

**LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS**

**ZONING, NEIGHBORHOODS AND DEVELOPMENT COMMITTEE**

**JANUARY 29, 2008**

**Item 9, File #071307**

File Number 071307 is a resolution approving the awarding of \$1,407,000 from the Housing Trust Fund to 5 organizations for various affordable housing projects.

**Background**

1. On November 14, 2006, the Common Council adopted File Number 041537, the ordinance creating the City of Milwaukee's Housing Trust Fund.
2. The purpose of the Housing Trust Fund is "to support developers and governmental entities in the acquisition, construction, rehabilitation and modification of affordable and accessible housing for low-income households, and to finance support services that assist low-income households in obtaining and maintaining affordable housing" (s. 316-1, MCO).
3. The Community Development Grants Administration division of the Department of Administration ("CDGA") is responsible for administering the Housing Trust Fund, including soliciting and reviewing requests for funding. The 13-member Housing Trust Fund Advisory Board evaluates funding requests and makes recommendations to the Common Council after the requests have been reviewed by CDGA.
4. The financing and operational characteristics of the Housing Trust Fund, adopted by Common Council File Number 060071, provide that Housing Trust Fund dollars shall be awarded in 3 categories:
  - a. Housing and services for persons who are homeless (targeted to receive a minimum of 25% of available funds).
  - b. Development or rehabilitation of affordable rental housing (target: a minimum of 35%).
  - c. Creation or maintenance of home ownership activities (target: a minimum of 25%).
5. The 2007 Budget included \$2.5 million in general obligation borrowing authority to fund the Housing Trust Fund. The 2008 Budget provides an additional \$400,000 in tax levy funding for the Housing Trust Fund.

**Discussion**

1. In September, 2007, CDGA issued requests for proposals for projects to be supported by the first round of Housing Trust Fund awards. Twenty-one funding requests totaling over \$5.6 million were received by the October 10 deadline.

2. CDGA staff and the Housing Trust Fund Advisory Board's Technical Review Subcommittee both reviewed the funding applications. Applications were evaluated in terms of several scoring criteria, including the amount of funds being leveraged, the degree of income targeting, the period of affordability of the project, the use of City residents or EBE firms in construction and the applicant's experience in developing housing.
3. The Technical Review Subcommittee recommended 5 projects totaling \$1,407,000 for funding. These recommendations were approved by the full Housing Trust Fund Advisory Board at its January 18, 2008, meeting.

4. The projects recommended by the Housing Trust Fund Advisory Board for funding are:

Housing for the Homeless

Mercy Housing Lakefront \$750,000 to develop 46 new housing units in the former Johnston Community Health Center, 1230 W. Grant Street.

Rental Housing

St. Catherine's Residence \$264,000 for a 46-unit expansion to a residence for women at 1018 E. Knapp Street.

Heartland Housing/Guest House \$125,000 for rehabilitation of 24 apartments at 1218 W. Highland Avenue.

United Methodist Children's Services \$200,000 for construction of 24 new apartments at 3940 W. Lisbon Avenue.

Home Ownership

Milwaukee Christian Center \$68,000 for construction of 4 new homes for low-income homebuyers.

**Fiscal Impact**

Approval of the funding requests in this resolution will reduce the balance in the Housing Trust Fund by \$1,407,000, to \$1,493,000 (\$1,093,000 remaining from 2007 Budget allocation plus \$400,000 in 2008 Budget).

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