

Funding Guidelines for 2007 Housing Trust Fund Project Awards

Funding

Funding for the 2007 Housing Trust Fund project awards consists of \$2.5 million in capital budget authority. Capital budget authority for City projects is available for up to four years – 2007 through 2010. It is assumed that any capital authority remaining after the 2007 project awards will be available for subsequent years (2008 through 2010). Consistent with the City's capital guidelines, the \$2.5 million Housing Trust Fund capital authority will be used for capital-type projects, not operating activities. Debt issued for projects authorized under the \$2.5 million capital authority will be supported by the City's tax levy for debt service, barring the availability of other identified funding sources. The City, at its option, may choose to substitute up to \$400,000 in tax levy in the 2008 budget 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. **2007 Housing Trust Fund consisted of only public funds.**

Project Scoring

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 in its sole discretion.

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.

*Projects that receive a funding allocation that will be applying for Section 42 tax credits in 2008 and are not awarded tax credits may not retain their preliminary allocation.

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.