



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD TECHNICAL REVIEW SUBCOMMITTEE

Craig Kammholz, Chair
Joanne Passaro, Brian Peters

Staff Assistant, Joanna Polanco
Phone: (414) 286-2366, jpolan@milwaukee.gov

Friday, February 5, 2010

9:00 AM

Port of Milwaukee, Conference Room
2323 S. Lincoln Memorial Dr.

Meeting convened: 9:05 A.M.

1. Roll call

Present 2 - Peters and Kammholz

Excused 1 - Sanchez

Also present: Mr. Steven Mahan and Mr. Mario Higgins, Community Development Grants Admin. and Ms. Niki Purvis, Emerging Business Enterprise Program (EBE)

2. Review and approval of the minutes of the January 15, 2010 meeting

Mr. Peters moved approval of the minutes, Mr. Kammholz seconded. There were no objections.

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

Mr. Kammholz referred subcommittee members to the scoring sheet provided by Mr. Higgins that shows the list of proposed applicants and the objective scores that City staff computed (Exhibit 1).

Mr. Kammholz said that once the scores are compiled, the subcommittee members will craft the recommendations and those recommendations will be heard by the full Housing Trust Fund Advisory Board at its meeting scheduled for February 11, 2010.

Mr. Kammholz said the total amount of housing trust funds available that this subcommittee has to allocate is \$926,250. He said they do not have enough funds to award all of the applicants' requests and they will need to be cautious and strategic in their approach to awarding the funds.

Mr. Kammholz said the next step that is needed is to combine all the committee members' subjective scores with the objective scores for each of the applications.

Mr. Kammholz said in the Homelessness category there is only one application and it will not be considered, because it did not meet the minimum standards.

Mr. Peters said that there were two applications in the rental category that he felt could be considered under the Homelessness category. Those two applicants are Center for Veterans and Our Space.

Mr. Mahan replied that Center for Veterans and Our Space could potentially be considered under the homelessness category.

Mr. Kammholz handed out a letter prepared by the Comptroller (Exhibit 2) to the Zoning, Neighborhood and Development committee regarding the TID #44, Franklin Square Project. He said he is providing members with a copy of that letter to be used as an example, for what the members of this subcommittee should be looking for when considering award amounts for the projects under the rental category.

The subcommittee members discussed their subjective scores for the following seven applications under the rental category:

*Center for Veterans Issues, Veterans Manor
Hartland Housing, Inc.
Hedwig House
Layton Blvd. West Neighbors – Silver City
Northwest Side CDC, Villard Square
Our Space, Inc.
United Methodist Children's Services (UMCS)*

Mr. Mahan said that Hartland housing may receive disaster recovery funding.

Mr. Kammholz said there are three applications under the rental category that may receive disaster recovery funding. Those three are Center for Veterans, Hartland housing and Northwest Side CDC-Villard Square.

Mr. Mahan said he will know by next week if any of those three projects will receive disaster recovery funds.

Mr. Peters said that they should still score those three applications and if they receive disaster recovery funding they can remove them from the award recommendation list.

Mr. Kammholz said his concern with Layton Blvd's application is that their developer fees are too high. Their developer fees are at 12.7 percent of the project cost and if the applicant could get their developer fees under 10 percent they could begin their project without housing trust fund assistants.

Mr. Mahan said the alderman where the Layton Blvd project is located has imposed additional landscaping requirements and that could add cost to the project, but the brick and mortar part of the project is ready to go.

Mr. Kammholz said Our Space is requesting \$750,000 to fill their financing gap, which is quite a large request and their developer fees are 8.1 percent. He said that the housing trust fund can not recommend an award for that high of an amount for one project.

Mr. Kammholz said that UMCS has not received its tax credits yet and they will not

begin their project until next year. He said they should come back for the next round of housing trust fund awards.

Recess taken at 10:29 A.M.

Reconvened: 10:45 A.M.

Mr. Higgins combined each of the subcommittee members' subjective scores with the objective scores and announced the final scores for each of the applicant's under the Rental category as follows:

Center for Veterans Issues, Veterans Manor – 84.5

Hartland Housing, Inc. - 78

Our Space, Inc. - 71.5

United Methodist Children's Services – 71

Layton Blvd. West Neighbors – Silver City – 67.5

Northwest Side CDC, Villard Square – 65.3

Hedwig House – 29.5

Mr. Kammholz said that they should recommend the top two highest scores, with no dollar amounts at this time.

Mr. Kammholz said he wished that Our Space, Inc. would have scored higher, because it is a good project.

Mr. Kammholz asked Mr. Mahan to give an overview of each of the projects under the Homeownership category.

Mr. Mahan said Layton Blvd. is a foreclosure-based project, but the foreclosure funds that recently became available are not available for non-profit foreclosure services.

Mr. Kammholz asked if any of the applicants in the Homeownership category are receiving any foreclosure funding?

Mr. Mahan replied that Habitat should be taken off the list, because it received 6 million dollars in foreclosure funding.

The subcommittee members discussed their objective scores for the following six applications under the Homeownership category:

Layton Blvd. West Neighbors

Milwaukee Christian Center

Milwaukee Community Services Corp (MCSC)

Milw. Habitat for Humanity

Northcott Neighborhood House, Inc.

Select Milwaukee

Recess: 11:32 A.M.

Reconvened: 11:39 A.M.

Mr. Higgins combined each of the subcommittee members' subjective scores with the objective scores and announced the final scores for each of the applicant's under the Homeownership category as follows:

Northcott Neighborhood House, Inc. - 67

Layton Blvd. West Neighbors - 66

*Milwaukee Christian Center - 64.5
Milwaukee Community Services Corp (MCSC) - 59
Select Milwaukee - 46.5
Milw. Habitat for Humanity - 41.5*

Mr. Kammholz said the top three high scores are Christian center, Northcott and Layton Blvd.

Mr. Higgins said Milwaukee Christian Center has two previous housing trust funds awards out right now for rehab projects that have not been completed yet.

Mr. Higgins said that MCSC also has a previous housing trust fund award that they have not completed yet.

Mr. Higgins said Layton Blvd. and Habitat both received previous housing trust funds awards, but both have completed contracts in place and their projects are under way.

Mr. Mahan said that Select Milwaukee is a pilot program.

Mr. Kammholz said that since Milwaukee Christian Center has a housing trust fund award out that has not been spent yet they should recommend the two highest scores.

Mr. Kammholz suggested that they recommend partial funding awards.

A motion was made by Mr. Kammholz to approve the following recommendations under the Homeownership Category: Layton Blvd. at \$20,000 and Northcott at \$105,000. There were no objections.

A motion was made by Mr. Kammholz to approve the following recommendations under the Rental category: Center for Veterans at \$168,395, Hartland at \$150,000 and Our Space, Inc. at \$375,000. There were no objections.

Mr. Kammholz said the remaining housing trust funds available after this round of awards will be \$143,855.

Meeting adjourned: 12:22 P.M.

**Terry J. MacDonald
Staff Assistant**