



**METROPOLITAN MILWAUKEE
FAIR HOUSING COUNCIL**

WILLIAM R. TISDALE, PRESIDENT AND CEO

600 E. MASON STREET, SUITE 200
MILWAUKEE, WI 53202
PHONE: 414-278-1240
FAX: 414-278-8033
WWW.FAIRHOUSINGWISCONSIN.COM

April 4, 2007

Alderman Robert Bauman
City of Milwaukee
200 East Wells Street, Room 200
Milwaukee, WI 53212

Dear Alderman Bauman:

The Metropolitan Milwaukee Fair Housing Council (MMFHC) has been ensuring fair housing rights for 30 years. In 1977 patterns of racial and economic segregation and widespread discrimination in the housing market prompted 40 citizens to organize the Fair Housing Council. Our mission is to promote fair housing throughout the State of Wisconsin by guaranteeing all people equal access to housing opportunities and by creating and maintaining integrated housing patterns.

Thank you for the opportunity to weigh in on the need for more effective TIF policy in the City, particularly as it relates to affordable housing. The shortage of affordable housing in the City may not appear to be a fair housing issue on its face. However, the negative impact that this lack of affordability has, particularly on persons with disabilities, people of color; families with children and the elderly cannot be ignored. Milwaukee's, as articulated by the Milwaukee Housing Trust Coalition, need for affordable housing for its residents is compelling:

- 14,000 households are living overcrowded conditions, a 76% increase since 1980.
- 39% of renters spend greater than 30% of their income on rent.
- 20% of renters spend more than 50% of their income on rent.
- As the need for affordable housing is increasing, the resources in CDBG and HOME programs are decreasing.

The City of Chicago requires that 20% of residential units in a TIF are affordable to low and moderate-income families. To date, this policy has produced 1,832 units. In addition, Chicago TIF policy requires a Housing Impact Study in TIF requests. The Study is designed not only to identify the effect of the TIF on existing housing, but also to require the City to submit a plan for relocating affected residents.

Another intriguing aspect of Chicago's TIF policy, addresses gentrification and displacement concerns. Long-time residents of a neighborhood in a TIF district may find that with rising property values they can no longer afford their property taxes. This program within their TIF policy makes

low interest loans to homeowners to help them pay their property taxes. Homeowners don't have to pay back the loan until they sell their home. The assumption is that their home appreciation will pay back the amount of the loan.

In the City of Milwaukee: Analysis of Impediments to Fair Housing, written by MMFHC, one of the recommendations states: *The City should be more assertive in its use of TIF to create more affordable housing units. TIF approval evaluation criteria could prioritize residential development projects that include affordable housing.*"

MMFHC suggests that the City of Milwaukee implement a policy in which twenty percent of the housing units in any residential project requesting tax incremental financing are required to be *affordable*. The attached sheet defining affordable housing for both rental and homeownership markets, or the definition used for the City's Housing Trust Fund should be used for guidance.

Thank you again for your consideration.

Regards,

A handwritten signature in cursive script that reads "Kori A. Schneider".

Kori A Schneider

Program Manager, Community and Economic Development Program

Definition of Affordable Housing

Income Ranges

Family Size	1	2	3	4
50% MFI	\$23,500	\$26,900	\$30,250	\$33,600
80% MFI	\$37,650	\$43,000	\$48,400	\$53,750
100% MFI	\$47,000	\$53,800	\$60,500	\$67,200
120% MFI	\$56,400	\$64,560	\$72,600	\$80,640

Note: These incomes are based on incomes calculated by the Federal Housing Finance Board for HUD.

Maximum Monthly Housing Costs

	1	2	3	4
50% MFI	\$588	\$673	\$756	\$840
80% MFI	\$941	\$1,075	\$1,210	\$1,344
100% MFI	\$1,175	\$1,345	\$1,513	\$1,680
120% MFI	\$1,410	\$1,614	\$1,815	\$2,016

Note: Housing costs should be no higher than 30% of a person/family's income. This is an established standard defining affordability. Housing costs include:

Renters: rent and heat

Homeowners: mortgage principal and interest, taxes, insurance

Affordable Rental Housing in the PERC

Rents range from \$588 to \$1,344 (assuming heat is included).

	1	2	3	4
50% MFI	\$588	\$673	\$756	\$840
80% MFI	\$941	\$1,075	\$1,210	\$1,344
100% MFI	\$1,176	\$1,346	\$1,512	\$1,680
120% MFI	\$1,410	\$1,614	\$1,815	\$2,016

Affordable Homeownership in the PERC

Housing sale prices range from \$115K for a studio/one bedroom to approx. \$271k for a 3 bedroom. Does not include heat.

	1	2	3	4
50% MFI	\$51,685	\$66,785	\$81,900	\$96,995
80% MFI	\$115,235	\$139,270	\$162,925	\$181,165
100% MFI	\$157,130	\$181,200	\$203,775	\$226,480
120% MFI	\$190,095	\$217,550	\$244,720	\$271,795

Source: www.mortgage101.com