



# City of Milwaukee

200 E. Wells Street  
Milwaukee, Wisconsin  
53202

## Meeting Minutes

### HOUSING TRUST FUND ADVISORY BOARD TECHNICAL REVIEW SUBCOMMITTEE

**CRAIG KAMMHOLZ, CHAIR**

*Cecelia Gore, Cathie Madden, and Bethany Sanchez*

*Staff Assistant, Terry MacDonald*

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Tuesday, November 6, 2007

2:30 PM

Room 301-A, City Hall

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#### Meeting convened: 2:39 P.M.

**Present** 3 - Kammholz, Sanchez and Gore

*Also present: Steven Mahan-Director-Department of Administration-Community Block Grant Administration, Mr. Garry Werra-Department of Administration-Community Block Grant Administration, Tom Gartner-Assistant City Attorney, Brian Peters and Vincent Lyles*

#### 1. Approval of the minutes of the May 31, 2007 meeting

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

#### 2. Review of the housing trust fund applications and creation of recommendations

*Mr. Kammholz said that the Community Development Grants Administration received twenty one applications. He said three of those applications fit into the homeless category, five in the homeownership category and thirteen in the rental category. He said they would not be making recommendations today, but they will start going over the applications to set some ground rules.*

*Mr. Kammholz said one of the things this committee needs to do first is to setup some broad policy guidelines as to how the trust fund is going to work. He then handed out a list of Policy Guidelines Areas (Exhibit 1) to committee members for review and discussion. He said the Housing Trust Fund legislation is somewhat unclear as to how the projects are going to be funded. He referred to the hand out and said he has listed three policy areas that he thinks this subcommittee should make a statement, that would say that this committee will assume this would be the case, unless there is new legislation that would otherwise clarify how the Housing Trust Fund will work. He said he anticipates that new legislation will be forthcoming either from Ald. Murphy or from the administration. He said that as safe guard for this committee right now, it should have it laid out before any recommendations are made. He then explained each of the following items listed in the handout:*

- 1) Operation of HTF - Capital for projects, revenue sources to repay debt?  
Operation of HTF - Leveraging private sources of public funds only?

*Ms. Gore said that she thought the organizations would identify their outside funding leveraging.*

Mr. Kammholz replied that he put that on the list so that the subcommittee members could give some feedback on the leveraging of funds. He said it was brought up by Mr. Lyles that the asset pool of public monies could be leveraged by banks and other private institutions.

Ms. Sanchez asked why does the allocation of monies matter to this subcommittee?

Mr. Kammholz replied that it should matter to this subcommittee, because this subcommittee should be certain as to how the housing trust fund is going to operate. He said that he hopes to get this all fleshed out between now and the next subcommittee meeting.

Ms. Gore said it wouldn't change the recommendations.

Mr. Kammholz continued by explaining item #2. - Use of capital funds for projects.

Ms. Gore said she recalls at a previous Housing Trust Fund Advisory Board (HTAFAB) meeting at which it was concluded that the first round of funds would be use for bricks and mortar projects.

Mr. Kammholz continued by explaining item #3 - Assessment of projects with other city funds already committed.

Mr. Kammholz asked the subcommittee members to review the above three areas and email any ideas. He said he would put together a list of ideas for discussion at the next Housing Trust Advisory Board Technical Review Subcommittee (HTFABTRS) meeting.

Mr. Kammholz said that Ms. Gore is replacing Mr. Soika, because he removed himself from this subcommittee due to his Ethics Board opinion. He then asked each member who received an Ethics Board opinion to submit a copy of it to the Community Development Grant Administration (CDGA) Director before the next meeting.

Mr. Kammholz asked if the members would like to go through the scoring sheet?

Ms. Gore asked who will do the scoring?

Mr. Mahan said the HTFAB said it did not want the staff to do the scoring.

Mr. Kammholz asked each member to review the applications and prepare a draft scoring sheet for each of the applications and to bring those back to the next subcommittee meeting for discussion.

Mr. Kammholz asked Mr. Mahan to explain the scoring sheet.

Mr. Mahan explained the scoring sheet.

Mr. Kammholz asked Mr. Mahan to supply the scoring for the cost section of the scoring sheet.

Mr. Mahan explained the EBE requirement and said that it will be monitored by the office of the Emerging Business Enterprise (EBE). He said that due to past practices the office of the EBE will know some of the individuals already and will be able to offer some

recommendations.

Ms. Sanchez said that they need to talk about what is meant by "Neighborhood Diversity", "Green Building Principles", etc. listed on the scoring sheet, because after reading some of the applicant's responses; it seems that some of the applicants may not have understood what was being asked.

Ms. Gore said that they should decide what they are looking for as far as diversity in housing choices; will it be within a neighborhood or are they looking for race.

Mr. Mahan said they are looking for the diversity in housing choices in a neighborhood.

Ms. Sanchez said that it is stated in the legislation.

Mr. Kammholz proposed that each member score each of the applications and then come back to the next meeting for discussion and comparison of the scoring sheets. He said they could also score the applications together at the next committee meeting and ask what is the pleasure of the subcommittee members.

Ms. Gore said she would like to discuss and score the applications together at the next meeting.

Ms. Sanchez said that she likes the idea of each member drafting a scoring sheet for each application and then bring them back for discussion and comparison.

Mr. Kammholz said that the CDGA will provide the scoring numbers for the first five items on the scoring sheet for each of the application and the rest of the items are considered subjective and the scoring for all those will be done by the Subcommittee members.

Ms. Sanchez said she thought the scoring sheet was to be used in addition to other factors, because this scoring sheet doesn't address the project readiness, etc.

Mr. Kammholz said that he agrees with Ms. Sanchez and said that prior to making any recommendations they need to address the the projects readiness, as well as the gap that is being proposed (the gap is the different between what it cost to build and what funds are available).

Ms. Gore asked if those factors could be assessed prior to making recommendations?

Mr. Kammholz replied that as he reviewed some of applications, he looked to see if the applicant had a project site and other funding in place.

Mr. Kammholz explained that because \$2.5 million is capital funds, the funds will carry over for four years, therefore, all the funds don't have to be spent in 2007, but could be spent in 2008, 2009 and then 2010 it will laps.

Mr. Mahan said that during the review process lapse, they should not look at what money is available, but what projects are ready to go. He continued by explaining that they have some individuals that have not applied for the tax credit yet, but have retained a project site.

Mr. Kammholz said the \$400,000 in the City budget for 2008 is tax levy funds and needs to be used before the end of the year of 2008.

*Mr. Werra addressed Ms. Sanchez's question about the purpose of the scoring sheet and said that the application helps to establish the feasibility of the project, such as if the zoning is in place, are the lenders committed, etc.*

*Ms. Gore encouraged the members to work with the projects that are ready to go. She said if there are projects that are not ready, but looks promising, they could be considered in the next round.*

*Ms. Gore said that they don't want to tie up funds in a project that isn't ready to go.*

*Ms. Sanchez said that she would feel more confident in supporting that suggestion if they plan to issue another RFP soon. She said that if they have to wait until next July or Aug. she would be uncomfortable with that.*

*Mr. Mahan said that when looking at the funding cycle it will never be on the Board's cycle, because such things as the WHEDA tax credit allocation is done in February and developers are currently working on their tax credit applications which are due Jan. 1. He said they don't need to push out money when the projects aren't there yet.*

*Mr. Kammholz asked Mr. Gartner if they have to rate the scoring sheet, the gap and readiness 21 times? He also asked if they could do the gap and readiness first before they did the scoring sheet?*

*Mr. Gartner replied that the applicants submitted their applications with the understanding that their applications will be scored. He asked what would the committee members consider as readiness? He also said that as far as the applicants' financing the subcommittee needs to keep in mind that the housing trust funds dollars are supposed to be the last dollars in. He said they need to be consistent with all the applications.*

*Ms. Gore asked how do they know what to look for as far as readiness?*

*Mr. Mahan replied that readiness could be determined by site control, does the applicant have a tax credit determination letter or are they just now applying and do they have a letter of commitment from a financial institution. He said they should also look at developer fees and environmental issues.*

*Mr. Gartner said that instead of looking at the applications and trying to assess the applicant's readiness, they could look at whether the project is going to begin in 2008 and then set time lines.*

*Mr. Kammholz said that he thinks that a project that would start within 12-16 months is a project that is ready to go.*

*Mr. Mahan said that there is one incomplete application and asked would this subcommittee still consider it?*

*Mr. Werra said the applicant that submitted an incomplete application did not include any of the additional required documentation.*

*Mr. Kammholz suggested that a letter be sent to the applicant, asking for the additional documents.*

*Ms. Gore said they could send a letter, but asked if the applicant didn't follow through as to what was requested why should this subcommittee be concerned.*

*Mr. Gartner said that there was a time frame set where the applications and required documents needed to be submitted by. He said if they open it up to this one applicant and allow the submission of the supplemental documentation after the fact, they will need to open it up to all the other applicants.*

*Mr. Kammholz said a letter should be sent to the applicant that their application will not be considered because the supplemental documentation was not submitted.*

*Mr. Kammholz said the goal is to come up with recommendations. He asked each member to create a draft scoring sheet for each application and to bring those back to the next subcommittee meeting. He said the subcommittee will compare and make conclusions on the gap and readiness and then from there it can come up with the recommendations for the full board.*

*Ms. Sanchez referred back to the discussion on the submission of supplemental documents by applicants and said it does seem like the one applicant who didn't submit the supplemental documents would be treated differently, since they already allowed one of the other applicant's to submit the required EBE document that was missing in its applications.*

*Mr. Gartner said that just because the EBE supplemental information was accepted doesn't mean it would get scored.*

*Mr. Kammholz said that as he was going through the applications, he found that he could use some additional information. He asked Mr. Gartner if the members could ask for additional information if need.*

*Mr. Gartner said this subcommittee could go through the initial scoring process, select the top group of applicants and then request those applicants to come in for interviews and at that time the subcommittee members could address the additional information that is needed.*

*Mr. Kammholz asked if Mr. Mahan's department could due-diligence review of the applications in a four weeks time period.*

*Mr. Mahan replied in the affirmative.*

*Mr. Lyles said WHEDA spends 90 days to review applications.*

*Mr. Gartner said that there is no requirement that says that the subcommittee has to score all twenty-one applications and make recommendations on all the funding and submit that all as one package. He said it could approve ten applications at one time. He then suggested that depending on how the process is going to work in the long term, the subcommittee could have an annual request for submission of applications and then during the initial scoring of them, take the top three in each category and submit the top application to the Common Council and defer awards for some of the additional applicants. He said they don't have to award and proceed with all of the applications on the exact same schedule.*

*Ms. Gore said that based on what she is hearing, there are so many questions about this*

process. She said she heard Mr. Mahan say that they have identified 30% of the applications that they feel are complete and ready to go. She said that it would be worth it for this Technical Review Subcommittee to work together to look at those applications, walk through each one together and score them together and that way they will see what kinds of issues emerge and then develop a process. She said that if they do the scoring individually they will bring back three different opinions.

Mr. Kammholz said he wants to go through each of the applications himself.

Mr. Kammholz said each subcommittee members should review each of the projects on their own and then have a brainstorm meeting in about four weeks and then two weeks after that have the discussion on the scoring sheets.

Mr. Mahan said he still needs the Emerging Business Enterprise Section, the Department of City Development and the Environmental Section (Dave Misky) to review the applications. He said the time line of four weeks sounds about right.

Ms. Sanchez said she would like to meet in one week to review a handful of the applications so that they are all on the same page.

Ms. Gore said she agrees with Ms. Sanchez.

Mr. Mahan explained the developers fees.

Mr. Mahan said that housing development is tough and that there are many layers to make it work, which is why his office had created another position to handle the housing trust fund.

Mr. Kammholz said they should have a meeting where they could talk about all the projects and decide which ones are most likely to have more recommendations than the others and also include in that discussion the scoring sheet, an assessment of gap, etc. and then have a subsequent meeting to come up with final recommendations.

### 3. Next meeting date and time

Next meeting date: November 30, 2007 at 2:30 P.M.

Next meeting agenda will consist of discussion on procedures and initial discussion on the applications.

Meeting adjourned: 3:58 P.M.

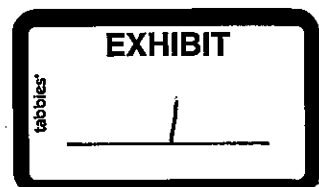
Terry J. MacDonald  
Staff Assistant

**Policy Guideline Areas**

- 1) **Operation of HTF - Capital for projects, revenue sources to repay debt?  
- Leveraging private sources or public funds only?**
- 2) **Use of capital funds for projects**
- 3) **Assessment of projects with other city funds already committed**

**Guidelines should be in place prior to recommendations from tech committee.**

**CDK - 11-7-07**



ATTACHMENT C

CITY OF MILWAUKEE HOUSING TRUST FUND  
Scoring Point System - Final Draft Recommendation

	Max 100 Pt Scale(a)	
	Point Range	Max Points
<b>Expendable Dollars</b>		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	
<b>Income Targets - Please Use Attached Chart</b>		15
# of units with residents up to 50% of income target	15	
# of units with residents between 51% and 70% of income target	12	
# of units with residents between 71% and 75% of income target	9	
# of units with residents between 76% and 85% of income target	6	
# of units with residents between 86% to 100% of income target	3	
<b>Affordability Period</b>		10
Meets HTF Affordability Period (Required - Zero Points)	0	
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	
<b>Use of City of Milwaukee (resident) workers (Total Project)</b>		5
Less Than 18% Milwaukee (resident) workers	0	
18% Milwaukee (resident) workers	1	
24% Milwaukee (resident) workers	2	
30% Milwaukee (resident) workers	3	
36% Milwaukee (resident) workers	4	
More than 36% Milwaukee (resident) workers	5	
<b>Use of City, County, or State EBE (Total Project)</b>		5
Less Than 18%	0	
18% EBE	1	
24% EBE	2	
30% EBE	3	
36% EBE	4	
More than 36% EBE	5	
<b>Neighborhood Diversity</b>		5
Project Increase neighborhood diversity in housing choices	5	
<b>Green Building Principles</b>		5
Project Utilizes Green building Principles	5	
<b>Coordination with Community Institutions</b>		5
Project is Coordinated with Community Institutions	5	
<b>Community Integration</b>		5
Move persons from institutions to community	5	
<b>Family Supporting Wages (applies to entire project)</b>		5
Vendor/Contractor pays employees a minimum of \$8.25 to \$10.25 per hour	1	
Vendor/Contractor pays employees a minimum of \$10.26 to \$12.25 per hour	2	
Vendor/Contractor pays employees a minimum of \$12.26 to \$14.25 per hour	3	
Vendor/Contractor pays employees a minimum of \$14.26 to \$16.25 per hour	4	
Vendor/Contractor pays employees a minimum of \$16.26+ per hour	5	
<b>Experience</b>		10
Agency experience with same type/similar project	5	
Staff experience with same type/similar project	5	
<b>Accessibility Improvements or Modifications</b>		5
Meets Minimum Standards	1	
Exceeds Minimum Standards	5	
<b>Service Partners (b)</b>		5
Provision of services on site w/out use of HTF \$	5	
<b>Construction Financing</b>		5
Construction Loan is Firmly Committed	5	
Construction Loan is Conditionally Committed	2	
Construction Loan is not Identified	0	
<b>Proposal Meets Community Needs (Subjective)</b>		15
TBD by Reviewer	0-15	
<b>Total Points</b>		100

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

(a) 100 point maximum applies to projects requiring on-site services such as Shelter + Care. Maximum points available for all other projects is 95.

(b) Only applies to projects requiring on-site services such as Shelter + Care

**EXHIBIT**

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