0	0	0	0	0	0	0	0	0	0	0	0	39.0	
Total:		85	31	57	\$934,950																		
Amount Available	\$373,250																						
Amount Requested	\$934,950																						
Balance	(\$561,700)																						

TOTAL ALL CATEGORIES		TOTAL ALL UNITS
Amount Available	\$1,269,050	161 400 57
Amount Requested	\$4,892,950	
Balance	(\$3,623,900)	

Total Leveraged: \$72,625,292

Footnotes: (a) Formal appraisal was not provided, written estimate of value provided by developer.
(b)
(c)
(d)
(e)



Financial Summary

Developer	Development	Type	umber of Uni	Cost Per Unit	Dev. Fee	Proj Cost	Dev/ Proj Cos	HTF Req	HTF Leverage	Lev-Pts	
Rental											
1	Gorman & Company	Silver Spring Square Apts (5513 N. Hopkins St)	Rehab	45	130,342	680,000	5,865,391	11.8%	175,000	2.98%	15
1	MLK Econ. Dev. Corp	King Drive Commons III (2735 S. MLK Dr.)	New	24	222,661	710,068	5,343,854	13.3%	200,000	3.74%	12
1	William A. Passavant RCAC LLC	William A. Passavant RCAC (2195 W. State St.)	New	24	396,789	1,015,000	9,522,938	10.7%	476,000	5.00%	12
1	Lisbon Terrace LLC	Lisbon Terrace (2704 W. Lisbon Ave.)	New	24	249,732	782,000	5,993,567	13.0%	250,000	4.17%	12
1	William A. Passavant RCAC LLC	William A. Passavant RCAC (2195 W. State St.)	Rehab	28	340,105	1,015,000	9,522,938	10.7%	476,000	5.00%	12
1	Bishop's Creek	Bishop's Creek Family Housing (4763 N. 32nd St)	New	55	186,273	1,000,000	10,245,040	9.8%	500,000	4.88%	12
1	Gorman & Company	Metcalfe Park Homes (scattered site)	New	30	200,551	571,000	6,016,516	9.5%	180,000	2.99%	15
1	Layton Blvd West Neighbors	Silver City Townhomes	New	20	262,628	659,682	5,252,560	12.6%	200,000	3.81%	15
1	Interiors of America National Services	Shiloh Manor (3418 N. MLK Dr.)	New	45	146,276	817,157	6,582,399	12.4%	250,000	3.80%	15
1	Star United Townhomes, LLC	Townhomes New Construction	New	24	252,079	775,000	6,049,900	12.8%	302,000	4.99%	15
1	Our Space Inc.	Empowerment Village (525 W. Lincoln Ave.)	New	30	186,304	575,797	5,589,105	10.3%	350,000	6.26%	9
1	Midwest Affordable Housing Corp.	Prince Hall Village	New	60	132,527	851,000	7,951,607	10.7%	500,000	6.29%	9
Homeless											
1	United Community Center	AODA	New	1	750,000	-	750,000	0.0%	75,000	10.00%	15
1	intercession	Andrea's Place	New	6	151,389	-	908,335	0.0%	150,000	16.51%	15
1	Community Advocates	Aulurn West Apartments	New	26	219,617	577,601	5,710,045	10.1%	476,000	9.34%	6
Homeowner											
1	Layton Blvd West Neighbors	LBWN Turnkey Renovations	Rehab	2	66,000	8,000	132,000	6.1%	14,000	10.61%	9
1	Milwaukee Community Service Corps	Rehab & New Construction	Rehab	10	89,530	-	995,300	0.0%	33,200	3.71%	12
1	Milwaukee Community Service Corps	Energy Improvement	Own-Oc	4	146,938	-	587,750	0.0%	33,750	5.74%	12
1	Milwaukee Christian Center	Youth Build Project (multiple locations)	New	1	531,600	-	531,600	0.0%	40,000	7.52%	9
1	Milwaukee Christian Center	Handicap Accessibility Project	Own-Oc	16	15,313	-	245,000	0.0%	66,000	26.94%	3
1	Building Together Greater Milwaukee	Owner occupied rehabilitation	Own-Oc	20	11,650	-	233,000	0.0%	75,000	32.18%	3
1	Community Development Corporation	Owner occupied rehabilitation	Rehab	68	28,267	-	1,922,170	0.0%	100,000	5.20%	12
1	Milwaukee Habitat for Humanity	Rehab	Rehab	10	54,000	-	540,000	0.0%	100,000	18.52%	3
1	Milwaukee Christian Center	Neighborhood Improvement Project (multiple locations)	Own-Oc	5	314,140	-	1,570,700	0.0%	126,000	8.02%	9
1	Dominican Center for Women, Inc.	Owner occupied rehabilitation	Own-Oc	12	24,546	-	294,555	0.0%	147,000	49.91%	3
1	Milwaukee Habitat for Humanity	New Construction	New	25	83,000	-	2,075,000	0.0%	200,000	9.64%	9

