

City of Milwaukee

City Hall 200 East Wells Street Milwaukee, WI 53202

Meeting Agenda

ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

ALD. JAMES WITKOWIAK, CHAIR Ald. Willie Wade, Vice-Chair Ald. Michael Murphy, Ald. Robert Bauman, and Ald. T. Anthony Zielinski

Staff Assistant, Tobie Black, (414)-286-2231 Fax: (414) 286-3456, E-mail: tblack@milwaukee.gov Room 301-B, City Hall Tuesday, June 30, 2009 9:00 AM 1. Substitute ordinance relating to the First Amendment to a General Planned 090128 Development, known as Milwaukee County Zoo, for an off-premise electronic changeable message sign, on land located South of West Bluemound Road and East of North Mayfair Road, in the 10th Aldermanic District. THE CHAIR Sponsors: Attachments: City Plan Commission letter Exhibit A Sign Drawings Site Plan **Photos** Proposed Zoning Change Map Affadavit for Zoning Change Hearing Notice List 2. 090211 Substitute resolution approving the boundary for a Tax Incremental District at South 27th Street and West Howard Avenue, in the 13th Aldermanic District. Sponsors: Ald. Witkowski Attachments: Fiscal Note.doc **TID Boundary Map TID District Property Data** Hearing Notice List 3. Resolution authorizing an extension to Edison Green, LLC for the purchase of the 090213 City-owned vacant lot at 1027 North Edison Street for mixed-use development, in the 4th Aldermanic District. Sponsors: Ald. Bauman Attachments: Fiscal Note.doc

Land Disposition Report

Hearing Notice List

Substitute resolution authorizing an expenditure and approving a Cooperation and

Development Agreement with the Redevelopment Authority of the City of Milwaukee for Tax Incremental District No. 71, Mitchell Street/Goldmann's Department Store Project, in the 12th Aldermanic District.

Sponsors:	Ald. Witkowiak
<u>Attachments:</u>	Cooperation and Development Agreement
	Letter From Comptroller's Office
	Fiscal Note
	Hearing Notice List Revised

5. <u>090159</u> Communication from the Housing Trust Fund Advisory Board transmitting its 2007 and 2008 Annual Reports.

<u>Sponsors:</u>	THE CHAIR
<u>Attachments:</u>	2007 Annual Report
	2008 Annual Report
	Hearing Notice List

Communication from the Housing Trust Fund Advisory Board relative to its 2007 activities.
 Sponsors: THE CHAIR

<u>Attachments:</u>	April 18 2007 HTFAB meeting minutes
	5-16-07 email from Ms Sanchez re website address for League of Women Voter
	May 2 2007 HTFAB minutes and exhibits
	May 22 07 HTFAB minutes and exhibits
	Spring 2007 Housing Trust Fund Project News by Center for Community Chang
	6-5-07 Email re message composed by Ms. Sanchez re update on citys housing
	June 12 2007 HTFAB minutes and exhibits
	July 10 2007 HTFAB meeting minutes and exhibit
	September 11 2007 HTFAB meeting minutes and exhibits
	9-12-07 Ald. Murphy news release
	Sept 2007 Application cover letter by Ald. Murphy
	October 9 2007 HTFAB meeting minutes and exhibits
	May 11 2007 Technical Review Subcommittee meeting minutes and exhibits
	May 31 2007 Technical Review Subcommittee meeting minutes
	10-12-07 Ald. Murphy news release trust fund RFP closing date release for Oct
	10-29-07 Email from Mr. Soika resigning from HTFAB Technical Review Subcor
	November 6 2007 Technical Review Subcommittee meeting minutes and exhibi
	November 30 2007 Technical Review Subcommittee meeting minutes
	July 2 2007 Finance Subcommittee meeting minutes and exhibits
	August 6 2007 Finance Subcommittee meeting minutes and exhibit
	September 4 2007 Finance Subcommittee meeting minutes and exhibit
	December 3 2007 HTFAB Finance Subcommittee meeting minutes
	11-6-07 Email from Mr. Werra re applications zoning review
	<u>2007 Report</u>
7 080000 Communicatio	n from the Housing Truct Fund Advisory Reard relative to its 2008

 7.
 080090
 Communication from the Housing Trust Fund Advisory Board relative to its 2008 activities.

Sponsors: THE CHAIR

<u>Attachments:</u>	11-6-07 Email from Mr. Werra re applications zoning review
	January 14 2008 HTFAB Technical Review Subcommittee meeting minutes and
	1-14-08 Ald. Murphy news release
	Janaury 18 2008 HTFAB meeting minutes and Exhibits
	2-5-08 Certified Copy of ZND File 071307
	June 2 2008 HTFAB Technical Review Subcommittee meeting minutes and exh
	April 11 2008 HTFAB meeting minutes
	May 9 2008 HTFAB meeting minutes and exhibits
	June 12 2008 HTFAB Finance Subcommittee meeting minutes
	June 12 2008 HTFAB meeting minutes and exhibits
	July 9 2008 HTFAB Technical Review Subcommittee meeting minutes and Exhi
	July 10 2008 HTFAB meeting minutes and exhibits
	6-17-08 Mayor Barrett news release
	August 14 2008 HTFAB meeting minutes
	September 11 2008 HTFAB minutes
	9-16-08 Certified Copy of ZND File 080645
	10-22-08 email from Bethany Sanchez re extension on due date for HTF applica
	11-7-08 email To All Finance Subcommittee Members re November 13 2008 me
	12-3-08 e-mail to All Housing Trust Fund Advisory Board and Finance Subcomn
	November 13 2008 HTFAB meeting minutes & Exhibits 1and 2

This meeting will be webcast live at www.milwaukee.gov/channel25.

Members of the Common Council and its standing committees who are not members of this committee may attend this meeting to participate or to gather information. Notice is given that this meeting may constitute a meeting of the Common Council or any of its standing committees, although they will not take any formal action at this meeting.

Upon reasonable notice, efforts will be made to accommodate the needs of persons with disabilities through sign language interpreters or auxiliary aids. For additional information or to request this service, contact the Council Services Division ADA Coordinator at 286-2998, (FAX)286-3456, (TDD)286-2025 or by writing to the Coordinator at Room 205, City Hall, 200 E. Wells Street, Milwaukee, WI 53202.

Limited parking for persons attending meetings in City Hall is available at reduced rates (5 hour limit) at the Milwaukee Center on the southwest corner of East Kilbourn and North Water Street. Parking tickets must be validated in Room 205, (City Clerk's Office) or the first floor Information Booth in City Hall.

Persons engaged in lobbying as defined in s. 305-43-4 of the Milwaukee Code of Ordinances are required to register with the City Clerk's Office License Division. Registered lobbyists appearing before a Common Council committee are required to identify themselves as such. More information is available at www.milwaukee.gov/lobby.



City of Milwaukee

Legislation Details (With Text)

File #:	090	128	Version:	1		
Туре:	Ordi	inance			Status:	In Committee
File created:	5/27	/2009			In control of	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE
On agenda:					Final action:	
Effective date:						
Title:	Milw Sou	aukee Cou th of West	unty Zoo, fo	or an o	off-premise ele	ndment to a General Planned Development, known as ectronic changeable message sign, on land located North Mayfair Road, in the 10th Aldermanic District.
Sponsors:		CHAIR				
Indexes:	SIG	NS				
Attachments:	<u>City</u>	Plan Com	mission lett	<u>er</u>		
	Exh	<u>ibit A</u>				
	<u>Sign Drawings</u> <u>Site Plan</u> <u>Photos</u> <u>Proposed Zoning Change Map</u>					
	<u>Affa</u>	davit for Zo	oning Chan	ge		
	<u>Hea</u>	ring Notice	<u>e List</u>			
Date	Ver.	Action By			A	Action Result Tally
5/27/2009	0	COMMO	N COUNCI	L	A	ASSIGNED TO
6/2/2009	0		, NEIGHBC PMENT CO			REFERRED TO
6/9/2009	1	CITY CL	ERK		Ε	DRAFT SUBMITTED
6/25/2009	1		, NEIGHBC PMENT CO			HEARING NOTICES SENT
6/25/2009	1		, NEIGHBC PMENT CO			HEARING NOTICES SENT

File #: 090128 Version: 1
Number 090128 Version SUBSTITUTE 1 Reference 050579 Sponsor THE CHAIR Title
Substitute ordinance relating to the First Amendment to a General Planned Development, known as Milwaukee County Zoo, for an off-premise electronic changeable message sign, on land located South of West Bluemound Road and East of North Mayfair Road, in the 10th Aldermanic District. Analysis
This amendment will allow for the replacement of the existing sign face with an electronic changeable message sign for the existing off-premise sign at the southeast corner of West Bluemound Road and North Mayfair Road. Body
The Mayor and Common Council of the City of Milwaukee ("Common Council"), do ordain as follows:
Part 1. There is added to the Milwaukee Code of Ordinances ("Code") a new section to read as follows:
Section 295-907(2)(a).0054.
(1) In accordance with the provisions of Section 295-907(2) of the Code relating to the procedures and establishment of planned development districts, the Common Council approves the subject amended General Planned Development, a copy of which is attached to this Common Council File as Exhibit A which is on file in the office of the City Clerk and made a part as though fully set forth herein.
(2) The zoning map reaffirms the zoning for the area bounded and described as follows:
That part of the Southwest 1/4 of Section 29, Town 7 North, Range 21 East, City of Milwaukee, Milwaukee County, Wisconsin, described as follows:
Commencing at the Southwest 1/4 of said Section 29; thence North 88 deg. 28 min. 14 sec. East along the south line of said 1/4 Section, 339.54 feet to the east right-of-way line of the Chicago & Northwestern Transportation Company Railroad; thence North 17 deg. 29 min. 23 sec. West along the east right-of-way line of said Railroad, 49.90 feet to a found pipe and the point of beginning of the following described parcel; thence North 17 deg. 40 min. 34 sec. West along the east right-of-way line of said Railroad, 377.60 feet to a found iron pipe; thence continuing along said east right-of-way line, North 10 deg. 55 min. 02 sec. West 812.59 feet to a found pipe on the east right-of-way line of North Mayfair Road; thence North 14 deg. 55 min. 36 sec. East along the east right-of-way line of said Road, 129.11 feet; thence North 02 deg. 02 min. 15 sec. West along said right-of- way line, 49.70 feet; thence Northeasterly along the arc of a curve to the right, 38.89 feet, whose radius is 28 feet and whose long chord bears North 54 deg. 55 min. 03 sec. East 35.84 feet to a found iron pipe on the south right-of-way line of West Bluemound Road; thence South 85 deg. 21 min. 49 sec. East along the south right-of-way line of said Road, 204.69 feet to a found pipe; thence South 87 deg. 37 min. 53 sec. East along said right-of-way line 78.75 feet to a found iron pipe; thence South 03 deg. 35 min. 18 sec. West, 381.54 feet to a found iron pipe that is 275 feet East as measured at right angles from the Chicago & Northwestern Transportation Company Railroad east right-of-way line of said Railroad, 759.96 feet; thence South 43 deg. 48 min. 19 sec. West, 282.63 feet to the point of beginning.

(3) The requirements set forth in said amended general plan attached to this Common

File #:	090128	Version:	1
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Council File as Exhibit A, constitute the zoning regulations for the area contained in such planned development district described, provided further, that the effect of the approval of such amended general plan is that such plan shall limit and control construction, location, use and operation of all land and structures included within the amended general plan to all conditions and limitations set forth in such amended general plan.

Part 2. Any persons, firm, company or corporation owning, controlling or managing any building or premises wherein or whereon there shall be placed or there exists anything in violation of the terms of this ordinance; or who shall build contrary to the plans or specifications submitted to and approved by the Commissioner of the Department of City Development, or any person, firm, company or corporation who shall omit, neglect or refuse to do any act required in this ordinance shall be subject to the penalties provided in Section 200-19 of the Code.

Part 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions. The Common Council declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase or portion irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases or other portions be declared void or invalid. Drafter DCD:AJF:ajf 06/08/09 June 22, 2009

To the Honorable Common Council Zoning, Neighborhoods and Development Committee City of Milwaukee

Dear Committee Members:

File No. 090128 relates to the First Amendment to a General Planned Development (GPD), known as Milwaukee County Zoo, for an off-premise electronic changeable message sign, on land located South of West Bluemound Road and East of North Mayfair Road, in the 10th Aldermanic District.

This amendment would allow for the replacement of the existing sign face with an electronic changeable message sign for the existing off-premise sign at the southeast corner of West Bluemound Road and North Mayfair Road.

On June 22, 2009, a public hearing was held and at that time nobody spoke in opposition. Since the proposed change is generally consistent with the previously approved GPD, and will follow the guidelines of the electronic changeable message sign ordinance, the City Plan Commission at its regular meeting on June 22, 2009 recommended approval of the subject file.

Sincerely,

Rocky Marcoux Executive Secretary City Plan Commission of Milwaukee

cc: Ald. Michael Murphy

First Amendment to GPD known as Milwaukee County Zoo Bliffert Site Development (File #050579)

Exhibit A

Revised on June 2nd, 2009

GENERAL PLAN PROJECT DESCRIPTION AND OWNERS STATEMENT OF INTENT

The vision for this Property was substantiated by a comprehensive market study that was completed in July of 1999, updated by addendum in January of 2003, and updated again by another addendum in October of 2004, and further amended in October of 2005. The aforementioned studies were completed by Hospitality Marketers International, Inc. The following description represents a response to market and demographic information along with a desired synergistic use envisioned by Zoo administration.

The proposed hotel will have full-service amenities including restaurant, lounge and entertainment options. There may also be another stand-alone full service restaurant at the northern edge of the site based on anticipated market demands. The hotel itself would have anywhere from 200 to 300 rooms and be considered upper mid-priced to upscale full service lodging. It would also have a themed indoor pool with a water park feature that would mainly support the hotel guests. Conference facilities will be sized to provide a ballroom to accommodate at least 250 people with sub-dividable space, along with support pre-assembly space for the ballroom as well as additional break out and board room space.

The Owners intent is to solicit an RFP to Developers for development of the project. The Developer will be required to provide a project according to the guidelines listed below. The land will be leased to the developer which will generate funds to help support the Zoo.

This amendment will allow for the conversion of the free standing sign that was approved under the original GPD at the corner of N. Mayfair Road and W. Bluemound Road to one (1) free standing digital and /or traditional static sign.

ARCHITECTURAL DESIGN GUIDELINES/COVENANTS

- General Overview: Architectural design for the hotel and related spaces should be themed for compatibility with the Milwaukee County Zoo. The building orientation and connection to the Zoo property should create smooth connection between the two facilities. The hotel's unique location allows it to become the western gateway to the zoo, and the design of the building should reflect this unique location and inter-relationship with the Zoo grounds. Similarly, the indoor water park facility should support and enhance the theme of the building. The water park will mainly serve hotel guests.
- 2. Building Image: The building should express the image of a resort hotel, well integrated into its surroundings and with land or bridge connections to the Zoo grounds at the Zoo's west bluff.
 - Clean lines and clearly understandable building forms without excessive decoration and ornamentation.
 - Expression of the building entrances(s) as easily definable gateway elements. Entrance elements should provide weather protection while being light, open and inviting.
 - Landscaped on-grade parking areas as required by City of Milwaukee parking ordinance, indoor parking spaces on the lower level(s) of the building are a possibility.
 - The building should be well integrated with the landscape, both existing and landscape architecture included in the project.
 - Although the entire height of the building does not need to be visible from West Bluemound Road and Hwy 100 (Mayfair Road), recognizable portion of the building should be visible from these locations to make it easier for visitors and hotel guest to find the facility. A building that is not visible from these roadways combined with a tall sign to mark its location is <u>NOT</u> acceptable.
- 3. Building Form and Massing:

The building should have clean and simple forms that produce an overall visual unity. Building height should not exceed 5-10 stories, including indoor parking levels. Note; the elevation of the center of the site is 30' below the height of the intersection at Mayfair and Bluemound.

4. Exterior Finishes:

Exterior building materials should be selected for durability and to be easily maintainable.

Window systems should be selected to take advantage of views and to reduce lifecycle costs. As required by code, a portion of the fenestration in all hotel rooms must be operable. The percentage of fenestration shall meet code energy requirements.

5. Roofs:

A variety of slanted forms and arrangement are acceptable providing that they reinforce the thematic design concept of the building. Gable and hip roof forms are preferred.

Where generally flat roofs are utilized a minimum slope to drains of $\frac{1}{2}$ " per foot shall be provided.

SITE REQUIREMENTS

- The majority of the building site sits below the level of the adjoining roadways. Primary access to the site will be from West Bluemound Road at 106th Street, thru the existing Zoo site, to provide sufficient distance from the intersection of West Bluemound Road and HWY 100.
- 2. The main entrance to the building will be below the level of the west bluff of the Zoo property. A pedestrian and small vehicle connection to the Zoo property from the new building, is desirable by landscaped ramped walk way or bridge from an upper level of the facility.
- 3. A storm water management study for the project will be required by code.
- 4. Landscaping shall be provided to create a unified natural environment for the project and to provide visual screening of the adjacent railroad R.O.W. It is intended that the landscaping be an extension of the natural landscaping of the adjacent Zoo property.
- 5. Landscaping shall also be provided in on-grade parking areas to visually soften the impact of the hardscape and provide some visual screening.
- 6. Water service will be provided by the City of Wauwatosa as shown on the attached drawing.

Signage

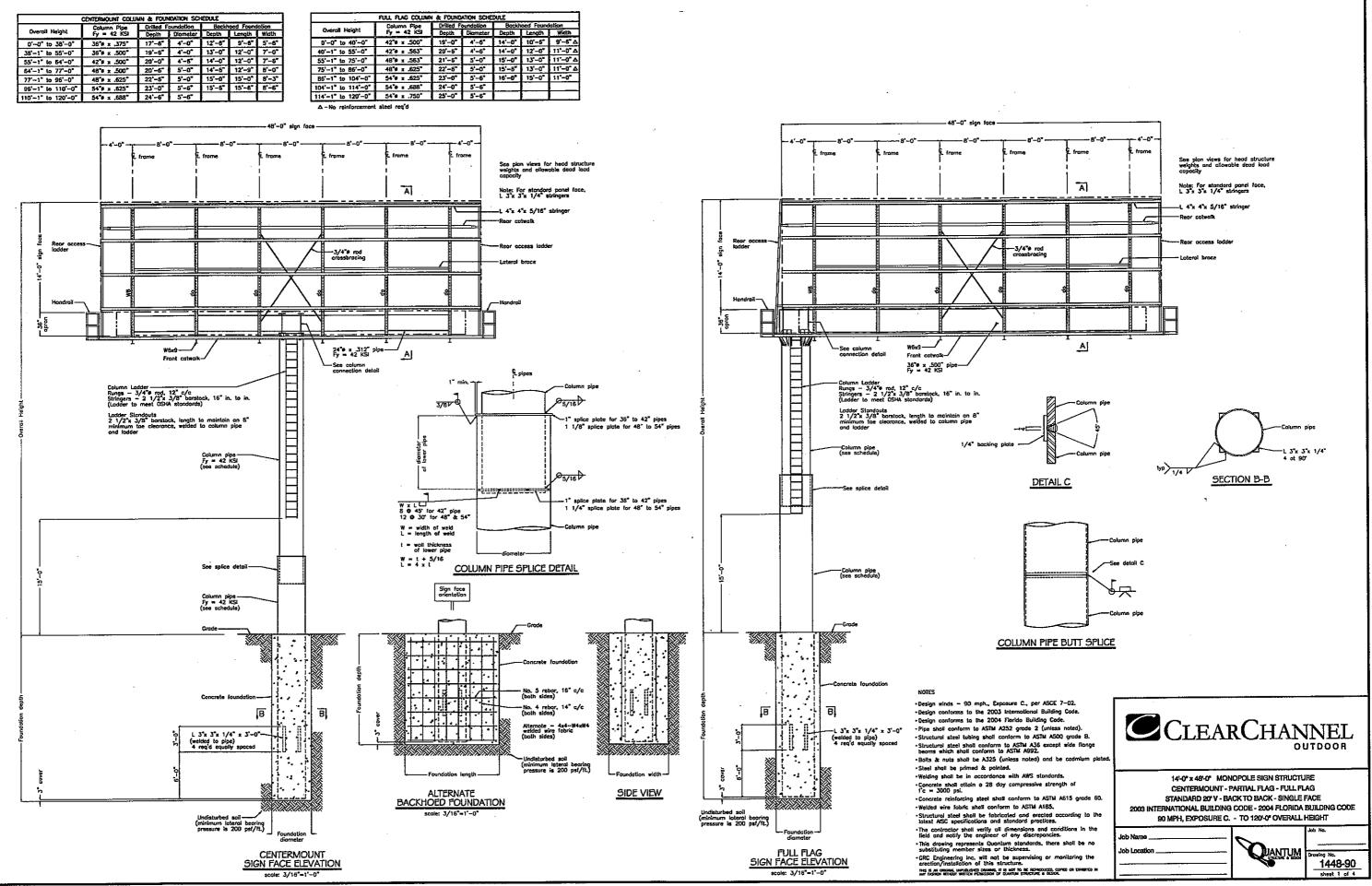
- 1. As approved under the original GPD (File #050579)
 - a. Signage for the proposed development shall conform to the Milwaukee Commercial District sign standards LB2. It is anticipated that 1 free standing Digital and Static sign would be provided near the corner of Mayfair road and W. Bluemound Rd and 1 freestanding Digital or Static sign would be provided at the entrance drive at 106th St. The 106th Street sign would identify access to the site. The Freestanding signs would be 300'-600' apart. Wall signage will be integrated into the hotel building design along Mayfair Road. If the Restaurant noted on the site plan is independently run wall signage would be provided for it also.
- Under the proposed amendment we are proposing to convert the original sign that was approved under the GPD at the corner of N. Mayfair Road and W. Bluemound Road to one (1) free standing digital and /or traditional static sign. The area of the sign faces will not increase.

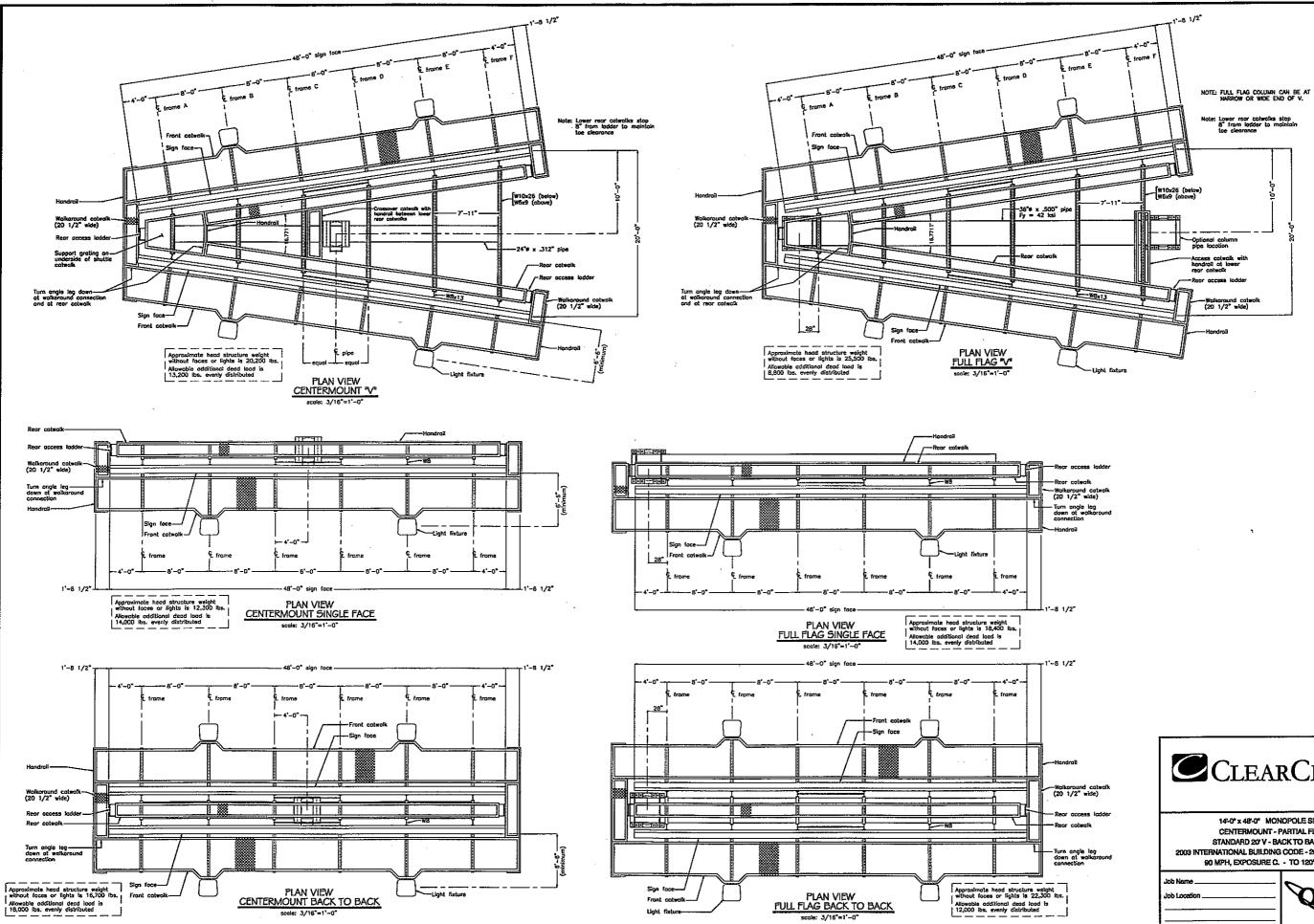
SERVICE AND STORAGE AREAS

- Service areas, including loading docks, trash and recycling areas, and maintenance areas should be screened with architectural elements (solid walls, screen walls, gates, etc.) that are compatible with the building and site design. Access to these areas for trucks and other service vehicles should be designed to provide minimum impact on hotel guest parking areas.
- 2. Loading docks shall be located in areas that where sound can be controlled to minimize the acoustical impact on guest rooms and public areas of the building. The preferred location is adjacent to the rail road right of way.

Bliffert Site Statistics

1.	Gross Land Area	8.45 acres
2.	Land covered by principal buildings	15% - 30%
3.	Land devoted to Parking, drives and parking structures.	25% - 40%
4.	Land devoted to landscaped open space	40% - 50%
5.	Proposed dwelling unit density if Residential	100% non residential
	and/or total square footage devoted to non-residential uses.	
6.	Proposed number of buildings	1-3
7.	Dwelling units per building	NA
8.	Bedrooms per unit	NA
9.	Parking spaces provided, whether surface or in structures and ratio per unit if residential, or per thousand square feet of building area if non residential.	1 per 100 sf. Hotel 1 per 500 sf. Restaurant (if stand alone)



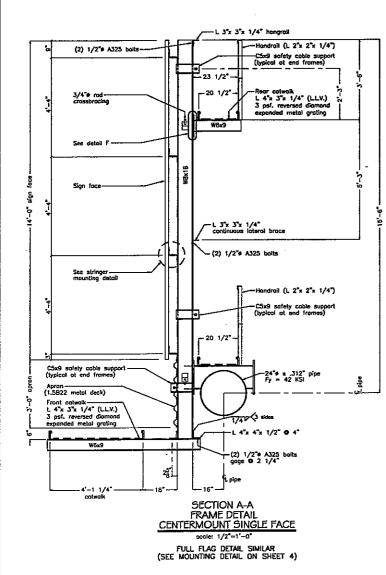


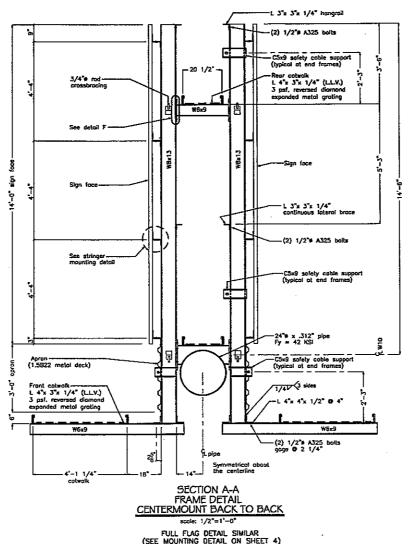
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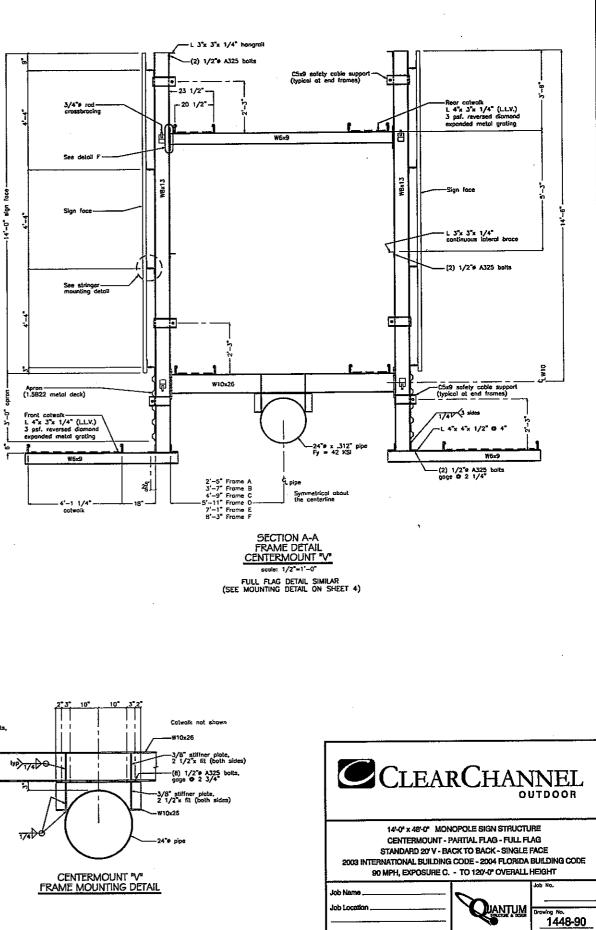
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14	-0" x 48'-0" MO	NOPOLE SIGN STRU	JCTURE
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STA	NDARD 20" V - B	ACK TO BACK - SIN	GLE FACE
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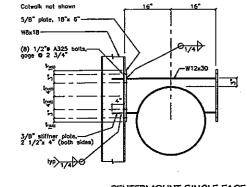
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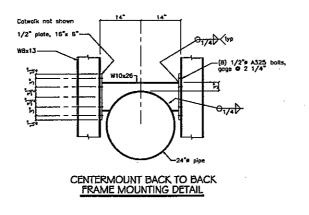


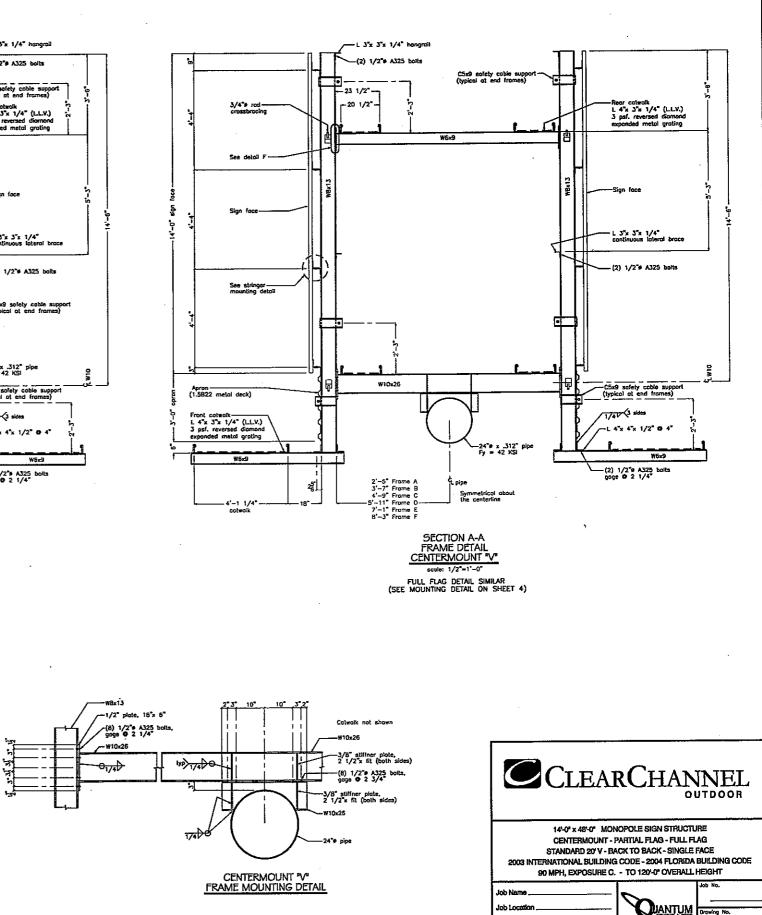


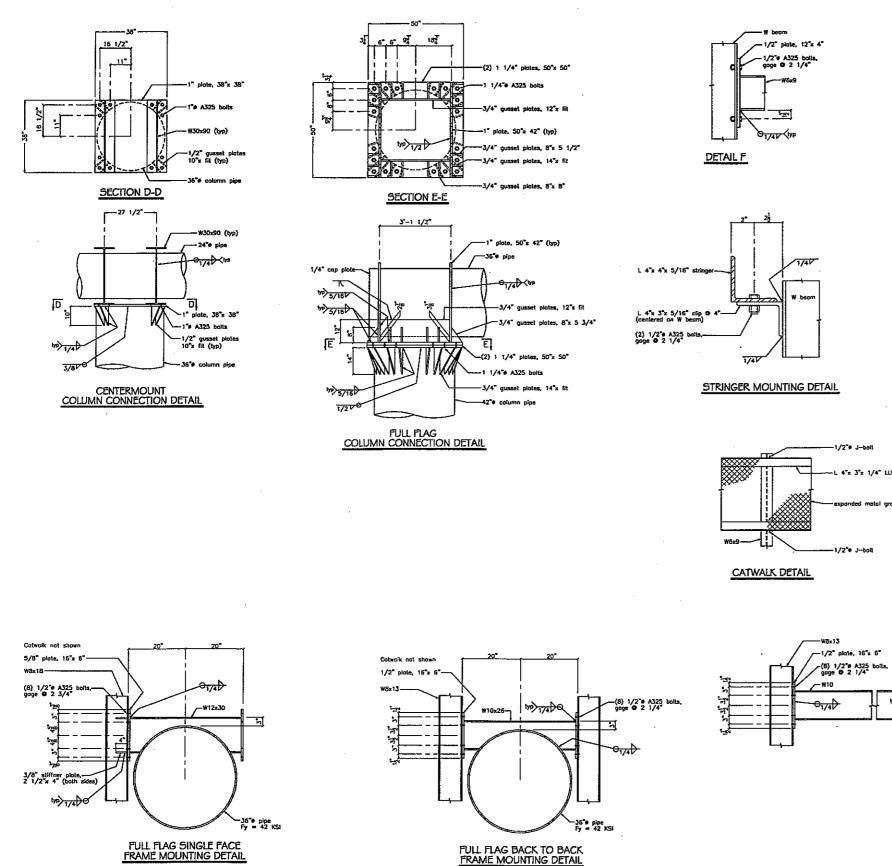
sheet 3 of 4

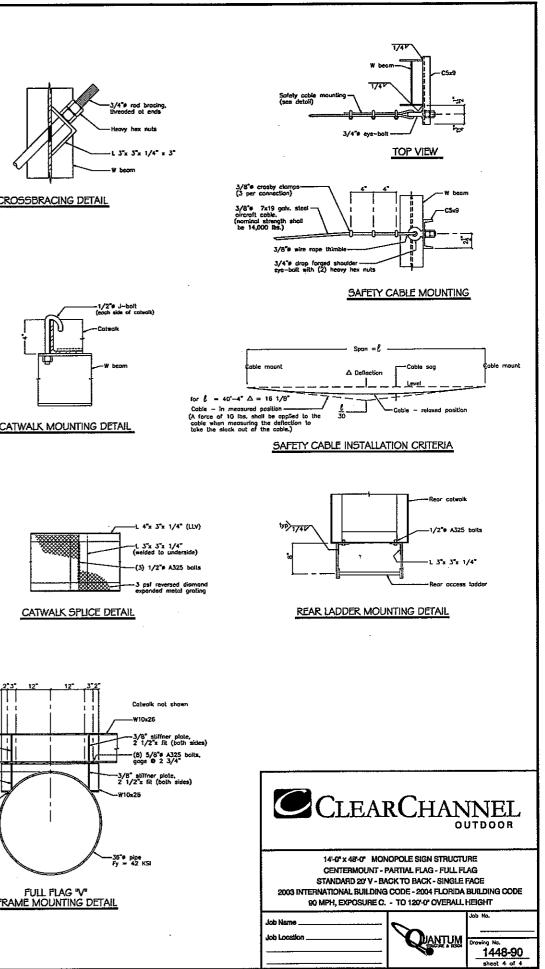


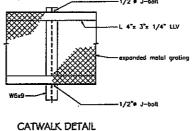
CENTERMOUNT SINGLE FACE FRAME MOUNTING DETAIL

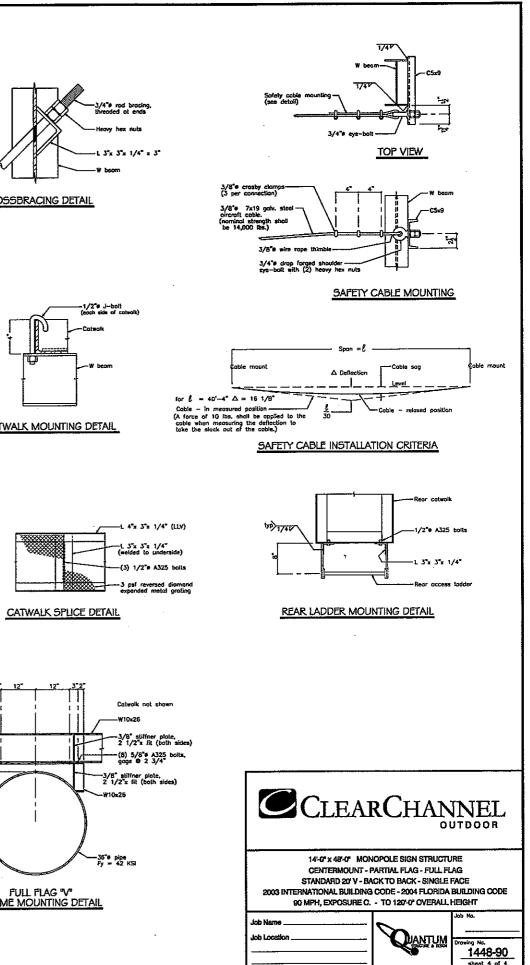


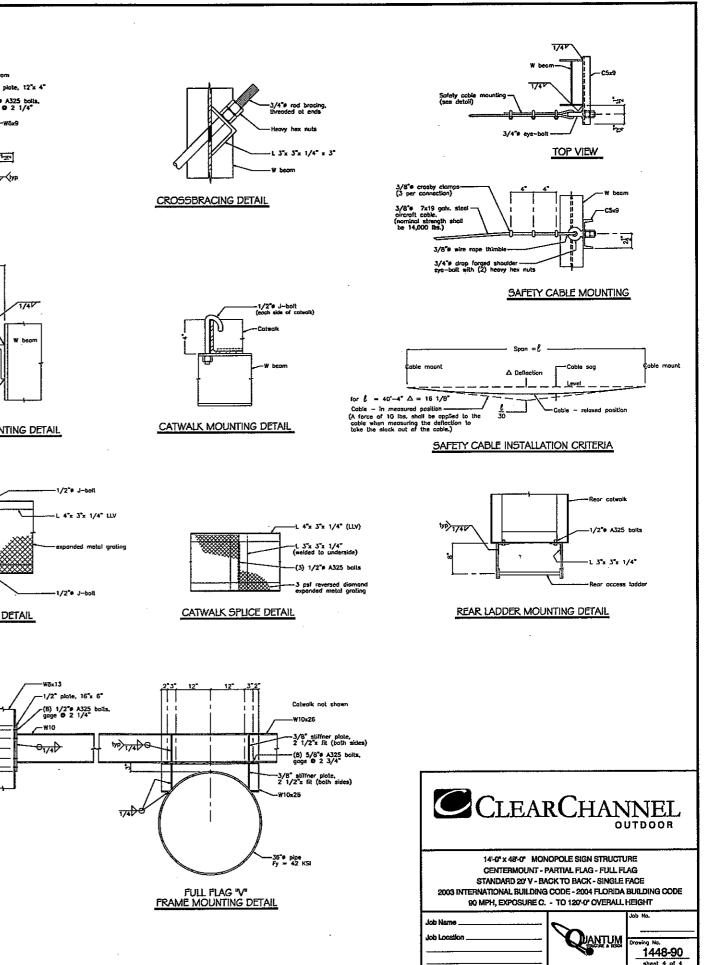


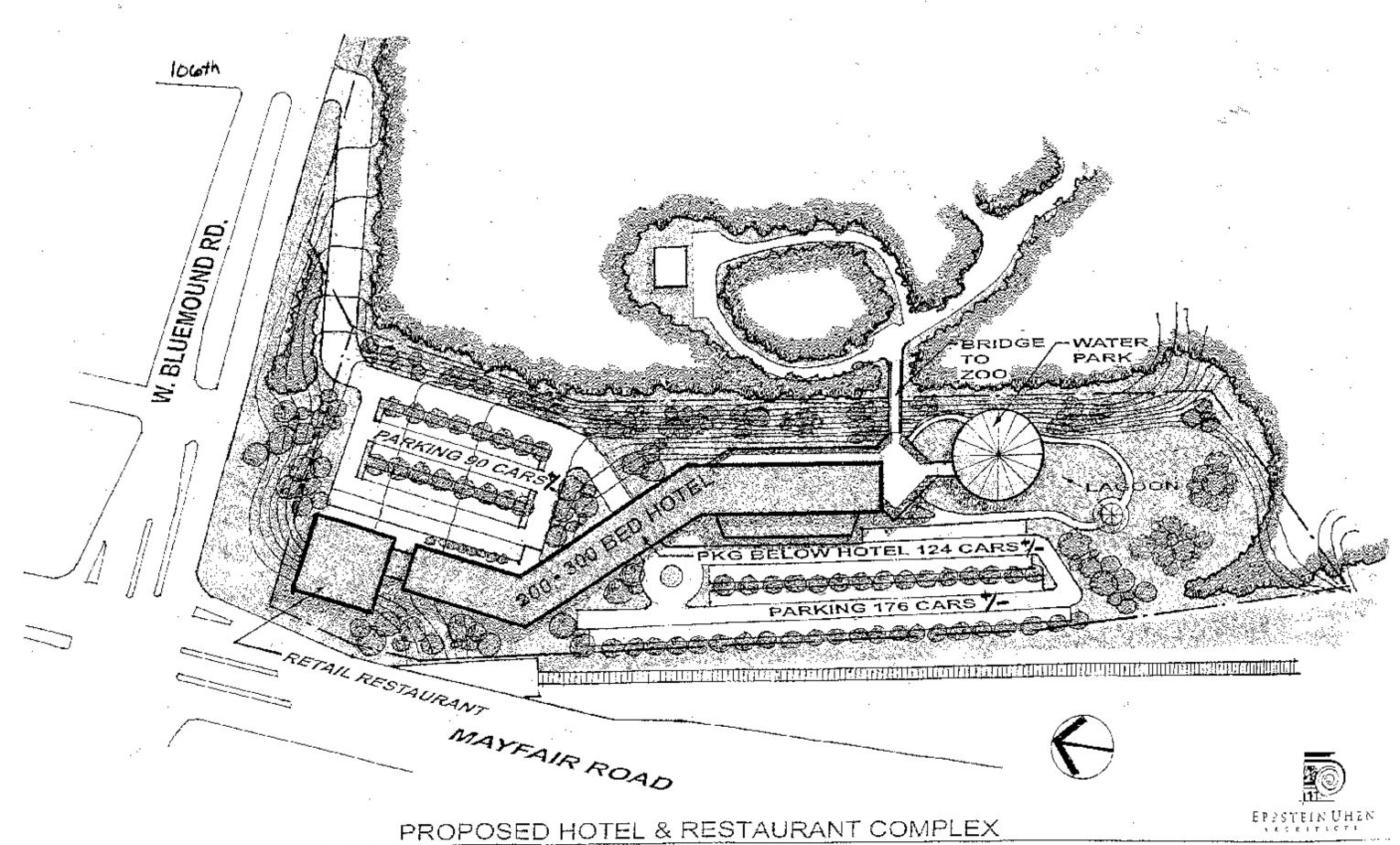






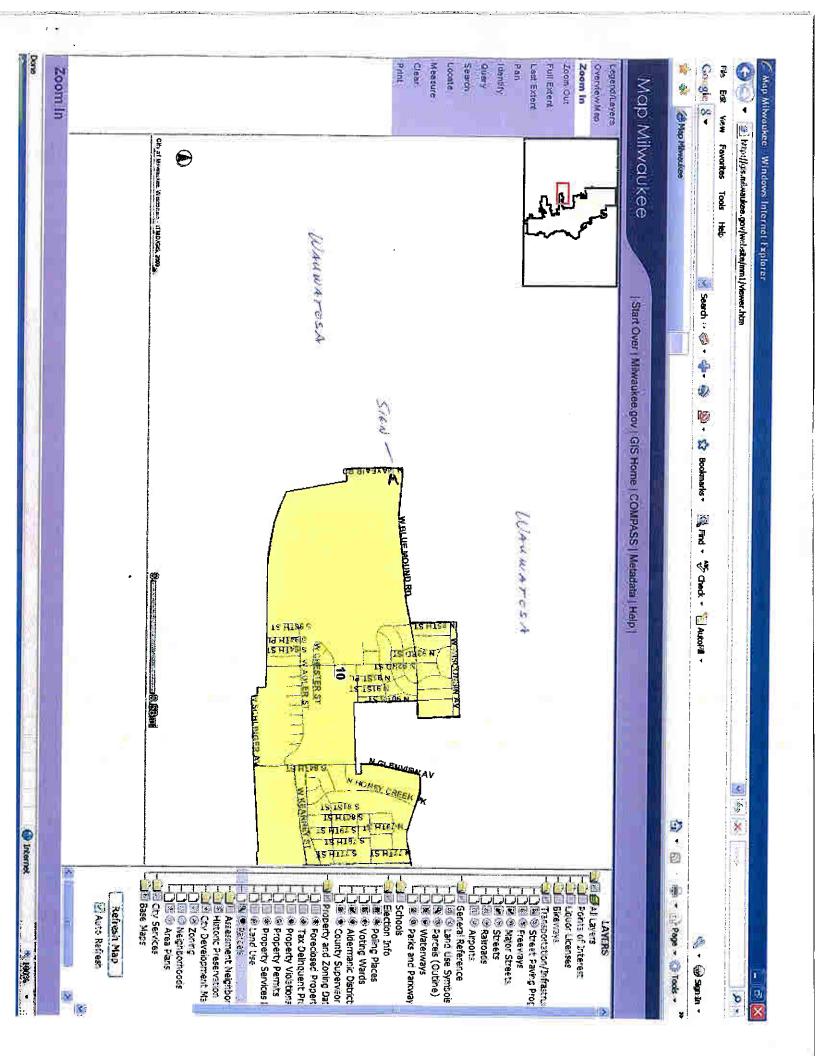




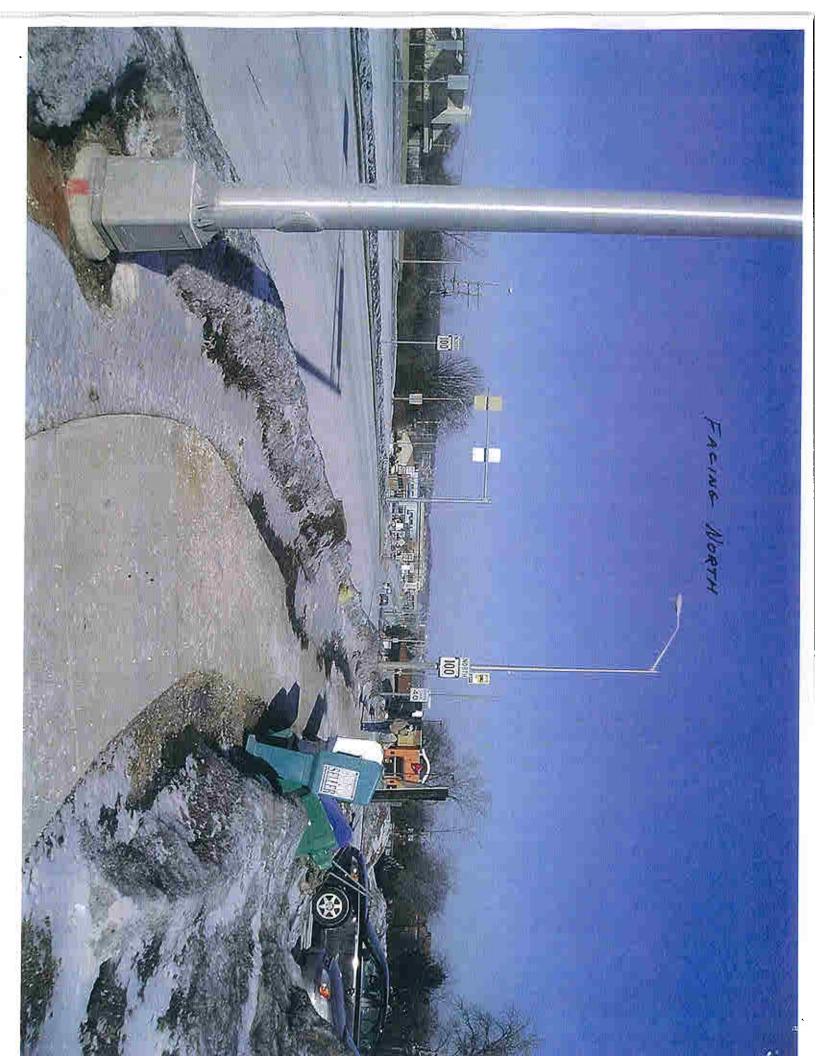


SCALE 1"-100" - AUGUST 12, 2005

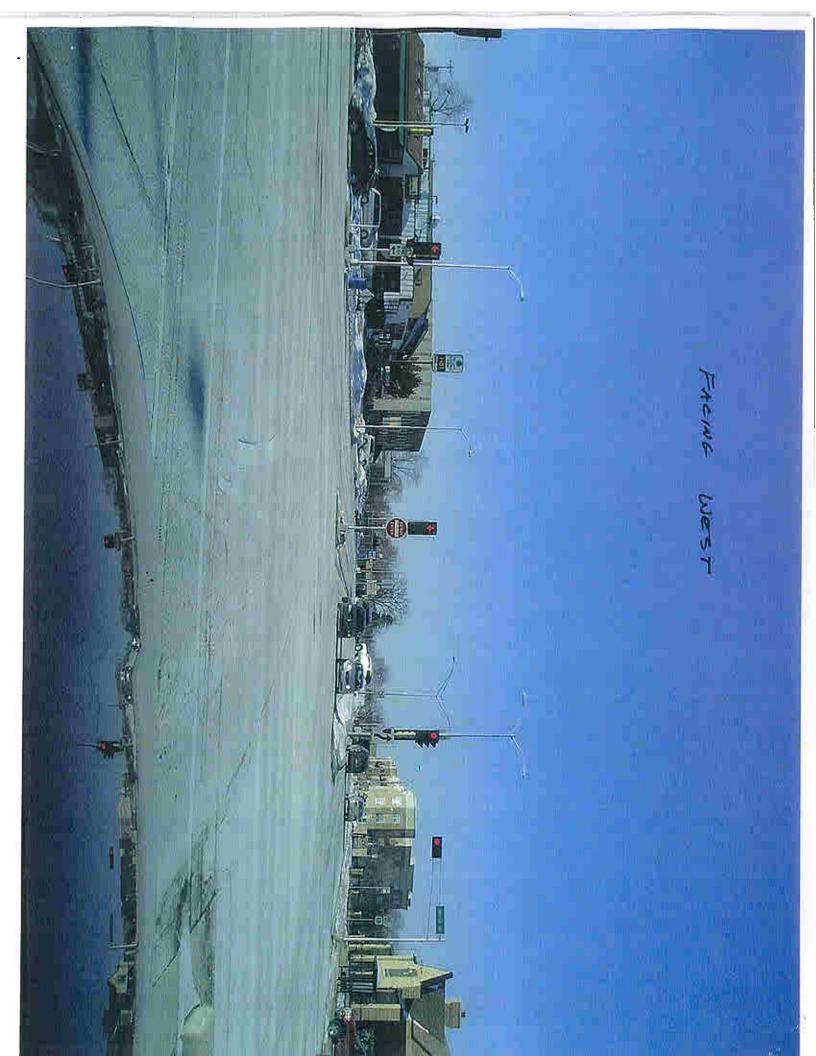
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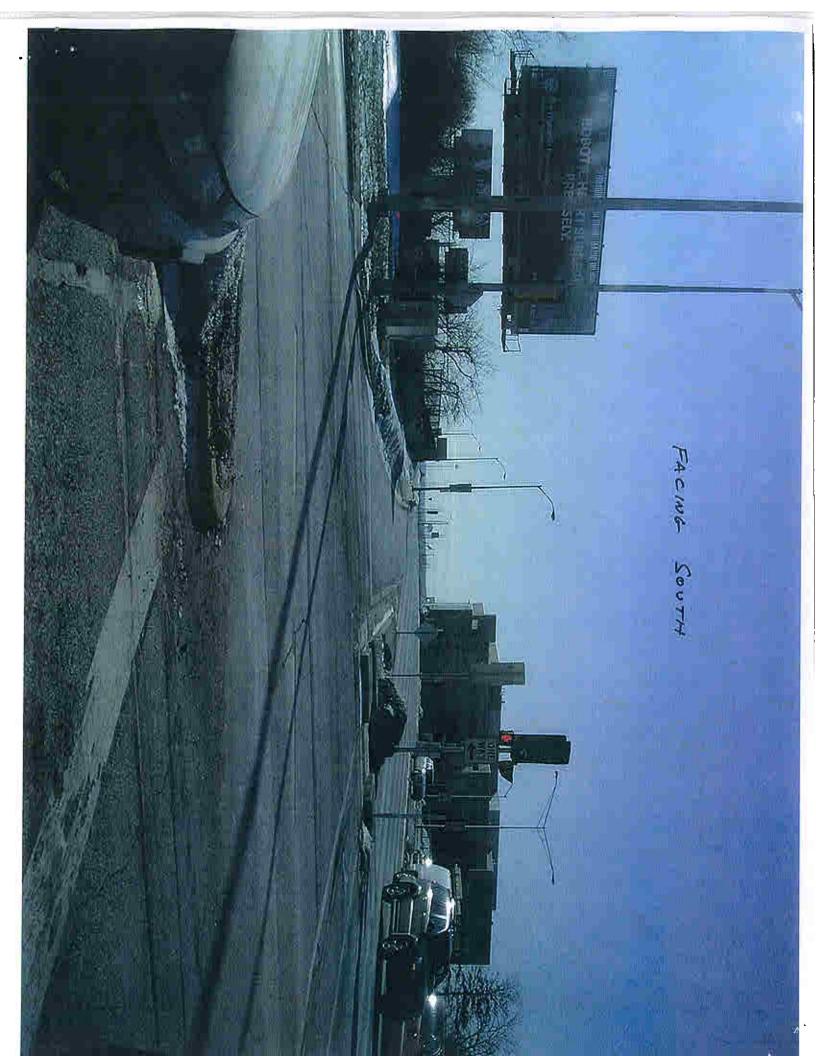












Affidavit for Zoning Change
 POLICY (s. 295-313). Each applicant for a zoning map amendment or approval of a planned development, and each applicant for a use variance or special use permit, shall submit to the city plan commission or the board of zoning appeals, as the case may be, a signed affidavit indicating whether the applicant is: (NOTE: DISCLOSE ALL RELEVANT AND REQUIRED INFORMATION ON A SEPARATE SHEET AND ATTACH TO THIS SHEET UPON SUBMITTAL)
a. Delinquent in the payment of any property tax, special assessment, special charge or special tax due to the city, provided that all appeals of the tax, assessment or charge have been concluded or the time to appeal has expired. YES NO V
b. A party against whom the city has an outstanding judgment, provided that all appeals of the judgment have been concluded or the time to appeal has expired. YES NO 🗸
c. A party against whom the city has outstanding health or building and zoning code violations or orders from the commissioner of health or commissioner of neighborhood services that are not actively being abated, provided that all appeals of orders to correct violations have been concluded or the time to appeal has expired. YES ■ NO ✓
d. A party who has been convicted of violating an order of the commissioner of health or commissioner of neighborhood services within the past year, provided that all appeals of the conviction have been concluded or the time to appeal has expired. YES NOV
e. The owner of premises found to be in violation of s. 80-10 to whom the commissioner of neighborhood services has charged the costs of police enforcement pursuant to s. 80-10-4, provided that all appeals of these charges have been concluded or the time to appeal has expired. YES NO V
2. NON-INDIVIDUAL APPLICANTS
a. Corporations. If the applicant is a corporation, a duly authorized officer or director of the corporation shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each officer and director of the corporation as well as each shareholder owning 5% or more of voting stock, fits any of the descriptions in sub. 1-a to e.
b. Partnerships. If the applicant is a partnership or limited partnership, a duly authorized partner, general partner or limited partner shall submit the affidavit required by sub 1. The affidavit shall attest to whether each partner, general partner and limited partner fits any of the descriptions in sub. 1-a to e.
c. Limited Liability Companies. If the applicant is a limited liability company, a duly authorized member or manager of the company shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each member and manager of the company fits any of the descriptions in sub. 1-a to e.
d. Nonstock Corporations. If the applicant is a nonstock corporation, a duly authorized officer or director of the corporation shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each officer and director of the corporation fits any of the descriptions in sub. 1-a to e.
Dated at Milwaukee, Wisconsin, this A day of A d
Subscribed and sworn to before me This / day of, 2067 Notary Public, State of Wisconsin // 6/9 My commission expires:/69

Address of parcel(s): 10733 W Bluemound Rd Milwaukee, WI 53214

NOTICES SENT TO FOR FILE : 090128

NAME	ADDRESS	DATE NOTICE SENT						
Rocky Marcoux	DCD	6/25/69						
Rocky Marcoux See Attached List								
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C& NW RAILWAY CO 4823 N 119TH ST MILWAUKEE WI 53225

> CITY OF MILWAUKEE REAL ESTATE

CHUCK WIKENHAUSER MILWAUKEE COUNTY ZOO 10001 BLUEMOUND RD MILWAUKEE WI 53226 MILWAUKEE COUNTY REGISTER OF DEEDS 901 N 9TH ST MILWAUKEE WI 53233

NANCY WELCH CITY OF WAUWATOSA 7725 W NORTH AV WAUWATOSA WI 53213 JOE STRIBL CLEAR CHANNEL 908 SILVERNAIL RD PEWAUKEE WI 53072

MILWAUKEE COUNTY ACTIVE FRWY/HWY LANDS 901 N 9TH ST MILWAUKEE WI 53233

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2 to your FN 090128

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City of Milwaukee

Legislation Details (With Text)

File #:	090	211	Version: 1		
Туре:	Res	olution		Status:	In Committee
File created:	6/16	6/2009		In control o	f: ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE
On agenda:				Final action	1:
Effective date:					
Title:			olution approving Avenue, in the 1		y for a Tax Incremental District at South 27th Street and ic District.
Sponsors:	ALD	. WITKOV	VSKI		
Indexes:	TAX	INCREM	ENTAL DISTRIC	TS	
Attachments:	<u>TID</u> TID	al Note.pd Boundary District Pr ring Notice	 <u>Map</u> operty Data		
Date	Ver.	Action By	/		Action Result Tally
6/16/2009	0	COMMC	ON COUNCIL		ASSIGNED TO
6/25/2009	0		, NEIGHBORHC DPMENT COMM		HEARING NOTICES SENT
6/25/2009	1	CITY CL	ERK		DRAFT SUBMITTED

File #:	090211	Version: 1	
Number 090211 Version SUBSTITUTE Reference	2 1		
Sponsor ALD. WITKO Title	DWSKI		
		coving the boundary for a Tax Incremental Disenue, in the 13th Aldermanic District.	trict at South 27th
This subst 27th Stree vacant aut in an effor redevelopm prepared f resolution	et and West Howar to dealerships, a prt to stimulate ment plans evolve for consideration	n establishes a boundary for a Tax Incrementa and Avenue. The District contains seven proper a trailer park and a new pharmacy. The Distri- redevelopment interest in the area. Should sp e, a Tax Incremental District Project Plan fo h by the City of Milwaukee and the Joint Revi- me boundary. It does not authorize expenditure	ties, including two ct is being created pecific r the area will be ew Board. This
other chap		ne Laws of 1975 of the State of Wisconsin wit ws created Section 66.1105, Wisconsin Statute	
Common Cou Authority	ncil of the City of the City of M	4) of the Tax Increment Law sets forth certain 7 of Milwaukee ("Common Council") and the Red Milwaukee ("Authority") must follow to create FID") and approve a Project Plan for a Distri	evelopment a Tax Incremental
Authority District f	conducted a publ	ion 66.1105(4)(a) through (gm), Wisconsin Sta Lic hearing and mapped and recommended the bo n 3860 South 27th Street, a copy of which bou bouncil File; and	undaries of a
than 50 pe either a ' an area ' 66.1337(3) meaning of	ercent, by area, blighted area" w n need of rehabi , Wisconsin Stat Section 66.1101 ble for mixed-use	tons of Section 66.1105(4)(gm)4.a., Wisconsin of the real property within a proposed Distr within the meaning of Section 66.1105(2)(a), llitation or conservation work" within the me cutes; must be suitable for "industrial sites , Wisconsin Statutes, and be zoned for indus e development" as defined in Section 66.1105(ict must qualify as Wisconsin Statutes; aning of Section " within the trial use; or must
	d "in need of reb	cent, by area, of the real property in the Di nabilitation and conservation work" as define	
Resolved, as follows		ouncil of the City of Milwaukee, that it find	s and determines,
		strict boundary is "in need of rehabilitation of Section 66.1105(4)(gm)4.a., Wisconsin Stat	
to enhance		redevelopment of such area, as hereinafter p the value of substantially all of the other r	
		aggregate value of the equalized taxable prop	
City of Milwauke	e	Page 2 of 3	Printed on 6/26/2009

File #: 090211 Version :	1
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District boundary, plus the incremental value of all other existing Districts in the City of Milwaukee does not exceed the statutory maximum 12 percent of the aggregate value of total equalized value of taxable property within the City; and, be it

Further Resolved, That the District boundary is established as set forth in said map; and, be it

Further Resolved, That the Department of City Development is authorized to prepare a Tax Incremental District Project Plan to assist redevelopment within this boundary and present such Project Plan to the Joint Review Board and Common Council at the earliest possible time; and, be it

Further Resolved, That this resolution does not authorize expenditures, it being understood that any expenditures planned in the District shall be set forth in the Project Plan and be subject to subsequent approval by the City. Drafter DCD:JS:js 06/24/09

CC-170 (REV. 6/86)

CITY OF MILWAUKEE FISCAL NOTE

A)	DATE	06/16/09	FILE	NUM BER:		
			Origi	nal Fiscal Note X	Substitute	
SUB		n approving the boundary for a Tax Incremental I nic District.	District at South 27th	h Street and West Ho	ow ard Avenue, in the	e 13th
B)	SUBMITTED BY (Name/title/dept./ext.): Rocky Marcoux, Co	mmissioner, DCD			
C)	CHECK ONE:	ADOPTION OF THIS FILE AUTHORIZES EX ADOPTION OF THIS FILE DOES NOT AUTH NEEDED. LIST ANTICIPATED COSTS IN SE X NOT APPLICABLE/NO FISCAL IMPACT.	IORIZE EXPENDITUR	RES: FURTHER COMM	NON COUNCIL ACTIC	'n
D)	CHARGE TO:	DEPARTMENT ACCOUNT(DA) CAPITAL PROJECTS FUND (CPF) PERM. IMPROV EMENT FUNDS (PIF) OTHER (SPECIFY)		CONTINGENT FUND ((SPECIAL PURPOSE A SRANT & AID ACCOL	CCOUNTS (SPA)	
E)	PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REV ENUE	SAVINGS
	ARIES/WAGES:		Account			
SUP	PLIES:					
MAT	FERIALS:					
NEW	EQUIPMENT:					
EQU	IPMENT REPAIR:					
отн	ER:					
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тот	ALS					

FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN ANNUAL BASIS OVER SEVERAL YEARS CHECK THE									
APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT SEPARATELY.									
1-3 YEARS	3-5 YEARS								
1-3 YEARS	3-5 YEARS								
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	APPROPRIATE BOX BELOW A 1-3 YEARS 1-3 YEARS	APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND D							

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

V Verona Ct

Proposed S. 27th Street, Howard Avenue Tax Increment District (TID)



Proposed Properties for S. 27th Street, Howard Avenue TID

	and the second sec
3636 S. 27 th Street	1
3700 S. 27 th Street	2
3702 S. 27 th Street	3
3774 S. 27 th Street	4
3800 S. 27 th Street	5
3804 S. 27 th Street	6
3860 S. 27 th Street W Howard Ave	7 V H

Prepared by the City of Milwaukee Dept. of City Development



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KEY		OWNER_NAME_1			ADDRESS	5	_	LAND	IMPROVE.	TOTAL	S.F.	& REHAB.	VACANI	S.F.										<u> </u>	
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5529939111		JOHN FOSTER	3636		27TH	ST	53221		\$1,172,500	\$2,040,000				37,366							IEW BERLIN				
5529939221	3	COLONIAL VILLAGE LLC	3702		27TH	ST	53221	\$229,500		\$545,000				2,508							00 S. EXECI		#101, BRO	OKFIELD , V	NI 53005
5529939222	2	COLONIAL VILLAGE LLC	3700		27TH	ST	53221	\$2,062,600	\$1,870,400	\$3,933,000	206,257			73,301				Y 710 N. PL	ANKINTON	N, 10TH FL	OOR 53203				
5529938000	4	ELEANOR KLUG	3774	S	27TH	ST	53221	\$814,300	\$167,700	\$982,000	81,429	81,429	81,429	4,381		ELEANOR	KLUG								
5529937000	5	DARWIN CHENTNIK	3800	S	27TH	ST	53221	\$90,000	\$188,000	\$278,000	9,000	9,000		3,351		3416 S 27	TH ST	MILWAUK	EE, WI 532	215					
5529936110	6	GIUFFRE VI, LLC	3804	S	27TH	ST	53221	\$836,400	\$713,600	\$1,550,000	139,392	139,392		30,446		445 W . O	KLAHOMA	AVE. MI	LWAUKEE	, WI 53221					
5529936120	7	WISCONSIN CVS PHARMACY LLC	3860	S	27TH	ST	53221	\$1,132,600	\$1,496,400	\$2,629,000	113,256			14,542		WISCONS	IN CVS PH	IARMACY L	LC	1 CVS Dr	WOONSO	CKET, RI 0	2895		
								Base Value		\$11,957,000															
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NOTICES SENT TO FOR FILE : 090211

NAME	ADDRESS	DATE NOTICE SENT						
Rocky Marcoux Ald. Witkowski	DCD	6/25/09						
Ald. Witkowski	CC-CC	X						



City of Milwaukee

Legislation Details (With Text)

File #:	0902	213	Version:	0				
Туре:	Res	olution			Status:	In Committee		
File created:	6/16	/2009			In control of:	ZONING, NEIGHBORHOODS & DEVE COMMITTEE	ELOPM	ENT
On agenda:					Final action:			
Effective date:								
Title: Sponsors:	lot a	Resolution authorizing an extension to Edison Green, LLC for the purchase of the City-owned vacant lot at 1027 North Edison Street for mixed-use development, in the 4th Aldermanic District. ALD. BAUMAN						
Indexes:	CIT		RTY, PROF	ERT	Y SALES			
Attachments:	Land	al Note.pc d Dispositi ring Notice	on Report					
Date	Ver.	Action By	/		Ac	tion	Result	Tally
6/16/2009	0	COMMC	ON COUNC	IL	A	SSIGNED TO		
6/25/2009	0		6, NEIGHBO DPMENT C			EARING NOTICES SENT		

Number

090213

Version

ORIGINAL

Reference

071131

Sponsor

ALD. BAUMAN

Title

Resolution authorizing an extension to Edison Green, LLC for the purchase of the Cityowned vacant lot at 1027 North Edison Street for mixed-use development, in the 4th Aldermanic District.

Analysis

This resolution authorizes an extension regarding the sale of City-owned Development Property according to the conditions in a Land Disposition Report pursuant to Section 304 -49-7, Milwaukee Code of Ordinances.

Body

Whereas, In 2007, the Department of City Development ("DCD") advertised a Request for Proposal specifying Redevelopment Criteria; and

Whereas, One proposal was received prior to the established deadline and was reviewed according to the established criteria; and

Whereas, On December 11, 2007, the Common Council, via File No. 071131, approved the sale of said property to Edison Green, LLC for construction of a mixed-use building, as outlined in a Land Disposition Report, a copy of which is attached to this Common Council File; and

Whereas, Due to poor national economic conditions, Edison Green, LLC was unable to perform within the option period originally granted; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that an extension is granted to Edison Green, LLC for the purchase of 1027 North Edison Street; and, be it

Further Resolved, That the Commissioner of DCD, or designee, is authorized to execute an extension to the Option to Purchase, Agreement for Sale and Deed, on behalf of the City, and to close the transaction according to the terms of the Land Disposition Report and conditioned on DCD approval of the final building plans and receipt of a firm financing commitment; and, be it

Further Resolved, That the proper City officials and/or the Commissioner of DCD, or designee, are authorized to execute any other legal documents necessary to close the transaction; and, be it

Further Resolved, That the net proceeds from the sale shall be returned to the General Fund, less all sale and marketing expenses and a 30 percent development fee paid to the Redevelopment Authority of the City of Milwaukee.

Drafter

DCD/Real Estate DAC:dac 06/16/09/A

CITY OF MILWAUKEE FISCAL NOTE

A)	DATE	06/16/2009	FILE NUM BER:				
			Original Fiscal Note X Substitute				
SUB	SUBJECT: Resolution authorizing an extension to Edison Green, LLC for the purchase of the City-ow ned vacant lot at 1027 North Edison Street for mixed-use development, in the 4th Aldermanic District.						
B)	SUBMI	TTED BY (Name/title/dept./ext.):	Rocky Marcoux, Commissioner, Department of City Development				
C)	CHECK		FILE AUTHORIZES EXPENDITURES FILE DOES NOT AUTHORIZE EXPENDITURES: FURTHER COMMON COUNCIL ACTION IPATED COSTS IN SECTION G BELOW. D FISCAL IMPACT.				
D)							
D)	CHARC	SE TO: DEPARTMENT ACCO CAPITAL PROJECTS PERM. IMPROVEMEN	FUND (CPF) SPECIAL PURPOSE ACCOUNTS (SPA)				

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REV ENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
other:	Offer to Purchase	General Fund		\$512,000 (less sale & marketing expenses & a 30% development fee paid to RACM)	
TOTALS				\$512,000	

F)	FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN ANNUAL BASIS OVER SEVERAL YEARS CHECK THE							
	APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT SEPARATELY.							
	1-3 YEARS	3-5 YEARS						
	1-3 YEARS	3-5 YEARS						
	1-3 YEARS 3-5 YEARS							

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

OTHER (SPECIFY)

H)	COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:
PLE	ASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

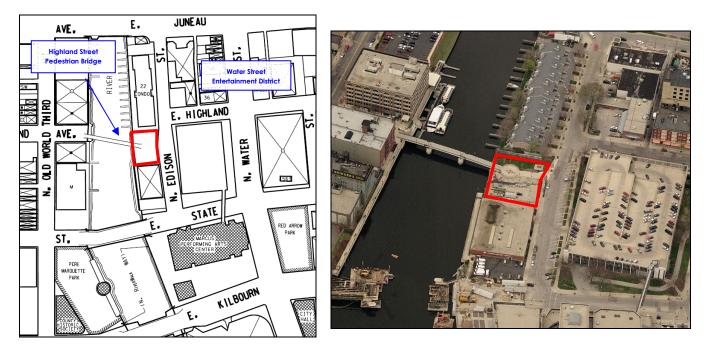
LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

RESPONSIBLE STAFF

Dan Casanova, Real Estate Section (286-5921)

PROPERTY

1027 North Edison Street: a 19,985 square-foot vacant, City-owned lot with 172 feet of frontage on the Milwaukee River. The lot was formerly used as a City employee parking lot and has most recently been used as a staging area for bridge and Riverwalk construction.

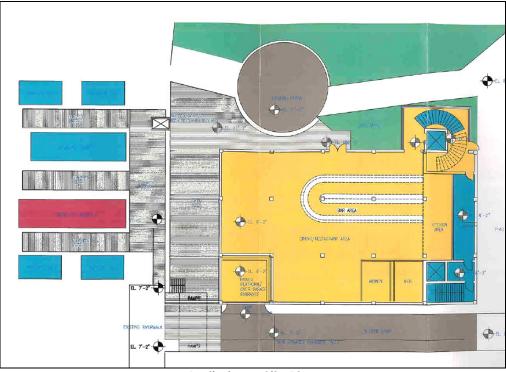


BUYER

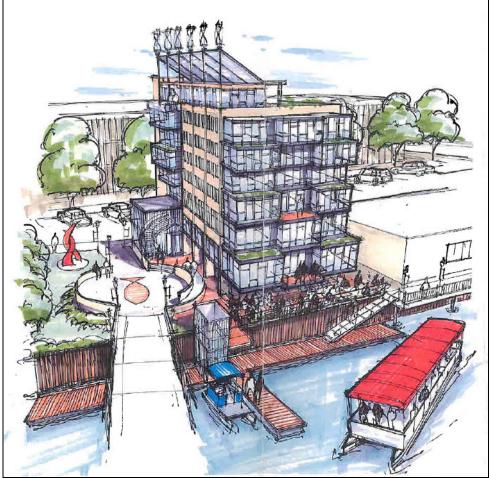
Edison Green, LLC, a new entity created by Russell Davis. Russell Davis owns and operates Café Vecchio Mondo on Old World Third Street and is co-owner of Riverwalk Boat Rentals. He also manages the Lakefront Palm Garden at the Lakefront Brewery.

PROPERTY USE

Construction of an eight-story, mixed-use building and Riverwalk segment. The building will contain a restaurant on the first floor, a banquet hall on the second floor, office condominiums on the third floor and residential condominiums on floors four through eight. The project also will have one level of underground parking. The building will contain many "sustainable" building concepts, such as a green roof and rain garden. A public Riverwalk will be constructed along the river frontage connecting the existing Riverwalk segment to the south with the Highland Avenue pedestrian bridge and docks will be built for tour boats. The project will create 35 full-time jobs paying an average wage of \$26/hour. Estimated project costs are approximately \$10.6 million and Edison Green will be meeting the City's 21 percent EBE requirement for the full project. The portion of the property to the north of the Highland Avenue pedestrian bridge will remain an open public green space.



Preliminary Site Plan



Preliminary Rendering

OFFER TERMS AND CONDITIONS

The property will be sold for \$512,000. The original offer price was \$540,000, but was reduced by \$28,000 due to a permanent access easement that will be executed allowing access to the property owners to the north. A Purchase, Sale and Development Agreement for the full project will be entered into with Edison Green, LLC, including a \$10,000 Performance Deposit due at closing. The Buyer will be given a twelve-month option period for a \$10,000 Option Fee. Closing will occur once the Buyer has final plans approved for permitting and financing in place. Construction will be expected to commence within three months of closing and the Buyer will have 18 months to complete construction.

NOTICES SENT TO FOR FILE : 090213

NAME	ADDRESS	DATE NOTICE SENT
Rocky Marcoux	DCD	6/25/09
		<u> </u>



City of Milwaukee

Legislation Details (With Text)

File #:	080	937	Version:	1			
Туре:	Res	olution			Status:	In Committee	
File created:	10/2	9/2008			In control of	ZONING, NEIGHBORHOODS & DEVELOPME COMMITTEE	NT
On agenda:					Final action	:	
Effective date:							
Title: Sponsors:	Agre 71, I	Substitute resolution authorizing an expenditure and approving a Cooperation and Development Agreement with the Redevelopment Authority of the City of Milwaukee for Tax Incremental District No. 71, Mitchell Street/Goldmann's Department Store Project, in the 12th Aldermanic District.					
-							
Indexes:	AGF	AGREEMENTS, TAX INCREMENTAL DISTRICTS, TAX INCREMENTAL FINANCING					
Attachments:					Agreement		
			omptroller's	Offic	e		
		al Note					
	<u>Hea</u>	ring Notice	<u>e List Revis</u>	ed			
Date	Ver.	Action By	,		I	Action Result	Tally
10/29/2008	0	COMMC	N COUNC	IL	l	ASSIGNED TO	
11/5/2008	0		, NEIGHBO DPMENT C			HEARING NOTICES SENT	
6/25/2009	1	CITY CL	ERK		I	DRAFT SUBMITTED	

File #: 080937 Version: 1
Number 080937 Version SUBSTITUTE 1 Reference 071132 Sponsor ALD. WITKOWIAK Title
Substitute resolution authorizing an expenditure and approving a Cooperation and Development Agreement with the Redevelopment Authority of the City of Milwaukee for Tax Incremental District No. 71, Mitchell Street/Goldmann's Department Store Project, in the 12th Aldermanic District.
Analysis This substitute resolution authorizes \$500,000 of funding from TID No. 71 to assist in the exterior restoration and interior rehabilitation of the former Goldmann's Department Store at 930 West Mitchell Street. The Goldmann's project will be developed by DK USA Property Management LLC, which acquired the property in late 2007. The exterior of the building will be restored to its appearance in the 1920's and the interior will be renovated for retail and office uses. The cost of the project is estimated at \$4.5 million.
Body Whereas, The City of Milwaukee ("City") and the Redevelopment Authority of the City of Milwaukee ("RACM") created Tax Incremental District No. 71 (Mitchell Street) ("District" or "TID") with the adoption of their respective File Nos. 071132 and 9969. The District consists of 281 properties located along, and generally one block north and south of West Mitchell Street, between South 5th Street and South 16th Street, plus a commercial area south of West Forest Home Avenue between South 13th Street and South 15th Street. The District contains nearly 2.3 million square feet of land area, excluding public rights-of -way, and encompasses the Historic Mitchell Street commercial district, including immediately adjacent residential areas and parking lots, which serve the retail businesses on the Street; and
Whereas, Funding provided by the Project Plan for the District totals \$3,118,000 for the purposes of upgrading pedestrian lighting, installing median irrigation, security cameras and tree grates, along with funds for grants or loans to assist with catalytic private development opportunities in the District; and
Whereas, One of the catalytic projects proposed in the District is restoration and renovation of the former Goldmann's Department Store at 9th and Mitchell Streets, which closed in October of 2007; and
Whereas, The Goldmann's building was purchased by DK USA Property Management LLC ("Developer"), which plans to restore the exterior of the property to its appearance in the 1920's and to renovate the interior for retail and office businesses. The Developer has already performed extensive interior demolition and asbestos abatement on the property; and
Whereas, To assist the Developer with its restoration and redevelopment plans for the former Goldmann's property, the City desires to provide funding, in the form of a grant, to fund up to \$500,000 of the \$4.5 million estimated total cost of the project; now, therefore, be it
Resolved, By the Common Council of the City of Milwaukee, that the Cooperation and Development Agreement with RACM, a copy of which is attached to this Common Council File, is approved, and that the proper City officials are directed to execute said Agreement; and, be it
Further Resolved, That the City Comptroller is directed to transfer the sum of \$500,000, plus capitalized interest, from the Parent TID Account to Project Account No. TD07180002.

File #:	080937	Version: 1
Drafter		
DCD:JS:js		
06/24/09		

COOPERATION AND DEVELOPMENT AGREEMENT

THIS COOPERATION AND DEVELOPMENT (DEVELOPMENT ("Agreement") is entered into as of ______, 2009, by and between the City of Milwaukee, Wisconsin, a Wisconsin municipal corporation ("City") and the Redevelopment Authority of the City of Milwaukee ("RACM").

WITNESSETH THAT:

WHEREAS, City and RACM have created Tax Incremental District No. 71 (Mitchell Street) ("("District") with the adoption of their respective resolutions No. 071132 and No. ______. 9969. The District consists of 281 properties located along, and generally one block north and south of W. Mitchell Street between S. 5th Street and S. 16th Street, plus a commercial area south of W. Forest Home Ave. between S. 13th Street and S. 15th Street. The District contains nearly 2.3 million s.f. of land area, excluding public rights-of-way, and encompasses the Historic Mitchell Street commercial district, including immediately adjacent residential areas, and parking lots which serve the retail business on the Street; and

WHEREAS, funding provided by the Project Plan for the District totals \$3,118,000 for the purposes of upgrading pedestrian lighting, installing median irrigation, security cameras, and tree grates, along with funds for grants or loans to assist with catalytic private development opportunities in the District; and

WHEREAS, one of the catalytic projects proposed in the District is restoration and renovation of the former Goldmann's Department Store at 9th & Mitchell Streets, which closed in October of 2007; and

WHERAS, the Goldmann's building was purchased by DK USA Property Management LLC ("Developer") which plans to restore the exterior of the property substantially to its appearance in the 1920's, and to renovate the interior for retail businesses. Developer has already performed extensive interior demolition and asbestos abatement on the property; and

WHEREAS, in order to assist Developer with its restoration and redevelopment plans for the former Goldmann's property, the City desires to provide funding, in the form of a loan, to fund up to \$500,000 of the \$4.4 million estimated total cost of the project; and

WHEREAS, the Common Council adopted Resolution File No. _____ and RACM adopted Resolution No. _____authorizing the execution of this Cooperation Agreement and the funding of a Loan to Developer on terms set forth in the Term Sheet attached as Exhibit "A"; and

NOW, THEREFORE, The parties hereto mutually agree as follows:

1. <u>Loan to Developer</u>. City agrees to provide up to \$500,000 to RACM for the purposes of providing a Loan to the Developer on Terms set forth in Exhibit A, hereto.

<u>Establishment of Fund Account</u>. Funding for the Loan shall be provided from TID
 71 Account No. TD07180002. The City Comptroller shall establish such funds and accounts in
 TID 71 as necessary to accomplish the transaction contemplated herein.

3. <u>Administration of the Fund Account</u>. The City Comptroller shall review and approve the accounting and financial reporting systems necessary to administer the Account.

4. <u>Verification by Comptroller</u>. The City Comptroller shall, from time to time as in the Comptroller's judgment is appropriate, review the receipts and expenditures of RACM, or of management operations in relation to the Loan. The Comptroller shall have full power to conduct an audit or to have such an audit conducted as is necessary in the Comptroller's judgment to provide a full accounting to the City. The results of such audit shall be reported to the Common Council.

IN WITNESS WHEREOF, The parties have executed this Agreement the day and year as hereinafter set forth.

CITY OF MILWAUKEE

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE

By: _____

Robert B. Rondini, Chair

Tom D. Barrett, Mayor

Date:_____

Date:_____

City Clerk

Date:_____

COUNTERSIGNED:

City Comptroller

Date:_____

Approved as to form, execution, and content this <u>day of</u>, 2009.

Assistant City Attorney

By: _____ Rocky Marcoux, Exec. Dir.

Date:_____

EXHIBIT A

Term Sheet for Loan for

Former Goldmann's Dept. Store Redevelopment Project

- **Project.** The "Project" consists of the exterior renovation / restoration and interior remodeling of the approx. 36,000 s.f. former Goldmann's Dept. Store at 930 W. Mitchell St., Milwaukee, WI., and its conversion to a multi-tenant retail and office facility with approximately 34,000 s.f. of leasable space.
- **Developer/Owner.** The "Developer" for the Project will be DK USA Property Management LLC, 1717 N. Kensington Blvd., Shorewood, WI 53211, or a single-purpose limited liability company, to be formed, which shall be owned or controlled by Dong T. (Don) Kim, Roy C. Kim, Wan H. Lee, James Jinhyun Song, and Han Jin Soo, or entities owned or controlled by such individuals.
- **Project Budget.** The estimated cost of the Project, is approx. \$4,450,000, including building acquisition costs.
- **City Funding.** The City will provide up to \$500,000 to the Redevelopment Authority of the City of Milwaukee ("RACM") from Tax Incremental District Bond Account No. TD07188001 for the purposes of providing a Loan to Project.
- Loan Terms. The Loan shall have an interest rate of zero, and be due as a single balloon payment, in fifteen years from the date of Loan origination or upon sale or refinancing of the Project. The final loan payment shall be reduced by the amount of incremental tax revenue generated by the Project beginning in 2009, through the year in which final payment is received, discounted at a rate of 5%. Security for the Loan will be a second mortgage encumbering the Project, the terms of which shall be commercially reasonable. In addition, RACM will execute a subordination agreement in form and content reasonably acceptable to Developer's first mortgage lender. The Loan may be prepaid at any time without penalty or fee. The Loan shall be personally guaranteed by the shareholders of the Developer, in proportion to each shareholder's ownership interest in the Developer.
- **Façade Easement.** As additional consideration for the Loan, Developer shall provide RACM with a Façade Easement substantially in the form attached hereto.
- **RACM Responsibilities.** Funds provided by the City to RACM shall be utilized for restoration and renovation costs of the Project and shall be disbursed by the Project's primary lender, prorata with its loan funds, pursuant to a disbursing agreement to be entered into with RACM and a mutually acceptable title insurance company, following the investment, by Developer, of not less than \$1,4102,000 in cash, in the Project. Any revenues received by RACM from participation in cash flow, or net sales proceeds of the Project shall be

transferred to the City as Project Revenues, as defined in Sec. 66.1105(2)(f)1, Wis. Stats. until the termination of TID No.71.

- Additional Funding Sources: To the extent Developer obtains New Markets Tax Credits, or state, local, or federal grants or other funding sources with which to finance or refinance the Project, the amount of the Loan shall be reduced by 75% of such additional sources and such amount will be immediately due and payable upon such event.
- **Disbursement of TID Funds.** Prior to disbursement of the Loan, the following actions must occur:
 - A. A final budget for the total costs of the Project (hard and soft costs) shall have been approved in writing by City's Commissioner of City Development ("Commissioner").
 - B. Final plans and specifications for the exterior restoration and interior renovation shall be approved by the Commissioner, the Milwaukee Historic Preservation Commission, and the Mitchell St. Business Improvement District.
 - C. The Commissioner shall have received and approved a signed EBE Agreement.
 - D. The Developer shall have closed on a construction loan for the Project, in an amount not less than \$ [2,900,000],2,600,000 and all conditions to the disbursement of such loan, as required by the lender, shall have been satisfied.
 - E. Developer's equity contribution in the minimum amount of \$ [1,102,000] _____1,402,000 shall be disbursed to fund the costs of the Project, after which the Loan shall be disbursed prorata with funds disbursed from the construction loan.
- Human Resource Requirements. Prior to disbursement of any City funds, the Developer, City, and RACM shall enter into a customary EBE Agreement providing for not less than 18% participation by Emerging Business Enterprises and a 21% Residents Preference commitment, both in forms consistent with similar transactions.
- **PILOT Payments.** The Loan Agreement will require payments in lieu of taxes with respect to the Project or portion of the Project that subsequently becomes exempt from real property taxes.
- Form of Leases, Tenants. Leases shall be a form generally accepted in the commercial real estate industry for retail and office tenants, and shall be subject to approval as to form only by the Commissioner; Permitted first-floor tenants shall exclude employment agencies, check

cashing outlets, and non-profit businesses to the extent they exceed 10% of the street level retail leasable area of the Project.

• **Other Provisions.** This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort shall be incorporated into one or more agreements including the Development Agreement between the City, RACM, and the Developer.



Office of the Comptroller June 24, 2009

Members of the Zoning, Neighborhoods & Development Committee 200 East Wells Street, Room 205 Milwaukee, WI 53202 W. Martin Morics, C.P.A. Comptroller

Michael J. Daun Deputy Comptroller

John M. Egan, C.P.A. Special Deputy Comptroller

Craig D. Kammholz Special Deputy Comptroller

PACE

RE: Proposed TID 71 – Mitchell Street Project: Goldmann's Department Store

Dear Committee Members:

TID 71 – Mitchell Street Project – was created in 2007 to provide public improvements and residential assistance grants in the area along Mitchell Street from 5th to 16th Street. The project plan also called for a \$1.5 million Development Fund to provide "gap" financing loans and grants for "catalytic" commercial projects within the TID, subject to Common Council approval. The file before the Committee would approve a \$500,000 forgivable loan to Developer - DK USA Property Management LLC for the Goldmann's Department Store Project. The loan amount of \$500,000 is within the Project Plan amount of \$3.4 million originally approved by the Common Council in 2007.

The Project would restore the exterior of the Goldmann's Department Store to its original 1920's façade and renovate the interior into approximately 34,000 s.f. of retail and office space. City Sports, which currently is located at Midtown Center would operate a second location at the Goldmann's site as anchor tenant, occupying 10,000 of the 16,000 s.f. of second floor space. In addition, tenants have been secured for 16,000 of the 18,000 s.f. of first floor retail space. Many of these first floor tenants are shareholder partners in Developer. Total project costs are \$4.5 million, which would be supported by a \$2.6 million first mortgage loan, a \$1.4 million equity contribution by Developer, and a \$500,000 TID forgivable loan.

The \$500,000 TID forgivable loan would accrue interest at 5% per year and be repaid through the tax increments generated by the Goldman's project for up to 15 years. After the 15th years or upon sale of the project, if the loan balance is not fully repaid, the Developer agrees to pay any remaining balance of the loan if any. This loan will be secured as a second mortgage and is personally guarantied by the shareholder's of the Developer in proportion to their ownership shares.

Is the Project Likely to be Successful?

The Department of City Development has prepared updated cash flows for TID 71. The Department projects that with the Goldman's project, TID 71 is expected to successfully close by year 24 - 2032. We have reviewed the cash flows and conclude that the Department's updated projection is reasonable. We also note that excluding the additional value associated with the Goldmann's project, the TID is projected to recover in 2035, the last year of this TID.

This indicates that: 1) the TID is marginally feasible without the Goldman's project 2) the feasibility of the TID is improved by 3 years with the Goldmann's Project included.

Is the Proposed Level of City Assistance Required for Project Success?

In assessing whether TID assistance is necessary for this project we examine whether the return to Developer is reasonable given the risks associated with the Project. In making this assessment we typically exclude sunk costs (developer costs already incurred) as these costs have little bearing on the decision to proceed with the Project. Excluding prior cash contributed to the Project (including the cost of purchasing the building), the internal rate of return to Developer is 19.3% and the average cash-on-cash return is 13.6%. These percentages are higher than DCD's calculated rate of return (11.7% IRR and 8.5% average cash-on-cash), which are lower due to the inclusion of sunk costs as Developer's equity.

Comments and Conclusions

We also note that reasonable assurances have been put in place to protect the City. First, the TID loan would be repaid through the added incremental value of the Project which is more stable and less sensitive to economic cycles than the Developer's cash flows. Also, at our recommendation, repayment of the TID loan would be personally guarantied by the equity holders of the Developer, so each shareholder will have a personal stake in the TID loan repayment. Another protection for the City is the disbursement of the TID loan, which contingent upon Developer's \$1.1 million equity contributions and Developer securing construction financing. Finally, should Developer secure New Market Tax Credits or other grants, the TID loan shall be reduced by 75% of grant amount received.

The expected developer return on its <u>future</u> investment in this Project (19+%) is on the high side of the expected return for this type of project. However, given the protections to the City included in the term sheet and the net positive impact the Project has on the feasibility of TID 71, we do not object to this TID loan to the Developer.

Sincerely,

W. Martin Morics Comptroller

Cc Richard Marcoux, Jim Scherer

CITY OF MILWAUKEE FISCAL NOTE

A)	DATE	06/24/09	FILE NUM BER:		080937
			Original Fiscal Note	Х	Substitute
SUBJECT:		o	re and approving a Cooperation and Developmer remental District No. 71, Mitchell Street/Goldmann	0	•

B)	SUBMITTED BY (Name/title/dept./ext.):	Rocky Marcoux, Commissioner, DCD
-,		

C)	CHECK ONE:	X ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
		A DOPTION OF THIS FILE DOES NOT A UTHORIZE EXPENDITURES: FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
		NOT APPLICABLE/NO FISCAL IMPACT.

D)	CHARGE TO:	DEPARTMENT ACCOUNT(DA)	CONTINGENT FUND (CF)
		X CAPITAL PROJECTS FUND (CPF)	SPECIAL PURPOSE ACCOUNTS (SPA)
		PERM. IMPROV EMENT FUNDS (PIF)	GRANT & AID ACCOUNTS (G & AA)
		OTHER (SPECIFY)	

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REV ENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:	Forgivable loan for Goldmann's Project	TDO7180002	\$500,000 (plus capitalized interest)		
TOTALS			\$500,000 (plus capitalized interest)		

F)	FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN ANNUAL BASIS OVER SEVERAL YEARS CHECK THE							
	APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT SEPARATELY.							
	1-3 YEARS	3-5 YEARS						
	1-3 YEARS	3-5 YEARS						
	1-3 YEARS	3-5 YEARS						

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION: None.

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

See Exhibit A, Term Sheet, which is part of the Cooperation and Development Agreement.

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

NOTICES SENT TO FOR FILE 080937:

NAME	ADDRESS	DATE	DATE NOTICE SENT		
Rocky Marcoux	DCD	11/5/08	6/25/09		
			<u> </u>		



City of Milwaukee

Legislation Details (With Text)

File #:	090 [.]	159	Version:	0				
Туре:	Communication-Report		Status:	In Committee				
File created:	5/27/2009		In control of:	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE				
On agenda:				Final action:				
Effective date:								
Title:	Communication from the Housing Trust Fund Advisory Board transmitting its 2007 and 2008 Annual Reports.							
Sponsors: THE		THE CHAIR						
Indexes:	COMMITTEES, HOUSING TRUST FUND, REPORTS AND STUDIES							
Attachments:	2007 Annual Report							
	2008 Annual Report							
	Hearing Notice List							
Date	Ver.	Action By	,		Ac	lion	Result	Tally
5/27/2009	0	COMMO	N COUNC	IL	AS	SIGNED TO		
6/26/2009	0		, NEIGHBO PMENT CO			ARING NOTICES SENT		

File #:	090159	Version: 0
Number 090159		

Version ORIGINAL Reference

Sponsor The Chair Title

Communication from the Housing Trust Fund Advisory Board transmitting its 2007 and 2008 Annual Reports.

Requestor

Drafter

СС tjm 5/27/09

HOUSING TRUST FUND ADVISORY BOARD

2007 Annual Report

The attached report is submitted pursuant to s. 316-1 of the Milwaukee Code of Ordinance.



HOUSING TRUST FUND ADVISORY BOARD

2007 ANNUAL REPORT

Purpose: (Per s. 316-1 of the Milwaukee Code of Ordinances)

The Housing Trust Fund is created 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.

Members (for 2007)

Thirteen member advisory board consisting of the following members, who shall serve staggered, two-year terms:

CHAIR

Ald. Michael Murphy

MEMBERS

Ald. Michael McGee (Appointed by the Common Council President)

> Ms. Cecelia Gore (Appointed by the Mayor)

> Mr. Ray Schmidt (Appointed by the Mayor)

Mr. Craig Kammholz (The City Comptroller or his/her designee)

Mr. Michael Van Alstine, Milwaukee Christian Center (A non-profit developer (appointed by the Common Council President))

Mr. Christopher Laurent, Gorman & Company (A for-profit developer (appointed by the Common Council President))

> Mr. Michael Soika (A representative of Continuum of Care)

Mr. Vincent Lyles, M&I Community Development Corp. (A representative of a financial institution (appointed by the Common Council President)

> Ms. Cathie Madden (A representative of the Local Initiatives Support Corporation)

Ms. Bethany Sanchez (A representative of the Metropolitan Milwaukee Fair Housing Council)

> Mr. Brian Peters (A representative of Independence First)

Ms. Heather Dummer Combs (A representative of the Interfaith Conference of Greater Milwaukee)

Staff

Ms. Terry J. MacDonald, Staff Assistant Ms. Joanna Polanco, Council File Specialist Mr. Steve Mahan, Director, Community Development Grants Administration Mr. Garry Werra, Community Development Grants Administration Mr. Tom Gartner, Assistant City Attorney

Committee meetings held in 2007:

April 18, 2007 May 2, 2007 May 22, 2007 June 12, 2007 July 10, 2007 September 11, 2007 October 9, 2007 In 2007 the Housing Trust Fund Advisory Board created two subcommittees; The Housing Trust Fund Advisory Board Technical Review Subcommittee (Created May 2, 2007) and the Housing Trust Fund Advisory Board Finance Subcommittee (Created June 12, 2007).

Housing Trust Fund Advisory Board Technical Review Subcommittee

Purpose:

This subcommittee was created as a permanent subcommittee and its first task is to create a scoring measure for the scoring of the applications and its main task thereafter was to review the housing trust fund applications and to make funding recommendations to the full Housing Trust Fund Advisory Board.

MEMBERS

Mr. Craig Kammholz, Chair

Ms. Bethany Sanchez, Vice Chair

Mr. Michael Soika (October 29, 2007, resigned from subcommittee)

> Ms. Cecelia Gore (Replaced Mr. Soika)

Ms. Cathie Madden

Subcommittee meetings held in 2007:

May 11, 2007 May 31, 2007 November 6, 2007 November 30, 2007

Housing Trust Fund Advisory Board Finance Subcommittee

Purpose:

This subcommittee was created to investigate ways to raise money for the housing trust fund.

MEMBERS

Mr. Vincent Lyles, Chair

Ms. Cathie Madden, Vice Chair

Mr. Brian Peters

Mr. Ray Schmidt

Ms. Bethany Sanchez

Subcommittee meetings held in 2007:

July 2, 2007 August 6, 2007 September 4, 2007 December 3, 2007

HISTORY

On December 13, 2005, the Common Council adopted File Number 051017, substitute resolution creating an affordable housing task force to study issues related to establishing a City of Milwaukee Housing Trust Fund. (**APPENDIX A**)

On July 12, 2006, the Common Council received and placed on file, File 060070 - Communication from the Milwaukee Housing Trust Fund Task Force transmitting its final report and recommendations. (See APPENDIX A, File #060071 for list of recommendations)

On September 26, 2006, the Common Council adopted File Number 060071, substitute resolution relating to the recommendations of the Milwaukee Housing Trust Fund Task Force for the operation and funding of a housing trust fund. (APPENDIX A)

On November 10, 2006, the Common Council approved an amendment (84A) to the 2007 City Budget, submitted by Ald. Murphy that added a \$2.5 million general obligation borrowing authority for a Housing Trust Fund. (APPENDIX B)

On November 14, 2006, the Common Council passed File Number 041537, a substitute ordinance relating to the establishment, operation and funding of a Milwaukee housing trust fund. (APPENDIX A)

On May 8, 2007, the Common Council passed File Number 070140, an ordinance relating to the staffing and residency requirements of the housing trust fund advisory board. (APPENDIX A)

On April 18, 2007, the Housing Trust Fund Advisory Board met for the first time.

ACCOMPLISHMENTS IN 2007

The Housing Trust Fund Advisory Board and its Technical Review Finance Subcommittees worked together to accomplish the following in 2007:

• The Board's first goal was to create an application form.

At the board's April 2007 meeting, Ald. Murphy offered a proposed draft application form and the board members reviewed, revised and, came up with a final version. That final version was approved at the Board's June 12, 2008 meeting. (APPENDIX C)

• The second goal was to create a scoring measure.

The full board deferred this task to the Technical Review Subcommittee.

The Technical Review Subcommittee at its May 11, 2007 and May 31, 2007, meetings created a proposed scoring sheet and it was then reviewed, revised and approved by the full board at its June 12, 2007 meeting. (APPENDIX C)

- The Director of the Community Development Grants Administration prepared a list of Administrative Policies and Procedures for the Housing Trust Fund and the board approved those at its September 9, 2007 meeting. (APPENDIX D)
- At the board's May 22, 2007 meeting, the board decided that the first round of funding would go to brick and mortar projects only.
- In September of 2007 a request for proposal (application) process began and the due date for that first round of applications was set for October 10, 2007.

1. The first round of request for proposals brought in 21 applications.

2. In October 2007, each of the Technical Review Subcommittee members began reviewing and scoring the applications. The members would each bring their completed scoring sheets to a subcommittee meeting, which will take place in January 2008, where their scores will be compiled and calculated to come up with a final score for each of the applications. The subcommittee would make its award recommendations based on the final scores and forward those recommendations to the full board for final review and approval.

- The Technical Review Subcommittee created a proposed "Funding Guidelines for the 2007 Housing Trust Fund project awards" and the full board approved it at its January 18, 2008 meeting. (APPENDIX E)
- On December 11, 2007, Ald. Murphy submitted File 071312- Resolution expressing the City of Milwaukee's support for the establishment of a National Affordable Housing Trust Fund; for Immediate Adoption by the Common Council was adopted unanimously. (APPENDIX F)
- The Finance Subcommittee met several times throughout 2007 and its meetings consisted of reviewing the recommendations for funding from the Housing Trust Fund Task Force and than gathering information from City sources, such as the City Comptroller's staff, Department of City Development and City Assessor, who appeared at the meetings and either gave a presentation or offered information and suggestions on fund options. Some of the subcommittee members also provided information on how other cities were funding their housing trust funds.
- The full board Advisory Board will review the Technical Subcommittee recommendations first round of awards in January 2008.

APPENDIX A

City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202 Certified Copy of Ordinance

FILE NO: 041537

Title:

A substitute ordinance relating to the establishment, operation and funding of a Milwaukee housing trust fund.

Body:

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Chapter 316 of the code is created to read:

CHAPTER 316 HOUSING TRUST FUND

316-1 Establishment; Purpose316-3 Administration316-5 Housing Trust Fund Advisory Board316-7 Financing the Housing Trust Fund

316-1. Establishment; Purpose. There is established a housing trust fund 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.

316-3. Administration. The housing trust fund shall be administered by the community development grants administration division of the department of administration. The community development grants administration division, guided by the recommendations of the Milwaukee housing trust fund task force approved by the common council in resolution file number 060071, shall:

1. Administer the housing trust fund.

2. Develop and implement appropriate rules, procedures, guidelines and regulations for the proper operation of the housing trust fund, including the necessary internal controls over the fund.

3. Review requests for funding from the housing trust fund and make funding recommendations to the housing trust advisory board.

4. Establish criteria and procedures for reviewing requests for funding from the housing trust fund, and for allocating funds from the housing trust fund.

5. Prepare and submit an annual report to the mayor and common council concerning the administration and activities of the housing trust fund.

316-5. Housing Trust Fund Advisory Board. 1. CREATED. a. There is created a housing trust

fund advisory board consisting of the following 13 members who shall serve staggered 2-year terms:

a-1. 2 common council members appointed by the common council president.

a-2. 2 members appointed by the mayor.

a-3. The city comptroller or designee.

a-4. A non-profit developer, appointed by the common council president.

a-5. A for-profit developer, appointed by the common council president.

a-6. A representative of Continuum of Care, appointed by the agency.

a-7. A representative of a financial institution, appointed by the common council president.

a-8. A representative of the Local Initiatives Support Corporation, appointed by the agency.

a-9. A representative of the Metropolitan Milwaukee Fair Housing Council, appointed by the agency.

a-10. A representative of Independence First, appointed by the agency.

a-11. A representative of the Interfaith Conference of Greater Milwaukee, appointed by the agency.b. The mayor shall designate the committee chair and vice-chair.

2. DUTIES. Guided by the recommendations of the Milwaukee housing trust fund task force approved by the common council in resolution file number 060071, the housing trust fund advisory board shall:

a. Evaluate requests for funding from the housing trust fund after the requests have been submitted to and reviewed by the community development grants administration division.

b. Make recommendations to the common council concerning the allocation of housing trust funds based on the recommendations of the community development grants administration division.

c. Identify sources of financing the housing trust fund that may be utilized for consideration by the common council.

d. Adopt rules, guidelines and criteria to assist the board in carrying out its responsibilities.

3. STAFFING. The community development grants administration division shall provide staff support to the board.

316-7. Financing the Housing Trust Fund.

1. SOURCES. a. It is anticipated that the housing trust fund is to be funded by sources identified in common council resolution file number 060071, such as start-up funding using general obligation bonds, surplus Potawatomi Bingo Casino revenues, post-closure tax incremental district revenues, excess payments in lieu of taxes and other funding sources that may be identified by the common council and the housing trust advisory board.

b. The housing trust fund shall be initially capitalized for a maximum of \$5 million in general obligation proceeds, with the resulting annual debt service being amortized by surplus Potawatomi Bingo Casino revenues, post-closure tax incremental district revenues, excess payments in lieu of taxes, and secondarily by the property tax levy. Bonds shall be issued as bond-funded projects are approved by the common council. These bonds shall be issued such that bond-sale proceeds will be used for a purpose for which the city will be exempt from the requirement to hold a referendum on the bond sale, as provided in state law. This bond sale shall be considered a one-time commitment intended to provide start-up funding for the housing trust fund.

2. DEPOSITS AND EXPENDITURES. The city comptroller shall establish the necessary accounts for the deposit and expenditure of housing trust funds.

Part 2. For purposes of staggering the terms of the members of the housing trust fund advisory board, members shall be initially appointed under s. 316-5 as follows:

- a. One-year terms for members appointed under s. 316-5-a-2, 6, 8, 9, 10 and 11.
- b. 2-year terms for members appointed under s. 316-5-a-1, 3, 4, 5, and 7.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Ordinance Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on November 14, 2006, published on December 1, 2006, effective December 2, 2006.

Ronald D

Ronald D. Leonhardt

August 07, 2008

Date Certified

City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202 Certified Copy of Resolution

FILE NO: 051017

Title:

Substitute resolution creating an affordable housing task force to study issues related to establishing a City of Milwaukee Housing Trust Fund.

Body:

Whereas, In wake of the various national disasters and global wars, the numbers of homeless and other economically disadvantaged persons are growing; and

Whereas, Private businesses, community-based organizations, city, county and state agencies administer and manage various programs dedicated to ensuring that children and families are provided clean and safe shelter at affordable rents; and

Whereas, The City of Milwaukee continues to support and develop programs that provide quality, safe, affordable housing as a stabilizing factor for those persons and families most in need; and

Whereas, The Common Council in 2000 supported federal legislation designed to create and fund a National Affordable Housing Trust Fund, a bill that did not become law but would have leveraged funds against various publicly and privately run housing programs that serve thousands annually; and

Whereas, On October 18, 2005, the Common Council adopted Resolution File Number 050755, appropriating \$25,000 in non-tax levy funds to hire a consultant, who along with an advisory task force, will help develop the City of Milwaukee Housing Trust Fund (HTF); and

Whereas, It is the Common Council's intent that the advisory task force conduct various start up tasks including but not limited to, developing a formal structure for the administration of the Housing Trust Fund, recommending guidelines to select and develop worthy projects, and identifying on-going sources of revenue to support future Housing Trust Fund projects; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that a housing task force is created and shall consist of:

1. Two members appointed by the Common Council President, one to serve as chair and the other as vice-chair.

- 2. The Mayor or the Mayor's designee.
- 3. The Commissioner of the Department of City Development or the Commissioner's designee
- 4. The Director of the Housing Authority of the City of Milwaukee or the Director's designee.
- 5. Two members from the Interfaith Conference, appointed by the Common Council President.

6. One member from the business community, appointed by the Common Council President.

7. One member of the Milwaukee County Board of Supervisors, appointed by the Common Council President.

8. One member from the Wisconsin Housing and Economic Development Corporation, appointed by the Common Council President.

9. One member from the Fair Housing Council, appointed by the Common Council President.

10. One member from Independence First, appointed by the Common Council President.

11. One member from Continuum of Care, appointed by the Common Council President.

; and, be it

Further Resolved, That the Common Council President may appoint others to the task force from the private and public sectors that can assist the task force in reaching its objectives; and, be it

Further Resolved, That the task force shall evaluate and make recommendations relating to the hiring of a consultant and the structure, goals, objectives, strategies, financial resources and programs for the City of Milwaukee HTF; and, be it

Further Resolved, That the City Clerk's Office shall provide staff support to the task force; and, be it

Further Resolved, That all City departments are authorized and directed to cooperate with and assist the task force in carrying out its mission; and, be it

Further Resolved, That the task force may request assistance from non-City entities in carrying out its mission; and, be it

Further Resolved, That the task force shall submit its findings and recommendation to the Common Council within 180 days of adoption of this resolution, and shall thereafter be dissolved.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on December 13, 2005.

Ronald D

Ronald D. Leonhardt

August 07, 2008

Date Certified

City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202 Certified Copy of Resolution

FILE NO: 060071

Title:

Substitute resolution relating to the recommendations of the Milwaukee Housing Trust Fund Task Force for the operation and funding of a housing trust fund.

Body:

Whereas, On December 13, 2005, the Common Council adopted File Number 051017, a resolution establishing a 13-member Affordable Housing Trust Fund Task Force to evaluate and make recommendations relating to the structure, goals, strategies, financial resources and programs for a City of Milwaukee Housing Trust Fund; and

Whereas, The Task Force was given 180 days (until June 13, 2006) to submit its findings and recommendations to the Common Council, and this deadline was later extended to July 31, 2006, by File Number 060069, adopted May 31, 2006; and

Whereas, The Task Force submitted its Final Report and Recommendations to the Common Council in June, 2006, under File Number 060070, a communication transmitting the Final Report and Recommendations of the Housing Trust Fund Task Force; and

Whereas, The report was given a public hearing under the communication file by the Common Council's Zoning, Neighborhoods and Development Committee on July 7, 2006; and

Whereas, The recommendations of the Housing Trust Fund Task Force were as follows:

Financing the Housing Trust Fund

1. The Housing Trust Fund should be funded at a minimum level of \$5 million annually.

2. The City shall issue up to \$5 million in general obligation bonds to fund the Housing Trust Fund in its first year of operation, with debt service being funded by the property tax levy. These bonds should be issued in such a manner that it is clear that bond-sale proceeds will be used for a purpose for which the City would be exempt from the requirement to hold a referendum on the bond sale, as provided in the Wisconsin Statutes. This bond sale should be viewed as a one-time commitment intended to provide start-up funding for the Housing Trust Fund. It is anticipated that funding from other revenue sources, including those for which changes in state legislation are necessary, will provide the funding needed for the Housing Trust Fund in the second and subsequent years.

Assuming a 15-year term and an interest rate of 5%, annual debt service payments for this \$5 million

bond issuance would range from \$350,000 to \$583,333.

3. If future City payments from the Potawatomi Bingo Casino exceed the current amount of \$3.38 million per year, the additional revenues shall be dedicated for the Housing Trust Fund. If the casino is expanded, payments to the City could increase by \$2 million to \$4 million.

4. When a tax incremental district is closed, for each of the 4 years immediately following the year in which closure occurred, the City shall designate General Fund revenue for the Housing Trust Fund in an amount equal to the incremental tax revenue (City portion) received from the TID during the last tax collection cycle in which the tax incremental district was in existence. Thus, for any year in the future - 2010, for example -- the total funds generated for the Housing Trust Fund for that year would be the final-year tax increment (City portion) for all TIDs that were closed in the preceding 4 years (in this case, TIDs that closed in 2006, 2007, 2008 and 2009).

Based on TID-closure years anticipated by the Department of City Development and the Comptroller's projection of the City tax increment from each tax incremental district in the TID-closure year, this option could generate the following revenues for the Housing Trust Fund over the next 10 years:

2007	\$2,674,900
2008	\$3,115,000
2009	\$3,431,800
2010	\$3,684,500
2011	\$1,068,100
2012	\$628,000
2013	\$1,741,300
2014	\$1,712,800
2015	\$1,890,400
2016	\$2,869,400

Note: In developing these projections, the Comptroller's Office assumed that no new TIDs will be created and closed within the 10-year period, that equalized values of TIDs will increase 8% per year over the 2005 equalized value and that the City tax rate will continue to decrease until 2011, after which time it will level off.

5. 80% of the net proceeds from the sale of City-owned vacant land should be designated for the Housing Trust Fund. The remaining 20% would continue to go to the Redevelopment Authority for its administration of the land-sale program. Based on actual City land-sale proceeds over the past 5 years, it appears that this option could generate \$132,000-\$275,000 for the Housing Trust Fund each year.

6. Any payments in lieu of taxes ("PILOTs") received by the City from newly-negotiated PILOT agreements with owners of tax-exempt property should be dedicated for the Housing Trust Fund. Based on recent experience, PILOTs could generate \$20,000-\$27,000 per year for the Housing Trust

Fund.

7. The City, through appropriate Common Council resolutions and the efforts of the Department of Administration-Intergovernmental Relations Division, should seek introduction and passage of state legislation that would:

 \cdot Allow revenues from tax incremental districts to be used for housing trust fund purposes outside those districts.

 \cdot Allow municipalities to assess linkage fees in the range of 10 to 30 basis points per square foot of new construction (both residential and non-residential), with the proceeds from such fees available to support local housing trust funds.

Create a 50% state tax credit for contributions to housing trust funds.

• Enable municipalities and counties to levy taxes and fees that solely support housing trust funds. Such taxes and fees should be exempt from state-imposed revenue caps or tax-levy freezes.

• Create a State of Wisconsin housing trust fund to be funded, at least in part, by real estate transfer fee proceeds, with no funds coming from local governments. Specifically, this housing trust fund should be funded by 5% of the real estate transfer fee revenues (i.e., the share of transfer fee revenues retained by the State for other purposes would be reduced from 80% to 75%).

• Increase the amount of the real estate transfer fee statewide from 3 per 1,000 of sale price to 4 per 1,000, with the increased revenues being dedicated to the state housing trust fund (if one is created) or to local housing trust funds (if no state housing trust fund is created).

Eliminate the exemption from the requirement to pay the real estate transfer fee that currently applies to transfers involving purchasers that are limited liability companies ("LLCs"), with the additional transfer fee revenues being dedicated to the state housing trust fund or, if no state fund is created, to local housing trust funds.

Operation of the Housing Trust Fund

1. The Housing Trust Fund should be administered by the Community Development Grants Administration Division of the City's Department of Administration. If this agency is unable or unwilling to assume this responsibility, the Department of City Development/Neighborhood Improvement Development Corporation should administer the program. A third, but less-preferred, option would be to have a private, non-profit agency administer the Trust Fund.

While the Housing Trust Fund would be administered by Community Development Grants Administration, requests-for-proposals, public hearings and funding-allocation decisions should be kept separate from the City's CDBG activities.

2. Oversight of administration of the Housing Trust Fund, as well as final funding recommendations to the Common Council, should be provided by a 13-member advisory board consisting of the following members, who shall serve staggered, 2-year terms:

Two Common Council members (appointed by the Common Council President)

- Two members to be appointed by the Mayor
- The City Comptroller or his/her designee
- A non-profit developer (appointed by the Common Council President)
- · A for-profit developer (appointed by the Common Council President)
- · A representative of Continuum of Care
- A representative of a financial institution (appointed by the Common Council President)
- · A representative of the Local Initiatives Support Corporation
- A representative of the Metropolitan Milwaukee Fair Housing Council
- A representative of Independence First
- · A representative of the Interfaith Conference of Greater Milwaukee

(For advisory board members where no appointing authority is specified, the agency which the individual represents shall make the appointment.)

The board should be responsible for evaluating requests for funding from the Housing Trust Fund (after those requests have been submitted to and reviewed by the administering agency). In making funding-allocation decisions, the board should consider a report on Milwaukee's housing needs that is prepared annually by the Community Development Grants Administration Division and the Department of City Development.

3. A minimum of 25% of Housing Trust Fund dollars should be used to develop housing and provide services for people who are homeless. A minimum of 35% should be used to develop or rehabilitate rental housing. A minimum of 25% should be used to create and maintain home ownership opportunities. The remainder of the Fund (15% or less) should be set aside for "flexible" use to respond to whatever housing needs the advisory board identifies, subject to the incomeeligibility requirements of items #7 and #8. In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. Each year, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, should be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership).

For all projects financed by the Housing Trust Fund, Trust Fund dollars should be used to leverage and complement other sources of financing and to close funding gaps, but should not be viewed as the primary source of funds for the project.

4. Rental housing which is supported by the Housing Trust Fund shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.

5. For acquisition, new construction or rehabilitation of an owner-occupied dwelling, a Housing Trust Fund loan should be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years could be imposed through a deed restriction. If the owner sells the home before the end of the 5-year period, the owner would be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

6. For housing for the homeless, the period of affordability should be 50 years.

7. Financial assistance from the Housing Trust Fund for acquisition or new construction of owneroccupied housing should be limited to households with incomes at or below 100% of the County Median Income (currently \$67,200 for a family of 4), where "income" is as defined on the Census Bureau's Long Form. For homeowners seeking financial assistance for rehabilitation projects, household income should be limited to 65% of County Median Income (currently \$43,680) for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). The dollar values of these income limits will, naturally, be adjusted over time as County Median Income changes.

8. Housing Trust Fund assistance for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) should be limited to projects that serve households and individuals at or below 50% of the County Median Income (currently \$33,600).

9. Housing Trust Fund dollars should be available for home-buying counseling, but agencies providing counseling should be required to demonstrate that they serve low- and moderate-income clients. Also, any organization that receives Housing Trust Fund money for this purpose should be required to prove that it has the ability to assist disabled individuals needing counseling (e.g., the organization offers translation services, materials in Braille, etc.).

10. The advisory board should give weighted consideration to an application for Housing Trust Fund assistance if the proposed project will:

- Leverage other funds (private and/or public).
- · Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.

 \cdot Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.

- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.

 \cdot Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.

- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

11. The following accessibility standards shall apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- · Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).

• Wisconsin Open Housing Act.

• Architectural Barriers Act.

The design principles of any one of the following:

--"Aging in place".

--"Universal design".

--Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund's advisory board.

• For new housing units in one- to 3-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:

--One zero-step entrance to the dwelling unit that will permit a visitor using a

wheelchair to enter the main-level floor of the dwelling unit through a

doorway entrance that has a minimum 32" clear passage opening.

--A usable path of travel throughout the interior main-level floor of the dwelling

unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.

--A powder room (half bath) on the main-level floor that has: 1) a doorway entrance with a minimum 32" clear passage opening; 2) sufficient space to close the entrance door while the room is occupied; 3) a minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.

• Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

; and

Whereas, Implementation of any of the recommendations contained in the Task Force's Final Report will require endorsement and implementation by the Common Council via appropriate legislation, including ordinances, resolutions and budget amendments; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Common Council endorses the following structure and strategies for the financing and operation of the City of Milwaukee Housing Trust Fund:

Financing the Housing Trust Fund

1. The Housing Trust Fund should be funded at a minimum level of \$5 million annually.

2. The City shall issue up to \$5 million in general obligation bonds to fund the Housing Trust Fund in its first year of operation, with debt service being funded first by the additional Potawatomi Bingo Casino revenues and tax incremental district revenues described in numbers 3 and 4 below and secondarily by the property tax levy. Bonds shall be issued as bond-funded projects are approved by the Common Council. These bonds shall be issued in such a manner that it is clear that bond-sale proceeds will be used for a purpose for which the City would be exempt from the requirement to hold a referendum on the bond sale, as provided in the Wisconsin Statutes. This bond sale should be viewed as a one-time commitment intended to provide start-up funding for the Housing Trust Fund.

3. If future City payments from the Potawatomi Bingo Casino exceed the current amount of \$3.38 million per year, 50% of the additional revenues shall be dedicated for the Housing Trust Fund.

4. When a tax incremental district is closed, for each of the 2 years immediately following the year in which closure occurred, the City shall designate General Fund revenue for the Housing Trust Fund in an amount equal to one-half the incremental tax revenue (City portion) received from the TID during the last tax collection cycle in which the tax incremental district was in existence. Thus, for any year in the future - 2010, for example -- the total funds generated for the Housing Trust Fund for that year would be one-half the final-year tax increment (City portion) for all TIDs that were closed in the preceding 2 years (in this case, TIDs that closed in 2006, 2007, 2008 and 2009).

Based on TID-closure years anticipated by the Department of City Development and the Comptroller's projection of the City tax increment from each tax incremental district in the TID-closure year, this option could generate the following revenues for the Housing Trust Fund over the next 10 years:

2007	\$1,337,450
2008	\$1,557,500
2009	\$378,450
2010	\$284,750
2011	\$155,600
2012	\$29,250
2013	\$715,050
2014	\$827,150
2015	\$230,150
2016	\$607,550

5. Any payments in lieu of taxes ("PILOTs") received by the City from newly-negotiated PILOT agreements with owners of tax-exempt property shall be dedicated for the Housing Trust Fund, if so designated by the property owner.

6. The City, through appropriate Common Council resolutions and the efforts of the Department of Administration-Intergovernmental Relations Division, shall seek introduction and passage of state legislation that would:

 \cdot Allow revenues from tax incremental districts to be used for housing trust fund purposes outside those districts.

• Allow municipalities to assess linkage fees in the range of 10 to 30 basis points per square foot of new construction (both residential and non-residential), with the proceeds from such fees available to support local housing trust funds.

· Create a 50% state tax credit for contributions to housing trust funds.

• Enable municipalities and counties to levy taxes and fees that solely support housing trust funds. Such taxes and fees should be exempt from state-imposed revenue caps or tax-levy freezes.

Create a State of Wisconsin housing trust fund to be funded, at least in part, by real estate transfer fee proceeds, with no funds coming from local governments. Specifically, this housing trust fund should be funded by 5% of the real estate transfer fee revenues (i.e., the share of transfer fee revenues retained by the State for other purposes would be reduced from 80% to 75%).

Increase the amount of the real estate transfer fee statewide from \$3 per \$1,000 of sale price to \$4 per \$1,000, with the increased revenues being dedicated to the state housing trust fund (if one is created) or to local housing trust funds (if no state housing trust fund is created).

• Eliminate the exemption from the requirement to pay the real estate transfer fee that currently applies to transfers involving purchasers that are limited liability companies ("LLCs"), with the additional transfer fee revenues being dedicated to the state housing trust fund or, if no state fund is created, to local housing trust funds.

Operation of the Housing Trust Fund

1. The Housing Trust Fund shall be administered by the Community Development Grants Administration Division of the City's Department of Administration. While the Housing Trust Fund would be administered by this office, requests-for-proposals, public hearings and fundingallocation decisions shall be kept separate from the City's CDBG activities.

2. A Housing Trust Fund Advisory Board shall be established to make project funding recommendations to the Common Council for approval. The 13-member Advisory Board shall consist of the following members, who shall serve staggered, 2-year terms:

- Two Common Council members (appointed by the Common Council President)
- Two members to be appointed by the Mayor
- The City Comptroller or his/her designee
- A non-profit developer (appointed by the Common Council President)
- A for-profit developer (appointed by the Common Council President)
- A representative of Continuum of Care
- A representative of a financial institution (appointed by the Common Council President)
- · A representative of the Local Initiatives Support Corporation
- A representative of the Metropolitan Milwaukee Fair Housing Council
- A representative of Independence First
- A representative of the Interfaith Conference of Greater Milwaukee

(For advisory board members where no appointing authority is specified, the agency which the individual represents shall make the appointment.)

The Advisory Board shall be responsible for evaluating requests for funding from the Housing Trust Fund (after those requests have been submitted to and reviewed by the administering agency). In making funding-allocation recommendations, the board shall consider a report on Milwaukee's housing needs that is prepared annually by the Community Development Grants Administration Division and the Department of City Development.

3. A minimum of 25% of Housing Trust Fund dollars shall be used to develop housing and provide services for people who are homeless. A minimum of 35% shall be used to develop or rehabilitate rental housing. A minimum of 25% shall be used to create and maintain home ownership opportunities. The remainder of the Fund (15% or less) shall be set aside for "flexible" use to respond to whatever housing needs the advisory board identifies, subject to the income-eligibility requirements of items #7 and #8. In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. Each year, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, shall be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership).

For all projects financed by the Housing Trust Fund, Trust Fund dollars shall be used to leverage and complement other sources of financing and to close funding gaps. The Trust Fund should not be viewed as the primary source of funds for the project.

4. Rental housing which is supported by the Housing Trust Fund shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The Common Council shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.

5. For acquisition, new construction or rehabilitation of an owner-occupied dwelling, a Housing Trust Fund loan shall be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years may be imposed through a deed restriction. If the owner sells the home before the end of the 5-year period, the owner shall be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

6. For housing for the homeless, the period of affordability shall be 50 years, with a review of the affordability requirement at 15 years and 30 years. The Common Council shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review or the 30-year review.

7. Financial assistance from the Housing Trust Fund for acquisition or new construction of owneroccupied housing shall be limited to households with incomes at or below 100% of the County Median Income (currently \$67,200 for a family of 4), where "income" is as defined on the Census Bureau's Long Form. For homeowners seeking financial assistance for rehabilitation projects, household income shall be limited to 65% of County Median Income (currently \$43,680) for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). The dollar values of these income limits shall be adjusted over time as County Median Income changes.

8. Housing Trust Fund assistance for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) shall be limited to projects that serve households and individuals at or

below 50% of the County Median Income (currently \$33,600).

9. Housing Trust Fund dollars shall be available for home-buying counseling, but agencies providing counseling shall be required to demonstrate that they serve low- and moderate-income clients. Also, any organization that receives Housing Trust Fund money for this purpose shall be required to prove that it has the ability to assist disabled individuals needing counseling (e.g., the organization offers translation services, materials in Braille, etc.).

10. The Advisory Board shall give weighted consideration to an application for Housing Trust Fund assistance if the proposed project will:

- · Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.

 \cdot Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.

• Encourage more neighborhood diversity and increase housing choices within the neighborhood.

• Use green building principles.

 \cdot Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.

- Facilitate the movement of persons from institutions into the community.
- · Use contractors who pay family-supporting wages.
- Be taxable.

11. The following accessibility standards shall apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- · Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- · Architectural Barriers Act.
- The design principles of any one of the following:
- --"Aging in place".
- --"Universal design".

--Any other accessible and/or adaptable design criteria recommended by the Housing Trust Fund Advisory Board and approved by the Common Council.

 \cdot For new housing units in one- to 3-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:

--One zero-step entrance to the dwelling unit that will permit a visitor using a

wheelchair to enter the main-level floor of the dwelling unit through a

doorway entrance that has a minimum 32" clear passage opening.

--A usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.

--A powder room (half bath) on the main-level floor that has: 1) a doorway entrance with a minimum 32" clear passage opening; 2) sufficient space to close the entrance door while the room is occupied; 3) a minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.

• Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Common Council if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

; and, be it

Further Resolved, That the Common Council's Legislative Reference Bureau and the appropriate City officials are directed to draft legislation necessary for further Common Council action to implement the recommendations endorsed herein, including but not limited to an ordinance establishing a Milwaukee Housing Trust Fund and provisions related to its operation and funding; and, be it

Further Resolved, That the Housing Trust Fund Task Force is dissolved as provided in File Number 060069, adopted May 31, 2006, which provided that the Task Force shall be dissolved upon Common Council final action on Final Number 060071, a resolution relating to the recommendations of the task force for the operation and funding of a housing trust fund.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on September 26, 2006.

Ronald D

Ronald D. Leonhardt

August 29, 2008

Date Certified

City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202 Certified Copy of Ordinance

FILE NO: 070140

Title:

An ordinance relating to the staffing and residency requirements of the housing trust fund advisory board.

Body:

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 316-5-1-b of the code is amended to read:

316-5. Housing Trust Fund Advisory Board.

1. CREATED.

b. The mayor shall designate the [[committee]]>>board<< chair and vice-chair.

Part 2. Section 316-5-1-c of the code is created to read:

c. Members need not be city residents.

Part 3. Section 316-5-3 of the code is amended to read:

3. STAFFING. The community development grants administration division >>and the city clerk's office<< shall provide staff support to the board.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Ordinance Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on May 8, 2007, published on May 24, 2007, effective May 25, 2007.

Ronald S

Ronald D. Leonhardt

August 07, 2008

Date Certified

APPENDIX B

9

SPONSOR: FINANCE AND PI	AMENDMENT 84A		
DEPARTMENT	BUDGET IMPACT	TAX LEVY IMPACT	TAX RATE IMPACT PER \$1,000
Capital Improvements Budget: Housing Trust Fund	\$+2,500,000	\$÷0	\$+0.000

AMENDMENT INTENT

This amendment provides \$2.5 million in general obligation borrowing authority for a Housing Trust Fund. Note: It is assumed that borrowing for this program will not take place until Fall 2007 at the earliest and future debt service is expected to be paid from revenues outlined in the Housing Trust Fund ordinance..

OVERVIEW

One financing recommendation proposed by the Housing Trust fund Task Force and approved by the Common Council provides for the City of Milwaukee to issue up to \$5 million general obligation authority for start up costs.

This amendment provides for the following:

- \$2.5 million in general obligation borrowing authority for a Housing Trust Fund start up costs with a footnote that the funds are to be expended pursuant to an agreement between DOA and DPW.
- Borrowing will not take place until at least Fall 2007.
- Future debt service is expected to be paid from revenues outlined in the Housing Trust Fund ordinance.
- Revises the Subtotal Grants and Aids Projects (3) referenced on page 580.1 in the proposed budget to accommodate the intent of this amendment

IMPACT

By adopting this amendment, the budget increases by \$+2,500,000 but neither the property tax levy nor the tax rate is impacted.

ORIGINAL SPONSOR:	Ald. Murp	hy
COMMITTEE VOTE (4-0-1):	In Favor:	Ald. Murphy, D'Amato, Donovan, Witkowiak
	Opposed:	None
	Excused:	Ald. Davis
COUNCIL VOTE (12-3):	In Favor:	Ald. Hamilton, D'Amato, Bauman, Bohl, Wade, McGee, Donovan, Puente, Murphy, Witkowiak, Witkowski, Hines
	Opposed:	Ald. Davis, Dudzik, Zielinski
		Prepared by: Emma J. Stamps (286-8666) LRB – Research & Analysis Section October 26, 2006 Revised: November 3, 2006

1

OBJECTIVE, OVERALL BUDGET LEVY EFFECT OF THIS POSSIBLE AMENDMENT TO THE 2007 PROPOSED BUDGET

			Page 1 of 2
By Ald. Murphy		Item	84a
CAPITAL IMPROVEMENTS, PROPOSED BORROWING AUTHORIZATIONS	BUDGET	110(22)5	TAX RATE EFFECT
Provide \$2.5 million in General Obligation borrowing authority for a Housing Trust Fund. It is assumed that borrowing for this program will not	EFFECT	EFFECT	(PER \$1,000 A.V.)

Housing Trust Fund. It is assumed that boltowing for this program take place until the fall of 2007 at the earliest. Future debt service is expected to paid from revenues outlined in the Housing Trust Fund ordinance.

Capital Improvements Budget

	vements budget	····			
		CHANGE		CHANGE	IN 2007
BMD-2		UNITS COLUMN		AMOUNT COLUMN	
PAGE		NUMBER	AMOUNT	AMOUNT	AMOUNT
AND LINE	DETAILED AMENDMENT	TO BE	OF	TO BE	OF
NUMBER		CHANGED	CHANGE	CHANGED	CHANGE
	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS				
	SPECIAL CAPITAL PROJECTS OR PURPOSES				
	Immediately following the line:				
450.3-8	"(F) Funds to be expended pursuant to an agreement between DOA and DPW."				
	Insert the following lines and corresponding amounts:				
	"Housing Trust Fund" "New Borrowing"				\$+2,500,00
	SECTION I.C.2. SOURCE OF FUNDS FOR CAPITAL IMPROVEMENTS BUDGET				
450.40-13	New Authorizations - City Share		-	\$57,501,490	\$+2,500,00
	SECTION II. PROPOSED BORROWING AUTHORIZATION	3			
	A. Grants and Aids Projects				
	Delete the following line and corresponding amounts:				
580.1	Subtotal Grants and Aids Projects (3)			\$300,000	\$-300,0

\$+0.000

\$÷0

\$+2,500,000

OBJECTIVE, OVERALL BUDGET LEVY EFFECT OF THIS POSSIBLE AMENDMENT TO THE 2007 PROPOSED BUDGET

By Ald. Murphy

Page 2 of 2 Item 84a

CAPITAL IMPROVEMENTS, PROPOSED BORROWING AUTHORIZATIONS (cont'd)

		CHANC	GE IN 2007	T	
BMD-2			IONS OR		IGE IN 2007
PAGE		}	COLUMN	1	
AND LINE	DETAILED AMENDMENT	NUMBER	AMOUNT	AMOUNT	NT COLUMN
NUMBER		TO BE	OF	TOBE	AMOUNT
		CHANGED	CHANGE	CHANGED	OF
	Insert the following lines and corresponding amounts:				CHANGE
	"Subtotal Grants and Aids Projects (Lines 1 to 6)(3) "7. Low-interest mortgage loans under s. 62.237" "8. For blight elimination, slum clearance, redevelopment, community development and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335,			\$0	\$+300,000
	66.1337 and 66.1105." "9. Parking lots or other parking facilities" "10. Housing public purpose under s. 67.12(12)" "Subtotal Grants and Aids Projects (Lines 7 to 10)(3)"			SO	\$+2,500,000

APPENDIX C

9



APPLICATION FOR FUNDING FY2007



APPLICATION FOR FUNDING FY2007

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund services that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

FUNDING GUIDELINES

- A <u>minimum</u> of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A <u>minimum</u> of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

HOUSING TRUST FUND ACTIVITIES MUST OCCUR IN THE CITY OF MILWAUKEE

REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF MILWAUKEE WILL BE REJECTED

City of Milwaukee Housing Trust Fund Application Page 2 of 19 Revised September 2007



APPLICATION FOR FUNDING FY2007

Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Funds may not be used as the primary source of funds for any project.

ELIGIBLE APPLICANTS

- 1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.
- 2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

AFFORDABILITY REQUREMENTS

- 1. <u>Rental Housing:</u> Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
- 2. <u>Owner-Occupied Housing and Homeownership:</u> Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.
- 3. <u>Housing and Services for the Homeless:</u> All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.



APPLICATION FOR FUNDING FY2007

INCOME ELIGIBLITY

1. <u>Owner-Occupied Housing</u>: Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are based on the CMI and are subject to change annually.

2. <u>Rental Housing and Housing for the Homeless:</u> Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income.

Please refer to Attachment A for current Housing Trust Fund income limits

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

Please refer to Attachment C for a detailed description of application scoring measures.



APPLICATION FOR FUNDING FY2007

OTHER REQUIREMENMTS

The following accessibility standards apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.
- The design principles of any one of the following:
 - 1. Aging in place
 - 2. Universal design
 - 3. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.
- For new housing units in one- to three-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:
 - 1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
 - 2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
 - 3. Powder room (half bath) on the main-level floor that has:
 - i. A doorway entrance with a minimum 32" clear passage opening;
 - ii. Sufficient space to close the entrance door while the room is occupied;
 - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.
- Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

City of Milwaukee Housing Trust Fund Application



APPLICATION FOR FUNDING FY2007

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding*.

Completed applications and required attachments must be received at the Community Development Grants Administration office <u>no later than 4:00 p.m. on Wednesday, October 10, 2007.</u> No extensions will be granted. Submit the original and fifteen (15) copies to:

> Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647. Your application will begin when your complete application has been received, including all items indicated below:

- A fully completed application. If a question does not apply, indicate this on the application.
- Applicants should include audited financial statements for three years, if in existence for less than three years, all statements received to date (balance sheets, cash flow statements, and profit and loss statements). For special limited purpose corporations, the supporting organization's statements.
- Tax returns for three years (Individual 1040, Corporate 1120, Form 990, and Partnership 1065).
- Project or Business plan
- Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- Market analysis for projects containing twelve or more residential units.
- Resumes and qualifications of the development team.
- Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- A minimum 5-year projected pro-forma
- An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- Post rehabilitation or new construction appraisal



APPLICATION FOR FUNDING FY2007

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding will be notified by mail within 30 days of Common Council action.

In addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

ALL AWARDS ARE SUBJECT TO NEGOTIATION OF FINAL TERMS.

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

Organization Name:			
Organization Address:	City	Zip	
Contact Person:	Title		
Telephone Number:	Fax:		-
E-Mail:	FEIN		

Indicate the amount requested in the appropriate category below. <u>Please submit a separate application</u> for each category being requested.

The use of HTF dollars is currently limited to capital improvement (brick and mortar) activities. Housing Trust Fund dollars may not be used as the primary source of funds for any project.

Activity	2007 Funds Available	Amount Requested
Homelessness	\$750,000	
- Rehabilitation of Existing Facility		\$
- New Construction of Facility		\$
Rental Housing	\$1,000,000	
- Rehabilitation of Existing Structure		\$
- New Construction		\$
Home Ownership	\$750,000	
- Rehabilitation of Existing Structure(s)		\$
- New Construction		\$
- Owner-Occupied Rehabilitation		\$
TOTAL	\$2,500,000	\$
Indicate the percentage and amount of HTF fund be used to fund accessibility improvements or me	s requested that will	% \$

<u>Proposals must be authorized and signed by the Chief Executive Officer -AND- an official of the Board of Directors.</u>

Signature:	Date:	
Printed Name:	 Title:	
Signature:	 Date:	
Printed Name:	Title:	

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

PART I: PROJECT DESCRIPTION

1. <u>Describe the Project</u>: Briefly identify the project location and the specific activity to be completed.

	Photos and/or sketches are attached
	Project does not involve construction or rehabilitation
,	If the project involves the provision of services, briefly describe the specific service to be provided.
	Project does not involve the provision of supportive services
	seholds/Clients Served: Briefly describe the specific population to be served, includinet includinet includinet income level and special needs populations, as applicable.

Indicate the unduplicated number of units/household to be served

2.

3.



APPLICATION FOR FUNDING FY2007

<u>DO NOT WRITE BELOW</u> For City of Milwaukee HTF Use Only			
Reviewer's Comments:	Score:		

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

PART II: PROJECT TIMELINE

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

MONTH		EMENT(S)	
	i		
		· · · · ·	· · · · · · · · · · · · · · · · · · ·
	· · · · · · · · · · · · · · · · · · ·		
			<u> </u>
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Reviewer's Comments:	Score:

City of Milwaukee Housing Trust Fund Application



Site Control is in the form of:

1.

CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING FY2007

PART III: PROJECT SITE CONTROL, ZONING, & ENVIRONMENTAL ISSUES

Deed
Purchase Agreement
Option (Expiration Date)
Other
a. Please Attach Written Documentation of Site Control
Site is currently zoned:
a. Please Attach Written Verification of Zoning Designation
Is the zoning appropriate for your project?
Yes No
If no, is rezoning currently in process and when is it anticipated that this issue will be resolved?
Date
Describe what, if any, Environmental Assessment activities have been conducted.
· · ·

a. Please attach a copy of any environmental findings/reports received.

<u>DO NOT WRITE BELOW</u> For City of Milwaukee HTF Use Only	
Reviewer's Comments:	Score:

1.

CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING FY2007

PART IV: PROJECT FINANCING

Please Attach the Following Items

	 Sources and Uses of all funds Development Budget Project 5-Year Pro-Forma Cash Flow Statement 	
2.	Please describe the specific use of Hou	sing Trust Fund dollars:
		· · · · · · · · · · · · · · · · · · ·
3.	Has the project secured a firm commit	ment from a construction lender?
4.		commitment from a construction lender?
	Yes No	
5.	Provide the following information and received. If you do not have any comm working with.	attach written verification of any commitments nitments, provide the name of the lender you are
	Lender Name	Phone number
	Contact Person	
	Address	· · · · · · · · · · · · · · · · · · ·
	Commitment Amount \$	

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

6. Identify the project total amount of other funds (private and/or public) that would be leveraged by the Housing Trust Fund dollars.

Funding Source	Amount Leveraged
	\$
	\$
	\$
	\$
	\$
	\$
TOTAL FUNDS LEVERAGED	<u> </u>

Score.	Score:	<u> </u>	ewer's Comments:
	DUVE.		
		· · ·	



APPLICATION FOR FUNDING FY2007

PART V: CAPACITY AND EXPERTISE

1. Has your agency previously undertaken this type of project before?

_____ Yes _____ No

a. If yes, identify the three most recent projects completed:

2. Identify the staff responsible to complete the project and indicate any experience specifically related to this project

<u>For</u>	<u>DO NOT WRITE BELOW</u> City of Milwaukee HTF Use Only	
Reviewer's Comments:		Score:
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City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

PART VI: FURTHERANCE OF HOUSING TRUST FUND GOALS

1. Describe the accessibility improvements or modifications that will be included as a part of this project:

2. Explain how this project serves the lowest-income segment of the population:

Does the project affordability period exceed the minimum period required by the Housing 3. Trust Fund (please refer to page 3)?

____ Yes ____ No

Affordability Period Required by HTF: (years)

Affordability Period Proposed for Project: ______(years)



APPLICATION FOR FUNDING FY2007

	Yes	No	
a.	If yes, please	describe:	
the	neighborhood?		liversity and increase housing choices wit
<u> </u>	_ Yes	No	
a.	If yes, please	describe:	
Will	this project uti	lize green building princ	iples?
• • • •	_ Yes	No	
a.	If yes, please	describe:	
Will	this project coo hborhood, such cies or social se	as employers, business in	ce the work of other entities in the mprovement districts, schools, job traini
agen		No	
agen	Yes		
agen	Yes If yes, please		

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

7.	Will	this project fac	project facilitate the movement of persons from institutions into the community?				
		_ Yes	No				
	a.	If yes, please	describe:				
8.	Will		contractors who new for	ile			
0.	proj	ect (family supp	contractors who pay fam porting wages are defined	as \$8.25 per hour)?	s for all workers on the		
		_ Yes	No				
	a.	If yes, please	describe:				
					······		
			<u>DO NOT WRITI</u> For City of Milwaukee				
leview	er's Con	nments:			Score:		

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APPLICATION FOR FUNDING FY2007

PROPOSAL CHECKLIST - YEAR 2007

Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office <u>no later than</u> <u>4:00 p.m. on Wednesday, October 10, 2007.</u> No extensions will be granted.

Submit the original and fifteen (15) copies to:

Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Faxed or electronic applications will not be accepted. <u>All proposals received after the closing date noted</u> above will be returned to the applicant without review.

PLEASE BE CERTAIN TO

- > Complete and submit *1 original and 15 unbound copies* of all documents:
- > Attach all required supporting documentation as requested in the application.
- If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will be discarded.

If your Application is funded, additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.

ATTACHMENT C

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

	Max 100 F	t Scale(a)
	Point	Max
	Range	Points
Leveraged Dollars a fee man and a second	····	
HTF dollars are less than 3% of total project cost	15	1 - 1.
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	
Income Targets - Please Use Attached Chart		15
# of units with residents up to 50% of income target	15	1 H H
# 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	
Affordability Period	5	
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	
Use of City of Milwaukee (resident) workers (Total Project)		<u> </u>
Less Than 18% Milwaukee (resident) workers	15	
18% Milwaukee (resident) workers 24% Milwaukee (resident) workers	2	dara gu
30% Milwaukee (resident) workers	3	
	4	
36% Milwaukee (resident) workers More than 36% Milwaukee (resident) workers	5	
Use of City, County, or State EBE (Total Project)		5
Use of City, County, of State EBE (Total Fright)	-5	- 1994 - 1995 - 192
18% EBE	ala tati bika titi 1	n in grynw met de
24% EBE	2	
30% EBE	3	
36% EBE	4	
More than 36% EBE	5	
Neighborhood Diversity	11 T 1 1	: 5
Project Increase neighborhood diversity in housing choices	5	
Green Building Principles		5
Project Utilizes Green building Principles	5	
Coordination with Community Institutions	er Lue - L	5
Project is Coordinated with Community Institutions	5	1111 N. 11
Community Integration		5
Move persons from institutions to community	5	11 A. 11 A. 11
Family Supporting Wages (applies to entire project)		5
Vendor/Contractor pays employees a minimum of \$8.25 to \$10.25 per hour	1	an an suit
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/Coatractor pays employees a minimum of \$16.26+ per hour	5	9 7 8 8
Experience		10
Agency experience with same type/similar project	5	
Staff experience with same type/similar project	5	: : .:
Accessibility improvements or modifications		- 5
Meets Minimum Standards	1	
Exceeds Minimum Standards	5	
Service Partners (b)	-	5
Provision of services on site w/out use of HTF \$	5	
Construction Financing	-	5
Construction Loan is Firmly Committed	5	
Construction Loan is Conditionally Committed	2	te ser go g
Construction Loan is not Identified		17
Proposal Meets Community Needs (Subjective)	0-15	15
TBD by Reviewer	0-13	100
Total Points	I	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

INCOME TARGETING TABLE

Г

		100	% CMI	65%	6 CMI	50%	CMI
CMI %	Rating Points	67,200		43,680		33,600	
Up to 50%	15	1.00	33,600	1.00	21,840	1.00_	16,800
51% to 70%	12	33,601	47,040	21,841	30,576	16,801	23,520
71% to 75%	9	47,041	50,400	30,577	32,760	23,521	25,200
76% to 85%	6	50,401	57,120	32,761	37,128	25,201	28,560
86% to 100%	3	57,121	67,200	37,129	43,680	28,561	33,600

UNIT FORMULA TABLE

-												
Up to 50%	of Target	51% to 70%	of Target	71% to	75% o	of Target	76%	to 85%	of Target	At F	ITF Ta	arget
15	В	12	В		9.	В		6	B		3	B
-	A	1	Α			Α			Α			Α
-												
A = Total Units												
B = Units m	eeting HTF	Income Targ	jets									

Step 1: Determine which HTF income target your project falls under (100% CMI, 65% CMI or 50% CMI)

Step 2: Using the INCOME TARGETING TABLE, identify the income level which is appropriate for your project

Step 3: Locate the Rating Points associated with the income target for your project (15, 12, 9, etc)

Step 4: Using the Rating Points identified in step 3, locate the appropriate formula set to use in the UNIT FORMULA TABLE

Step 5: Using the UNIT FORMULA TABLE, place the number of units meeting the project income target identified in step 2 as the Numerator (B).

Step 6: Place the <u>Total</u> Number of units as the Denominator (A).

Step 7: Run the calculation to determine the appropriate number of points awarded for this section.

Example:

1. Project is in the 50% CMI category

Project will have 50 units of which 25 are for individuals making at or around \$22,000/yr
 The above two facts results in the project being given 9 rating points.

Calculation: 12 * <u>25</u> 50 = 12 * 0.5 or 6 points.

APPENDIX D

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9

ADMINISTRATIVE POLICIES AND PROCEDURES FOR THE CITY OF MILWAUKEE HOUSING TRUST FUND

DEFINITIONS:

ZND	The City of Milwaukee Zoning, Ne	eighborhood & Development	Committee, or successor body.
-----	----------------------------------	---------------------------	-------------------------------

HTFAB The City of Milwaukee Housing Trust Advisory Board

HTF As applicable, funds received by the City of Milwaukee from various sources that comprise the financing of the Housing Trust Fund.

CDGA The City of Milwaukee Community Development Grants Administration.

GENERAL CRITERIA

The following criteria will apply to all projects receiving HTF funds through the Community Development Grants Administration.

- 1. Acknowledgment of HTF Funding. Contractor must acknowledge the receipt of grant funds in literature and promotional materials in one of the following manners:
 - a. Use of City of Milwaukee logo (obtainable from the City Clerk).
 - b. Inclusion of specific language as follows: "This project is funded in part through a City of Milwaukee Housing Trust Fund allocation".
- 2. Equal Opportunity. Contractor shall provide equal employment and promotional opportunities to all present and prospective employees without regard to race, religion, color, age, handicap, sex, national origin, sexual orientation, marital status, creed or ancestry. A policy of equal employment opportunity shall apply to all personnel transactions, including, but not limited to, recruitment, hiring, compensation, promotion, transfer, demotion, recall from lay-off and educational opportunity. Grantees shall maintain a positive, continuing affirmative action program to eliminate barriers to employment which have had the effect, although unintentional, of denying equal employment opportunities to the above groups. Contractor shall monitor certain key indicators to measure positive progress in this area such as minority composition of staff and boards of directors.
- 3. Non-English Speaking Clienteles. If Contractor serves a large non-English speaking population, it shall demonstrate how language needs are met, either by having translation capacity available or having multilingual staff.
- 4. Board of Directors Membership. If Contractor is a non-governmental entity, it shall maintain a board of directors of not fewer than five members. The Board of Directors is to be independent and separate from the paid staff (except for the chief executive officer may serve as a board member). Board members may not profit or benefit in any manner from HTF-funding and shall be subject to City of Milwaukee Conflict of Interest regulations.
- 5. **Participation by City Officials.** Contractor must disclose participation of elected or appointed city officials in their organizations.

- 6. Funded agencies must demonstrate that they are "financially viable". In other words, the agency would be able (maintain a minimal level of program activity even without funding administered through the Community Development Grants Administration. The Zoning, Neighborhoods & Development Committee will handle this on a case-by-case basis.
- 7. Continuing projects must meet various programmatic and financial quality standards in order to receive further funding.
- 8. Reporting. The Contractor agrees to submit reports as may be required by the CITY at such times as may be scheduled for submittal as described in the contract hereto. These data-collection instruments will be a part of CDGA's monitoring and evaluation of the Contractor's activities. Reimbursement requests will be held until specific report deadlines are met.
- 9. One Year Fiscal Agency Rule. Projects with fiscal agency arrangements must be able to deal with internal accounting policies and procedures in-house. An alternative to in-house fiscal management is an alternative source of funding to pay for a continued fiscal agency arrangement. If an agency needs to extend the fiscal relationship for more than one year, due to extenuating circumstances, approval must be obtained from the Zoning, Neighborhoods & Development Committee. Evidence of fiscal autonomy shall be provided to the office of the Community Development Grants Administration.
- 10. Applicant's principal organization or business address must be listed. Post office boxes are not acceptable except for legitimate security reasons surrounding the organization and its programs. Also unacceptable are home addresses and organizations or businesses located in residences or domiciles.

FISCAL PROCEDURES

- 1. Ninety-Day Rule. An award of funds remaining 90 days after award shall be subject to revocation by the Zoning, Neighborhoods & Development Committee if the grantee has not, within ninety days of the final approval of the award, provided all documentation necessary for contract execution.
- 2. **Timely Expenditure.** If Contractor has not expended or encumbered at least sixty percent of the contract amount prior to the beginning of the tenth month of the contract term, this Contract shall be subject to full or partial termination by the Zoning, Neighborhoods & Development Committee.
- 3. Final Cost Report. The final cost report for this Contract must be filed no later than 4:00 P.M. on the fifteenth day after the end of the contract term (e.g., for January 1 December 31 contracts).
- 4. **Payment of Accrued Costs.** All accrued costs reported on the final cost report must be paid no later than the forty-fifth-day after the end of the contract term (e.g., for January 1 December 31 contracts, not later than February 15 of the succeeding year). Accrued cost is any cost incurred (goods or services ordered, in transit, or received) but not yet paid and/or recorded as such on the financial records of the project.
- 5. **Fiscal Year Close Out.** Costs submitted to the City for reimbursement after the close out date of the close of the fiscal year, CDGA is authorized to charge the amount in question to the project's current year contract.
- 6. Recovery of Unexpended Funds. All budget balances remaining sixty days after the end of the contract term shall revert to the HTF.

- 7. Method of payment. Requests for Disbursement of Funds. The HTF operates on a reimbursement basis. All claimed costs must be paid before submission of reimbursement requests. Any act(s) of non-compliance will require the entire amount of HTF subsidy to be repaid to the HTF account. The CONTRACTOR may not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs as determined by the HTFAB. Compensation and/or reimbursement for services required under this Contract shall be contingent upon each activity being reviewed for approval by the CDGA approving officer.
- 8. Contract Extensions. The HTFAB may recommend that ZND consider contract extensions based on the following criteria:
 - 1. Groups which received funds out of cycle to finance individual programs as they are approved by Common Council Resolution. An extension will allow the project to operate at a full 12 month period.
 - 2. Groups which have met productivity goals and have extenuating circumstances.
 - 3. All work has been completed but final payment must be made.
 - 4. To pay a specific outstanding commitment or obligation which has been <u>encumbered</u> prior to the end of the fiscal year.

Encumbrances from previous CDBG years not liquidated by the end of the next CDBG year will be subject to review by the HTFAB/ZND.

Extension requests must be submitted to the office of Community Development Grants Administration for approval, before the start of the new program fiscal year.

9. Complaints. The Director of the Community Development Grants Administration has the authority to hear appeals to all complaints involving administrative policies and procedures of all HTF funded programs administered by CDGA. Exceptions to administrative policies and procedures shall be granted only when in the opinion of the Director of the Community Development Grants Administration, extenuating circumstances prevented a project, an individual funded with grant funds, or a citizen from reasonably complying with the letter and intent of Administrative Policies and Procedures.

ADDITIONAL DEFINITIONS AND CRITERIA

Close Out - Expeditious payment of all costs accrued through December 31*, preparation and submittal of final cost report to CDGA, and reconciliation of any variance between budgeted and actual costs. (*Unless an extension has been authorized by ZND, or a project contract specifies a termination date other than December 31.)

3

PROCUREMENT POLICIES

- <u>Procurement Procedures</u>: Proper procurement procedures must be followed in order to secure any goods and services to be purchased (or reimbursed) with City funds, including the selection of contractors, suppliers and related vendors. As such, City of Milwaukee funded housing production agencies must adhere to the following procurement procedures:
 - 1. <u>Contracts and Purchase of Less than \$5,000</u> An agency must document that it has contacted at least three bonafide sources and has selected the source that provides the most appropriate product, at a price most reasonable for the project.
 - 2. <u>Contracts and Purchases From \$5,000 to \$30,000</u> Agencies must request proposals from at least three bonafide sources. Requests for proposals must be in writing and provide all contractors, vendors, and suppliers the same information and opportunity to "walk-through" a project, if appropriate. Additionally, copies of all blds received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contractors, licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and/or materials and services to be provided.
 - <u>Contracts and Purchases Greater than \$30,000</u> All Requests for Proposals greater than \$20,000 must be advertised in either the Milwaukee Journal Sentinel or the Dally Reporter. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contracto licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to the performed, and or materials and services to be provided. Failure to follow these procurement procedures will result in a Finding during a CDGA monitoring visit and will require the agency to "payback" all HTF funds disbursed using non-Federal funds.

Conflict of Interest Regulations Applicable to City of Milwaukee Housing Trust Fund

Persons Covered

Α.

- 1. Employees of the City of Milwaukee
- 2. Employees of the subrecipient organizations (Including Board members)
- 3. Agents of the City

3.

- 4. Consultants of the City
- 5. Officers of the City
- 6. Elected officials of the City
- 7. Appointed officials of the City

No Persons (identified above)

- who exercise any functions or responsibilities with respect to HTF activities, or
- who have exercised any functions or responsibilities with respect to HTF activities, or
- who are in a position to participate in a decision making process, or
- who are in a position to gain inside information with regard to such activities.

4

Prohibition

- may obtain a *financial interest* from a HTF assisted activity, or
- obtain a benefit from a HTF assisted activity, or
- have a *financial interest* in any contract, subcontract, or agreement with respect to a HTF assisted activity, or with respect to the proceeds of the HTF assisted activity
- either for themselves, or
- those with whom they have business or immediate family ties,
- during their tenure or for one year thereafter.

Employees of both the City and Employees of Subrecipient Organizations that receive HTF funds:

Before any employee who exercises or has exercised any functions or responsibilities with respect to HTF activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to HTF activities, is permitted to avail himself or herself of a financial interest or benefit from programs funded with those grants, or is permitted to enter into any contract or agreement relating to such activities, the City, on behalf of the employee, is required to first seek an exception to the conflict of interest regulations.

<u>City Employees & Board members</u>: Any City employee who exercises or has exercised any functions or responsibilities with respect to HTF activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to HTF activities, and who wishes to participate in a program funded with HTF funds, should first seek a confidential advisory opinion from the Ethics Board. In order to seek an exception from the conflict-of-interest regulations, an employee or Board member must provide an opinion of the City Attorney that the relationship at issue does not violate state or local law.

<u>Any other City Employee</u> described above whose position involves activities related to a HTF funded program in which he or she wishes to participate should seek a confidential advisory opinion from the Ethics Board <u>before</u> participating in the program.

APPENDIX E

9

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.

CDK:TOG:11-30-07

APPENDIX F

9

City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202

Certified Copy of Resolution-Immediate Adoption

FILE NO: 071232

Title:

Resolution expressing the City of Milwaukee's support for the establishment of a National Affordable Housing Trust Fund.

Body:

Whereas, The U.S. House of Representatives passed H.R. 2895, the National Affordable Housing Trust Fund Act of 2007, on October 10, 2007 by a strong bi-partisan vote of 264-148; and

Whereas, The National Affordable Housing Trust Fund is designed to:

1. Address the national shortage of housing that is affordable to low-income families by creating a permanently appropriated fund, with dedicated sources of funding, to finance additional housing activities without supplanting existing housing appropriations or existing state and local funding for affordable housing.

2. Enable rental housing to be built for families with the greatest economic need, in mixed income settings and in areas with the greatest economic opportunities.

3. Promote ownership of one-to-four family owner-occupied housing by low-income families. re on PROD1PC65 with BILLS

4. Construct, rehabilitate, and preserve at least 1,500,000 affordable dwelling units over the next decade.

; and

Whereas, The National Affordable Housing Trust Fund will be the largest expansion in federal housing programs in decades, initially allocating between \$800 million and \$1 billion annually directly to states and local communities, without increasing government spending or the federal deficit; and

Whereas, The U.S. Senate will be considering the National Affordable Trust Fund Act of 2007 as proposed under a draft bill by Senator John Kerry; and

Whereas, A summary of the Senate Draft is attached to this resolution; and

Whereas, Supporting the National Housing Trust Fund Act is in the best interest of the City of Milwaukee and its residents, particularly since the City recently established its own Affordable Housing

Trust Fund and related advisory board, and continues to seek new sources of funding for this purpose; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Council expresses its support for the Affordable Housing Trust Fund Act of 2007, approved by the U.S. House of Representatives, and urges its passage by the U.S. Senate as proposed by Senator John Kerry.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution-Immediate Adoption Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on December 11, 2007.

Ronald D

Ronald D. Leonhardt

August 12, 2008

Date Certified

HOUSING TRUST FUND ADVISORY BOARD

2008 Annual Report

The attached report is submitted pursuant to s. 316-1 of the Milwaukee Code of Ordinance.



HOUSING TRUST FUND ADVISORY BOARD

2008 ANNUAL REPORT

Purpose: (Per s. 316-1 of the Milwaukee Code of Ordinances)

The Housing Trust Fund is created 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.

Members (for 2008)

The Housing Trust Fund Advisory Board consists of the following members, who serve staggered, two-year terms:

CHAIR

Ald. Michael Murphy

MEMBERS

Ald. Robert Bauman (Appointed by the Common Council President)

> Ms. Cecelia Gore (Appointed by the Mayor)

> Mr. Ray Schmidt (Appointed by the Mayor)

Mr. Craig Kammholz (The City Comptroller or his/her designee)

Mr. James Hiller (A non-profit developer (appointed by the Common Council President))

VACANT (A for-profit developer (appointed by the Common Council President)) Mr. Michael Soika (A representative of Continuum of Care)

Mr. Vincent Lyles (A representative of a financial institution (appointed by the Common Council President)

> Ms. Cathie Madden (A representative of the Local Initiatives Support Corporation)

Ms. Bethany Sanchez (A representative of the Metropolitan Milwaukee Fair Housing Council)

> Mr. Brian Peters (A representative of Independence First)

Ms. Heather Dummer Combs (A representative of the Interfaith Conference of Greater Milwaukee)

Staff

Ms. Terry J. MacDonald, Staff Assistant Ms. Joanna Polanco, Council File Specialist Mr. Steve Mahan, Director, Community Development Grants Administration Mr. Garry Werra, Community Development Grants Administration Mr. Tom Gartner, Assistant City Attorney

Committee meetings held in 2008:

January 18, 2008 April 11, 2008 May 9, 2008 June 12, 2008 July 10, 2008 August 14, 2008 September 11, 2008 November 13, 2008 In 2007 the Housing Trust Fund Advisory Board created two subcommittees; the Housing Trust Fund Advisory Board Technical Review Subcommittee (created May 2, 2007) and the Housing Trust Fund Advisory Board Finance Subcommittee (created June 12, 2007).

Housing Trust Fund Advisory Board Technical Review Subcommittee

Purpose:

This subcommittee was created as a permanent subcommittee and its first task was to create a scoring measure for the scoring of the applications and its main task thereafter was to review the housing trust fund applications and to make funding recommendations to the full Housing Trust Fund Advisory Board.

MEMBERS

Mr. Craig Kammholz, Chair

Ms. Bethany Sanchez, Vice Chair

Ms. Cecelia Gore

Ms. Cathie Madden

Subcommittee meetings held in 2008:

January 14, 2008 June 2, 2008 July 9, 2008

Housing Trust Fund Advisory Board Finance Subcommittee

Purpose:

This subcommittee was created to investigate ways to raise money for the housing trust fund.

MEMBERS

Mr. Vincent Lyles, Chair

Ms. Cathie Madden, Vice Chair

Mr. Brian Peters

Mr. Ray Schmidt

Ms. Bethany Sanchez

Subcommittee meetings held in 2008: June 12, 2008

ACCOMPLISHMENTS IN 2008

The Housing Trust Fund Advisory Board and its Technical Review and Finance Subcommittees worked together to accomplish the following in 2008:

• The Housing Trust Fund Advisory Board met on January 18, 2008, and approved the following housing trust fund award recommendations submitted by the Technical Review Subcommittee:

HOMELESSNESS:

Mercy Housing Lakefront - \$750,000 **RENTAL:** St. Catherine's Residence, Inc. - \$264,000 Heartland Housing - \$125,000 United Methodist Children's Services of Wisconsin, Inc. - \$200,000 **HOMEOWNERSHIP:**

Milwaukee Christian Center (CHIDO Project) - \$68,000

- At the June and July meetings of the Technical Review Subcommittee and the Housing Trust Fund Advisory Board, members reviewed and revised the housing trust fund application form and scoring measure. (APPENDIX A)
- On June 10, 2008, Ald. Murphy submitted for introduction to the Common Council a resolution authorizing the acceptance and expenditure of up to \$250,000 in private contributions by the Department of Administration, Community Development Grants Administration Division for the Housing Trust Fund (File #080216); and, on July 1, 2008, the Common Council adopted Resolution File Number 080216, unanimously. (APPENDIX B)
- At the June 12, 2008, Finance Subcommittee meeting, it discussed the possibility of creating a trust or an endowment for the housing trust fund. The Assistant City Attorney present at that meeting suggested that one way a trust or endowment could be administered is by having a 501(c)(3) corporation created that would include city participation, but is considered a separate entity, similar to the Milwaukee Economic Development Corp. or the Neighborhood Improvement Development Corp. A 501(c)(3) corporation could go out and raise funds for a trust or endowment.

- At the June 12, 2008, Finance Subcommittee meeting, Mr. Leo Ries, Executive Director, Local Initiatives Support Corporation and Mr. Robert Henken, President, Public Policy Forum appeared and gave an overview of a proposal for an affordable housing study that they were contemplating doing. Mr. Lyles, Chair of the Finance Subcommittee then advised the Housing Trust fund Advisory Board at its June 12, 2008 meeting, of the study and how it could possible provide information on raising funds for the housing trust fund.
- On August 14, 2008, the Housing Trust Fund Advisory Board approved a request for a \$10,000 grant from the Housing Trust Fund to fund a study proposed by the Local Initiatives Support Corporation and the Public Policy Forum titled "A Sustainable Approach to Creating and Administering Low-Income and Special Needs Housing in Milwaukee County." On September 16, 2008 the Common Council adopted File No. 080645, which authorized the appropriation of the \$10,000 from the Housing Trust Fund account to the Local Initiatives Support Corporation and the Public Policy Forum. (APPENDIX C)
- In September of 2008, the second request for proposals (application) process began and the due date for those applications was set for October 27, 2008. (In October of 2008, a one week extension on the due date was given, the new deadline was set for November 3, 2008)

1. The second round of request for proposals brought in 28 applications. (APPENDIX D)

2. In November and December of 2008, City staff worked on reviewing and computing the objective scores (when required), for each of the applications. When City staff completes it review, each of the Technical Review Subcommittee will be given a set of applications with a list of recommendations prepared by City Staff for their review and computing of the subjective scores. When the Technical Review Subcommittee convenes its next meeting, it will review and combine all the scores for the second round of applications, craft recommendations and forward those recommendations to the full Housing Trust Fund Advisory Board for its approval.

APPENDIX A



APPLICATION FOR FUNDING 2008

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APPRIATED ADDRESS VOLTANT



APPLICATION FOR FUNDING 2008

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund services that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

FUNDING GUIDELINES

- A <u>minimum</u> of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A <u>minimum</u> of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

HOUSING TRUST FUND ACTIVITIES MUST OCCUR IN THE CITY OF MILWAUKEE

REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF MILWAUKEE WILL BE REJECTED



APPLICATION FOR FUNDING 2008

Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Funds may not be used as the primary source of funds for any project.

ELIGIBLE APPLICANTS

- 1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.
- 2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

AFFORDABILITY REQUREMENTS

- 1. <u>Rental Housing:</u> Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
- 2. Owner-Occupied Housing and Homeownership: Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

Housing Trust Fund dollars are available for home-buying counseling. Homebuyer counseling agencies must demonstrate that they serve low- and moderate-income clients. In addition, any organization that receives Housing Trust Fund money for this purpose must demonstrate that it has the ability to assist disabled individuals (e.g., the location is accessible and the organization offers translation services, materials in Braille, etc.).

- 3. <u>Housing and Services for the Homeless:</u> All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.
- NOTES: Projects not meeting the minimum affordability requirements are ineligible.
 - Additional points will be assigned, on a sliding scale, for projects that exceed the minimum period of affordability.



APPLICATION FOR FUNDING 2008

INCOME ELIGIBLITY

1. <u>Owner-Occupied Housing:</u> Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are based on the CMI and are subject to change annually.

2. <u>Rental Housing and Housing for the Homeless:</u> Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income.

Please refer to Attachment A for current Housing Trust Fund income limits

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Exceed the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

Please refer to Attachment C for a detailed description of application scoring measures.



APPLICATION FOR FUNDING 2008

ACCESIBILTY REQUIREMENTS

1. Multi Family PROJECTS (Three or more units)

All new construction or substantial rehabilitation projects receiving Housing Trust Funding must comply with the following standards:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.

Additionally, these projects must meet at least one of the following design principles:

- 1. Aging in place
- 2. Universal design
- 3. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.

2. <u>HOMEOWNERSHIP PROJECTS (New housing units in one- to three-unit structures)</u>

Each ground-floor unit shall be constructed to the following "visitability" standards):

- 1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
- 2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
- 3. Powder room (half bath) on the main-level floor that has:
 - i. A doorway entrance with a minimum 32" clear passage opening;
 - ii. Sufficient space to close the entrance door while the room is occupied;
 - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.

Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.



APPLICATION FOR FUNDING 2008

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding*.

COMPLETED APPLICATIONS AND REQUIRED ATTACHMENTS MUST BE PHYSICALLY RECEIVED AND TIME-STAMPEDAT THE COMMUNITY DEVELOPMENT GRANTS ADMINISTRATION OFFICE <u>NO LATER THAN 4:00 P.M. ON MONDAY, OCTOBER 27, 2008</u>. NO EXTENSIONS WILL BE GRANTED. SUBMIT THE ORIGINAL AND <u>FIFTEEN (15) COPIES</u> **TO**:

> Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647. Your application will begin when your complete application has been received, including all items indicated below:

- 1. A fully completed application. If a question does not apply, indicate this on the application.
- 2. Applicants should include audited financial statements for three years, if in existence for less than three years, all statements received to date (balance sheets, cash flow statements, and profit and loss statements). For special limited purpose corporations, the supporting organization's statements.
- 3. Tax returns for three years (Individual 1040, Corporate 1120, Form 990, and Partnership 1065).
- 4. Project or Business plan
- 5. Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- 6. Market analysis for projects containing twelve or more residential units.
- 7. Resumes and qualifications of the development team.
- 8. Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- 9. Sources of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- 10. A minimum 5-year projected pro-forma (Not required for Homeownership Category)
- 11. An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- 12. Post rehabilitation or new construction appraisal

The City of Milwaukee reserves the right to request additional information as deemed necessary by the Housing Trust Fund Advisory Board



APPLICATION FOR FUNDING 2008

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding will be notified by mail within 30 days of Common Council action.

In addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

ALL AWARDS ARE SUBJECT TO NEGOTIATION OF FINAL TERMS.



APPLICATION FOR FUNDING 2008

Organization Name:		
Organization Address:	City Zi	P
Contact Person:	Title	
Telephone Number:	Fax:	
E-Mail:	FEIN	

Indicate the amount requested in the appropriate category below. <u>*Please submit a separate application</u>* for each category being requested.</u>

Activity	2008 Funds Available	Amount Requested		
Homelessness	\$373,250	\$373,250		
- Rehabilitation of Existing Facility		\$		
- New Construction of Facility		\$		
- Provide Supportive Services				
Rental Housing	\$522,550			
- Rehabilitation of Existing Structure		\$		
- New Construction		\$		
Home Ownership	\$373,250			
- Rehabilitation of Existing Structure(s	5)	\$		
- New Construction		\$		
- Owner-Occupied Rehabilitation		\$		
- Homebuyer Counseling Services - Post-Purchase Counseling Services	The use of HTF dollars is currently limited to capita (brick and mortar) activities	l improvement		
Other Needs as Identified	\$213,950	\$		
1	OTAL \$1,483,000	\$		
Indicate the percentage and amount of H be used to fund accessibility improvement		% \$		

<u>Proposals must be authorized and signed by the Chief Executive Officer -AND- an official of the Board of Directors.</u>

Signature:	Date:		
Printed Name:	Title:		
Signature:	Date:		
Printed Name:	Title:		
City of Milwankee		Page 8 of 20	

Housing Trust Fund Application

Page 8 of 20 Revised September 2008



APPLICATION FOR FUNDING 2008

PART I: PROJECT DESCRIPTION

1. <u>Describe the Project</u>: Briefly identify the project location and the specific activity to be completed.

a.	If project involves construction or rehabilitation, please attach photos of the site and
	sketches or drawings of the proposed project.

Photos and/or sketches are attached

Project does not involve construction or rehabilitation

b. If the project involves the provision of services, briefly describe the specific services to be provided. Also, describe the partners and specific funding source(s) for the services to be provided.

Project does not involve the provision of supportive services

- 2. Households/Clients Served: Briefly describe the specific population to be served, including target income level and special needs populations, as applicable.
- 3. Indicate the unduplicated number of units/household to be served



APPLICATION FOR FUNDING 2008

DO NOT WRITE	BELOW
For City of Milwaukee	HTF Use Only
Reviewer's Comments:	Score:



APPLICATION FOR FUNDING 2008

PART II: PROJECT TIMELINE

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

MONTH	EVENT(S)	
	- A	

DO NOT	WRITE BELOW
For City of Mil	waukee HTF Use Only
Reviewer's Comments:	Score:



APPLICATION FOR FUNDING 2008

PART III: PROJECT SITE CONTROL, ZONING, & ENVIRONMENTAL ISSUES

1.	Site Control is in the form of:
	Deed
	Purchase Agreement
	Option (Expiration Date)
	Other
	a. Please Attach Written Documentation of Site Control
2.	Site is currently zoned:
	a. Please Attach Written Verification of Zoning Designation
3.	Is the zoning appropriate for your project?
	Yes No
	If no, is rezoning currently in process and when is it anticipated that this issue will be resolved?
	Date
4.	Describe what, if any, Environmental Assessment activities have been conducted.
	a. Please attach a copy of any environmental findings/reports received.
	DO NOT WRITE BELOW

Reviewer's Comments:	ikee HTF Use Only Score:
Reviewer's comments.	Score.



1.

CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2008

PART IV: PROJECT FINANCING

Please Attach the Following Items Sources and Uses of all funds • Development Budget • Project 5-Year Pro-Forma (Not required for Homeownership projects) Cash Flow Statement

2. Please describe the specific use of Housing Trust Fund dollars (i.e.:

3. If the project utilizes Tax Credits, have the Tax Credits been awarded?

____ No Yes

If Yes, attach notice of Tax Credit award.

Has the project secured a firm commitment from a construction lender? 4.

Yes No

Has the project received a conditional commitment from a construction lender? 5.

Yes _____No



APPLICATION FOR FUNDING 2008

6. Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with.

Lender Name		_ Phone number	
Contact Person			
Address	-		
Commitment Amount \$		Rate/Term	_

7. Identify the project total amount of other funds (private and/or public) that would be leveraged by the Housing Trust Fund dollars?

Funding Source	Amount Leveraged
	\$
	\$
	\$
	\$
	\$
	\$
TOTAL FUNDS LEVERAGED	\$

	vaukee HTF Use Only
eviewer's Comments:	Score:



APPLICATION FOR FUNDING 2008

PART V: CAPACITY AND EXPERTISE

1. Has your agency previously undertaken this type of project before?

Yes No

a. If yes, identify the three most recent projects completed:

2. Identify the staff responsible to complete the project and indicate any experience specifically related to this project

3. Briefly summarize the project management plan. Identify the staff or agency responsible for ongoing project management and any experience specifically related to this project. (Does not apply to Homeownership Programs)

Attach copy of Management Plan.



APPLICATION FOR FUNDING 2008

DO NOT WRITE BEL For City of Milwaukee HTF	
Reviewer's Comments:	Score:

PART VI: FURTHERANCE OF HOUSING TRUST FUND GOALS

1. Describe the accessibility improvements or modifications that are in excess of what are required by the Fair Housing Act, Section 504, please provide an estimated cost.

2. Explain how this project serves the lowest-income segment of the population:

3. Does the project affordability period exceed the minimum period required by the Housing Trust Fund (please refer to page 3)?

____ Yes ____ No

Affordability Period Required by HTF: _____ (years)

Affordability Period Proposed for Project:
City of Milwaukee
Housing Trust Fund Application

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(years)



APPLICATION FOR FUNDING 2008

Will	this project utilize workers from the neighborhood?
	Yes No
a.	If yes, please describe:
Will	this project give priority to emerging business enterprise contractors?
	Yes No
a.	If yes, please describe:
Does	this project increase the diversity of housing types in the neighborhood?
	this project mercuse the diversity of nousing types in the neighbor nood.
hous	onses to this question should describe how the proposed project will provide a new type o
housi	onses to this question should describe how the proposed project will provide a new type o ing choice in the neighborhood in which it is situated.
housi	onses to this question should describe how the proposed project will provide a new type o ing choice in the neighborhood in which it is situated. Yes No
housi	onses to this question should describe how the proposed project will provide a new type of ing choice in the neighborhood in which it is situated. Yes No

City of Milwaukee Housing Trust Fund Application



APPLICATION FOR FUNDING 2008

•		this project utilize green building principles? Yes No
	a.	If yes, please describe:
7.	neighl	this project coordinate with and enhance the work of other entities in the borhood, such as employers, business improvement districts, schools, job training cies or social service agencies?
	and/or	ple #1: Developers may have an MOU with a job training agency, agreeing to help train r employ the agency's clients – either in the construction of the project or in the ongoing gement and operations of the project.
	discuss	ple #2: Developers may have sited their project in a specific location as a result of sions with neighborhood employers that have identified the lack of suitable affordable ng for their employees as a concern.
		Yes No
	a .	If yes, please describe:



APPLICATION FOR FUNDING 2008

<u>DO NOT WRI</u> <u>For City of Milwauk</u>	<u>TE BELOW</u> <u>see HTF Use Only</u>
Reviewer's Comments:	Score:



APPLICATION FOR FUNDING 2008

PROPOSAL CHECKLIST - YEAR 2008

COMPLETED APPLICATIONS AND REQUIRED ATTACHMENTS MUST BE PHYSICALLY RECEIVED AND TIME-STAMPEDAT THE COMMUNITY DEVELOPMENT GRANTS ADMINISTRATION OFFICE <u>NO LATER THAN 4:00 P.M. ON MONDAY, OCTOBER 27, 2008</u>. NO EXTENSIONS WILL BE GRANTED. SUBMIT THE ORIGINAL AND <u>FIFTEEN (15) COPIES</u> **TO:**

Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Faxed or electronic applications will not be accepted. <u>All proposals received after the closing date noted</u> above will be returned to the applicant without review.

PLEASE BE CERTAIN TO

- Complete and submit 1 original and 15 unbound copies of all documents:
- > Attach all required supporting documentation as requested in the application.
- If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted will be discarded.

If your Application is funded, some additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.

ATTACHMENT A

CITY OF MILWAUKEE HOUSING TRUST FUND INCOME LIMITS - 2008

					Househ	Household Size			
Income Levei	Applicability	1	2	3	4	2	6	7	œ
50% of CMI	Rental and/or Homeless Housing Projects (Any Amount of HTF Assistance)	23,700	27,100	30,450	33,850	36,550	39,250	41,950	44,700
65% of CMI	Owner-Occupied Housing - Sabstantial Projects (HTF Assistance More than \$5,000)	30,794	35,181	39,609	43,997	47,531	51,025	54,559	58,094
100% of CMI	Owner-Occupied Housing - Modest Projects Including Acquisition & Rehabilitation, Acquisition, New Construction or Rehabilitation of Owner-Occupied Housing (HTF Assistance is \$5,000 or icss)	47,375	54,125	60,938	67,688	73,125	78,500	83,938	89,375

1. Income Limits are based on the HUD HOME Program Limits and are subject to change annually.

Revised: 04/08

ATTACHMENT B

CITY OF MILWAUKEE HOUSING TRUST FUND RENT LIMITS AND UTILITY ALLOWANCE SCHEDULE - 2008

	BUILDI	NG TYPE	BUILDING TYPE: Detached Single	d Single						BUILDING TYPE: Duplex	G TYPE:	Duplex				BUILDI	NG TYPE	: Three	BUILDING TYPE: Three or More Units)nits	
BEDROOM SIZE:	OBD	1BD	2BD	3BD	<u>4BD</u>	SBD	6BD	0BD	1BD	2BD	<u>3BD</u>	4BD	5BD	6BD	<u>0BD</u>	IBD	2BD	3BD	4BD	5BD	6BD
Maximum allowable rent if all following utilities are paid by Landlord		\$635	\$761	8890	186\$	\$1,083	\$1,194	\$558	\$635	\$761	\$890	\$981	\$1,083	\$1,194	\$558	\$635	\$761	\$890	186\$	\$1,083	\$1,194
1. <u>HEATING</u> Gas	\$29	\$ 36	\$58	1 <i>1</i> 2	\$85	265	\$ 110	\$27	\$33	\$54	\$ 66	\$79	06\$	\$103	\$25	\$31	\$ 50	\$61	\$73	\$83	\$95
Oil	\$66	\$80	\$131	\$162	161\$	\$221	\$252	\$61	\$74	\$ 122	\$151	\$177	\$ 206	\$234	\$ 56	\$69	\$113	\$139	\$164	\$190	\$217
Electric	\$36	\$ 44	\$72	\$88	\$102	\$119	\$135	\$33	\$41	\$ 67	\$82	\$95	\$ 111	\$125	\$ 31	\$38	\$62	\$76	\$88	\$102	<u>\$116</u>
2. WATER HEATING Gas Oil	\$20 \$20	s 10 s 23	5 12 5 28	\$15 \$34	\$ 16 \$ 40	\$19 \$46	\$22 \$51	\$ 8 \$ 20	\$10 \$23	\$12 \$28	\$15 \$ 34	\$ 16 \$ 40	\$19 \$46	\$ 22 \$51	\$ 8 \$20	\$10 \$23	\$ 12 \$ 28	\$15 \$34	\$16 \$40	\$ 19 \$ 46	\$ 22 \$51
Electric	\$14	\$18	\$23	\$28	\$32	\$36	\$ 40	\$14	\$18	\$ 23	\$28	\$ 32	\$36	\$40	\$14	\$18	\$ 23	\$28	\$32	\$36	\$40
3. LIGHTING/ REFRIGERATION	\$15	\$22	\$28	\$ 31	\$34	\$37	\$ 40	\$15	\$22	\$28	\$ 31	\$34	\$37	\$ 40	\$ 15	\$22	\$ 28	\$31	\$34	\$37	\$40
4. <u>COOKING</u> Gas	\$\$	8	22	8	89	\$ 10	\$ 11	\$\$	\$6	\$7	\$8	65	\$10	\$11	\$. \$6	21 S1	\$	89	\$ 10	\$11
Electric	\$\$	\$7	\$9	\$10	S 11	\$12	\$ 13	S S	27	89	\$10	\$11	\$12	\$13	\$\$	S 7	\$ 9	\$10	\$11	\$12	\$13
5. WATER & SEWER	\$ 16	\$16	\$18	\$28	\$ 31	\$33	\$36	\$ 16	\$16	\$18	\$28	\$31	\$ 33	\$ 36	\$16	\$16	\$18	\$28	\$ 31	S 33	\$ 36
TRASH /SNOW&ICE	\$12	\$ 12	\$12	\$12	\$12	\$12	\$12	\$ 12	\$ 12	\$ 12	\$ 12	\$12	\$ 12	\$ 12	\$12	\$12	\$ 12	\$12	\$ 12	\$12	\$ 12
6. STOVE	\$1	\$ 1	S1	\$1	S 1	\$1	\$1	\$1	\$I	18	51	\$1	S 1	\$1	\$1	\$ 1	\$I	\$1	\$1	\$1	S 1
7. REFRIGERATOR	\$2	\$2	\$2	\$2	\$ 2	\$2	\$2	\$ 2	\$2	\$ 2	\$2	\$3	22	\$ 2	\$2	\$2	23	2	\$2	3	23
8. FIXED CHARGES																	ļ		1		
Electric	\$7	\$7	£\$	S 7	22	\$7	2 7	\$7	5	23	27	5	21	27	22	5	15	5	21	1	1
Gas	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$ 10	\$ 10	\$10	\$ 10	S 10	\$10	\$10	\$10	\$10

Note: 1. Rent Limits are based on the HUD Low HOME Rent Limits and are subject to change annually. 2. Utility allowances determined by HACM and are subject to change annually



ATTACHMENT C

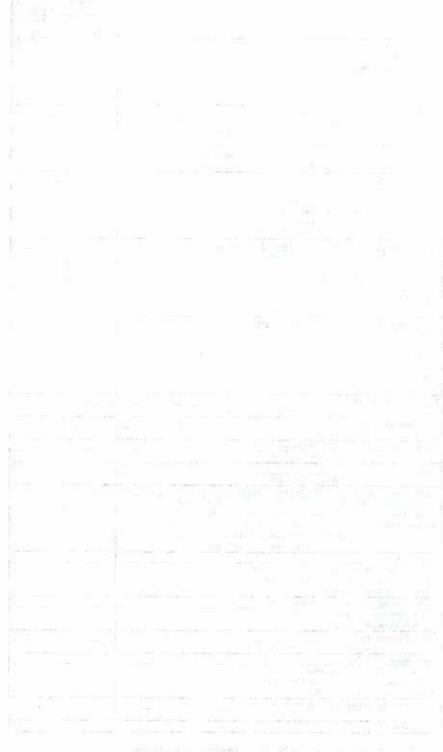
CITY OF MILWAUKEE HOUSING TRUST FUND Scoring Point System - Final Draft Recommendation

	Max 100 Pt Scale(a)		
	Poiut	Max	
Leveraged Dollars	Range	Points 1	
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		
ncome Targets - Please Use Attached Chart		1	
# 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 707s and 85% of income target	3		
Affordability Period	5	1	
Meets HTF Affordability Period	1		
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		
Jse of City of Milwaukee (resident) workers (Total Project)			
Less Than 18% Milwaukee (resident) workers	-5		
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		
Use of City, County, or State EBE (Total Project)			
Less Than 18%	-5		
18% EBE	1		
24% EBE	2		
30% EBE	3		
36% EBE	4		
More than 36% EBE	5		
Neighborbood Diversity		and the second	
Project Increases diversity of housing types in the neighborhood	5		
Green Building Principles			
Project Utilizes Green building Principles	5		
Coordination with Community Institutions			
Project is Coordinated with Community Institutions	5		
Community Integration			
	5	10011100	
Move persons from institutions to community			
Family Supporting Wages (applies to entire project)			
Vendor/Contractor pays employees a minimum of \$8.46 to \$10.46 per hour	1		
Vendor/Contractor pays employees a minimum of \$10.47 to \$12.46 per hour	2		
Vendor/Contractor pays employees a minimum of \$12.47 to \$14.46 per hour	3		
Vendor/Contractor pays employees a minimum of \$14.47 to \$16.46 per hour	4		
Vendor/Contractor pays employees a minimum of \$16.47+ per hour	5	- 110 - FT	
Experience		and the second	
Agency experience with same type/similar project	2		
Staff experience with same type/similar project	4		
Management Agency Experience	4		
Accessibility Improvements or modifications			
Meets Minimum Standards	1		
Exceeds Minimum Standards	5		
Service Partners (b)	-		
	5	-	
Provision of services on site w/out use of HTF \$			
Provision of services on site w/out use of HTF \$			
Construction Financing	2		
Construction Financing Construction Loan is Firmly Committed	5		
Construction Financing Construction Loan is Firmly Committed Construction Loan is Conditionally Committed	2		
Construction Financing Construction Loan is Firmly Committed Construction Loan is Conditionally Committed Construction Loan is not Identified			
Construction Financing Construction Loan is Firmly Committed Construction Loan is Conditionally Committed	2	1	

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

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APPENDIX B

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City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202 Certified Copy of Resolution

FILE NO: 080216

Title:

Resolution authorizing the acceptance and expenditure of up to \$250,000 in private contributions by the Department of Administration, Community Development Grants Administration Division for the Housing Trust Fund.

Body:

Whereas, Section 304-24 of the City of Milwaukee Code of Ordinances regulates the receipt, appropriation and expenditure of contributions received by the City; and

Whereas, There are organizations interested in making contributions to the City of Milwaukee's Housing Trust Fund; and

Whereas, It is in the City's best interest to augment sources of trust fund revenue to achieve the goal of acquisition, construction, rehabilitation and modification of affordable and accessible housing for low-income households; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, the Department of Administration, Community Development Grants Administration Division is authorized to accept up to \$250,000 in private contributions associated with the City of Milwaukee's Housing Trust Fund; and, be it

Further Resolved, that upon receipt and deposit of these funds, the City Comptroller is directed to establish a special account with the Department of Administration for the expenditure of the funds; and, be it

Further Resolved, That the City Comptroller is authorized and directed to transfer appropriations from the special Purpose Account-Contributions, 0001-2110-0001-D000-006300, and the estimated revenue from the Estimated Revenue Account-Contributions, 0001-9990-0001-009850 to the Department of Administration special account, 0001-1510-0001-006300-Dxxx and the Department of Administration Estimated Revenue Account, 0001-1510-0001-009850, up to the amount actually received, but no more than \$250,000; and, be it

Further Resolved, That the Department of Administration, Community Development Grants Administration is authorized to expend funds actually received for housing purposes associated with the City of Milwaukee's Housing Trust Fund in accordance with Chapter 316, Milwaukee Code of Ordinances, which governs the operation and funding of the Housing Trust Fund, but not to exceed \$250,000.

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I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on July 1, 2008.

Ronald D

Ronald D. Leonhardt

April 23, 2009

Date Certified

No. of

APPENDIX C

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City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202 Certified Copy of Resolution

FILE NO: 080645

Title:

Substitute resolution relating to the appropriation of \$10,000 from the Housing Trust Fund account to the Local Initiatives Support Corporation and the Public Policy Forum to fund a study titled "A Sustainable Approach to Creating and Administering Low-Income and Special Needs Housing in Milwaukee County."

Body:

Whereas, The Local Initiatives Support Corporation ("LISC") and the Public Policy Forum are working together to explore policy options for creating a sustainable public infrastructure for the development of affordable housing in Milwaukee County and for effective administration of affordable housing programs; and

Whereas, In response to a request from LISC for research assistance on this topic, the Public Policy Forum has proposed to conduct a study that would:

1. Review and analyze the existing affordable housing programs in the City of Milwaukee and Milwaukee County, including a summary of the strengths and challenges of these programs.

2. Review a selected group of housing trust fund and housing program administration models in other metropolitan areas, including a discussion of the potential barriers and benefits associated with replicating these models in Milwaukee.

; and

Whereas, The Public Policy Forum has indicated that the total cost of this research project, which will take approximately six months to complete, is \$29,970; and

Whereas, In a June 23, 2008, letter to Ald. Michael Murphy, LISC requested that the City of Milwaukee consider providing up to \$10,000 to support this project; and

Whereas, On August 14, 2008, the Housing Trust Fund Advisory Board approved a motion recommending the appropriation of \$10,000 from the Housing Trust Fund for a grant to fund the study proposed by LISC and the Public Policy Forum; and

Whereas, The appropriation of Housing Trust Fund dollars to support the LISC/Public Policy Forum project is consistent with the established purpose of the Housing Trust Fund, as stated in s. 316-1 of the Milwaukee Code of Ordinances; and

Whereas, It is anticipated that LISC and Milwaukee County will provide the other two-thirds of

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APPENDIX D

HOUSING TRUST FUND Application Intake Sheet - November 2008

Agency Name	Funding Category	Amount Requested
ACTS Community Development Corp.	Home Ownership - Owner Occupied Rehabilitation	100,000
Bishop's Creek Family Housing Fund	Rental Housing - New Construction	500,000
Community Advocates, Inc.	Homelessness - New Construction of Facility	350,000
Dominican Center for Women, Inc.	Home Ownership - Owner Occupied Rehabilitation	147,000
Elizabeth Gilliam	Home Ownership - Owner Occupied Rehabilitation	10,000
Gorman & Company	Rental Housing - Rehabilitation of Existing Structure	175,000
Gorman & Company	Rental Housing - New Construction	180,000
Intercession, Inc.	Homelessness - New Construction of Facility	150,000
Layton Blvd West Neighbors, Inc.	Rental Housing - New Construction	200,000
Layton Blvd West Neighbors, Inc.	Home Ownership - Rehabilitation of Existing Structure	14,000
Martin Luther King Economic Development Corp.	Rental Housing - New Construction	200,000
Midwest Affordable Housing Corp. (Prince Hall)	Rental Housing - New Cosntruction	500,000
Midwest Affordable Housing Corp. (Prince Hall)	Other Needs	200,000
Milwaukee Christian Center - Handicap Accessibility Project	Home Ownership - New Construction	66,000
Milwaukee Christian Center - NIP	Home Ownership - Owner Occupied Rehabilitation	126,000
Milwaukee Christian Center-Youth, (A WI Fresh Start Initiative)	Home Ownership - New Construction	40,000
Milwaukee Community Service Corps.	Home Ownership - Rehabilitation of Existing Structure	21,800
Milwaukee Community Service Corps.	Home Ownership - New Construction	11,400
Milwaukee Community Service Corps.	Other Needs	33,750
Milwaukee Habitat for Humanity	Home Ownership - New Construction	200,000

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HOUSING TRUST FUND Application Intake Sheet - November 2008

Agency Name	Funding Category	Amount Requested
Milwaukee Habitat for Humanity	Home Ownership - Rehabilitation of Existing Structure	100,000
Our Space Inc.	Rental Housing - New Construction	350,000
Rebuilding Together Greater Milwaukee	Home Ownership - Owner Occupied Rehabilitation	75,000
Star United Townhomes, LLC	Home Ownership - New Construction	302,000
United Community Center, Inc.	Homelessness - New Construction of Facility	75,000
Volunteers of America National Services	Rental Housing - New Construction	250,000
William A Passavant RCAC, LLC	Rental Housing - Rehabilitation of Existing Structure	250,000
William A Passavant RCAC, LLC	Rental Housing - New Construction	226,000
	Total	4,852,950

NOTICES SENT TO FOR FILE : 090159

NAME	ADDRESS	DATE NOTIC	E SENT
Ald. Michael Murphy	CC-CC	6/26/09	
1 2			
			_
			_



City of Milwaukee

Legislation Details (With Text)

File #:	080089	Version: 0			
Туре:	Communicati	ion-Report	Status:	In Committee	
File created:	5/20/2008		In control of:	ZONING, NEIGHBORHOODS & DEVELOPMI COMMITTEE	ENT
On agenda:			Final action:		
Effective date:					
Title:	Communicati	ion from the Hou	sing Trust Fund A	dvisory Board relative to its 2007 activities.	
Sponsors:	THE CHAIR				
Indexes:	HOUSING, F	IOUSING TRUS	T FUND, REPOR	S AND STUDIES	
Attachments:	5-16-07 ema May 2 2007 H May 22 07 H Spring 2007 6-5-07 Email June 12 2007 July 10 2007	HTFAB minutes and TFAB minutes and Housing Trust Filt re message con 7 HTFAB minute HTFAB meeting	nez re website add and exhibits nd exhibits und Project News nposed by Ms. Sai		
	<u>Sept 2007 Ap</u> October 9 20 May 11 2007 May 31 2007	07 HTFAB meet Technical Revie Technical Revie	etter by Ald. Murp ing minutes and e ew Subcommittee ew Subcommittee	<u>khibits</u> meeting minutes and exhibits	
	10-29-07 Em November 6 November 30 July 2 2007 F August 6 200 September 4 December 3	ail from Mr. Soik 2007 Technical 2007 Technical 2007 Technical 5inance Subcom 7 Finance Subco 2007 Finance S 2007 HTFAB Fir	a resigning from H Review Subcomm I Review Subcomr mittee meeting min ommittee meeting ubcommittee mee	TFAB Technical Review Subcommittee ttee meeting minutes and exhibits nittee meeting minutes nutes and exhibits minutes and exhibit ting minutes and exhibit ee meeting minutes	
	2007 Report				
Date	Ver. Action E	3y	Act	ion Result	Tally

File #:	080089	Version:	0
Number			
080089			
Version			
Original			
Reference			
Sponsor			
The Chair			
Title			
	n from the Housi	ing Trust Fund	d Advisory Board relative to its 2007 activities.
Drafter			
CC-CC			
TJM			
5/12/08			

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD

Vednesday, April 18, 2007	9:00 AM	Room 301-A

1. Roll Call

Also Present: Mr. Vincent Lyles

Present 8 - McGee, Murphy, Soika, Kammholz, Van Alstine, Sanchez, Madden and Dummer Combs

2. Introduction of members

A round of introductions was made.

3. Communication by Deputy City, Jim Owczarski relating to open meeting laws

Deputy City Clerk Jim Owczarski appeared and discussed various aspects of the state Open Records and Open Meetings laws.

4. Discussion of the Application Funding Process

Ald. Murphy submitted a proposed draft application form which he said borrowed extensively from that used successfully by the city of Columbus, OH. He then asked for comments on it.

Ms. Sanchez said the application should provide information to prospective applicants about the way the advisory board would be prioritizing applications, i.e., which sort of application would be received the most favorably.

Ms. Dummer-Combs said she would like some mention of how long a particular applicant intended to have a property remain affordable. She said it should also include a set of income levels for housing types other than owner-occupied. She said the application also did not seem to have enough information, and therefore did not do enough to encourage, prospective providers of wrap-around services

Mr. Morics, City Comptroller, inquired as to where in the process the board should indicate that it intended its money to be the "last in" or "but-for" financing and not the source of first resort. Ald. Murphy indicated that this information should be up front and in the application.

Mr. Lyles asked whether it was premature to recommend an application form and it there were not policy issues with respect to the trust fund still unresolved? Ald. Murphy said the board was actually the result of almost three years' worth of work and that many of the policy decisions with which *Mr.* Lyles was concerned were addressed in the record of the Housing Trust Fund Task Force. He continued that the work of the trust fund was likely to grow in importance given recent press accounts of the collapse of the sub-prime lending market.

Ms. Sanchez said she would like the application to include more information about the

entire development team making the proposal.

Mr. Steven Mahan, director of the Community Development Block Grant Administration, said he was working with the office of the City Attorney to prepare language that will have to be included in the agreements eventually signed with those awarded grants. Of particular importance will be those crafting restrictive covenants to insure things like owner-occupancy and affordability over a period of years.

Mr. Kammholz asked how the Board would be evaluating proposals? Ald. Murphy said he hoped the Board would follow a "Committee of the Whole" approach for its deliberations and would eventually adopt a set of criteria for use in evaluation. He said he would share those used by Columbus, OH with the Board. He said the key would be demonstrating that clear, consistent rules were followed in making grants.

Mr. Lyles said the application should include information about the process that would be followed to evaluate proposals.

Mr. Mahan said the Board might consider performing an initial technical review of all proposals to insure certain basic criteria were met, such as whether or not a particular property is even zoned to permit residential development.

Mr. Van Alstine asked if, perhaps, not enough consideration had been given in the application to owner-occupants, particularly as it pertains to wrap-around services? *Ms.* Sanchez said she felt there was not enough room for small service providers in the structure as envisioned, and they play an important role in helping people retain and remain in their homes. *Mr.* Mahan said that, it seemed to him, that there ought to be monitoring of those providing wrap-around services. If there is, he said his office will need to determine a system for doing so.

Ms. Sanchez asked if it was the intent of the Board fo send all its annual resources to RFP at once or to issue them by category. Ms. Dummer-Combs said issuing the entire sum at once would not be a problem so long as the Board, as a matter of policy, remembers to respect the ratios between the three categories as specified in the recommendations of the Affordable Housing Task Force. Mr. Morics said much of the Board's deliberations on this topic would be predicated on how many proposals are actually received.

Ald. Murphy asked that all proposed changes to the application form be submitted to him and he would prepare a new version based on this input.

5. Presentation Proposal by Select Milwaukee/LISC

Ald. Murphy said this item will be heard at the next scheduled meeting.

Mr. Van Alstine inquired about a possible conflict of interest for an attorney or employee of a firm that might make a proposal to the trust fund who is also a member of the Board. Ald. Murphy recommended that a confidential opinion be sought of the Board of Ethics.

6. Schedule next meeting date(s)

Next meeting was set for Wednesday, May 2, 2007, beginning at 1:30 p.m.

The meeting adjourned at 11:05 a.m.

Jim Owczarski, Deputy City Clerk

MacDonald, Terry

From: Bethany Sanchez [bethany_sanchez@hotmail.com]

Sent: Wednesday, May 16, 2007 3:10 PM

To: uedaofwi@yahoogroups.com

Subject: local and national resources re: "Convenient Lending"

Friends:

Dorothy Dean, former Milwaukee County Treasurer and current board member of the League of Women Voters, has put together a great web site for the League. One of the pages on the site has a great collection of local and national information re: "convenient lending." See <u>http://www.lwvmilwaukee.org/local_study.html</u> for some very interesting reports and links.

The League is studying lending industry practices. We (I am a League member and am on the study committee) are first looking at "convenient lending" products such as payday loans, check cashing, and refund anticipation loans. We will focus on predatory home loans next.

Again, go to <u>http://www.lwvmilwaukee.org/local_study.html</u> for some very good information. Be sure to scroll down to see all of the sections.

Bethany Sanchez Director, Community and Economic Development Metropolitan Milwaukee Fair Housing Council 600 E. Mason, Suite 200 Milwaukee, WI 53202 414/ 278-1240, x22 www.fairhousingwisconsin.com Board member, National Community Reinvestment Coalition www.ncrc.org



City of Milwaukee Meeting Minutes 200 E. Wells Street Milwaukee, Wisconsin 53202

HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR Bethany Sanchez, Vice Chair Heather Dummer Combs, Cecelia Gore, Craig Kammholz, Cathie Madden, Ald. Michael McGee, Jr., Ray Schmidt, Mike Soika, Michael Van Alstine

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Wednesday, May 2, 2007	1:30 PM	Room 301-B, City Hall

Meeting convened: 1:37 P.M.

1. Roll Call

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Present 10 - McGee, Murphy, Soika, Kammholz, Van Alstine, Sanchez, Madden, Dummer Combs, Gore and Schmidt

Also present: Brian Peters, Chris Laurent, Emma Stamps-Legislative Reference Bureau, Jeff Osterman-Legislative Reference Bureau, Steve Mayhan-Community Block Grant Director and Garry Werra-DOA-Community Block Grants Admin.

2. Approval of the minutes of the April 18, 2007 meeting

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

3. Discussion and approval of the Application Funding Process

Ald. Murphy directed the members to the draft application (Exhibit 1) that was provided by *Mr.* Werra and asked if anyone had any suggested changes to the application.

Ald. McGee referred to page one under "Funding Guidelines" and asked for clarification on the percentages used and what type of programs would use those funds.

Ald. Murphy replied that his interpretation of the funding guidelines is that they want to make sure they aren't duplicating any other programs in the city and that they want to make sure they are complementing existing programs. Ald. Murphy further said that his recollection on the discussion at the Housing Trust Fund Task Force was that 25% of the funds would for be for programs and 15% would be used by this Board as discretionary funds.

Ms. Gore asked for clarification on whether an individual or just organizations could apply, because the way it reads in the applications, it can be interpreted that an individual could also apply.

Mr. Kammholz said he had similar questions, such as who would be eligible for funding and said that it should be enterprises that are fiscally capable of carrying out what they propose to do and that have accounting procedures in place.

Ms. Dummer Combs replied that in the first paragraph it does say for non-profit and

for-profit developers and governmental entities.

Ald. Murphy said that a sentence should be added in the first paragraph that clearly says this isn't for individuals and that it also makes it clear that this is for organizations only.

Ald. Murphy replied to the questions asked by Mr. Kammholz and said that Mr. Mahan and himself met and discussed those concerns. He further said that they do have a provision in place that makes it clear on the minimum standards.

Mr. Mahan explained that the administration has a clear-cut process as to who is an eligible applicant and it requires particular accounting principles.

Ald. Murphy said one of the suggestions at his meeting with Mr. Mahan was to create a Technical Review Subcommittee that will review the applications and weed out the ones that are not sustainable.

A motion was made by Ms. Gore and seconded by Mr. Schmidt, to create a Technical Review Subcommittee. There were no objections.

A motion was made by Ald. McGee and seconded by Ms. Sanchez to appoint Mr. Soika, Mr. Kammholz, Ms. Sanchez as the members to the Technical Review Subcommittee and to have Mr. Mahan as a representative from the DOA-Community Block Grant Administration and a representative from the City Attorney to be advisors to the Technical Review Subcommittee. The Technical Review Subcommittee will be responsible for the financial and technical review of applicant information. There were no objections.

Ald. Murphy asked if there are any other offered changes to the application form.

Ms. Sanchez said that they need to specify that they are not going to duplicate existing housing projects that concern City of Milwaukee residents. She said that some wording should be added to say that if there is something out there, within the city for resident, whether if is county, state or federal funding, that the Housing trust funds will not duplicate or take the place of the program, but that it would enhance those programs.

Ald. Murphy said that they could add some wording in the narrated area at the beginning of the application to expressed that these funds will not duplicate other program funding. He also said that the Technical Review Subcommittee would help to weed out any duplication.

Mr. Peters asked if a program would overlap and doesn't have enough funding, could this funding be used to cover the interim to fill the gap?

Ald. Murphy said that would be considered leverage not duplication.

Ald. Murphy said that for information purposes, he reminds and encourages all the HTFAB members to seek Ethics Board opinions on whether or not they should abstain from voting on issues that relate to funding for their own organizations. He said he would talk to the Ethics Board to get some direction on how to handle this kind of issue.

Mr. Mahan referred back to the newly created Technical Review Subcommittee and asked if they could also have a representative from the Department of City Development at the subcommittee meetings.

Ald. Murphy replied in the affirmative.

Ms. Gore asked several questions related to sole source funding, such as if there are time limits for organizations and will this funding be considered the "last dollars" used?

Mr. Kammholz replied that the intent is that this funding would be used to fill in the gaps and as the last resort and that this intent would be stated in the term sheet.

Ald. Murphy replied that this funding should be considered the "last dollars" and depending on the nature of the request this funding would be considered the missing gap.

Mr. Kammholz asked if they need to clarify in the application that this is for gap funding and to also say they encourage leveraging of other layers of subsidy.

Ms. Gore asked if a commitment would leverage other money for an organization. She than said that if the organization has a commitment from the HTF, then other lenders would have more confidence in committing funds to that organization.

Ms. Sanchez said that is her take as well and that often other lenders or funders are looking for that local support. She said she thinks that there is a difference between last in and last committed. She further said that if the applicant had a HTF commitment, can show that all the other funds are being applied for; can get the commitment from the other funders, and it's clear the project is going forward, then the money can actually flow."

Mr. Soika said that he agrees with Ms. Sanchez that these funds should be the last dollars out, just to make sure the project would come to fruition.

Mr. Mahan said that there would be some limitation on how long the dollars that are committed would sit and that there has to be a time limit on the commitment.

Ald. Murphy said he doesn't want any confusion on an organization's part when applying for the funding as it relates to a timeline. He then asked if they want to set a timeline on organizations, because they don't want the funding sitting around for a year. He said that a deadline could also be part of the term sheet, such as 60 or 90 days.

Ald. Murphy asked if they want to see something in the narrative area, say within the first two paragraphs, that states this intent of the award would be "last dollar ou".

Ms. Madden said that it could be put under "Funding Guidelines" in the last paragraph where it talks about the leveraging. Mr. Werra asked if it would be appropriate to add the question to the application, as a footnote that would indicate a timeline and that could says funds must be expanded by x number of days from the commitment award.

Ald. Murphy asked how members felt about putting it in both the application and term sheet. Mr. Van Alstine said that as long as it's something that could be brought back to the committee, as opposed to something that says in the application that the award has to be used in a certain amount of time, so that there is some flexibility. He said he would want to make sure that if there was an award and the actual funds were delayed in being released, and because the organization would have to use up other funds first, they would be able to come back to the committee with that announcement that funds have been guaranted but they weren't available to them. Particularly if the HTF funds are going to be "last out" they would need to access other funds first. Ald Murphy asked how would they incorporate that as part of the process, in the application or the term sheet?

Mr. Mahan replied that it would leave the dollars open-ended, because there will be a lot of groups that are not ready to take these dollars, such as if the organization doesn't have a firm commitment to its HUD set-asides or its Section 202 hasn't come through or hasn't sold its tax credits, it might have to actually come back to the committee. He further said that putting it in the term sheet and the application would make it very clear and the organization will understand what its timeline is, if funds are awarded.

Mr. Kammholz said it could be possible to set up a timetable, so that it isn't open-ended. He said they could also setup a way that the organization could come back to committee for say a 60 days extension.

Ald. Murphy suggested a clause be added in the application, that would say that an extension could be granted, only by the approval of the HTFAB.

Ald. McGee said he has concerns that the funds could end up being used like Block Grant funds are and that the funds could come back to them next year, because the awards aren't being used. He said he would want to make sure that doesn't happen.

Mr. Mahan said that due to the nature of these funds, we shouldn't see much of that happening. He said that the responsibility of the Technical Review Subcommittee is to weed out applications, so that should prevent that from happening.

Ald. McGee asked if there is a tracking measure in place.

Mr. Mahan replied that carryover will always be a problem, but the term sheet should prevent some of those problems.

Ms. Gore said that the way she reads the application, it wouldn't be a pay for performance activity but more for support services.

Mr. Mahan replied that there are so many activities that could be funded, it would be up to this committee to determine which ones to fund and that they will need to deal with that term sheet by term sheet.

Mr. Mahan said that scrutiny on these funds is going to be very high and every wannabe academic will want to look at this to review the number and see an outcome measurement.

Mr. Soika asked if there is support by this committee to have for the first round of funds be in place as a policy decision and as the highest priority, on bricks and mortar projects and only after they look at those they would than look at applications for other activities.

Ms. Dummer asked would that be to establish a track record?

Mr. Soika replied in the affirmative.

Ald. Murphy said that would be a good idea, because of the limited financial resources.

Ald. Murphy further said that they want to get this to be a recurring trust fund and that way they can get a good track record.

Ms. Sanchez said that she has concerns with the bricks and mortar proposal, because of the high foreclosure rate at this time this, it would preclude homeowners.

Mr. Kammholz asked if they are only going to be looking at bricks and mortar projects or are they going to start with bricks and mortar and than go to support services?

Mr. Soika said his proposal doesn't exclude support services.

Ald. McGee said in response to Mr. Soika proposal on the prioritizing of bricks and mortar projects, that he feels that support services are just as important and that a lot of times during the block grant cycles there aren't enough homebuyer counseling dollars to go around and that some of these funds could be use as leverage to allow more opportunities for first-time homebuyers to purchase a home.

Mr. Schmidt said he appreciates the comments made by Ald. McGee, but he hadn't imagined the housing trust funds could be used as a supplement to CDBG funds.

Mr. Schmidt said that at the last meeting there was a reference to evaluation guidelines being developed at a later date and asked if guidelines are in fact the scoring in this latest version application or if there is going to be further detailed development. Mr. Schmidt recommended that they look at the FHLB of Chicago scoring method.

A motion was made Mr. Schmidt and seconded my Ms. Sanchez to make the "Federal Home Loan Bank of Chicago – Affordable Housing Program - applications and scoring guidelines" a part of the record. (Exhibit 2)

A motion was made by Mr. Soika and seconded by Ms. Madden that in the first round of funding they set as the highest priority, those projects that are under the bricks and mortar category. The motion prevailed. (9-1). Ald. McGee voting no.

Ms. Sanchez asked if rental rehab would fall under bricks and mortar category.

Mr. Sioka replied in the affirmative.

Ms Sanchez asked if someone was to propose a homeless development with services would the services not be funded under the trust fund because it includes services.

Mr. Soika said that a decision like that would most likely come back before this committee and he would assume that Technical Review Committee would move that forward.

Ms. Gore asked if they is any data on the greatest need and feels that the greatest need would be for services.

Mr. Soika replied that according to HUD Grants and Policy Affordable Study, the City of Milwaukee need 28,000 new affordable housing, so the physical need was the greatest.

Mr. Schmidt suggested that another way to this approach this would be to establish priorities in the funding categories that would be included in the application scoring and that the priorities could change each year.

Ald. Murphy said we could incorporate both in the application.

Ms. Stamps said there has been discussion on a term sheet that would guide the application and said that there are affordability requirements that require the recording of documents to insure the standards is met. She asked if the recording would be done with the term sheet or the application.

Ald. Murphy replied that it would be done with the term sheet.

Ald. Murphy said that evaluation is an extremely important. He said he would like to have the Technical Review Subcommittee create an evaluation scoring sheet and to than bring it back to this committee for review.

A motion was made by Mr. Schmidt and seconded by Mr. Soika, to have the Technical Review Subcommittee meet and create an evaluation scoring sheet. There were no objections.

Ms. Dummer Combs said that in the first paragraph on page one of the application, it gives an example of support services and she feels that there should be either more then one example or no examples used at all.

A motion was made by Ms. Dummer Combs and seconded by Mr. Soika, to remove the example (e.g., Home-purchasing counseling) in the first paragraph on page one of the application. There were no objections.

Ms. Madden left at 2:45 P.M.

Ms. Sanchez asked if they could revisit the issue on RFP's that was discussed briefly at the last meeting. She asked if they should put out an RFP's for all of the \$2.5 million at once or stage them in close succession. She said she has concerns on be inundated with a bunch of applications at one time.

Mr. Soika replied that he would love to be inundated and that it would be a mistake to issue in succession. He said that the best thing they could do right now is to show that there is a pent up demand for this funding.

Mr. Peters asked how they will keep track of how much money is being spent on accessibility. He suggested that they add one line on the application, where an organization could note how much is being spent on accessibility, and that it can be an estimate.

Ms. Sanchez asked if that implies that all applicants will need to have accessibility as part of their proposal. Mr. Peters replied in the negative, and said it would be easier for them to make sure they are meeting the 100%.

Ald. Murphy said they will take that as a suggestion.

Ms. Dummer Combs referred to several of the comments Mr. Werra put on the draft applications. She said that in response to comment number two regarding why they use 65% as the income guidelines and explained why the Housing Trust Fund Task Force decided on 65% verses 30, 50 or 80. She than moved on to comment number three and said this is a great point on putting in the rent limits and asked if it should be put in the application or should it be done internally.

Mr. Werra suggested that as they go through the process of completing the application they could include the rent and income limits.

Ms. Dummer Combs asked if the standard program income limits are 30%.

Mr. Peters said that it might be simply to follow what other guidelines that are already out there. *Mr.* Mahan said his understanding is that this committee is looking at just above the guidelines.

Ms. Dummer Combs referred to page eight under item two and recommended that the example be removed.

A motion by Ms. Dummer Combs and seconded by Ald. McGee to remove the example on page eight, under item two. There were no objections.

Ms. Dummer Combs asked if someone could clarify the difference between creating housing for homeless and new construction facility, on page 8, in the chart, under activity.

Mr. Garry replied that they could delete create housing and just leave in rehab or new construction.

Ald. Murphy said that they will take these suggested changes and revise the draft applications. He then said to the members, if they have additional changes after reviewing the draft application again, they could send those to Ms. MacDonald to be heard at the next meeting.

Next meeting date and time

Next meeting date: May 22, 2007 at 1:30 P.M.

Meeting adjourned: 3:07 P.M.

Terry J. MacDonald Staff Assistant

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APPLICATION FOR FUNDING FY2007

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	EXHIBIT
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APPLICATION FOR FUNDING

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund supportive services (e.g., home-purchase counseling) that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the board will also consider a report on Milwaukee's housing needs that is prepared annually by the Community Development Grants Administration Division and the Department of City Development.

FUNDING GUIDELINES

- A <u>minimum</u> of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A minimum of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Funds may not be used as the primary source of funds for any project.

AFFORDABILITY REQUREMENTS

1. <u>Rental Housing</u>: Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program

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2. <u>Owner-Occupied Housing and Homeownership</u>: Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner

City of Milwaukee Housing Trust Fund Application Page 2 of 11 Revised April 2007



APPLICATION FOR FUNDING

sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

Housing Trust Fund dollars are available for home-buying counseling. Homebuyer counseling agencies must demonstrate that they serve low- and moderate-income clients. In addition, any organization that receives Housing Trust Fund money for this purpose must demonstrate that it has the ability to assist disabled individuals (e.g., the location is accessible and the organization offers translation services, materials in Braille, etc.).

3. <u>Housing and Services for the Homeless:</u> All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.

INCOME ELIGIBLITY

1. <u>Owner-Occupied Housing:</u> Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited [0.65]% of County Median Income (currently \$43,680) for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are subject to change annually.

 RenalHousing and Housing for the Homeless: Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income (currently \$33,600).

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

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City of Milwaukee Housing Trust Fund Application Page 3 of 11 Revised April 2007 Comment [GMW1]: Venfy whether counseling funds will come from the homeownership por or the "Berible" por???

Comment [GMW2]: Why 65%? Thismakes sense for tax credit projects, but not homeownership. Can we be consistent with HUD income limits and use either 30, 50, or 80%?

Comment [GMW3]: What about rent. limits? Will there be any and do we identify them in the application?



APPLICATION FOR FUNDING

OTHER REQUIREMENMTS

The following accessibility standards apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.
- The design principles of any one of the following:
 - a. "Aging in place"
 - b. "Universal design".
 - c. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.
- For new housing units in one- to 3-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:
 - One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
 - A usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
 - A powder room (half bath) on the main-level floor that has:
 - a. A doorway entrance with a minimum 32" clear passage opening;
 - b. Sufficient space to close the entrance door while the room is occupied;
 - c. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.
- Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

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City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust fund dollars may not be used as the sole source of funding.

Completed applications and required attachments must be received at the Community Development Grants Administration office <u>no later than (2000)</u> on (2000). No extensions will be granted. Submit the original and fonr(4) copies to:

> Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647.

Your application will begin when your complete application has been received, including the items indicated below:

- A fully completed application. If a question doe not apply, indicate this on the application.
- Corporate applicants should include financial statements for three years (balance sheets, cash flow statements, and profit and loss statements).
- Tax returns for three years (Individual 1040, Corporate 1120 and Partnership 1065).
- Project or Business plan
- Project description with emphasis on the impact the project is expected to have on the neighborhood
- Location map identifying neighborhood amenities.
- Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- Market analysis for projects containing twelve or more residential units.
- Resumes and qualifications of the development team.
- Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- A 5-year projected pro-forma
- An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- Post rehabilitation or new construction appraisal
- Reserved for additional requirements

Reserved for additional requirements

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City of Milwaukee Housing Trust Fund Application

Page 5 of 11 Revised April 2007 Comment [GMW4]: Is this a true/complete list of what is needed for review?





APPLICATION FOR FUNDING

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding, will be notified by mail.

In addition, the Housing Trust Fund Board may designate a non-profit agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

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APPLICATION FOR FUNDING

Applicant (Organization) Name:			
Organization Address:		City	Zip
Contact Person:		Title	
Telephone Number:	Fax:	E-Mail:	
Federal Employer Identification Number			·
Executive Director/CEO:		Phone Number	

Indicate the amount requested in the appropriate category below. Please submit a separate application for each category being requested.

Activity	2007 Funds Available	Amount Requested
Homelessness (25% Minimum)	\$625,000	
- Create Housing for the Homeless		<u>.</u>
- Rehabilitation of Existing Facility		
- New Construction of Facility		
- Provide Supportive Services		
Pental Housing (35% Minimum)	\$875,000	
Rehab of Existing Structure		
- New Construction		
Home Ownership (25% Minimum)	\$625,000	
- Rehab of Existing Structure(s)	en e	
- New Construction		
- Owner-Occupied Rehabilitation		
- Homebuyer Counseling Services		
- Post-Purchase counseling Services		
Other Needs as Identified (15% Maximum)	\$375,000	
ТОТА	L \$2,500,000	
Other Needs as Identified (15% Maximum)	L \$2,500,000	ar is lass must be used to 4

<u>NOTE</u>: At least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (Homeless, Rental and Home Ownership) annually.

Proposals must be authorized and signed by the Chief Executive officer or an official of the Board of Directors.

Name and Title: Signature: DRAFT FOR DISCUSSION PURPOSES ONLY

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APPLICATION FOR FUNDING

			PART 1: PROJECT DESCRIPTION
	A.	Descri	be the Project: Identify the project location and the specific activity to be completed.
		1.	If project involves construction, include photos of the site and sketches or drawings of the proposed project.
		2.	If the project involves the provision of supportive services for the homeless, briefly describe the specific services to be provided.
	B.	<u>Housel</u> income to be se	<u>nolds/Clients Served</u> : Describe the specific population to be served, including target e level and special needs populations, as applicable. Indicate the number of units/household erved
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APPLICATION FOR FUNDING

	PART 2: PROJECT SITE CONTROL, ZONING, & ENVIRONMENTAL ISSUES
· A.	Site Control is in the form of:
-	Deed Purchase Agreement Option (Expiration Date) Other
	Attach Written Verification of Site Control
B.	Site is currently zoned
Б. С.	Is the zoning appropriate for your project?
	Yes
	No If no, is rezoning currently in process and when will this issue be resolved?
	Date
	Attach Written Verification of Zoning Designation
р.	Environmental Concerns: Describe what, if any, environmental assessment activities have been conducted.
	Attach a copy of any environmental findings/reports received.
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City of Milwaukee Housing Trust Fund Application Page 9 of 11 Revised April 2007

APPLICATION FOR FUNDING

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Application		Page 10 of 11 Revised April 2007
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APPLICATION FOR FUNDING

PART 4: XXX OF HOUSING TRUST FUND GOALS

- Will the project leverage other funds (private and/or public)?
- Will the project serve the lowest-income segment of the population?
- Does the project affordability period exceed the minimum period required by the Housing Trust Fund?
- Will the project utilize workers from the neighborhood and/or give priority to emerging business enterprise contractors?
- Will the project encourage more neighborhood diversity and increase housing choices within the neighborhood?
- Will the project use green building principles?
- Will the project coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies?
- Will the project facilitate the movement of persons from institutions into the community?
- · Will the project use contractors who pay family-supporting wages

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Comments:

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City of Milwaukee Housing Trust Fund Application

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Affordable Housing Program Application Instructions and Scoring Guidelines for 2007 Round A

Applications must be received in our office by 5:00 p.m. on Thursday, March 15, 2007.

General Instructions

- 1) Provide an original application and three copies. The application must be signed by an authorized signer for both the member and sponsor applicants.
- 2) All pages should be single sided, securely stapled or clipped, and preferably $8 \frac{1}{2} \times 11$.
- Required exhibits and other attachments must be labeled and placed in numerical order behind the application using index tabs with corresponding exhibit numbers.
- 4) All parts of the application and all required exhibits must be fully completed to be considered in the competition. Late applications will not be considered for purposes of scoring.

The application is available on the Community Investment web site (at <u>http://ci.fhlbc.com</u>) of the Federal Home Loan Bank of Chicago (the "Bank"). Click on Affordable Housing Program; Application Process; then link to the application.

Eligibility Requirements

Prior to scoring, applications will be evaluated to determine that they meet the eligibility requirements per section 951.5(c) of the AHP Regulations and the Bank's AHP Implementation Plan (the "Implementation Plan"). Eligibility requirements include, but are not limited to, the following items:

- 1) AHP subsidy must be used for purchase, construction or rehabilitation costs that are integral or essential to the housing unit(s).
- 2) Income Targeting requirements:
 - a) At least 20% of the units in a rental project must be occupied by and affordable to households with incomes less than 50% of the area median income per HUD income guidelines.
 - b) Households in owner-occupied projects must earn less than or equal to 80% of the area median income per HUD income guidelines.
- 3) AHP assisted owner-occupied units must be retained as affordable for a minimum of 5 years.
- 4) AHP assisted rental units must be retained as affordable for a minimum of 15 years.
- 5) Project readiness must be demonstrated. Critical pieces of financing must be committed, and projects involving new construction must include evidence of site control and zoning.
- 6) There must be a need for the AHP subsidy (see Section II.B.2 of the Implementation Plan). Development and operating costs should be within feasibility guidelines (as further outlined in Exhibit I to the Implementation Plan, the "Feasibility Guidelines"). If they are not, applicant must provide an explanation.
- 7) Project feasibility: Evaluation of project feasibility, as further outlined in the Feasibility Guidelines, will be based on the following:
 - a) Local market need and demand for the proposed development
 - b) Development experience, management experience and capacity of the development team
 - c) Financial feasibility and project readiness. The Bank's review will include an analysis of the sources and uses of funds, project costs, and operational feasibility.
- 8) Project must comply with federal and state fair housing laws and regulations.

- 9) Member institution must be a member of the Bank at time of application and at time of AHP disbursement.
- 10) The amount of AHP subsidy any single member may receive may not exceed 25% of the subsidy awarded or the subsidy announced for each application period, whichever is greater.
- 11) The maximum amount of AHP subsidy per project to \$500,000. Consortium and multi-member projects where the AHP funds are broadly distributed over multiple government jurisdictions may request a waiver from this requirement.

An application failing to meet eligibility requirements will be deemed ineligible and will not be considered for funding.

AHP Regulations

The Affordable Housing Program (AHP) regulations, 12 CFR, Part 951, can be found at <u>www.access.gpo.gov</u>. Select GPO Access, Online Federal Information, Code of Federal Regulations, 12CFR951.

Application Instructions

These instructions are meant to clarify sections of the application where questions commonly arise. The identifying numbers and letters on the instructions correspond with the identifying numbers and letters on the application.

Detailed information regarding the Bank's scoring guidelines are included under Section IV-Scoring, starting on page 5.

I. Contact Information

Sponsor Information: Please be sure that the sponsor entity is appropriate for the structure of your project. Organizations using tax credits should consult a tax attorney and tax accountant prior to applying for AHP funding to determine the impact of the AHP subsidy to the project, and to confirm that the appropriate party is named as the project sponsor.

Requests for a subsequent change or modification of the project sponsor is at the bank's discretion, and may not be approved.

II. Type of Subsidy

Check either Direct Subsidy or Subsidized Advance. A Direct Subsidy is a grant that involves a cash outlay that must be repaid if the property is sold before the end of the retention period.

If you are applying for a Subsidized Advance, contact Community Investment staff prior to submitting your application to ensure that the subsidy is delivered in the most appropriate manner. Also, please be aware that AHP awards for subsidized advances are for a subsidy amount only; the Bank does not commit to a rate at the time of approval. Prepayment of advance and/or sale of the property prior to the end of the retention period may result in a repayment of the AHP subsidy.

III. Project Information and Eligibility Requirements

A. Name and Location

Enter the project site location or the project site address. For scattered site projects, please attach a listing of sites if known; if unknown state that "sites are to be determined." Do not list the sponsor's address, unless the sponsor address is the same as the project address.

B. Type of Project

- 1. The application must be for either an owner-occupied or a rental project. If the project includes both owner-occupied and rental segments, you must submit two separate AHP applications.
- 2. Single family properties include buildings of 1-4 units whether owner-occupied or rental; Multifamily properties are buildings with 5 or more units. For group home rental projects with more than one independent household residing in a unit, you should consider each separate household as a unit.
- 3. If the project is lease-to-purchase ("LTP"), please explain the conditions of the program in Section III. C., Project Description. In most instances, LTP projects will be scored as rental projects; therefore, please include corresponding documents for rental projects. Existing LTP projects that will use the AHP subsidy for downpayment assistance to purchase units during the upcoming 12 months are an exception, and will be scored as owner-occupied projects. Please consult with Community Investment staff to ensure you are submitting proper documentation.
- 4. Though the project may include commercial or non-housing space, the costs associated with developing the commercial/non-housing space of the project are not an eligible use of AHP funds. The application must clearly show that no AHP funds are being used for the development of the commercial/non-housing space and that the housing segment of the project will not be used to subsidize the operation of the commercial/non-housing space.

Applications including commercial/non-housing space must submit separate Development Budgets, 15-Year Operating Budgets and Sources and Uses Statements (Exhibits III and V respectively) for the commercial/non-housing space and the housing space.

 Though the project may include supportive services, the costs associated with the provision of services are not an eligible use of AHP funds. Applications including supportive services must submit a separate, selfsustaining 15-Year Operating Budget (Exhibit III) for services.

D. Subsidy Description

2a. AHP subsidies <u>must</u> be used for one of two broad purposes:

- to finance the purchase, construction and/or rehabilitation of owner-occupied housing for households with incomes at or below 80% of area median income (AMI); or
- to finance the purchase, construction and/or rehabilitation of rental housing, of which at least 20% of the units will be occupied by, and affordable to, households with incomes at or below 50% of AMI.

Eligible uses include, but are not limited to:

- downpayment assistance
- hard construction costs
- soft costs
- land acquisition, in connection with new construction

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- gap financing
- homeownership counseling costs, provided that such costs are incurred in connection with counseling for homebuyers who actually purchase an AHP assisted unit and the cost of the counseling has not been covered by another funding source, including the member.

The AHP subsidy may not be used to capitalize operating or other reserves, to directly or indirectly fund services, or to fund commercial or unrelated non-housing space.

The application must specify what eligible uses the AHP award will be used for as it relates to the project. For example, if the application indicates that the award will be used for downpayment assistance, the project sponsor must obtain the approval of the Bank if they wish to change the project so that funds are used for land acquisition or any other eligible use.

E. Sponsor Capacity

If the sponsor does not have experience with projects of similar size and scope, indicate who the sponsor will partner with (consultant, developer, etc.) to bring the project to fruition. Provide qualifications and experience for all parties, including the project sponsor in Exhibit XIV.

F. Prior AHP Subsidy

Please provide requested information.

G. Application to more than one Federal Home Loan Bank

Please provide requested information.

H. Project Readiness

Some or all of the AHP subsidy approved under the Bank's competitive application program must be likely to be drawn down or used by the project to procure other financing commitments within one year of the date of approval of the application for AHP funding.

Project readiness is assessed based on the firm commitment of all sources of critical financing. Development projects must also submit evidence of site control and zoning.

I. Interest in Project

In the case of real estate that is sold to a project by a member that is providing the AHP subsidy to the project, or property sold to the project upon which the member holds a mortgage or lien, an appraisal completed by a state certified or licensed appraiser must be included with the application. The appraisal must be performed within six months prior to the date the Bank disburses the AHP subsidy to the project.

J. Fair Housing

AHP regulations require that projects must comply with applicable Federal and State laws on fair housing and housing accessibility, including, but not limited to, the Fair Housing Act, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, and the Architectural Barriers Act of 1969 and must demonstrate how the project will be affirmatively marketed. We urge you to contact legal counsel or an organization with expertise on these laws. Refer to the HUD website at <u>www.hud.gov</u> for information on fair housing.

K. Local Market Conditions

The application must include a market analysis that describes local market conditions and illustrates market demand for the type of housing being developed. Include data and other relevant facts that sufficiently demonstrate the need for and viability of the proposed project. Rental projects involving new construction should provide a third party market study completed within the last 18 months. Owner-occupied projects should provide information on the availability of homes in the targeted locations and at the targeted price points identified in the application. Attach such market analysis as Exhibit XII.

L. Long-Term Retention and Repayment

<u>Retention</u>

AHP regulations require that owner-occupied projects retain the units as affordable for five (5) years from the closing date of the purchase of the home. For rental projects, the units must be retained as affordable for fifteen (15) years from the date of project completion. Projects that do not meet the minimum retention period will not be considered for funding.

Some examples of acceptable types of retention documentation include deed restrictions, land covenants, and junior mortgages. All retention documents must be recorded.

<u>Repayment</u>

Specific language must be contained within a document such as a soft second mortgage, an Affidavit of Interest, a Deed Restriction, or a third party agreement between the member and the sponsor, ensuring that funds will be returned to the Bank in the event that repayment is required. All repayment documents must be recorded.

IV. Scoring Criteria

Projects meeting all eligibility requirements will be reviewed and scored based on nine scoring criteria that equal a maximum of 100 points. The applications receiving the highest overall scores will be recommended to the Affordable Housing Committee of the Bank's Board of Directors for award approval. Such Committee will approve applications sufficient to exhaust the AHP funds available for the applicable round.

Each of the nine scoring criteria has been assigned a maximum point value, and is designated as either a fixed point or variable point scoring item. Fixed point criteria (i.e., pass/fail) are those that cannot be satisfied in varying degrees ("Fixed"). Applications meeting a fixed point criterion will receive the maximum number of points allocated to that category. Variable point criteria are those where there are varying degrees by which an application can satisfy the criteria ("Variable"). The application(s) best achieving each variable point criterion shall receive the maximum point score available for that category, with the remaining applications scored on a declining scale.

1. Donated / Discounted Government or Other Properties (5 points - Variable)

Projects that can document the financing of housing using a significant proportion, defined as a minimum of 20% of the total land or units, of (1) land or units donated or conveyed to the project by the Federal government or any agency or instrumentality thereof, or (2) land or units donated or conveyed by any other party, for an amount that is at least 20% below the fair market value ("FMV") of the units or land conveyed. FMV must be supported by a third-party appraisal completed within 12 months prior to the AHP application date.

Applicants must indicate what is being donated or sold to the project at a discount, and include addresses if multiple land parcels or buildings are involved.

Evidence of donation or conveyance must be included as an attachment to the application to receive credit for donated properties. For properties conveyed at a discount to FMV, an appraisal completed within 12 months prior to AHP application date and evidence of conveyance cost are required to receive credit. The discount is calculated by subtracting the actual cost of all land or units in the project from the FMV of all the land or units in the project, and dividing the result by the FMV.

Rehabilitation-only projects that do not involve the acquisition of land or buildings are not eligible to receive points in this category.

Points will be awarded as follows:

5 points	If property or units are fully donated by a non-affiliated third party.
4 points	If conveyed by a non-affiliated third party and discount is between 80-99.99% of FMV per appraisal.
3 points	If conveyed by a non-affiliated third party and discount is between 60-79.99% of FMV per appraisal.
2 points	If conveyed by a non-affiliated third party and discount is between 40-59.99% of FMV per appraisal.
1 point	If at least 20% of (1) the land or units are donated or conveyed by the federal government; or (2) land or units donated or conveyed by a third party are discounted between 20-39.99% of FMV per appraisal. A maximum of I point will be awarded for the conveyance of land or units with a discount of at least 20% by a subsidiary or affiliate of the ownership entity, or other entity with an ownership interest in the project.

2. Project Sponsorship (5 points - Variable)

Project-sponsorship by a not for profit organization, a state or political subdivision of a state, a state housing agency, a local housing authority, a Native American Tribe, an Alaskan Native Village, or the government entity for Native Hawaiian Home Lands that:

- has any ownership interest in a rental project; or
- is integrally involved in an owner-occupied project, by exercising control over the development or management of the project, by providing homebuyer/homeowner counseling, or by qualifying borrowers and providing or arranging financing for the owners of the housing.

Demonstrated sponsor capability and past track record will also be taken into consideration. Attach evidence of sponsor capacity as Exhibit XIV for sponsors and co-sponsors.

	Rental Projects
1 point	Criteria 1: Sponsor must have non-profit status (or be a state or political subdivision of a state, a state housing agency, a local housing authority, Native American Tribe, an Alaskan Native Village, or the government entity for Native American Home Lands) and ownership interest in the project.
l point	Criteria 2: If Criteria 1 is met and if ownership interest by non-profit sponsor exceeds 50% of the managing member or general partner.
1 point	Criteria 3: If Criteria 1 and 2 are both met and the non-profit sponsor plays an integral role in the project by directly exercising operational control over the development or property management of the project or by directly providing supportive services to residents of the project.
1-2 points	Criteria 4: If Criteria 1, 2 and 3 are all met and non-profit sponsor has related experience in the completion or operation of at least 2 projects of similar size and scope, applicants will receive 1 point. If Criteria 1, 2 and 3 are all met and non-profit sponsor has related experience in the completion or operation of at least 3 projects of similar size and scope, applicants will receive 2 points.

	Owner-Occupied Projects
2 points	Criteria 1: Sponsor must have non-profit status (or be a state or political subdivision of a state, a state housing agency, a local housing authority, Native American Tribe, an Alaskan Native Village, or the government entity for Native American Home Lands) and the sponsor plays an integral role in the project, by exercising control over the development or management of the project, by providing homebuyer/homeowner counseling, or by qualifying borrowers and providing or arranging financing for the owners of the housing units.
1 point	Criteria 2: If Criteria 1 is met and if non-profit sponsor plays more than one integral role, as defined in the preceding cell above, in the project.
1-2 points	Criteria 3: If Criteria 1 is met and non-profit sponsor played an integral role, as defined above, in the successful completion and administration of at least 2 projects of similar size and scope, applicants will receive 1 point. If Criteria 1 is met and the non-profit sponsor has played an integral role, as defined above, in the successful completion and administration of more than 3 projects of similar size and scope, applicant will receive 2 points.

3. Targeting (20 points - Variable)

The Bank will consider the extent to which the project creates housing for very low, low or moderate income households. For purposes of this scoring criterion, applications for owner-occupied and rental projects will be scored separately.

Owner-Occupied Projects

Points will be awarded to projects that finance the purchase, construction and/or rehabilitation of owneroccupied homes for low and moderate income households in that priority order. For owner-occupied projects, incomes cannot exceed 80% of the Area Median Income ("AMI") and units must be retained as affordable for a minimum of 5 years.

Owner-occupied projects will be awarded points on a declining scale. Those with the greatest percentage of households with low incomes (60% of AMI or less) and moderate incomes (61%-80% of AMI), in that order, will receive the most points. A weighted average is calculated with the greater weight given to low income households. The following formula is used to determine the score:

$$20\left[\frac{B}{A}\right] + 12\left[\frac{C}{A}\right] = \text{SCORE}$$

Where: A = Total Number of Units

B = Number of Units $\leq 60\%$ of AMI

C = Number of Units 61% - 80% of AMI

Rental Projects

Points will be awarded to projects that finance the purchase, construction, and/or rehabilitation of rental housing, of which at least 20% of the units in the project will be occupied by, and affordable to, very low income households with incomes at or below 50% of AMI. For rental projects, units must be retained as affordable for a minimum of 15 years.

a. Rental projects where 60% or more of the total units will be occupied by, and affordable to, very-low income households (at or below 50% of AMI) will receive 20 points.

b. Rental projects that do not meet the 60% very low income criteria will be awarded points on a declining scale based on the percentage of units in a project that are reserved for very-low income households and on the percentage of remaining units reserved for moderate income households. Rental projects will be scored using the following formula:

$$25\left[\frac{B-(.20(A))}{.80(A)}\right] + 15\left[\frac{C}{.80(A)}\right] + 3\left[\frac{D}{.80(A)}\right] + 0 \ [E] = VALUE$$

Where: A = Total Number of Units

B = Number of Units <= 50% of AMI

C = Number of Units 51% - 60% of AMI

D = Number of Units 61% - 80% of AMI

E = Number of Units > 80% of AMI

In addition to indicating the number of units in the project committed to each income group, please indicate the number of Family, SRO (single room occupancy units) and Group Bed Units. Group Bed Units are defined as two or more independent households residing in a unit where each separate household is considered a unit for AHP purposes. This is generally seen in group homes or similar projects.

4. Promotion of Empowerment (5 points - Variable)

Up to 5 points are available for projects that empower residents by providing housing in combination with empowerment program(s) as identified in the application.

Sponsors must provide a service plan (Exhibit XV-A) to receive points. The sponsor must explain how each service will economically empower and benefit the residents and indicate the plan to deliver services, if services will not be available on site. Such service plan(s) should indicate how sponsor will track, monitor, and demonstrate that the empowerment services listed are provided.

In addition to Exhibit XV-A, to receive points for sponsor-provided activities or services, the application must include a brochure or annual report detailing the services to be provided to the tenants or homebuyers. If these materials are not available, an expanded service plan including detailed descriptions of services the sponsor will directly provide to the residents will be acceptable. Applicants must also indicate the source of funding for each of the activities the sponsor will provide. These attachments should be included under tab XV-A of the application.

To receive points for services provided by organizations other than the sponsor, a Commitment to Provide Services (pre-printed form included with the application) should be completed by each service provider, and included as Exhibit XV-B. Exhibit XV-A must also be completed. If there is insufficient room on the exhibit to provide a complete description of services, the service provider should provide documentation on all services to be offered to the project on their letterhead in addition to completing and signing Exhibit XV-A.

Points will not be awarded for commitments dated more than one year prior to the AHP application date.

Applications will be scored in the following manner, based on information contained in the Commitments to Provide Services and sponsor-provided documentation.

	Rental Projects
1 point	Employment services and/or job training programs to assist residents with procuring employment. These services must include at least one of the following: welfare to work programs, on- or off-site job opportunities, or job search assistance including career counseling.
1 point	Training/Education services to residents that include one of the following: adult accredited education programs, vocational training, youth* education programs, saving and budgeting education, or computer classes. *Youth programs qualify, only if they serve as a substitute for childcare.
1 point	Comprehensive case management services, mental and behavioral health services, substance abuse prevention and treatment programs, or residential support services. Services provided must promote economic betterment by supporting residents' ability to find or sustain employment or be self-sufficient.

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1 point	Resident involvement in decision-making affecting the creation or operation of the project via resident council or resident participation on the board.
1 point	Donated/discounted day care services.

	Owner-Occupied Projects
1 point	Pre-purchase homebuyer counseling if counseling is mandatory for all AHP-assisted homebuyers.
½ - 1 point	1 point will be awarded for post-purchase homebuyer counseling if counseling is mandatory for all AHP-assisted homeowners. ½ point will be awarded if counseling is available, but not mandatory.
1 point	Financial literacy training, if mandatory for all AHP-assisted homebuyers. Course content must include budgeting, credit topics, and a predatory lending component.
1 point	Sweat equity if mandatory for all homebuyers/homeowners. Applicants must submit program description that clearly notes sweat equity to receive points.
1 point	One-on-one homebuyer or homeowner counseling, if mandatory for all homebuyers/homeowners.

5. Housing for Homeless Households (5 points - Fixed)

Projects that (i) create rental housing, excluding overnight shelters, reserving at least 20% of the units for homeless households, (ii) create transitional housing for homeless households permitting a minimum of six months occupancy, or (iii) create permanent owner-occupied housing reserving at least 20 percent of the units for homeless households, are eligible to receive 5 points, if referral source(s) and source of funding for specialized services (if provided) are identified, and an acceptable supportive service plan for homeless residents has been provided. Units designated as "reserved" must be used only for homeless households throughout the retention period. If qualified homeless households are not available, the unit(s) must remain vacant until a homeless household is found to occupy the unit.

A homeless household is defined as:

A household made up of one or more individuals, other than individuals imprisoned or otherwise detained pursuant to state or federal law, who:

- 1. lack a fixed, regular, and adequate nighttime residence; or
 - 2. have a primary nighttime residence that is:
 - a. a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);or
 - b. an institution that provides a temporary residence for individuals intended to be institutionalized; or
 - c. a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

6. District Priority 1 (24 points - Variable)

a. <u>Member Financial Participation</u> (5 points-Variable)

This scoring criterion measures the extent to which a member participates financially in a project, excluding pass-through of the AHP subsidy. Attach a Commitment of Member Financial Involvement as *Exhibit XVII* to receive points in this category.

	Rental Projects
3 points	If member applicant provides long-term financing to the project (i.e., permanent financing, letter of credit for credit enhancement or tax credit equity), which constitutes at least 20% of total project costs. Points will also be awarded to consortium projects providing long-term financing to the project if member participation constitutes at least 20% of total project costs. To receive points, the minimum loan term must be 15 years.
1 point	If member is providing <i>only</i> intermediate or short-term financing to the project (i.e., construction loan, bridge loan, letters of credit for credit enhancement) or permanent financing which constitutes less than 20% of total project costs.
l point	If member is providing concessionary rates or fees, fee waivers or donations to the project.
1 point	If member provides both short-term and long-term financing.

	Owner-Occupied Projects
4 points	If member applicant(s) will definitively provide financing (with a minimum loan term
	of 5 years) to at least 50% of all qualified homebuyers/homeowners.
2 points	If member applicant(s) will provide only short-term financing to the project (i.e.,
	construction loan or bridge loan), or will definitively provide financing with a
	minimum 5 year loan term to at least 20% of homebuyers/homeowners.
I point	If member applicant(s) will provide financing with a minimum 5 year loan term to 10%
	- 20% of homebuyers/homeowners.
1 point	If member will provide concessionary rates or fees, fee waivers or donations to the
-	project.

b. <u>Community Involvement</u> (3 points-Variable)

The Bank will consider the extent to which the application demonstrates support for the project by local government, other than as project sponsor, in the form of property tax deferment or abatement, zoning changes or variances, infrastructure improvements, fee waivers or other similar forms of non cash assistance or demonstrated support for the project by community organizations or individuals, other than as project sponsors, through their commitment of donated goods and services, or volunteer labor. Points are allocated to the extent the application includes documentation of active support for the project by local government, community organizations or individuals, other than the project sponsors. Commitments must be documented by those organizations and attached as Exhibit XV to receive points. Letters of support that simply endorse the project as being good or necessary for the community will not garner any points.

I point	Demonstrated support for the project by a local government (other than as a project sponsor) in the form of property tax deferment or abatement, zoning changes or variances, infrastructure improvements, or fee waivers.
1 point	Donated or discounted materials, services or labor.
l point	If multiple organizations, businesses, etc. provide donated or discounted services, materials, or labor.

c. <u>Special Needs Housing</u> (6 points-Fixed)

The financing of housing where at least 20% of the units are reserved for occupancy by households with special needs will receive 6 points.

Units designated as "special needs housing" may only be used for the identified population(s), and no other. If qualified tenants in the target population are not available, the units must remain vacant until an eligible household is found to occupy the housing unit. Special needs housing includes housing for:

the elderly

• mentally or physically disabled persons

- persons recovering from physical, alcohol, or drug abuse
- persons with HIV/AIDS

Referral source(s) and source of funding for specialized services (if provided) must be identified.

d. <u>First-Time Homebuyer</u> (5 points-Fixed)

Projects that provide financing of housing for first-time homebuyers will receive 5 points. 80% of the units must be reserved for, and sold to, first-time homebuyers to qualify for credit. A first-time homebuyer is defined as a household meeting any one of the following criteria:

- An unmarried individual or an individual and his or her spouse, who has/have not owned a home during the three-year period immediately prior to the date of purchase of a home with the AHP subsidy.
- A divorced or legally separated individual who has only owned a home with a (former) spouse.
- An unmarried individual or an individual and his or her spouse who has/have only owned a home that was not in compliance with State, local, or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

e. <u>Rural Housing</u> (5 points-Variable)

Points will be awarded on a pro rata basis, based on the percentage of units that satisfies the criterion.

The Bank's definition of a rural area will be consistent with the Rural Housing Service, U.S. Department of Agriculture definition per 7 C.F.R. 3550.10. To determine if a particular location is designated as rural per 7 CFR 3550.10, please refer to

http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do. Depending on the project type, click on "single Family" or "multifamily" and enter the property address.

If the property location is considered rural, but located in a county with ineligible areas, please submit a USDA map of that county as Exhibit XVIII, locating the property on the map. Contact information for Rural Development offices is as follows:

Wisconsin: (715) 345-7620 Illinois: (217) 403-6200

7. District Priority 2 (6 points - Variable)

The creation of housing that satisfies one of the following second district priorities:	
 At least of 20% of total housing units are located in Indian areas as defined by Native American Housing Assistance and Self-Determination Act; or 	Fixed
• At least 20% of total housing units are located in state or federally declared disaster areas; or	Fixed
• At least 20% of total housing units have 4 or more bedrooms (excludes group homes); or	Fixed
Project meets the definition of Mixed Income housing, as defined below:	· · ·
• Rental projects with at least 20 % unrestricted units; or	Fixed
• Housing located in census tracts where the median income exceeds 80% of median income for the county or metropolitan area that the project is located in.	Variable
Applicants must provide information or statistics as evidence that the project meets the mixed income criterion. Census tract income information can be found on <u>http://www.ffiec.gov</u> . Enter property address in the <i>Geocoding Mapping System</i> . Click on "Search", then "Get Census Demographic."	

The income for the census tract is divided by the HUD median income for the county. A Census Tract Median Family Income of greater than 80% of the median income for the county or metropolitan area is necessary to qualify for points under this criterion.

Note that results for the above calculation may differ from the FFIEC calculation, particularly in rural locations.

If project is located in an Indian area, state or federally declared disaster area or in a census tract that qualifies for District Priority 2 credit, supporting documentation must be submitted with the application (Exhibit XX) to receive points.

Scattered site projects, in which some of the properties qualify for mixed income credit, will be scored on a pro rata basis, based on the percentage of units in mixed income projects or mixed income locations.

8. AHP Subsidy per Unit (16 points - Variable)

The Bank will consider how effectively the project uses AHP subsidy dollars. Scoring is based on the extent to which the project proposes to use the least amount of AHP subsidy per AHP targeted unit (units <= 80% of AMI), i.e.:

of units <= 80% AMI = \$ Subsidy per Unit

Owner-occupied and Rental projects will be scored separately. Rental projects with 24 units or less will be scored the same as owner-occupied projects.

Owner-Occupied Projects & Rental Projects - 24 units or less		Rental Projec 25 or more un	
\$ Subsidy per Unit	COLORADO COLORADO COLORADO	\$ Subsidy per Unit	Points
\$5,000 or less	16	\$4,000 or less	16
\$5,001 - \$6,000	15	\$4,001 - \$5,000	15
\$6,001 - \$6,500	14	\$5,001 - \$5,500	14
\$6,501 - \$7,000	13	\$5,501 - \$6,000	13
\$7,001 - \$7,500	12	\$6,001 - \$6,500	12
\$7,501 - \$8,000	11	\$6,501 - \$7,000	11
\$8,001 - \$8,500	10	\$7,001 - \$7,500	10 ⁻
\$8,501 - \$9,000	9	\$7,501 - \$8,000	9
\$9,001 - \$9,500	8	\$8,001 - \$8,500	8
\$9,501 - \$10,000	7	\$8,501 - \$9,000	7
\$10,001 - \$10,500	6	\$9,001 - \$9,500	6
\$10,501 - \$11,000	5	\$9,501 - \$10,000	5
\$11,001 - \$11,500	4	\$10,001 - \$10,500	4
\$11,501 - \$12,000	3	\$10,501 - \$11,000	3
\$12,001 - \$12,500	2	\$11,001 - \$11,500	2
\$12,501 - \$13,000	1	\$11,501-\$12,000	1
More than \$13,000	. 0	More than \$12,000	0

In the case of an application for a project financed by a subsidized advance, the total amount of AHP subsidy used by the project shall be estimated based on the Bank's cost of funds as of the date on which all applications are due for the funding period in which the application is submitted.

9. Community Stability (14 points - Variable)

Points will be awarded as follows:

9 points	Demolition of distressed properties and replacement with new construction; major rehabilitation of vacant or abandoned buildings; or rehabilitation-only projects with costs exceeding \$40,000/unit, if no acquisition is involved.
8 points	New construction on vacant land; purchase of existing units with significant rehabilitation (>50% of total development costs); adaptive re-use; or rehabilitation-only projects with rehabilitation costs of \$25,001-\$40,000/unit if no acquisition is involved.
7 points	Purchase of existing units with rehabilitation (rehabilitation cost between 25%-50% of total development cost); or rehabilitation-only projects with rehabilitation cost between \$10,001 - \$25,000/unit, if no acquisition is involved.
6 points	Purchase of existing units with rehabilitation costs of less than 25% of total development cost; or rehabilitation-only projects with rehabilitation costs of \$1,500-\$10,000/unit, if no acquisition is involved.
5 points	Purchase of existing units with minimal rehabilitation (less than \$1,500/unit) or no rehabilitation.

Bonus points

1 point	Project meets housing needs defined in a neighborhood stabilization plan, documented by a statement from municipality, or excerpt from community stabilization plan.
1 point	Live Near Work Initiative or Employer Assisted Housing Programs, if documented.
2-3 points	Projects involving the preservation of existing affordable housing units with land use covenants that will expire within the next 3 years are eligible to receive 2 points, if documented. Projects with land use covenants <u>and</u> rent/operating subsidies expiring within the next 3 years are eligible to receive 3 points, if documented.

Applicants must indicate whether displacement will occur, and whether or not there is a resettlement plan. Any project that displaces residents must provide a plan for relocation of those to be displaced as Exhibit XVI.

Documentation for Live-Near-Work Initiatives must include certification from local employer(s) stating (i) the number of employees earning incomes at the level proposed by the project, which must equal or exceed the number of low-income units proposed, (ii) that the employer has difficulty attracting a quality workforce due to the lack of affordable housing within a 5 mile radius (ten for rural areas) of the worksite, and (iii) the employer supports construction of the proposed project. Jobs must be appropriate for the tenant population to be served. (For example, Supportive Living Facilities do not qualify for these points.) The employer(s) must indicate how they will advertise positions to project residents, and how the housing units will be advertised to their employees. Projects involving rehabilitation of existing units will be considered for points in this category, only if at least 50% of the units are unoccupied at the time of the application. More than one employer may be identified, as long as the aggregate number of positions equals or exceeds the number of low-income units indicated in the application.

V. Certifications

The Bank will require applicants to certify that the named parties for the sponsor and member, for contact information and reporting, funding, and monitoring purposes are duly authorized to represent those organizations, and to make commitments on behalf of those organizations. Additionally, those parties signing the application are duly authorized to sign the application on behalf of the organization.

VI. Exhibits

Capitalized terms used in the exhibit instructions below are defined within the exhibit(s) to which they refer.

1. Exhibit I-A Owner-Occupied Project Worksheet

If the project area includes more than one county or metropolitan area with differing income guidelines, the sponsor should select a representative area and indicate the area used. Please use the HUD Income Guidelines^{*} for the area indicated when completing the Maximum Annual Income at targeted income level. Monthly Income at targeted income level is calculated by dividing the Maximum Annual Income by 12.

For each of the income groups targeted, include a financing scenario for a typical owner-occupied transaction, showing cost of home including closing costs and any rehab costs; and total funding sources, including buyer's downpayment, amount of AHP subsidy, other grants, and other financing in addition to the first mortgage. Under Mortgage Information, please indicate the rate and term, the monthly principal and interest, monthly taxes and insurance, and any monthly condo association fees.

The total cost of the home, including closing costs, should equal the total funding sources. Total Cost for the average home multiplied by number of units in the project should coincide with Total Uses of Funds reflected on Exhibit V, the Sources and Uses Statement. Financing and mortgage information, should coincide with the Sources table on Exhibit V, the Sources and Uses Statement.

Housing Expense to Income Ratio is calculated by dividing the Total Monthly Housing Expense by Total Monthly Income.

2. Exhibit I-B Owner-Occupied Checklist

The Owner-Occupied Checklist requires an explanation of any cost or ratio outside of the Bank's Feasibility Guidelines.

Projects will not automatically be excluded from scoring if they fall outside of the ranges listed; however applicants must justify why the cost or ratio is appropriate. The Bank reserves the right to reduce requested subsidy amounts if the project fails to satisfy published financial feasibility guidelines and/or fails to adequately document a need for the subsidy requested. Additionally, projects failing to adequately explain items falling outside of the Bank's feasibility ranges may be deemed ineligible.

Depending on the project, explanations may also be requested for items falling within the ranges listed.

3. Exhibit II-A Rental Project Worksheet

The purpose of the Rental Project Worksheet is to insure that rents are affordable to households of the appropriate family size.

Project Area

If the project area includes more than one county or metropolitan area with differing income guidelines, list all counties or metropolitan areas. Use the HUD Income Guidelines^{*} for the area indicated when calculating Column E of the table.

Column B & C Fill in the number of units and number of bedrooms. Group homes and 1 person units without a separate bedroom (e.g. studio apartment, etc.) should indicate 0 bedrooms.

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Income guidelines published annually by the Department of Housing & Urban Development (HUD) are located at <u>http://ci.fhlbc.com</u> under Administrative Information. Click on HUD Income Guidelines.

Column D

Field will populate with presumed household size for that type unit based on the AHP Regulations (1.5 persons per bedroom).

Column E

Column F

Identify the targeted income group for those units.

Using the HUD Income Guidelines, fill in the "adjusted income limits" for each of the project areas that correspond to the household size in (D) and the targeted income group in (E).

To determine the half person family sizes calculate the average household income limit using the limit above and below the half size household (i.e., the qualifying income for 4.5 persons is the average of the four and five persons household income limits, as shown in the example on the first line of the table).

Corresponding income definitions are:

<u>Exhibit IIA Column E</u>	HUD Income Guidelines
<=50% of AMI	VERY LOW - INCOME
51-60% of AMI	60% INCOME LIMITS
61-80% of AMI	LOW INCOME LIMITS

Actual tenant income may be less than the maximum amount, but cannot exceed it. If your targeted population has income below 50% of AMI, use the 50% limit.

Column G

Fill in the proposed monthly rent for that type of unit. (Tenant's Annual Rent should correlate with the Gross Residential Rents listed on the Operating Budget, Exhibit III.)

Column I

Fill in the tenant's share of the rent (rent less assistance payment). This will be the same as Column H unless a portion of the rent is subsidized.

Column J

Field will calculate, dividing the Tenant Rent Share by the target <u>monthly</u> income (Column I divided by 12 months). For all units, the ratio must be 30% or less.

4. Exhibit III Development Budget & Operating Pro forma for Rental Projects

Applications for rental projects must include a detailed Development Budget and a 15 year Operating Proforma.

The Development Budget should represent the actual outlay of cash needed to pay for materials, labor, and acquisition or other costs of completing such project. Do not include in-kind donations, voluntary professional labor or services, or sweat equity.

The developer fee should reflect developer overhead and profit only. All other project expenses should be appropriately detailed as either a hard or soft-cost line item.

Since AHP funds can be used to pay only for costs associated with the purchase, construction and/or rehabilitation of housing, projects involving non-housing related space (such as an exercise room, non-housing related office space, etc.) and/or services must demonstrate that the AHP subsidy will only be used for eligible purposes.

• Projects including commercial space must separate out development costs and operating costs associated with the commercial space. This can be done as separate columns on the development/operating budget

or by submitting two separate budgets. The operating pro forma for commercial space must selfsustaining.

 Projects including on-site residential services provided by the sponsor/project owner (such as supportive services, case management, etc.) must submit separate operating budgets, including income and expenses, for housing and services. The service budget must be self-sustaining.

5. Exhibit IV-A Rental Project Checklist

The Rental Project Checklist requires an explanation of any cost or ratio outside of the Bank's Feasibility Guidelines, as reflected on the Rental Project Checklist and in the Bank's AHP Implementation Plan. Projects will not automatically be excluded from scoring if they fall outside of the ranges listed; however applicants must justify why the cost or ratio is appropriate.

Projects failing to adequately explain items falling outside of the Bank's feasibility ranges may be deemed ineligible. Additionally, the Bank reserves the right to reduce requested subsidy amounts if a project fails to satisfy the Feasibility Guidelines and/or fails to adequately document a need for the subsidy requested.

Depending on the location and type of project, explanations may also be requested for items falling within the ranges listed.

6. Exhibit V Sources and Uses Statement

Total Sources must equal Total Uses of Funds.

If the project includes commercial space, a separate Sources and Uses Statement is required for the commercial space.

Projects involving new construction of owner-occupied projects should submit a Sources and Uses Statement that reflects the sale to the homebuyers.

Sources

List all Permanent Sources of Project Funding in the Source of Funds table. Name the specific financing source and the amount. Refer to the Description Code list to describe the type of financing; indicate one type code only per line item.

Verification of financing commitments must be attached as Exhibit XVII. Projects without documented commitments of critical financing sources may be deemed ineligible.

Owner-occupied projects should include the borrower's downpayment as an equity source so that the sources and uses balance.

Permanent Financing

Indicate the rate to be charged on any permanent financing. Projects seeking a spread exceeding 300 basis points over the Bank's CIP rate for a comparable term may be deemed ineligible and will not be considered for funding. If your project includes financing with a spread exceeding 300 basis points, you will be required to provide an explanation in a Clarification Request.

Interim Financing

Detail any interim financing, showing the amount, type of financing, rate, term, and spread to be charged. Projects seeking a spread exceeding 300 basis points over the Bank's CIP rate for a comparable term may be deemed ineligible and will not be considered for funding. If your project includes financing with a spread exceeding 300 basis points, you will be required to provide an explanation in a Clarification Request.

Tax Credits

If tax credits are used, indicate the amount of tax credits requested per year. Include the equity from the tax credits in the sources table and attach verification of your allocation and commitment from equity provider as Exhibit XVII.

Uses

Provide the amounts for each use of funds in the Uses Table. Uses should represent the actual outlay of cash needed to pay for materials, labor, and acquisition or other costs of completing such project. For multifamily projects, this table should summarize the more detailed Development Budget submitted as Exhibit III.

Non-cash costs should not be included as a use of funds. Do not include in-kind donations, voluntary professional labor or services or sweat equity.

7. Exhibit VI AHP Needs Analysis Summary

Completion of Exhibit VI is required for owner-occupied projects with sponsor-provided mortgage financing. The Excel spreadsheet containing Exhibit VI is available on our website. If you cannot access the Bank's Community Investment website or Excel, contact the Community Investment Group at (312) 565-5745 for assistance with the calculations.

A) Cash Required to Complete Project:

Enter Total Uses from Exhibit V (Sources & Uses of Funds). Note that Uses per Exhibit V should not include the value of any donated or discounted land, materials, labor, sweat-equity or any non-cash contributions.

B) <u>Cash Sources Other than Sponsor:</u>

Cash Sources other than Sponsor includes project-specific support, such as grants from foundations or corporations, CBDG or HOME funds. Please label sources and attach verification of committed funding as Exhibit XVII.

Total Cash Sources Other than Sponsor will calculate automatically.

C) <u>Cash Contributions from Sponsor:</u>

- Enter total downpayments from homebuyers for all homes included in the project.
- Enter Monthly principal and interest ("P& I") payments for all homes included in the project. (Multiply P&I for typical owner-occupied transaction reflected on Exhibit I-A (Owner-Occupied Project Worksheet) by number of homes included in the project.)
- Enter the term of loan(s) in number of months.
- The present value of monthly mortgage payments and Total Cash Contributions from Sponsor will automatically calculate.

AHP Needs Analysis Summary:

- Funding Gap will automatically calculate.
- Amount of AHP subsidy cannot exceed the Funding Gap.



City of Milwaukee

Meeting Minutes

HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR

Bethany Sanchez, Vice Chair

Heather Dummer Combs, Cecelia Gore, Craig Kammholz, Chris Laurent, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, Mike Soika, Michael Van Alstine

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

uesday,	May 22, 2007	······································	1:30 PM	Room 301-B, City Hall
	Meeting co	wened: 1:41 P.M.		
1.	Roll call			
		Present 7 - Soika, Kar	mmholz, Van Alstine, Sanch	ez, Madden, Dummer Combs and Gore
•		Excused 3 - McGee, M	lurphy and Schmidt	
		Attorney, Emma Stamps	-Legislative Reference Bure e M a yhan-Communit y Blocl	rent, Tom Gartner-Assistant City eau, Jeff Osterman-Legislative k Grant Director and Garry Werra-DOA-
2.	Approval o	f the minutes of the Ma	ay 2, 2007 meeting	• •
		Mr. Peters moved to ame HTF."	end page 5 by chan g ing the	100% to "2% minimum required of
		Ms. Sanchez said that a sentence says. She said	t the bottom of page 2, she d she will work with Ms. Mac	doesn't recall saying what the last cDonald to reword that last sentence.
		Ms. Van Alstine moved a were no objections.	a p proval of the mi nutes as a	amended, Mr. Soika seconded. There
3.	Discussion	and approval of the Ap	oplication Funding Proc	ess
		Subcommittee (HTFABT		Housing Trust Fund Technical Review bcommittee has brought to the Housing consideration.
R	• •	on a review of the May S modifications to the draft committee for its review most of its time looking a Soika developed an initia the Federal Home Loan	D, 2007 draft application. The t application and it has sub- and approval (Exhibit 2). He at how it could rank and sco al draft on how it could scor Bank of Chicago (FHLB) so the initial draft, made some	y 11, 2007 and its first discussion was e subcommittee made some minor nitted those recommendations to this le then said that the subcommittee spent re potential applicants. He said Mr. e various applications and he based it or coring process. He further said that the modification and Mr. Werra and Mr.
 City of Mil			Page 1	

revisions.

Mr. Kammholz suggested that they start off by reviewing the draft evaluation scoring sheet and then move on to the reviewing and approving of the draft application, revised as of May 11, 2007.

Mr. Lyles asked if the housing trust fund dollars that they are being provided to organizations and non-profits are going to be strictly grants or loans, because page 3 of the draft application says loans?

Mr. Soika said the legislation is silent on whether the housing trust funds should be used as grants or loans. He further said that his recommendation would be that the housing trust funds dollars be used as grants only.

Ms. Dummer Combs said the recommendation they would get from the housing trust fund coalition, the advocacy group that works on this, would be grants.

Mr. Mahan explained that some of the development packets, regardless of how they offer the funding, will have to be considered a loan and it would go on the books as a loan.

Ms. Gore asked if they have a date identified for the first wave of applications.

Ald. Murphy arrived at 3:01 P.M.

Ms. Sanchez replied in the negative and asked for input from the members on suggestions for a time-line process.

Ms. Dummer Combs said that she would like to have the funds disburse or grants awarded before the next city budget is approved, which will be in November.

Ald. Murphy said that their goal would be to hopefully have several projects approved by the end of this year. He further said that it would be premature at this time to set a date.

Atty. Gartner said that the application process is wide open and this really will depend upon the type of applications they receive and on whether the awards are loans or grants. He said that if the forms that they need aren't standardized, they may need to have customized documentation for each project, such as negotiation on land use restriction agreement, analysis of the project, etc. He further said that if they receive 10 to 20 applicants and if the forms their going to use aren't standardized there would be no way that they could have the awards dispruse in that time frame.

Mr. Soika asked if they could set a target to have the RFP's out by the end of June and ask for the requests-for-proposals (RPF) responses back by the end of July and that would give the HTFABTRS the month of August to review and the HTFAB could be ready with recommendations by September.

Ald. Murphy replied that there may be problems with scheduling of meetings and staff availability.

4. Discussion and approval of application evaluation scoring measure

Mr. Soika started off by explaining each of the items listed on the draft evaluation scoring sheet (Exhibit 1) that was created by the Housing Trust Fund Technical Review Subcommittee.

Ms. Gore asked, what are the income target levels?

Mr. Soika replied that the lower the level of income the higher the point value given. He further said that he doesn't know the income levels off the top of his head, but the income target is different for each kind of proposal (homeowners, renters and homeless).

Mr. Soika explained the formula used to calculate the income target.

Ms. Dummer Combs asked what if the organization doesn't know what kind of applicants they are going get, because they are in the process of developing the project at the time the application is submitted? She asked if it would be just what they are shooting for or what their goal is?

Mr. Soika replied that by past experience, the developer would know already what the income levels would be, because that is how they arrive at how much money they will need.

Mr. Laurent asked if there will be a land use restriction agreement placed on this?

Mr. Soika applied in the affirmative.

Mr. Soika explained the "Income Target" points given by percentages.

Mr. Mahan said that in the resolution there is a percentage for each category and they would judge them based on the applicable category. He further said that the RFP would have to be categorized and this committee would have to vote on the dollar awards for each RFP, because the owner-occupieds could not stand up against a tax credit project.

Mr. Kammholz said that *Mr.* Mahan is right under that kind of scenario. He further said that what the subcommittee came up with was just a starting point and what they should do is take this back to the HTFABTRS for further review and modifications.

Mr. Soika replied that the thresholds are shown in the application on page eight. He said that all the projects that would be applying for funding would be competing against each other for those funds.

Ms. Gore asked if there are time limits?

Mr. Soika replied that there are time limits stated in the legislation.

Ms. Gore referred to the "Family Supporting Wages" and asked if the jobs are categorized or is there a minimum set.

Mr. Soika explained that the problem with just saying "Family Supporting Wage" is that the \$7 an hour bench mark is over a decade old. He said that they opted to deal with this issue by starting it at \$7 an hour.

Mr. Laurent said as a point of clarification, because he is having a difficult time with understanding the "Income Targets," he suggested that rather than putting the percentages below the income target they could put the percentages at the income target.

Ms. Dummer Combs said that would make it easier to understand.

Mr. Soika continued explaining the recommendations on "Affordability Period" and "Use of area workers or emerging businesses."

Mr. Soika said that the legislation states area workers and the HTFABTRS translated that as EBE's and said that they may need to revisit this issue.

Ms. Dummer Combs asked if area workers could be defined as workers who are city residents.

Mr. Soika replied that there is another category for city resident workers already.

Ald. Murphy appeared at 2:05 P.M. and said that he met with Tamara Grisby about 2 weeks ago and asked her to take up the issue of the housing trust fund as it relates to the Finance Committee and she has agreed to do so. He further said that, at his request, Governor Doyle put in the State budget a provision that would allow only the City of Milwaukee to extend the life of a TIF to be used for the housing trust fund. The Senate's Finance Committee chose not to include it in the Budget. Ms. Christy is working to get it put back in the State budget.

Mr. Kammholz continued with the discussion on EBE and area workers and said the conversation at the HTFABTRS meeting was on would the 18% DBE requirement be on the total project cost or the total funding award.

Mr. Gartner appeared and said the city has a number of different approaches when dealing with EBE requirements, but typically for development projects that are funded using TID or other City source of funding would have a mandatory requirement of 18% of the city dollars. He said in other incidents they would use best-efforts on the total project cost, but there isn't a firm city policy on this. He suggested they talk to the Department of City Development for recommendations. He further said the problem is that as you look through the list of the different criteria that are used in scoring the applications, some of those criteria will increase the total project cost. One approach could be that all projects would have an 18% best-effort goal for EBE for the entire project. He further said that a separate issue is whether the resident preference program would also apply. That program gives credit for utilization of unemployed workers from within the cities Community Block Grant area. He said it would be easiest for applicants to understand and easiest to administer if the requirements were consistent with the City's requirements, which are 18% best-efforts for EBE and 21% resident preference and it could be limited to third party contractors.

Ms. Gore asked if there is a way to look at past projects and determine which strategies have the greatest outcome as it relates to the goal that they are trying to achieve and that would be the most effective.

Mr. Gartner replied that *Mr.* Chris Martin the Manager of the Emerging Business Enterprise Program might be able to help.

Mr. Soika said that given the comments on the EBE and area workers, he recommends that the wording be re-worded and that they asked *Mr.* Werra to create a spreadsheet on creating a range within that category.

Mr. Laurent said WHEDA has a requirement of 25% of the target goal. He than said that best effort would be the appropriate way to go.

Mr. Gartner suggested that they ask *Mr.* Martin to put together an example of an EBE agreement that would consist of the City's standard form best-efforts EBE agreement and leave a blank for the name of the entity that is undertaking the project and a blank for the percentage and than make it available as part of the application package, so that everyone making an application could see what the agreement looks like and they would understand what would be required.

Mr. Solka said that there is a danger in that the applicant could say he will get 50% knowing that he couldn't, just so he could get the award points.

Atty. Gartner asked who would be responsible for all the administration and monitoring?

Mr. Mahan replied that it will be monitored and it will also be reviewed by the HTFABTRS. He further said that if an organization submits a proposal it will need to have a Memorandum of Understanding (MOU) agreement and a letter that it agrees to a certain % of EBE participation. He said all the leg work would have to be done and verified prior to the submission of the application. He further said there is joint certification between City, County and State. He further said for this reason having Mr. Laurant as part of the HTFABTRS would be a valued asset.

Mr. Kammholz explained that if an applicant comes in and they are not on our EBE certification list, but are on the County or State list, which includes WHEDA they would be considered O.K.

Ms. Sanchez asked if the applicants would have the understanding going in, based on what's in the application, that they would have to produce a MOU agreement prior to getting a final commitment.

Mr. Mahan replied that it would have to be stated in the application.

Ms. Sanchez asked if they should separate the EBE's and the resident preference program into two categories.

Ms. Dummer Combs replied that for the sake of moving forward in this process and because she is concerned about the larger time-line, they should pick one and go with it this year and than revisit this again next year.

Mr. Mahan replied that it seems that almost every line is subject to verification, and maybe that will be how they need to process the application. He then said the application needs to go before the HTFTRS for review before it come before the full HTFAB for the final review and approval. Mr. Mahan said that members on the HTFABTRS includes the Comptroller's Office, City Attorney's Office, EBE Program Office, Department of City Development and that it will covers all the categories that need verification.

Mr. Peters asked how long would that process take.

Mr. Mahan replied that it would take a week if timed properly.

Mr. Soika said what if they changed the "Use of area Workers or emerging businesses" to read as follows: "18% DBE or 21% residential preference program and then move down with the percentages as already shown on the draft evaluation sheet."

Ms. Sanchez said how about "and" instead of "or".

Atty. Gartner said the city has a rule and the members of the Common Council are very careful about monitoring EBE participation. He said that there are requirements for EBE participation in all city funded contracts, and to say "or" or even suggest as the score system does, that that someone could come in and say no they wouldn't use EBE's and just take the 0 points, would raise questions with the City regarding the funding. He further said the easiest way would be to monitor and mirror the city's normal approach to these types of city funded projects, rather then distinguish the housing trust fund program from any other city funded program or contract.

Mr. Soika said that the language in the legislation specifies area workers.

Ms. Sanchez said that she would recommend that at this time they take the evaluation scoring sheet back to the HTFABTRS for review. She also said that at the next HTFABTRS, it will request the appearance by Mr. Chris Martin, who can give advice on the city's EBE's program.

Ms. Sanchez than moved on to the "Family Support Wages" item on the draft evaluation sheet and said that she assumes that there will be different levels of wages being paid on the job for the different type of workers, such as roofers, painters, etc.

Mr. Soika replied that he doesn't know and that the initial intent was to go with the CBGA formula.

Ms. Sanchez asked if they go with the average wages paid.

Mr. Laurent said that some trades like drywaller are not paid by the hour, but by piece and said that they may want to look at a different way to get the wage rate.

Mr. Kammholz and Ms. Sanchez both said that this should also be taken back to the HTFABTRS for further review.

Mr. Kammholz asked CBGA if they could do a web search to find out how other communities have addressed the wage issue.

Mr. Soika continued on with "Experience", "Accessibility Improvements or Modifications", "Service Partners", "Neighborhood Diversity", "Green Building Principles", "Proposal Meets Community Needs" and explained how they came up with the points for each of those.

Mr. Lyles asked how would they know that the proposal meets community needs.

Mr. Soika replied that DCD has plans for every neighborhood.

Mr. Mahan replied that they have a representative from DCD on the HTFABTRS.

Mr. Mahan asked if the HTFABTRS, after review and scoring of the application, will need to submit a letter of some type with its written recommendations to the HTFAB?

Ms. Dummer Combs replied that if the HTFABTRS is going to rate the application, what is this committee's responsibilities.

Mr. Lyles replied that it is this committee's role to score the application and make the recommendation to the Council. He said that the Council is going to trust the HTFABTRS recommendation more then its going to trust the HTFAB because the members on the HTFABTRS are co-workers and peers and they know how the city

works.

Mr. Mahan said that the recommendation made by the HTFABTRS would be draft recommendations and those would be referred to the HTFAB for final review and approval.

Mr. Kammholz said that they should work on a time-line as to what is going to happen when, such as when they are going to receive the applications, on the screening of the applications and then on the submitting of the draft recommendation from this committee for review and final approval. He said they could start with setting an end date first and work back from there. He said that they should have the timeline process in place by the next HTFAB meeting.

Mr. Peters said that this committee should also be looking at what they are going to do with the remaining 15% that is to be used by this Board as discretionary funds.

Mr. Laurent suggested that they remove the negative points from the scoring sheet altogether.

Ms. Sanchez said that if any of the members have any other suggestions on the point system or for language that can be use for the RFP, they should send those to Ms. MacDonald and she will forward them to the all the members.

5. Next meeting date and time

The following meeting dates were set and all meeting will be held at 1:30 P.M.:

June 12, 2007 July 10, 2007 August 14, 2007 September 11, 2007 October 9, 2007 November 13, 2007 December 11, 2007

Meeting adjourned: 3:14 P.M.

Terry J. MacDonald Staff Assistant

HTF Rating Point System - Final Draft Recommendation

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	Max 100 Pt	t Scale(a)
	Point Range	Max Points
Leveraged Doilars	Raliye	1
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	ă l	
HTF dollars are more than 15% of total project cost	3	
Construction Financing		Contractor of the
Construction Loan is Firmly Committed	5	nata on to any actor
Construction Loan is Conditionally Committed	2	
Construction Loan is not identified	l õ	Current a mon
Income Targets		4
# of units with residents below 150% of income target	15	Nicola Internet
# of units with residents below 130% of income target	12	
# of units with residents below 100% of income target	9	
# of units with residents below 125% of income target	a a	
# of units with residents at income target	3	
# of units above income target	10	t.
	0	
Meets HTF Affordability Period (Required - Zero Points) Exceeds HTF Affordability Period by 25%		
		murador randr
Exceeds HTF Affordability Period by 50%	5	
Exceeds HTF Affordability Period by 75%	8	
Exceeds HTF Affordability Period by 100% or more	10	
Use of area workers or emerging businesses	ndensbridenis: ist	
Less Than 18% DBE Compared and a standard strength and a standard strength	-10	
18% DBE	2	
24% DBE	4	
30% DBE	6	
36% DBE	8	
More than 36% DBE	. 10	
Family Supporting Wages		
Contractor pays employees \$7.00 to \$8.00 per hour	1	
Contractor pays employees \$8.01 to \$9.00 per hour	2	
Contractor pays employees \$9.01 to \$10.00 per hour	3	
Contractor pays employees \$10.01 to \$11.00 per hour	4	
Contractor pays employees more than \$11.00 per hour	5	
	210185017-	
Agency experience with same type/similar project	5	
Staff experience with same type/slmilar project	5	
Accessibility improvements or modifications	HECONSTRUCTION OF A	
Meets Minimum Standards	1	
Exceeds Minimum Standards	5	
Service Partners (b)		
Provision of services on site w/out use of HTF \$	5	
Neighborhood Diversity		Maansed sandi Handol a san Afrika Sandi Angelari Afrika Sandi Angelari
Project Increase neighborhood diversity in housing choices	5	
Sreen Building Principles	and the second second	n servisi servisi
Project Utilizes Green building Principles	5	
Coordination with Community Institutions		- 11
Project is Coordinated with Community institutions	5	
Community Integration		
Move persons from Institutions to community	5	
Proposal Meets Community Needs (Subjective)		1
TBD by Reviewer		
Total Points		
		10

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

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

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



5/22/07

150% of Target	130% of Target	125% of Target	115% of Target	At HTF Target
15 B	12B	9 B	6 <u>B</u>	3 <u>B</u>
Α	A	A	A	A

(

A = Total Units B = Units meeting HTF Income Targets

Alternate Scoring Examples						
Max Pts	Formula	Calc	Total Pts			
	25					
15	50	0.5	7.5			
	25		,			
12	50	0.5	6			
	25		[
.9	50	0.5	4.5			
	25					
6	50	. 0.5	3			
	25					
3	50	0.5	1.5			

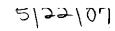
HTF Rating Point System - Draft Recommendation

			Alt 100 I	Pt Scale
	Point Range	Max Points	Point Range	Max Points
Leveraged Dollars - 25 Points Available	Rango	25	Runge	15
HTF \$ = < 3% of total project cost	25		15	
HTF \$ = 3-5% of total project cost	20		12	an de la cen
HTF \$ = 6-10% of total project cost	15	Hon Bread and	9	hi tir de se
HTF \$ = 11 - 15% of total project cost	10	000000000000000000000000000000000000000	6	
HTF \$ = > 15% of total project cost	5		3	
Construction Financing		10		
Construction Loan Firmiy Committed	10		5	
Construction Loan Conditionally Committed	5		2	
Construction Loan Not identified	ō		ō	
Income Targets 225 Points Available		25		1
# of units with residents below 150% of income target	25		15	
# of units with residents below 130% of income target	20		12	
# of units with residents below 125% of income target	15			oguniganin ar
# of units with residents below 115% of income target	10		6	
# of units with residents at income target	5		3	
# of units above income target	-10		-10	
Affordability Period	••	10	5	
Meets HTF Affordability Period (Required - No Points)	0	10	0	CICCREDCDCD.
Exceeds HTF Affordability Period by 25%	2		2	1
Exceeds HTF Affordability Period by 50%	5	unung aus der	2 5	
Exceeds HTF Affordability Period by 50%	8	add google an	5	
Exceeds HTF Affordability Period by 75%	10	90.33990	10	
Use of area workers or emerging businesses	10	10		
Less Than 18% DBE	0	10	-10	tin in the second s
18% DBE	2		-10	
24% DBE			2	
30% DBE	6		ד פ	
36% DBE	8		8	
More than 36% DBE	10		10	
Experience and the same type/similar project	5	<u></u>	5	
Staff experience with same type/similar project	5		5	
Accessibility improvements or modifications	<u> </u>			
Meets Minimum Standards	5	California (California)	4	
Exceeds Minimum Standards	5		5	CLARING AND
			3	
Service Partners***	10	10	bi kinda halada C	
Provision of services on site w/out use of HTF \$	10	10	3	
Neighborhood Diversity	10	10	-	
Project increase neighborhood diversity in housing choices	10		5	Contraction of the contraction o
Green Building Principles	Chenkonnthee	10	35A1A5	
Project Utilizes Green building Principies	10			Hann seiten
Coordination with Community Institutions		10		
Project is Coordinated with Community Institutions	10		. 5	
Community Integration		10		99962 66965
Move persons from institutions to community	10		5	
Family Supporting Wages	line dunic dan d	10		ala di sulta di
Contractors pay family supporting wages	10		5	and name
ginggoo				n augus gus f
Broposal Meets Community Needs (Subjective)	HINESS PERSONNEL	15		nadalihine adabit.
		15		

NOTE: All proposals must receive at least <u>25</u> points for further consideration

*** Only applies to projects requiring on-site services such as Sheiter + Care

REVISED 5/11/07





CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING FY2007

DRAFT FOR DISCUSSION PURPOSES ONLY



RAFT APPLICATION FOR FUNDING FY2007 DRAFT

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

FUNDING GUIDELINES

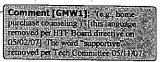
- A <u>minimum</u> of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A minimum of 35% must be used to develop or rehabilitate rental housing.
- A <u>minimum</u> of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

HOUSING TRUST FUND ACTIVITIES MUST OCCUR IN THE CITY OF MILWAUKEE

REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF MILWAUKEE WILL BE REJECTED

City of Milwaukee Housing Trust Fund Application

Page 2 of 22 Revised May 2007







Comment [GMW4]: Added no

RAFT APPLICATION FOR FUNDING FY2007 DRAFT

Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Funds may not be used as the primary source of funds for any project.

ELICIBLE APPLICANTS

- 1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.
- 2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

AFFORDABILITY REQUREMENTS

- 1. <u>Rental Housing:</u> Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
- <u>Owner-Occupied Housing and Homeownership</u>: Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

Housing Trust Fund dollars are available for home-buying counseling. Homebuyer counseling agencies must demonstrate that they serve low- and moderate-income clients. In addition, any organization that receives Housing Trust Fund money for this purpose must demonstrate that it has the ability to assist disabled individuals (e.g., the location is accessible and the organization offers translation services, materials in Braille, etc.).

3. <u>Housing and Services for the Homeless:</u> All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.

City of Milwaukee Housing Trust Fund Application

Page 3 of 22 Revised May 2007 Comment [GMW5]: Added for clarification consistent with HTF Br



<u>DRAFT APPLICATION FOR FUNDING FY2007 DRAFT</u>

INCOME ELIGIBLITY

- 1. <u>Owner-Occupied Housing:</u> Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.
 - The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income (currently \$43,680) for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are based on the CMI and ...subject to change annually.
- 2. <u>Rental Housing and Housing for the Homeless:</u> Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income (currently \$33,600).

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

City of Milwaukee Housing Trust Fund Application

Page 4 of 22 Revised May 2007



RAFT APPLICATION FOR FUNDING FY2007 DRAFT

OTHER REOUIREMENMTS

The following accessibility standards apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.
- The design principles of any one of the following:
 - 1. Aging in place
 - 2. Universal design
 - 3. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.
- For new housing units in one- to three-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:
 - 1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
 - 2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
 - 3. Powder room (half bath) on the main-level floor that has:
 - i. A doorway entrance with a minimum 32" clear passage opening;
 - ii. Sufficient space to close the entrance door while the room is occupied;
 - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future
 - installation of grab bars to provide access to the toilet if necessary.
- Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

City of Milwaukee Housing Trust Fund Application

Page 5 of 22 Revised May 2007

AFT APPLICATION FOR FUNDING FY2007 DRAFT

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding*.

Completed applications and required attachments must be received at the Community Development Grants Administration office <u>no later than (TIME) on (DATE)</u>. No extensions will be granted. Submit the original and <u>lifteen (15)</u> copies to:

> Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647. Your application will begin when your complete application has been received, including all items indicated below:

- A fully completed application. If a question does not apply, indicate this on the application.
- Applicants should include audited financial statements for three years, if in existence for less
 than three years, all statements received to date. (balance sheets, cash flow statements, and profit
 and loss statements). For special limited purpose corporations, the supporting organization's
 statements.
- Tax returns for three years (Individual 1040, Corporate 1120 and Partnership 1065).
- Project or Business plan
- Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- Market analysis for projects containing twelve or more residential units.
- Resumes and qualifications of the development team.
- Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- Aminimum 5-year projected pro-forma
- An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- Post rehabilitation or new construction appraisal
- Reserved for additional requirements

Reserved for additional requirements

City of Milwaukee Housing Trust Fund Application

Page 6 of 22 Revised May 2007 Comment [GMW6]; Increased ic allow a copy for each Board member and 3 CDGA staff (Sleve, Hettie, Ga

Comment [C7]: Revised per tech

Comment [C8]: Revised per tech

comm. 05/11/07

comm. 05/11/07

AFT APPLICATION FOR FUNDING FY2007 DRAFT

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding, will be notified by mail.

In addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

City of Milwaukee Housing Trust Fund Application Page 7 of 22 Revised May 2007

DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

Organization Name:		
Organization Address:	City Zip	
Contact Person:	Title	
Telephone Number:	Fax:	
E-Mail:	FEIN	

Indicate the amount requested in the appropriate category below. <u>Please submit a separate application</u> for each category being requested.

Comment [GMW9]: "Create Housing for the Homeless" (this language removed per HTF Board directive on 05/02/07)

Comment [GMW10]: Added per ITIF Board directive on 05/02/07

Comment [GMW11]: Added per CDGA recommendation

Activity	2007 Funds Available	Amount Requested
Homelessness		
- Rehabilitation of Existing Facility		\$
- New Construction of Facility		\$
- Provide Supportive Services		\$
Rental Housing	\$875,000	
- Rehabilitation of Existing Structure		
- New Construction		\$
Home Ownership	\$625,000	
- Rehabilitation of Existing Structure(s)		
- New Construction		\$
- Owner-Occupied Rehabilitation		\$ -
- Homebuyer Counseling Services		\$
- Post-Purchase Counseling Services		\$
Other Needs as Identified	\$375,000	S
ΤΟΤΑ		\$
Indicate the percentage and amount of HTF fu be used to fund accessibility improvements or		

Proposals must be authorized and signed by the Chief Executive Officer -AND- an official of the Board of Directors.

Signature:		ate:
Signature:	D	ate:
Printed Name:	Ti	tle:
City of Milwaukee		Page 8 of 22
Housing Trust Fund Application		Revised May 2007

FT APPLICATION FOR FUNDING FY2007 DRAFT

PART I: PROJECT DESCRIPTION

Describe the Project: Briefly identify the project location and the specific activity to be 1. completed.

8.

b.

2.

If project involves construction or rehabilitation, please attach photos of the slte and sketches or drawings of the proposed project.

Photos and/or sketches are attached

Project does not involve construction or rehabilitation

If the project involves the provision of services, briefly describe the specific services to be provided.

:

Project does not involve the provision of supportive services

Households/Clients Served: Briefly describe the specific population to be served, including target income level and special needs populations, as applicable.

: 3. Indicate the unduplicated number of units/household to be served

City of Milwaukee Housing Trust Fund Application

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Page 9 of 22 Revised May 2007 Comment [GMW12]: "for th

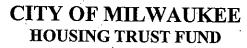
homeless" [this language removed HTF Board directive on 05/02/07]

DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

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City of Milwaukee Housing Trust Fund Application

Page 10 of 22 Revised May 2007 ¢,



DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

PART II: PROJECT FIMEURE

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

	MONTH	EVENT(S)
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City of Milwaukee Housing Trust Fund Application

Page 11 of 22 Revised May 2007 Comment [GMW13]: Added for consistent with HTF Board directive of 05/02/07

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PART	III: <u>PROJE</u>	<u>CT SITE CO</u>	NTROL, ZONIN	G, & ENVIRO	NMENTA	L ISSUES			2	
1.	:	is in the form Deed Purchase Ag Option (Exp Other)	·				ere di P	
1	a.	Please Atta	ch Written Docui	nentation of Si	te Control			۰.	.e.	
2.	Site is curre	ntly zoned:					-			
	а.	Please Atta	ch Written Verifi	cation of Zonin	ıg Designat	ion		•		
3.	Is the zoning	, appropriate	for your project?					;		
		Yes	No	·.						
	If no, is rezon	ning currently	in process and wh	en is it anticipat	ed that this	issue will be re	solved?			
			Date	· .						
4.	Describe wh	at, if any, En	vironmental Asse	ssment activitio	es have bee	n conducted.				<i></i>
			······································							C
	а.	Please attac	ch a copy of any e	nvironmental f	indings/reg	orts received.		•		
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City of	Milwaukee				<u>.</u>	Page 12 of]	•	1.

Housing Trust Fund Application

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Provide the following items 9. Sources and Uses of all funds 9. Development Budget 9. Cash Flow Statement 9. Image: Development Budget 9. Development Budget	÷			OF MILWA				·. ·	
1. Please Attach the Following Items • Sources and Uses of all funds • Development Budget • Project 5-Year Pro-Forma • Cash Flow Statement 2. Please describe the specific use of Housing Trust Fund dollars (i.e.:	(- · · · · · · · · · · · · · · · · · · ·	DRAFT APPLICAT	TION FOR FUN	DING FY2007	DRAFT	_		
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3. Has the project secured a firm commitment from a construction lender? Yes No 4. Has the project received a conditional commitment from a construction lender? Yes No 5. Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with. Lender Name Phone number Contact Person			Cash Flow Statement						
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DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

6. Identify the project total amount of other funds (private and/or public) that would be leveraged by the Housing Trust Fund dollars?

Funding Source	Amount Leveraged				
	\$				
	\$				
	\$				
	\$				
	\$				
	\$				
TOTAL FUNDS LEVERAGED	\$				

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City of Milwaukee Housing Trust Fund Application

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	DRAFT	APPLICATI		UST FUND FUNDING		<u>RAFT</u>			•		
PART	V: <u>CAPACIT</u>	AND EXPERT	ISE								
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	Yes	No							 1	•••	-
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City of Milwaukee Housing Trust Fund Application

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Describe the this project	he accessibility im t:	provements or me	odifications that	will be include	ed as a par	t of	(sturthering,	advancing, or he	ping forward
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Explain ho	ow this project ser	ves the lowest-inc	ome segment of	the population	:	• •			
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······					. <u>.</u>			4	•
Does the p Trust Fun	roject affordabilit d (please refer to _l	y period exceed th page 3)?	he minimum pe	riod required b	y the Hou	sing	~	·	(
Yes	<u> </u>	No		· ·					
Affordabili	ty Period Required	by HTF:	· · · ·	(years)			-		

Affordability Period Proposed for Project:

(years)

City of Milwaukee Housing Trust Fund Application

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DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

3.	Will busin	this project utilize workers from less enterprise contractors?	the neighborhood and/or g	ve priority to emerging	
		*	•	2.3	
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	a.	If yes, please describe:			
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1.	Does the n	this project encourage neighbor eighhorhood?	hood diversity and increase	housing choices within	
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•	Will	this project utilize green building	g principles?		
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7. W	'ill this project :	facilitate the move	ment of persons	s from instituti	ons into the cor	nmunity?			
	Yes	No	:			-			. •
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8. W w:	ill the project v ages are defined	ase contractors who d as by 100 per hour) pay family-su 8)?	pporting wage	s (family suppo	rting	Comm	ent [GMW15]: Ho	w does HTF
ا ده . - ده . - و ر	Yes	No	:		· ·		Board di registers monitori	efine a "living wage" be required as part o ing?	Will payroll
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City of Milv	waukee ust Fund Applicatio				Page 18 Revised	of 22 May 2007			
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DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

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City of Milwaukee Housing Trust Fund Application

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RAFT APPLICATION FOR FUNDING FY2007 DRAFT

PROPOSAL CHECKLIST - YEAR 2007

Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office <u>no later than</u> (TIME) on (DATE). No extensions will be granted.

Submit the original and street (15) copies to:

Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Faxed or electronic applications will not be accepted. <u>All proposals received after the closing date noted</u> above will be returned to the applicant without review.

PLEASE BE CERTAIN TO

- Complete and submit 1 original and 15 unbound copies of all documents:
- > Attach all required supporting documentation as requested in the application.
- If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will be discarded.

If your Application is funded, some additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.

City of Milwaukee Housing Trust Fund Application Page 20 of 22 Revised May 2007 Comment [GMW16]: Increased i allow a copy for each Board member and 3 CDGA staff (News, Henre, Gar



DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

ADDITIONAL ITEMS THAT NEED TO BE INCORPORATED INTO THE APPLICATION...

Upon award of funds term sheet will be drafted and that HTF \$ will be disbursed after all other sources of funds have been disbursed.

ATTACHMENT #1

City of Milwaukee Housing Trust Fund Income Limits – 2007

Income				Househo	ld Size			
Level	1	2	3	4	5	6	7	8
30% (ELI)	14,100	16,150	18,150	20,150	21,750	23,400	25,000	26,600
50% (VLI)	23,500	26,900	30,250	33,600	36,300	39,000	41,650	44,350
80% (LI)	.37,650	43,000	48,400	53,750	58,050	62,350	66,650	70,950

Note: Income Limits are based on the HUD Section 8 Limits and are subject to change annually.

ATTACHMENT # 2

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City of Milwaukee Housing Trust Fund Application

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DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

City of Milwaukee Housing Trust Fund Rent Limits – 2007

· ·		Number of Bedrooms					
	Efficiency	1	2	3	4	5	б
Base Rent (If Rent Includes Utilities)	510	608	726	873	942	1075	1176
Adjusted Rent (If Tenant Pays Utilities)	0	0	0	0	0	0	0
Note: 1. Rent Limits are based change annually. 2. Utility allowances det						· .	

City of Milwaukee Housing Trust Fund Application

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Comment: [GMW17]: Requested in the HACM 05/03/07



Housing Trust Fund Project NEWS

Louisville, Kentucky's Mayor Commits to Affordable Housing Trust Fund

n February 28, 2007, Louisville, Kentucky Mayor Jerry Abramson announced the creation of a Louisville Metro Affordable Housing Fund. The Mayor will ask the Metro Council to seed the fund with a \$1 million allocation in unanticipated one-time revenues. He pledged additional funds over the next four years working with the state legislature to authorize a continuing funding source for local affordable housing trust funds in Kentucky. He also challenged the private sector to participate.

Mayor Abramson based his proposal on recommendations from the

Mayor's Affordable Housing Trust Fund Task Force, a 23-member advisory group appointed last year. The group included representatives from nonprofit agencies, businesses, community and faith-based groups along with local, state and federal government officials.

"The people who served on this task force are passionate about affordable housing," Abramson said. "I appreciate their good ideas, and we will need their continuing zeal in Frankfort to get a dedicated revenue stream necessary to make the fund truly effective."

In addition, the Mayor will propose an ordinance, sponsored by



West Virginio Secures Dedicated Revenue for Affordoble Housing Fund
Austin, Texas Voters Poss \$55 Million Housing Bond 4
Illinois Open Doors, Open Lands Campoign Proposes Progressive Tronsfer Tax Restructuring 5
Oregon Housing Allionce Pushes 2007 Housing Opportunity Agendo
Michigan Seeks Funding for Housing ond Community Development Fund
Indiano Considers Legislotion for State and Locol Housing Trust Funds9
Housing Trust Fund Progress Report 2007 Released!

Councilwoman Tina Ward-Pugh, to create a commission appointed by the Mayor and approved by Metro Council to oversee the distribution of grants and loans from the fund. The Housing and Community Development Division of the Louisville Metro Family Services Department will administer the fund.



continued on page 2



Center for Community Change

News is published by the Housing Trust Fund Project of the Center for Community Change. The Center for Community Change is a national nonprofit which helps low-income people build powerful, effective organizations through which they can change their communities and public policies for the better.

The Housing Trust Fund Project operates as a clearinghouse of information on housing trust funds throughout the country and provides technical assistance to organizations and agencies working to create and implement these funds.

For more information or to request technical assistance, please contact:

Mary E. Brooks

Housing Trust Fund Project 1113 Cougar Court Frazier Park, CA 93225 Tel: 661-245-0318 Fox: 661-245-2518 mbrooks@communitychange.org

Visit our website at: www.communitychange.org

FUNDING

Publications are funded by a grant from the Fannie Mae Foundation

LOUISVILLE continued from page 1

During the period of June through November 2006, the Mayor's Affordable Housing Trust Fund Task Force and its committees met with members of the staff of Louisville Metro Housing and Community Development to devise a detailed strategy. Specifically, it assessed the need for the creation of a trust fund, examined existing best practices in this field, and made recommendations to create a local trust fund that would meet the affordable housing and community development needs of the Louisville Metro community.

The Mayor's Affordable Housing Trust Fund Task Force outlined key recommendations and a legislative agenda for the implementation and funding of a local trust fund. The Task Force's key recommendations include the following:

Governance:

• The Trust shall fund and facilitate the rehabilitation, repair, and/or production of affordable housing and housing related support programs.

• The governing board shall have final decision-making authority for the Trust and shall be comprised of 13 members reflecting a broad-based, cross-section of interests, including: the banking community, an affordable housing consumer, a low income housing advocate, a Metro-Council member, a neighborhood representative, a member from the Metro Government directly reporting to the Mayor, a non-profit developer, a social service provider, a member from the Homebuilders Association of Louisville, a member from the Apartment Association of Louisville, a representative of homeless individuals, a member from the Greater Louisville Association of Realtors, and one at-large member.

• Board members shall be appointed by the Mayor and ratified by Louisville Metro-Council pursuant to the requirements of local and state law. Board members shall serve in staggered terms.

Program:

• Half of any public dollars allocated to the Trust shall be dedicated by ordinance or other means to serving households at or below 50% of area median income; the remaining 50% shall serve households at or below 80% of area median income.

• An initial needs assessment shall be conducted during the first year of operation. The frequency of the needs assessment shall be determined by the governing board and shall occur at least every three years.

• Trust programs shall be designed to leverage and maximize resources.

• The Trust shall offer a variety of funding including loans, forgivable loans, and grants. The Trust must remain flexible so that it can maximize and leverage resources from a variety of sources and facilitate innovative approaches.

• The Trust will ensure sustainability by instituting duration and affordability requirements perfected through financial incentives and penalties, deed restrictions and other enforceable agreements.

• Eligible applicants will include non-profit and for-profit affordable housing developers and

West Virginia Secures Dedicated Revenue for Affordable Housing Fund

HABITAT FOR HUMANITY WEST VIRGINIA

est Virginia's housing advocates have succeeded in securing a dedicated source of public funding for the state's housing trust fund. An additional \$20 fee will be charged on the transfer of real property and on the sale of factory-built homes by licensed dealers. It is anticipated to generate more than \$1 million a year for the state's Affordable Housing Trust Fund.

West Virginia's Housing Trust Fund was created in 2001 to increase the capacity of community housing organizations to provide safe, decent, affordable housing for low-income West Virginians. The fund was capitalized with initial one-time grants from the Benedum Foundation and the West Virginia Finance Housing Authority of \$1.5 million. In 2005 and 2006, efforts failed to secure a dedicated source of revenue. Then housing entities throughout the state formed "friends" of the trust fund to have a more influential group to advocate for dedicated funding.

Friends of the Trust Fund planned housing day for West Virginia's 2007 legislative session. Habitat for Humanity West Virginia hosted a nail driving contest on Housing Day. Legislators competed among themselves to see how fast they could drive a nail, with prizes awarded to the top five fastest nail drivers. This successful event brought media and support to the housing trust fund campaign.

The Housing Trust Fund has awarded \$1 million to local groups, leveraging another \$12.3 million in public and private funds. This funding has produced 48 shelter beds, 40 single family home purchases and rehabs, and

50 units of low-cost rental housing. The impact of this investment includes creating 100 local jobs and an estimated \$760,000 in local property tax revenues.

The Affordable Housing Trust Fund is administered by the West Virginia Housing Development Fund. No more than 10% of these revenues can be used for administration of the trust fund and an annual report must be submitted to the Legislature each year.

Funds have been made available to nonprofit organizations, units of local government, public housing authorities, and regional or statewide nonprofit housing assistance organizations. Proposals designed to develop the capacity of community based organizations to sponsor or develop housing have been encouraged, but those that cause the production of housing receive greater consideration.



Habitat for Humanity Women Build in West Virginia

Proposals are encouraged that promote the provision of affordable housing services, including but not limited to building housing; purchase of sites; and constructing improvements including water lines, water supply installations, sewer lines, sewage disposal systems, gas lines, electric lines, roads, streets, curbs, gutters, sidewalks, and other land improvements necessary to prepare sites for residential housing construction. Priority is given to proposals that have other funds committed and target families with the lowest incomes, among other selection criteria.

Contacts: Loro Pierce, Habitat for Humonity of West Virginia, P.O. Box 70146, Chorleston, WV 25301 (304-720-7636 www. habitatww.org or West Virginia Housing Development Fund, 814 Virginia Street, East, Chorleston, WV 25301 (304-345-6475).

Austin, Texas Voters Pass \$55 Million Housing Bond

In Austin, Texas, 62.3% of the public voted to approve a \$55 million bond for affordable housing last November. Bond funds will go to support the development, rehabilitation, and preservation of affordable rental and owner housing. The housing bonds were one of seven propositions, all of which passed.

The "There's No Place Like Home!" campaign to win passage of the bond focused on needs and opportunities from investing in affordable housing. More than 54,000 seniors live on fixed incomes; 4,000 Austin school children lack a permanent home; 8,700 families are on waiting lists for public housing or housing vouchers. For an average of just \$4.65 year, voters agreed. Estimates are that the funds will leverage another \$300 million and create more than 12,000 jobs.

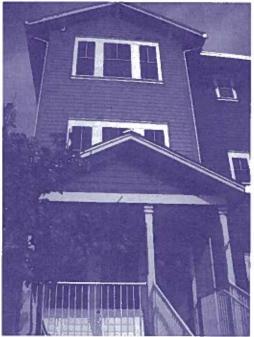
The funds will be allocated over a seven year period and be administered by the Department of Neighborhood Housing and Community Development. The majority of the funds, \$33 million, will be used to create special needs housing, affordable rental units, and housing with supportive services for people transitioning out of homelessness, elderly on fixed incomes and people earning minimum wage. The bond will allow a deeper level of affordability for families with incomes between 30 and 50 percent of the median family income, with a priority for extremely low-income people.

The remaining 40% of the funds will support homeownership, primarily through community land trusts and reimbursement of infrastructure costs. An emphasis will be placed on supporting homeownership for households earning no more than 80% of the median income, with priority for reaching lower income households. Both nonprofit and for-profit developers are eligible for the funds.

Housing advocates in Austin began working on a housing trust fund campaign in 1998. The City's Department of Neighborhood Housing and Community Development does operate a housing trust fund utilizing about \$1 million a year to support affordable housing. There is no formal commitment that the bond funds would go into the housing trust fund, but these funds will certainly add to the mix, along with housing trust fund resources and other funds.

Housing advocates, using a political consultant, held a series of housing forums. A citizens bond committee was also formed. Endorsements were received from many organizations and individuals throughout Austin. Polling indicated support for housing that would assist the disabled community, elderly persons, and families with children. The campaign also focused on successful local models of affordable housing.

TEXAS LOW INCOME HOUSING INFORMATION SERVICE



Lyons Gardens provides family eldercare in this 53 home senior complex in East Austin. The Housing Trust Fund made an equity contribution.

There will be an annual process for deciding funds spent each year. This will occur as part of the annual consolidated plan process, including public hearings, a community survey, and other meetings. The Council is responsible for adopting accountability guidelines.

Contact: Koren Paup, Texos Low Income Housing Information Service, 508 Powell Street, Austin, TX 78703-5122 (512-477-8910).

Illinois Open Doors, Open Lands Campaign Proposes Progressive Transfer Tax Restructuring

The Open Doors, Open Lands Campaign of Illinois has proposed a restructuring of the Illinois real estate transfer tax. The proposal would provide tax cuts for 93% of property sellers and generate an estimated \$215 million per year, including \$99 million in new funding. Since 1989, this has been the revenue source supporting the Illinois Affordable Housing Trust Fund.

Currently, the state imposes a real estate transfer tax on property sellers at a rate of \$.50 per \$500. Half of the money generated by these funds is dedicated to the Affordable Housing Trust Fund. The remaining funds are used for the acquisition of open space and natural areas. The Affordable Housing Trust Fund is used primarily for developing and preserving affordable housing for low-income households.

The Open Doors, Open Lands Campaign is proposing to enact



a tax cut of 10 cents per \$500 to sellers of properties priced at less than \$500,000 (from \$.50 to \$.40). Properties priced above \$500,000 would pay the tax rate of \$.40 per \$500 (.08%) for the first \$500,000 in value of the property. Value above \$500,000 would be taxed based on a progressive rate structure.

In addition, the Open Doors, Open Lands Campaign is proposing that 20% of the Affordable Housing Trust Fund be targeted for the development of supportive housing. Supportive housing is defined as permanent affordable housing with support services attached for individuals and families who have been homeless and/or have special needs, such as mental illness or chronic physical illness, such as HIV/AIDS.

The campaign partners include Business and Professional People for the Public Interest, the Chicago Coalition for the Homeless, Housing Action Illinois, the Illinois Environmental Council, Openlands Project,

> and the Supportive Housing Providers Association.

Thirty-five states collect a real estate transfer tax and only

Walken Oaks, in Woodstock, is one of the development preserved in 2005 by the Illinois Housing Development Authority. The property has 125 one-bedroom units for the elderly and 67 townhome units for families that include both market-rate and projectbased Section 8. The State's Affordable Housing Trust Fund will allow the property to remain affordable for the next fifty years. Colorado has a lower rate than Illinois. Not only is this revision seen as a fairer proposal, but it would generate an estimated \$215 million a year, including \$49.5 million in new funding for the Illinois Affordable Housing Trust Fund. In Fiscal Year 2006, the real estate transfer tax generated roughly \$116 million for affordable housing, conservation, and open space through a flat tax on the sales price of properties. This proposal would create a four-tiered progressive rate structure.

The Illinois Affordable Housing Trust Fund is administered by the Illinois Housing Development Authority and last year received nearly \$60 million in revenues to support affordable housing. Nonprofit and for-profit developers, as well as local governments may seek funds. Acquisition and rehabilitation of existing housing, new construction, adaptive reuse of non-residential building, special housing needs, and technical assistance for nonprofit organizations are eligible activities. Funds are allocated to three geographic categories: 64% to metropolitan Chicago counties; 18% for other metropolitan counties; and 18% for non-metropolitan counties.

Funds have been used to support a wide range of activities and the Fund has made a significant contribution to the preservation of affordable housing throughout the state.

Contact: Tommie Grossmon, Housing Action Illinois, 11 Eost Adams Street, Suite 1601, Chicago, IL 60603 (312-939-6074) www.housingactionil.org.

Oregon Housing Alliance Pushes 2007 Housing Opportunity Agenda

The Oregon Housing Alliance's 2007 Housing Opportunity Agenda has seven key elements that would dedicate new sources of funds to meet critical housing needs and allow local communities to use successful policy tools to meet their community goals for housing.

Among these is a request for \$100 million this biennium to build and maintain affordable housing. The funds would be raised from a combination of biennial appropriations and dedicated revenue streams, and distributed through existing, proven programs to help meet community needs and priorities across the state.

Funds would come from:

• An increase to the existing state document recording fee as an ongoing funding source for affordable housing (at least \$60 million per biennium);

• Allocation of lottery funds to support the economic development that is tied to affordable housing (\$25 million);

• General Fund appropriation (\$10 million); and

• Continued utility public purpose fee (\$5 million).

Contained in the Governor's Budget is \$39.7 million, which includes \$15.8 million from Lottery proceeds; \$15.6 million from the General Fund (plus \$2 million to restore the housing finance account); and \$6.3 million of utility public purpose funds.

Senate Bill 38 would increase the

document recording fee and place 75% of the revenues into the Housing Development and Guarantee Account; 10% into the Emergency Housing Account; 9% into the Home Ownership Assistance Account; and 6% into the Housing and Community Services Department Revolving Account.

The Housing Alliance is advocating for \$80 million to develop new housing for low income households, rehabilitate existing rental housing, support vulnerable populations with permanent supportive housing, and finance resident purchase of manufactured home parks.

At least \$10 million would end and prevent homelessness by providing housing and emergency intervention. Another \$4 million would maintain a vital network of community-based housing providers and support priority initiatives. And \$6 million would support homeownership throughout the state.

The Oregon Housing Alliance has fifty member organizations. During March and April they encouraged turnout during Ways & Means Committee hearings throughout the state. Their website is full of information to use and advice on how to advocate for and communicate about affordable housing needs throughout the state. In addition, the Alliance has developed fact sheets for every county in the state, as illustrated here for Washington County.

Other items included in the 2007 Housing Opportunity Agenda are: • giving local communities the freedom to create affordable housing through inclusionary zoning by lifting the legislative prohibition against this useful tool;

• assisting residents who are displaced by the conversion of apartments to condominiums through notice requirements to protect renters' rights and requirements for owners to pay the equivalent of three months rent as relocation assistance;

• preserving affordable housing throughout Oregon by convening a broad based work group on preservation issues;

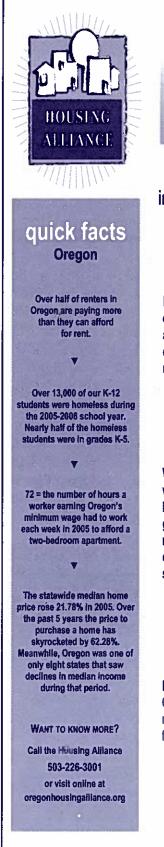
• assisting residents whose homes may be lost by closure of manufactured home parks;

• allowing flexibility to use Urban Renewal funds for affordable housing by permitting expenditure of URA funds outside the URA borders for affordable housing when doing so meets a demonstrated community need; and

• authorizing deed restrictions and affordability covenants by statute.

Contact: Jonet Byrd, Oregon Housing Alliance c/o Neighborhood Portnership Fund, 1020 5.W. Taylor Street, Suite 680, Portland, OR 97205 (503-226-3001 x102). www.oregonhousingallionce.org.

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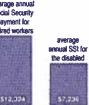
In WASHINGTON COUNTY, housing prices have moved out of reach for ordinary people.

What can we do to close the gap?

Our hardworking families, children and our neighbors on fixed incomes deserve the opportunity to succeed in life --- that success is tied to having a safe, stable place to call home.

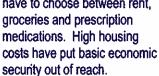
In Washington County, people on fixed incomes-like seniors and people with disabilitiescan't afford a one-bedroom market-rate apartment.

1.1.1.1	
	average annual Social Security
	payment for retired workers
2830	19 and
25.000	\$12,024





Washington County's hardworking families should not have to choose between rent.

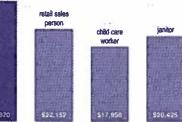


Homeownership in Washington County is now beyond the means of many hard-working families.

Annual Inco Required to Afford a 1-BR Apartment in Washington County

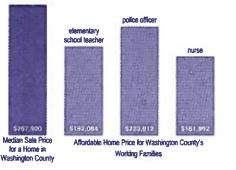


Average Incomes of Washington County's Most Vulnerable Citizens





Average Incomes of Washington County's Working Families



Housing Alliance c/o Neighborhood Partnership Fund + 1020 SW Taylor St, Ste 680 + Portland, OR 97205 + 503-226-3001 x102

Michigan Seeks Funding for Housing and Community Development Fund

The Living in Michigan Campaign is seeking full funding for the Michigan Housing and Community Development Fund. The Fund is intended to concentrate resources and activities in downtowns, neighborhoods, affordable housing and supportive housing throughout the state. The objective is to allow Michigan cities and communities to compete for, attract, and retain the brightest and best workers in the country.

The Campaign is seeking \$100 million a year to support the Fund. The goal of the Fund is to provide housing opportunities for all Michigan residents and to help transform the state's economy by improving the quality of life throughout the state, especially in those areas with high concentrations of poverty. Michigan's Housing and Community Development Fund will focus on:

• Financing downtown and neighborhood improvements to make them attractive places to live and do business.

• Financing affordable and market rate housing for young people, workers, immigrants, early retirees, and people with low and moderate incomes.

• Financing supportive housing for the homeless and people with disabilities.

The Housing and Community Development Fund would leverage additional funding from public and private sources. It is estimated that a \$100 million program would leverage an additional investment of \$280 million, create more than 6,000 good paying jobs and generate approximately \$21 million in state and local taxes.

Priorities for the Fund will be determined annually based on need and resources. Funds will be distributed throughout the state, including both metropolitan and rural areas.

Funds might be used for a variety of downtown and neighborhood improvements, including: façade improvements, signature building rehabilitation, demolition of blighted buildings, pocket parks, targeted neighborhood redevelopment, local land banks, community centers, cultural events, and promoting green building.

The Michigan Housing and Community Development Fund would also be used to enhance the state's affordable housing market. Funds might be used to support such activities as: individual development accounts; mortgage down payment assistance; employer assisted housing; community land trusts; foreclosure prevention; predatory lending education; rental housing for families, the elderly and people with disabilities; assisted living for the elderly; workforce housing; and preservation of existing affordable rental housing.

Finally, the Fund also intends to provide financing for supportive housing needs for the state's poorest residents. Supportive housing would assist homeless youth, homeless families, veterans, chronic homeless, youth aging out of foster care, and domestic violence victims.

The Coalition for Michigan's Housing and Community Development Fund includes: Community Development Advocates of Detroit, Community Economic Development Association of Michigan, Corporation for Supportive Housing, Great Lakes Capital Fund, Habitat for Humanity of Michigan, Local Initiatives Support Corporation, Michigan Association of Home Builders, Michigan Association of Homes and Services for the Aging, Michigan Association of Planning, Michigan Coalition Against Domestic and Sexual Violence, Michigan Coalition Against Homelessness, Michigan Community Action Agency Association, Michigan Disability Rights Coalition, Michigan Housing Council, Michigan Interfaith Trust Fund, Michigan Land Bank Fast Track Authority, and Michigan Network for Youth and Families.

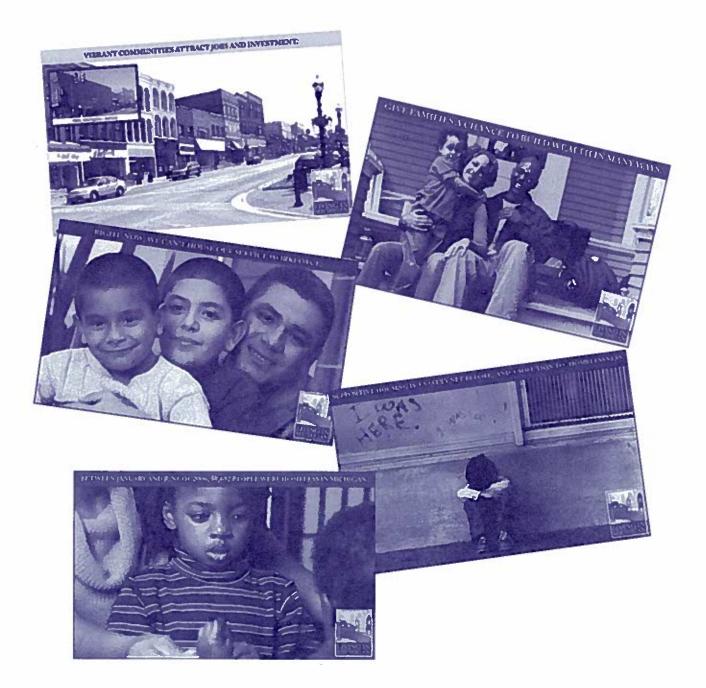
Contact: Ken Bensen, Chairperson, Coalition for Michigan's Housing and Community Development Fund (517-485-1006 x17) www.livinginmichigan.org.

GETTING INVOLVED IN MICHIGAN'S HOUSING AND COMMUNITY DEVELOPMENT FUND CAMPAIGN

Visitors to www.livinginmichigan.org are encouraged to express their support for the Housing and Community Development Fund by contacting their legislators. Each participant can select a postcard, enter his or her own name and address, and the card will automatically be sent to the proper lawmakers.

Five themes are available and each postcard displays its own message:

- (1) Vibrant Cities, Towns and Villages-"Vibrant communities attract jobs and investment";
- (2) Homeownership-"Give families a chance to build wealth in many ways";
- (3) Rental Housing-"Right now, we can't house our service workforce";
- (4) Supportive Housing-"Supportive housing is a safety net before, and a solution to, homelessness"; and
- (5) Ending Homelessness-"Between January and June 2006, 50,692 people were homeless in Michigan".



Indiana Considers Legislation for State and Local Housing Trust Funds

egislation has been proposed in Indiana to generate additional dedicated revenues for the state Affordable Housing and Community Development Fund, as well as, create funding opportunities for local housing trust funds in the State.

There are currently five different revenue sources contained in HB 1351. Three would generate revenues for the state fund and generate a projected \$13 million annually. The remaining two funding sources would become effective when local jurisdictions, with housing trust funds, elect to do so.

The revenue sources proposed for the state fund include: interest from the state's abandoned property fund and interest from the state's property custody fund, as well as, revenues from the sales and use tax collection allowance. All three would become effective July 1, 2007 and would generate, respectively, \$308,825; \$119,742; and \$12.6 million. In addition, the Public Depository Insurance Fund interest will become effective January 1, 2012 and is expected to generate another \$5.3 million for the Fund.

Currently, four jurisdictions in

Indiana have been identified as having local housing trust funds: Indianapolis, Ft Wayne, Evansville and Bloomington. The proposed legislation enables these four jurisdictions to increase the document recording fee and the local government bond issuance surcharge. Forty percent of the revenues generated would go to the state fund and 60% would be retained by the local housing trust fund. These two additional revenue sources, if enacted locally, would generate an estimated \$2 million or more for the state fund.

The Indiana Affordable Housing and Community Development Fund Advisory Committee released its report and recommendations in June, 2006 [see Housing Trust Fund Project News, Fall 2006], highlighting the success and accomplishments



of the Fund to date as well as making recommendations for a more effective affordable housing trust fund. The Advisory Committee's primary recommendation was to secure a dedicated revenue source for the Development Fund.

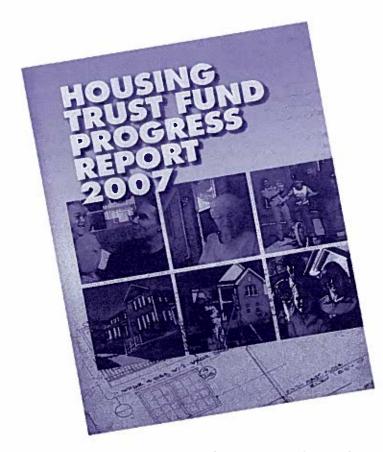
The campaign, Our Indiana Home, is working with Hoosiers throughout the state to raise awareness and understanding not only about the importance of affordable housing in Indiana, but also the importance of having adequate revenue for the Indiana Affordable Housing and Community Development Fund in order to be successful in addressing critical needs throughout the state.

House Bill 1351 and Senate Bill 500 are winding their way through the state legislative process. The legislative session ends April 29th.

Contact: Christie Gillespie, Indiono Association for Community Economic Development, 2105 N. Meridian Street, Suite 102, Indionopolis, IN 46202 (317-920-2300) www.ourindionohome.org.

Indiana Affordable Housing and Community Development Fund			
Rental Housing	\$12,149,997	59%	750 homes
Home Ownership	\$6,212,660	30%	400 homes
Emergency, Transitional, Permanent Supportive Housing	\$1,807,500	9%	250 homes
Training	\$339,254	2%	

10



Housing Trust Fund Progress Report 2007 Released!

The Housing Trust Fund Project of the Center for Community Change is pleased to release its new report on the status of housing trust funds in the United States.

There are nearly 600 housing trust funds in cities, counties and states that in total contribute some \$1.6 billion each year to help address critical housing needs. The report outlines characteristics of city, county and state housing trust funds. Emerging trends within the housing trust fund movement are treated in more detail: state legislation enabling local housing trust funds; regional housing trust funds; and housing trust funds serving the lowest incomes.

	Name:
Copies are \$10.00 each.	Organization:
To order, please fill out the order form, include payment,	Address:
and send to Maribel Molina-Villa,	and the second
Center for Community Change, 8736 Nogal Avenue,	City/State/Zip:
Whittier, CA 90606 (mvilla@communitychange.org).	Telephone:
A dividing a barrier	Email:

LOUISVILLE continued from page 2

service providers, public housing authorities, and units of government.

• The governing board shall develop a transparent fund distribution process.

Revenue:

• The objective is to lay the foundation for a trust fund that annually invests \$10 million dollars into affordable housing projects. A multi-year approach will be necessary to achieve full and adequate funding for the Trust.

• No single source of funding will measure up to the Trust's funding objective. The Trust must be created through a combination of several dedicated, renewable, public income streams and an endowment of other private resources and contributions.

• Several revenue source options were identified by the Task Force. First priority was given to: a 3% rental car fee; a percent of a proposed increase in the rate and/ or dividends from the Louisville Water Company, a bingo sales tax, a restaurant fee, an increase in the hotel/motel tax, and the county clerk's surplus (some, but not all, of which would require state legislation to enact).

• Other revenue sources that could be committed now include a general fund commitment, annual Arena bond surpluses, and metro bond financing.

• A significant investment of public revenue sources must be sought prior to private contributions. It is recommended that the Trust be initially seeded with a contribution from Louisville Metro Government.

• To build public and political support for the necessary changes in state legislation and budgetary authority, a concerted educational campaign must be undertaken. With Mayor Abramson taking a lead role, the goal is to spread community awareness regarding the importance of securing a local affordable housing trust fund.

The Mayor's announcement comes after a long campaign by housing advocates in Louisville including the Coalition for the Homeless, the Metropolitan Housing Commission, CLOUT (Citizens of Louisville Organized and United Together), Habitat for Humanity, Kentuckians for the Commonwealth, Kentucky Jobs With Justice, Women in Transition, the Kentucky Alliance Against Racist and Political Repression, and others.

Contact: Tyler Fairleigh, Metropolitan Housing Coalition, P.O. Box 4533, Louisville, KY 40204-4533 (502-584-6858).

Center for Community Change

Housing Trust Fund Project 1113 Cougar Court Frazier Park, CA 93225

Return Service Request

LINDA ELMER CITY OF MILWAUKEE STAFF ASSISTANT COMMON COUNCIL ROM 205 200 E WELLS ST MILWAUKEE WI 53202-3515

Non-profit Org U.S. Postage PAID Permit #1181 Bakersfield, CA



MacDonald, Terry

From:Werra, GarrySent:Tuesday, June 05, 2007 9:39 AMTo:MacDonald, TerrySubject:FW: update on city's housing trust fund

FYI

From: Heather Dummer Combs [mailto:Heatherdc@interfaithconference.org] **Sent:** Monday, June 04, 2007 5:26 PM **To:** Heather Dummer Combs **Subject:** update on city's housing trust fund

This message was composed by Bethany Sanchez, a leader in the Milwaukee Housing Trust Fund Coalition and the vice chair of the Milwaukee Housing Trust Fund Advisory Board. I thought she articulated well the status of the fund. I know many of you have been interested in knowing what's happening. Hopefully this clarifies things. Feel free to contact me if it doesn't.

Friends:

This is a note to remind you that City of Milwaukee Housing Trust Fund (HTF) dollars will be available soon for housing projects that serve City of Milwaukee residents. Please forward this message to others who may be interested.

There will be a minimum of:

- \$625,000 available to address homelessness,
- \$625,000 to address homeownership (getting people into homeownership positions and keeping them there), and
- \$875,000 for rental housing.

An additional \$375,000 may be allocated to projects/developments in one or more of the above categories, depending on the needs identified and the proposals submitted.

While new construction, rehab, supportive services, and counseling services are all eligible activities to be funded with the HTF money, the HTF Advisory Board has made a decision to prioritize "bricks and mortar" projects with this round of funding. That means that proposals asking for \$ for supportive services or counseling services will not be prioritized as highly as the other eligible uses.

For a copy of the <u>draft</u> RFP, which will provide many more details, you can email Terry at <u>TMACDO@milwaukee.gov</u>. Terry staffs the Housing Trust Fund Advisory Board.

Here's the schedule we are <u>shooting for</u> (the schedule is not yet final):

- RFP to be issued before the end of June
- Responses to be in by the end of July
- Decisions made (review by staff and HTF Technical Committee, then decision by HTF Advisory Board) by the end of August

Please be aware that this HTF money is designed to leverage other private and public funds. It can not be the only financing or funding source for the project. Proposals will receive extra points for:

- leveraging other funds
- having construction financing in place (where applicable)
- addressing needs of the lowest income population
- exceeding minimum affordability periods
- use of area workers
- use of EBE, DBE, MBE, and/or WBE contractors
- providing family-supporting wages
- having agency and staff experience in the type of activity proposed
- exceeding accessibility improvements or modifications requirements
- providing services on site without use of HTF \$ (where applicable)
- increasing neighborhood diversity in housing choices
- utilizing green building principles
- coordinating with community institutions such as schools, job training facilities, BIDs, employers, etc.
- moving persons from institutions into the community, and
- meeting critical needs in the community.

Let me know if you have questions. Again, please forward this message to others who may be interested.

Heather Dummer Combs Housing Campaign Director Interfaith Conference of Greater Milwaukee 1442 N. Farwell Ave., Suite 200 Milwaukee, WI 53202 414-276-9050 heatherdc@interfaithconference.org



City of Milwaukee Meeting Minutes HOUSING TRUST FUND ADVISORY

BOARD

ALD. MICHAEL MURPHY, CHAIR Bethany Sanchez, Vice-Chair

Heather Dummer-Combs, Cecelia Gore, Craig Kammholz, Chris Laurent, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, Mike Soika, Michael Van Alstine

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Tuesday, June 12, 2007	1:30 PM	Room 301-A, City Hall

Meeting convened: 1:43 P.M.

1. Roll call

The meeting began with Ms. Sanchez as the chair.

- Present 9 Soika, Van Alstine, Sanchez, Madden, Peters, Dummer Combs, Schmidt, Laurent and Lyles
- Excused 3 Murphy, Kammholz and Gore

Also present: Jeff Osterman-Legislative Reference Bureau, Steve Mahan-Community Block Grant Director and Garry Werra-DOA-Community Block Grants Admin.

2. Approval of the minutes of the May 22, 2007 meeting

Mr. Laurent moved approval of the minutes, Mr. Lyles seconded. There were no objections.

Roll call taken at 1:55 P.M.

Present 10 - Murphy, Soika, Van Alstine, Sanchez, Madden, Peters, Dummer Combs, Schmidt, Laurent and Lyles

Excused 2 - Kammholz and Gore

3. Discussion and approval of the application evaluation scoring measure

Mr. Soika said that the Attachment C (Exhibit 1) to the application is the evaluation scoring sheet that will be use for this discussion. He said the Housing Trust Fund Advisory Board Technical Review Subcommittee (HTFABTRS) had revisited the "Income Targets" area of the scoring sheet and explained the changes it made. He then directed the members to the attached chart to the scoring sheet (Income Targeting Table) and he explained each of the step by step instructions on how to determine the number of points that would be awarded for the "Income Targets" section.

Mr. Werra explained the income breakdown for the CMI categories that are noted in the parentheses in step one of the instructions as follows: 100% is for owner occupied -modest projects. Modest projects are defined as housing trust fund assistance of \$5000 or less; 65% is for owner occupied, and is for substantial projects of more than \$5000; and 50% is for rental or homeless projects.

Mr. Lyles said that five unit categories seem to be more then what is needed and asked if they would be better off using three unit categories instead five.

Mr. Soika replied that he doesn't have a set preference on how many unit categories are used.

Mr. Laurent said that it would be helpful if they added more of a description above the CMI headers.

Ald. Murphy arrived at 1:55 P.M.

Motion was made by Mr. Soika to approve Attachment C - evaluation scoring measure as amended. Mr. Kammholz seconded. There were no objections.

Mr. Schmidt referred to the Attachment C scoring categories and said it doesn't look like the scoring categories will apply to some of the applicants. He asked how would the scoring be handled for support services, such as counseling services and construction financing?

Mr. Soika said the board had agreed that the priority for the first round of awards would be placed on brick and mortar projects. In addition, he said that support services would be rated against each other.

Ms. Sanchez said this scoring measure is for this round of funding awards and another scoring measure would evolve in the next round of funding awards.

Mr. Schmidt asked why are support services included in the application if they are prioritizing brick and mortar projects?

Mr. Peters asked how mixed income projects will be scored.

Mr. Soika explained how the scoring would be handled for mix-income projects.

Mr. Lyles suggested that the board review and approve the application before approving the evaluation scoring sheet, because there may be questions on the application that should be answered first.

Mr. Soika withdrew his motion.

After discussion and approval of the application form, the board returned and the following motion was made:

Motion was made by Mr. Soika to approve Attachment C - evaluation scoring measure. Mr. Laurent seconded. There were no objections.

4. Discussion and approval of the Housing Trust Fund application

Ms. Madden said she would like some clarification on the "Family supporting wages" on page 18 of the application (Exhibit 2). She asked why it was decided that this group would ask for something that is not directly related to development and it could be very difficult to monitor. She further asked what the reasoning behind that decision.

Ms. Soika replied that it is in the legislation.

Ald. Murphy gave a bit of history behind the legislation. He said that the committee that was working on drafting the legislation felt strongly that the funding would not go towards projects that paid individuals a wage that would not help them to ever live in a home or affordable housing. He said if they were not paying an individual enough in wages to get them into one of the projects, it would be counter-productive.

Ald. Murphy replied that the Comptroller's office will assist in monitoring by doing audits and the city does have staff that will monitor it.

Mr. Soika said that the subcommittee determined that the easiest way to monitor would be to have a minimum wage.

Mr. Lyles referred to page four of the application, under "Application Scoring" and asked is there a separate set of points for those items listed, other than the 100 points shown in the scoring sheet, and if not, does the nine items listed match up to what's on the scoring sheet.

Mr. Werra explained that the intent was to incorporate the language from page four into the scoring sheet, but there had been some break-out of categories, such as "Milwaukee resident worker and the EBE" category that was formerly one category; therefore, the categories don't line-up. He suggested that a footnote be added to page four that says "Referred to "Attachment C for details of scoring."

Mr. Peters said that in the application it encourages neighborhood diversity, but in Attachment C under "Income Targets" it give a negative ten points for any unit above the income target and that seemed contradictory. He said he is uncomfortable with the negative ten points.

Mr. Soika replied that the he was going to raise the negative 10 point higher, but he would support removing the negative points.

Motion was made by Mr. Soika to remove the negative 10 points under "Income Targets." Mr. Peters seconded. There were no objections.

Ms. Sanchez questioned why both the application and scoring sheet only refer to the use of the EBE certification program, because she recalls the discussion at the HTFABTRS that they were going to use of all the EBE, DBE and NBE certification programs.

Mr. Werra said that at the HTFABTRS there were some concerns with the joint certification programs and that the EBE Office is comfortable with overseeing the City's own EBE certification program.

Mr. Soika said he also recalls that the HTFABTRS recommended the use of all the EBE, DBE and NBE certification programs.

Motion was made by Mr. Soika to use all the EBE, County DBE and State NBE certification programs. Ms. Sanchez seconded. There were no objections.

Mr. Werra asked for clarification on the language that the Board would like to use in the application and scoring sheet.

Ald. Murphy replied that Mr. Werra should have the City Attorney review and work with them to get the appropriate Janguage.

Ms. Madden said she has two questions for page seven of the application. She said that under "Notices", in the first paragraph it says "Should the availability of Housing Trust Funds be reduce, the City of Milwaukee Common Council can modify and reduce the award" and asked when would the organization be notified and how would the developer be protected?

Mr. Werra replied that this language is from the City Attorney's Office and has been put in as protective language for the City. He said from the Community Block Grant Admin. (CBGA) prospective, they don't know at the time the awards are approved what the exact amount of Housing Trust Funds dollars that would be available to award.

Ald. Murphy replied that they will know what dollars will be available.

Ms. Dummer Combs said the Board has agreed that the Housing Trust Fund dollars will be the "last dollars out."

Ms. Madden's second question for page seven was under "Funding Decision" in the first paragraph, where it says that "Applicants that are not recommended for funding will be notified by mail" and asked if they could give it a time restriction.

Ald. Murphy said he would have no problem if they want to add that "notification will be sent within 30 days of the recommendation by the Common Council."

Mr. Lyles asked if they could focus the discussion on the following two areas: The first is on the second bullet point on page six and asked if they could consider during the first year of awards that they not look at any organization that has been in business for less than 3 years. The second area is on the possibility of one organization being awarded monies for two or three different projects in one year.

Ald. Murphy said that it should be based on the projects not on the organization applying.

Mr. Laurent said that they may want to include some sort of language that would say that the Housing Trust Fund Advisory Board or Common Council has the right to limit awards based on the spread of resources. He further said that it shouldn't be too restrictive.

Mr. Lyles says that they should consider not providing funding to an organization in the first year with a limited track record. He said they should consider sticking with organizations that have a proven track record for the first year funding.

Ald. Murphy asked if the language is too confusing or vague in the application, because he thought that the organizations had to have a minimum five-year pro-forma experience and at least three years of tax returns for the Board to even consider the applicant.

Ms. Sanchez said that there is an out noted in the application for organizations that have been in existence for less than three years.

Mr. Werra said the minimum five-year projected pro-forma pertains to the project and the organizations have a three year requirement.

Ald. Murphy said that they should talk to the City Atty. to make the language stronger, clearer and stricter.

Ms. Sanchez referred to Mr. Lyles proposal and said that one way the experience of an

organization will get addressed is in the scoring sheet. She said that there may be a bunch of people who have a lot of experience, but their organization has not been around for very long and they wouldn't want to preclude them from applying for the funding.

Ald. Murphy asked if the HTFABTRS will be able to sort through the organization's experience.

Ms. Sanchaz replied that in some degree it would.

Ald. Murphy said they could keep the current language in the application, but perhaps put something in the scoring sheet.

Mr. Werra explained that the Community Block Grant Administrations (CBGA) struggles annually on how to bring in newly established groups. He said that they do require three years of operations and that is the standard. He further said they do review them on a case-by-case basis.

Mr. Peters said on page seven of the application it does say the Board has a right to reject any applicant, so with that language already in the application they could avoid adding any additional language.

Mr. Werra said that the language on page seven came from the City Attorney and they are comfortable with it.

Mr. Peters said another way would be that the CBGA could monitor organizations that have less than three years and if any red flags pop up, they could take the money back.

Mr. Werra replied that they will be monitoring all aspects of a project from the financials to activities and will being reporting that information back to this Board.

Ald. Murphy said that they will keep the language as is.

Motion was made by Mr. Schmidt to include Form 990 in the parentheses on page six of the application, after the third bullet point - "Tax returns for three years." There were no objections.

Ms. Dummer Combs referred to Attachment A, "100% of CMI line, Owner-Occupied Housing – Modest Projects" and said it doesn't say anything about the acquisition, new construction... language that is stated on page four, paragraph one, under "income Eligibility" of the application and asked if that language could be included on Attachment A so that it reflects what is stated in the application.

Motion was made by Ms. Dummer Combs to added the language from the first paragraph, page four of the application, under "Income Eligibility" to Attachment A. Ms. Sanchez seconded. There were no objections.

Motion was made by Ms. Sanchez to approve the application as amended. Ms. Madden seconded. There were no objections.

5. Discussion relative to long-term overall strategy for funding the Housing Trust Fund

Ald. Murphy said that he would like to create a subcommittee to work on raising money for the Housing Trust Fund. He said he hopes they will have funding each and every year in the Housing trust fund. He said the funding will be based on annual budget allocations.

He said when Ms. Mary Brooks comes here she will probably reinforce that the most important thing for a trust fund is to have a regular scheduled established funding base.

Ald. Murphy offer some suggestions that the subcommittee could discuss, such as going back to the county for the real-estate transfer fee, extension of the life of TIF's or going to private foundations.

Motion was made by Ms. Sanchez to create a Housing Trust Funding Advisory Board Finance Subcommittee. Mr. Lyles seconded. There were no objections.

Ald. Murphy asked the members if any one would like to volunteer to be a member of the new created subcommittee. He said the following members volunteered and are appointed to the newly created Housing Trust Fund Advisory Board Subcommittee: Ms. Madden, Mr. Ray Schmidt, Mr. Lyles, Mr. Peters and Ms. Sanchez.

Roll call taken at 3:10 P.M.

Present 9 - Soika, Van Alstine, Sanchez, Madden, Peters, Dummer Combs, Schmidt, Laurent and Lyles

Excused 3 - Murphy, Kammholz and Gore

6. Discussion relative to a proposed funding schedule

Mr. Mahan offered a proposed Housing Trust Fund schedule (Exhibit 3) and said that the two biggest issues that came up when preparing the schedule is that the housing trust fund schedule wouldn't interfere with the CBGA award process and the City's budget process. *Mr.* Mahan then read through the proposed schedule.

Mr. Lyles asked Mr. Mahan if this Board is going to review the policies and procedures?

Mr. Mahan replied in the affirmative and said this Board will review and give the final approve of the policies and procedures. He then explained some of the policy and procedures that need to be in place before they can begin accepting the applications.

Ms. Sanchez said the application and scoring has been approved and is ready to go. She asked why would they have to wait for the policies and procedures to be in place before the applications can go out? She said why not open the applications up and in the mean time the City staff can work on the policy and procedures.

Mr. Mahan replied that if the policies are not in place there is no way to mandate what is in the contract. In addition, he said that the policies dictate the contract, because many of the policies are stated in the contract. He said that they are working backwards, because the policies and procedures should have been in place before the completion and approval of the application and scoring measure. He said they have five departments that will be working on the Housing Trust Fund.

Mr. Werra said that they can't prepare an RFP until they have the policies and procedures in place.

Mr. Solka said that they all understand the need for the policies and procedures, but there is also the need to have something that this Board could present to the Council before it finalizes the City budget. He said that could help this Board raise additional dollars for next year's Housing Trust Fund. He than asked how can the awards be out by October 1st?

Mr. Peters said that the City had grant funds for homeownership and acquisition in the past and asked if they could use the same policies and procedures that they used for those or are they trying to create new policies and procedures.

Mr. Mahan replied that there are a lot of differences between those grant funds and this housing trust fund.

Mr. Lyles asked Mr. Soika how he would judge the success of this Housing Trust Fund?

Mr. Soika replied that the final goal according the Housing Trust Fund Coalition is to ultimately have \$15 million and they would like to arrive at that within a ten year period. The final results for these first awards is to have signature projects that they can take to the Council to show them this is the kind of economic development and social benefits it will get from a housing trust fund. He said that is why we need the council to look at other alternatives to increase the funding amount for the housing trust fund in the City's next budget.

Mr. Soika referred to the proposed schedule and said that there is a four week difference and said that if they could work on shaving off four weeks they could all get want they want.

Mr. Mahan replied that shaving off four weeks will coincide with the Block Grant fund process.

Motion was made by Mr. Soika to construct a schedule that would allow the funding awards to appear before the Council's October cycle and moved for its approval.

Mr. Lyles said he has concerns with the availability of funds in the City's 2008 budget for the housing trust fund.

Mr. Schmidt asked if there is any trust fund that is supported partly by private dollars.

Mr. Soika said once they spend the \$2.5 million and if they miss this City Budget cycle there will be no housing trust fund dollars to spend until 2009. He further said that there is no housing trust fund in the U.S. that doesn't rely on government dollars.

Ms. Dummer Combs said that there is not a continuing dedicated funding source of revenue that comes from a private source that goes into a housing trust fund. She said that there is one U.S. city that received a one time private dedicated source of funds and it is running out.

Mr. Soika called the question.

Motion was made by Mr. Soika to construct a time schedule that would allow the funding awards to appear before the Council's October cycle and moves for its approval, Ms. Dummer Combs seconded. The motion prevailed. (7 ayes, 1 abstained and 4 excused) (Mr. Peters abstained) (Exused: Ald. Murphy, Ms. Gore, Mr. Kammholz and Mr. Laurent)

Roll call taken at 3:30 P.M.

- Present 8 Soika, Van Alstine, Sanchez, Madden, Peters, Dummer Combs, Schmidt and Lyles
- Excused 4 Murphy, Kammholz, Gore and Laurent

7. Other business

The following other business was not discussed.

---Discussion relative to pending State legislation on Housing Trust Fund ---Discussion relative to SEWRPC housing Study

Meeting adjourned: 3:45 P.M.

Terry J. MacDonald Staff Assistant

ATTACHMENT C

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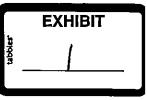
CITY OF MILWAUKEE HOUSING TRUST FUND Scoring Point System - Final Draft Recommendation

	Max 100 Pt Scale(a)	
	Point	Max Points
Leveraged Dollars	Range	
HIF dollars are less than 3% of total project cost	15	
HTF dollars account for 3 - 5% of total project cost	12	STAR STRATE
HTF dollars account for 6 ~ 10% of total project cost	9	Same and
HTF dollars account for 11 - 15% of total project cost	- 6	1 Sector Marco
HTF dollars are more than 15% of total project cost	3	
Construction Financing	estra Murtedi	5
Construction Loan is Firmly Committed Construction Loan is Conditionally Committed	5	inin di Miki
Construction Loan is not Identified	0	do grait de
Income Targets - Please Use Attached Chart	STATISTICS .	5
# of units with residents up to 50% of income target	15	na sea an
# of units with residents hetween 51% and 70% of income target	12	
# of units with residents between 71% and 75% of income target	9	
# of units with residents hetween 76% and 85% of income target	6	
# of units with residents between 86% to 100% of income target	3	
# of units above income target	-10	
Affordability Period Meets HTF Affordability Period (Required - Zero Points)	5 0	10
Exceeds HTF Affordability Period (Required - Zero Points)	2	
Exceeds HTF Affordability Period by 50%	5	noncolizianti etto Dilla velo
Exceeds HTF Affordability Period by 75%	8	39.5.5
Exceeds HTF Affordability Period by 100% or more	10	
Use of City of Milwaukee (resident) workers (Total Project)		5
Less Than 18% Milwaukee (resident) workers	-5	
18% Milwaukee (resident) workers	1	Alle Aller aller aller
24% Milwaukee (resident) workers	2	Sector 20
30% Milwaukee (resident) workers 36% Milwaukee (resident) workers	3	
More than 36% Milwaukee (resident) workers	4	
Use of City of Milwaukee EBE (Total Project)	ALACE CRASS OF	5
Less Than 18%	-5	action clandidided.
18% EBE	1	
24% EBE	2	andr Brunder 1955
30% EBE	3	9.1.2.1.2.1.2.2
36% EBE More than 36% EBE	4	
Family Supporting Wages (applies to entire project)	C	
Vendor/Contractor pays employees a minimum of \$8.25 to \$10.25 per hour	1	a second
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	
Experience	360000 620 620 62	10
Agency experience with same type/similar project Staff experience with same type/similar project	5	
Accessibility improvements or modifications		
Meets Minimum Standards	250 000 000 000 000 000 000 000 000 000	c
Exceeds Minimum Standards	5	
Service Partners (b)		5
Provision of services on site w/out use of HTF \$		
Neighborhood Diversity		5
Project Increase neighborhood diversity in housing choices	5	
Green Bullding Principles		
Project Utilizes Green building Principles		
Coordination with Community Institutions		5
Project is Coordinated with Community Institutions		
Community Integration		5
Move persons from institutions to community Proposal Meets Community Needs (Subjective)	C (5) (5) (5) (5) (5) (5)	to a second s
TBD by Reviewer		C). 2017 - 2017 - 2016
Total Points	. 015	100
		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

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CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING FY2007

DRAFT FOR DISCUSSION PURPOSES ONLY

7

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RAFT APPLICATION FOR FUNDING FY2007 DRAFT

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund services that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

FUNDING GUIDELINES

- A <u>minimum</u> of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A minimum of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

HOUSING TRUST FUND ACTIVITIES MUST OCCURIN THE CITY OF MILWAUKEE

REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF MILWAUKEE WILL BE REJECTED

City of Milwaukee Housing Trust Fund Application

Page 2 of 20 Revised May 2007



Comment [GMW2]: Page 2 " the Community Development Grants Administration Division and" [This a language removed because CDGA does not prepare the document described, it is done by DCD]

Comment [GMW3]: Page:2

Comment [GMW4]: Page 2 Added per CDGA recommendation



<u>RAFT</u> APPLICATION FOR FUNDING FY2007 <u>DRAFT</u>

Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Funds may not be used as the primary source of finds for any project.

ELIGIBLE APPLICANTS

1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.

2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

AFFORDABILITY REQUREMENTS

- 1. <u>Rental Housing</u>: Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
- 2. <u>Owner-Occupied Housing and Homeownership</u>: Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

Housing Trust Fund dollars are available for home-buying counseling. Homebuyer counseling agencies must demonstrate that they serve low- and moderate-income clients. In addition, any organization that receives Housing Trust Fund money for this purpose must demonstrate that it has the ability to assist disabled individuals (e.g., the location is accessible and the organization offers translation services, materials in Braille, etc.).

3. <u>Housing and Services for the Homeless</u>: All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.

City of Milwaukee Housing Trust Fund Application Page 3 of 20 Revised May 2007 

RAFT APPLICATION FOR FUNDING FY2007 DRAFT

INCOME ELIGIBLITY

1. <u>Owner-Occupied Housing</u>: Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are based on the CMI and are subject to change annually.

2. <u>Rental Housing and Housing for the Homeless</u>: Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income.

Please refer to Attachment A for current Housing Trust Fund income limits

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

City of Milwaukee Housing Trust Fund Application Page 4 of 20 Revised May 2007 Comment [GMW6]: Page: 4 Added for clarification



<u>RAFT</u> APPLICATION FOR FUNDING FY2007 DRAFT

OTHER REQUIREMENMTS

The following accessibility standards apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.
- The design principles of any one of the following:
 - 1. Aging in place
 - 2. Universal design
 - 3. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.
- For new housing units in one- to three-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:
 - 1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
 - 2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
 - 3. Powder room (half bath) on the main-level floor that has:
 - i. A doorway entrance with a minimum 32" clear passage opening;
 - ii. Sufficient space to close the entrance door while the room is occupied;
 - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.
- Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

City of Milwaukee Housing Trust Fund Application Page 5 of 20 Revised May 2007



AFT_APPLICATION FOR FUNDING FY2007 DRAFT

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding.*

Completed applications and required attachments must be received at the Community Development Grants Administration office <u>no later than (UMB)</u> on (DAPE). No extensions will be granted. Submit the original and fifteen (15) copies to:

> Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647. Your application will begin when your complete application has been received, including all items indicated below:

- A fully completed application. If a question does not apply, indicate this on the application.
- Applicants should include audited financial statements for three years, if in existence for less
 than three years, all statements received to date: (balance sheets; cash flow statements; and profit
 and loss statements).
 For special limited purpose corporations, the supporting organization's
 statements.
- Tax returns for three years (Individual 1040, Corporate 1120 and Partnership 1065).
- Project or Business plan
- Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- Market analysis for projects containing twelve or more residential units.
- Resumes and qualifications of the development team.
- Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- A minimum 5 year projected pro-forma
- An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- Post rehabilitation or new construction appraisal
- Reserved for additional requirements

Reserved for additional requirements

City of Milwaukee Housing Trust Fund Application

Page 6 of 20 Revised May 2007 Comment [GMW7]: Page: 6 Increased to allow a copy for each Board member (13) and 3 CDGA staff (Seve, Hettie, Garry)

Comment [C8]: Page: 6 Revised per tech comm: 05/11/07

Comment [C9]: Page: 6 Revised per tech comm. 05/11/07

<u>RAFT</u> APPLICATION FOR FUNDING FY2007 DRAFT

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding, will be notified by mail.

addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

CITY ATTORNEY TO PROVIDE LANGUAGE REGARDING ALL AWARDS SUBJECT TO NEGOTIATION ON FINAL TERMS

City of Milwaukee Housing Trust Fund Application

Page 7 of 20 Revised May 2007



RAFT APPLICATION FOR FUNDING FY2007 DRAFT

Organization Name:	
Organization Address:	City Zip
Contact Person:	Title
Telephone Number:	Fax:
E-Mail:	FEIN

Indicate the amount requested in the appropriate category below. <u>Please submit a separate application</u> for each category being requested.

	Activity	2007 Funds Available	Amount Requested	
	Homelessness	\$625,000		
	- Rehabilitation of Existing Facility	\$)	Comment [GMW10]: Page 8
	- New Construction of Facility	\$		 "Create Housing for the Homeless" [this language removed per HTP Board
	- Provide Supportive Services	S S		directive on 05/02/071
	Rental Housing	\$875,000		
	- Rehabilitation of Existing Structure			
	- New Construction	\$		
ļ	Home Ownership	\$625,000		
(Rehabilitation of Existing Structure(s)			
5	New Construction	State		
	- Owner-Occupied Rehabilitation	State of the state		
	- Homebuyer Counseling Services	S Charles and Sectors of S		
	- Post-Purchase Counseling Services	\$		
	Other Needs as Identified	\$375,000 S		
	TOTAL	\$2,500,000 \$		
	Indicate the percentage and amount of HTF fund- be used to fund accessibility improvements or mo		S ILL MATTERIAL STREET	Comment [GMW11]: Page: 8 Added per HTF Board directive on 05/02/07
	oposals must be authorized and signed by the C Directors.	hief Executive Officer -AND	- an official of the Board	
	gnature:	Date:		
P	rinted Name:	Title:		

Date:

Signature:

City of Milwaukee Housing Trust Fund Application

Page 8 of 20 Revised May 2007

com	<u>cribe the Project</u> : Briefly identify the project location and the specific activity to be pleted.	
. <u> </u>	· · · · · · · · · · · · · · · · · · ·	
<u> </u>		
a.	If project involves construction or rehabilitation, please attach photos of the site and sketches or drawings of the proposed project.	
	Photos and/or sketches are attached	
	Project does not involve construction or rehabilitation	
b.	If the project involves the provision of <u>services</u> , briefly describe the specific services to be provided.	Comment [GMW13 "for the bomeless" [this removed per HTF Boar 05/02/07]
	Project does not involve the provision of supportive services	
	seholds/Clients Served: Briefly describe the specific population to be served, including et income level and special needs populations, as applicable.	

City of Milwaukee Housing Trust Fund Application

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<u>RAFT APPLICATION FOR FUNDING FY2007 DRAFT</u>

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Reviewer's Comments:	Score:		

City of Milwaukee Housing Trust Fund Application

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DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

PART II: PROJECT FIMELINE

Comment [GMW14]: Page 11 Added for consistent with HTF Board 7 directive on 05/02/07

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

MONTH	
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I.,	

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Reviewer's Comments:	Score:

City of Milwaukee Housing Trust Fund Application Page 11 of 20 Revised May 2007

PAR	CITY OF MILWAUKEE HOUSING TRUST FUND DRAFT APPLICATION FOR FUNDING FY2007 DRAFT T III: PROJECT SITE CONTROL, ZONING, & ENVIRONMENTAL ISSUES
1.	Slte Control is in the form of: Deed Purchase Agreement Option (Expiration Date) Other a. Please Attach Written Documentation of Site Control
2.	Site is currently zoned: a. Please Attach Written Verification of Zoning Designation Is the zoning appropriate for your project?
	Yes No If no, is rezoning currently in process and when is it anticipated that this issue will be resolved? Date
4.	Describe what, if any, Environmental Assessment activities have been conducted.
Reviewe	DO NOT WRITE BELOW <u>For City of Milwaukee HTF Use Only</u> er's Comments:

City of Milwaukee Housing Trust Fund Application Page 12 of 20 Revised May 2007

C.L.	CITY OF MILWAUKEE HOUSING TRUST FUND	
-	DRAFT APPLICATION FOR FUNDING FY2007 DRAFT	
PAR	T IV: PROJECT FINANCING	
ί.	Please Attach the Following Items	
	 Sources and Uses of all funds Development Budget Project 5-Year Pro-Forma Cash Flow Statement 	
2.	Please describe the specific use of Housing Trust Fund dollars (i.e.:	
	· · · · · · · · · · · · · · · · · · ·	
	· · · · · · · · · · · · · · · · · · ·	
3.	Has the project secured a firm commitment from a construction lender?	
	Yes No	
۱.	Has the project received a conditional commitment from a construction lender?	
	Ye s No	
5.	Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with.	
	Lender Name Phone number	
	Contact Person	
	Address	
	Commitment Amount \$ Rate/Term	

City of Milwaukee Housing Trust Fund Application

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DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

6. Identify the project total amount of other funds (private and/or public) that would be leveraged by the Housing Trust Fund dollars?

Funding Source	Amount Leveraged
	<u> </u>
	\$
	\$
	\$
	\$
TOTAL FUNDS LEVERAGED	\$

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City of Milwaukee Housing Trust Fund Application Page 14 of 20 Revised May 2007

CITY OF MILWAUKEE				
HOUSING TRUST FUND				

<u>ÖRAFT</u> APPLICATION FOR FUNDING FY2007 DRAFT

PART V: CAPACITY AND EXPERTISE

1. Has your agency previously undertaken this type of project before?

Yes	No

a. If yes, identify the three most recent projects completed:

2. Identify the staff responsible to complete the project and indicate any experience specifically related to this project

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For City of Milwaukee HTF Use Or	b		
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City of Milwaukee Housing Trust Fund Application Page 15 of 20 Revised May 2007

CITY OF MILWAUKEE HOUSING TRUST FUND

DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

ΓVI: <u>FURTHERA</u>	NCE OF HOUSING TRUST F	UND GOALS	Comment [GMW15]: Page 16 The act of furthering, advancing, o
Describe the acces this project:	sibility improvements or modl	fleations that will be included as a part of	Chefping forward
<u></u>			
Explain how this p	project serves the lowest-incom	e segment of the population:	
·			
	, ,	······································	
Does the project a Trust Fnnd (pleas		minimum period required by the Housing	
Yes	No		
Affordability Perio	d Required by HTF:	(years)	
		()	
Affordability Perio	d Proposed for Project:	(years)	
Affordability Perio	d Proposed for Project:	(years)	

City of Milwaukee Housing Trust Fund Application Page 16 of 20 Revised May 2007

CITY OF MILWAUKEE HOUSING TRUST FUND

<u>RAFT APPLICATION FOR FUNDING FY2007 <u>DRAFT</u></u>

	_ Yes	No			
a.	If yes, please	describe:			
				•	
	·				
Door	this project on	courage neighborh	ad diversity and i	naraaa haualu	r ahalaas within
the n	eighborhood?	courage neignborm	oo uiversity and i	ncrease nousing	g choices within
	Yes	No			
а.	If yes, please	describe:			
				<u></u>	
Will	this project util	lize green building j	orinciples?		
	Yes	No			
a .	If yes, please	describe:			
	- /-				
		-			
	<u></u> .				
		···			
	kee				Page 17 of 20
filwaul	Fund Application				Revised May 200

		CITY OF MILWAUKEE HOUSING TRUST FUND RAFT APPLICATION FOR FUNDING FY2007 DRAFT	
6.	neigh	this project coordinate with and enhance the work of other entities in the borhood, such as employers, business improvement districts, schools, job training ties or social service agencies?	
		Yes No	
	a.	If yes, please describe:	
		·	
7.	M /:11 4	bis project facilitate the movement of neurone form institutions into the second set of	
7.	will (his project facilitate the movement of persons from institutions into the community?	
		Yes No	
	а.	If yes, please describe:	
		· · · · · · · · · · · · · · · · · · ·	
(8.	Will t proje	he project use contractors who pay family-supporting wages for all workers on the ct (family supporting wages are defined as \$8,25 per hour)?	
		Yes No	of Ordinance provides for an annual March 1 adjustment of the minimum hourly wage for workers employed under
	а.	If yes, please describe:	City of Milwaukee service contracts
		· · · · · · · · · · · · · · · · · · ·	
		·	
City of Housing	Milwauk 3 Trust F	ree Page 18 of 20 und Application Revised May 2007	

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CITY OF MILWAUKEE HOUSING TRUST FUND

<u>RAFT</u> APPLICATION FOR FUNDING FY2007 <u>DRAFT</u>

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City of Milwaukee Housing Trust Fund Application

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CITY OF MILWAUKEE HOUSING TRUST FUND



PROPOSAL CHECKLIST - YEAR 2007

Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office <u>no later than</u> (<u>TIME</u>) on (<u>DATE</u>). No extensions will be granted.

Submit the original and fifteen (15) copies to:

Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Comment [GMW17]: Page: 20 Increased to allow a copy for each Board member (13) and 3 CDGA staff (Steve, Hettie, Garry)

Faxed or electronic applications will not be accepted. <u>All proposals received after the closing date noted</u> above will be returned to the applicant without review.

PLEASE BE CERTAIN TO

- > Complete and submit 1 original and 15 unbound copies of all documents:
- > Attach all required supporting documentation as requested in the application.
- ➤ If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will be discarded.

If your Application is funded, some additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.

City of Milwaukee Housing Trust Fund Application Page 20 of 20 Revised May 2007 ATTACHMENT A

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CITY OF MILWAUKEE HOUSING TRUST FUND INCOME LIMITS - 2007

Level	Applicability				Household Size	old Size			
		1	6	ĥ	4	S	6	7	ø
50% of CMI Rental an Amount o	Rental and/or Homeless Housing Projects (Any Amount of HTF Assistance)	23,500	26,900	30,250	33,600	36,300	39,000	41.650	44.350
65% of CMI Owner-O (HTF Ass	Owner-Occupied Housing - Substantial Projects (HTF Assistance More than \$5,000)	30,562	34,960	39,325	43,677	47,182	50.687	54.147	57.652
100% of CMI Owner-O (HTF Ass	Owner-Occupied Housing - Modest Projects (HTF Assistance is \$5,000 or less)	47,063	53,750	60,500	67,188	72,563	77,938	83,313	88,688

1. Income Limits are based on the HUD HOME Program Limits and are subject to change annually.

ATTACHMENT B

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CITY OF MILWAUKEE HOUSING TRUST FUND RENT LIMITS AND UTILITY ALLOWANCE SCHEDULE - 2007

		BUILDING TVDE. Dotochod Sincle	Detoobe	d Single							TUNE								 		
	TOTION			and more no					-	BUILDING I I'RE: UUPLEX		xərdnor				BUILDI	BUILDING I YPE: Three or More Units	: Inree	or More	Units	
BEDROOM SIZE:	0BD	1BD	<u>2BD</u>	3BD	4BD	<u>5BD</u>	6BD	0BD	<u>1BD</u>	2BD	<u>3BD</u>	<u>4BD</u>	5BD	6BD	0BD	180	2BD	3BD	4BD	5BD	6BD
Maximum allowable rent if													Concentration of the second se								
all following utilities are paid by I and lord	\$510	\$608	\$726	\$915	S942	\$1,083	\$1,225	\$510	S608	\$726	\$915	\$942	\$1,083	\$1,225	\$510	\$608	\$726	\$915	\$942 \$	\$1,083 \$	\$1, 225
1. <u>HEATING</u>																					
Gas	\$29	\$36	\$58	271	\$85	262	\$110	\$27	\$33	\$54	\$66	\$79	06\$	\$103	\$25	\$31	\$50	S 61	\$73	\$83	\$95
Oil	\$66	\$ 80	\$131	\$162	\$191	\$221	\$252	\$61	\$ 74	\$122	\$151	\$177	\$206	\$234	\$56	\$69	\$113	\$139	\$164	\$190	\$217
. 1	\$36	\$44	\$72	\$88	\$102	\$119	\$135	\$33	\$41	\$67	\$82	\$95	\$111	\$125	\$31	\$38	\$62	\$76	\$88	\$102	\$116
2. WATER HEATING Gas	\$8	\$10	\$12	\$15	\$16	\$19	\$22	88	\$10	\$12	\$15	\$16	\$19	222	×	\$10	\$12	\$15		\$10	\$77
Oil	\$20	\$23	\$28	\$34	\$40	\$46	\$51	\$20	\$23	\$28	\$34	\$40	\$46	\$51	\$20	\$23	\$28	\$34	\$40	; 3	\$51
Electric	\$14	\$18	\$23	\$28	\$32	\$36	\$40	\$14	\$18	\$23	\$28	\$ 32	\$36	\$40	\$14	\$18	\$23	\$28	\$32	\$36	\$40
3. LIGHTING/ REFRIGERATION	\$15	\$ 22	\$28	\$31	\$34	\$37	\$40	\$15	\$22	\$28	\$31	\$34	\$37	\$40	\$15	\$22	\$28	\$31	\$34	\$37	\$40
4. <u>COOKING</u>		<u>م</u>										<u> </u>					 		-		
Gas	\$5	\$6	21	\$8	\$9	\$10	\$11	\$5	\$6	\$7	\$8	\$9	\$10	\$11	\$5	\$6	\$7	\$8	\$9	\$10	\$11
Electric	\$2	\$7	\$ 3	\$10	\$11	\$12	\$13	\$5	\$7	89	\$10	\$ 11	\$12	\$13	\$5	21	65	\$10	\$11	\$12	\$13
5. WATER & SEWER	\$16	\$16	\$18	\$28	\$31	\$33	\$36	\$16	\$16	\$18	\$28	\$31	\$33	\$36	\$16	\$16	\$18	\$28	\$31	\$33	\$36
<u>TRASH</u> /SNOW&ICE	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$ 12	\$12	\$12	\$12	\$12
6. STOVE	. 1\$	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	5	\$1	\$1
7. REFRIGERATOR	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$ 2	\$2	\$2	\$2	\$2
8. FIXED CHARGES															$\left \right $	-					
Electric	\$7	S 7	\$7	\$1	S 7	\$ 7	S 7	\$7	\$7	57	\$7	57	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$ 7
Gas	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10

<u>Note:</u> 1. Rent Limits are based on the HUD Low HOME Rent Limits and are subject to change annually. 2. Utility allowances determined by HACM and are subject to change annually

CITY OF MILWAUKEE - HOUSING TRUST FUND PROPOSED SCHEDULE - 2007

Date(s)	
	Key Activity
June 12, 2007	HTFAB Meeting - Address Policies & Procedures
July 10, 2007	HTFAB Meeting - Address Policies & Procedures
August 14, 2007	HTFAB Meeting - Address Policies & Procedures
August 31, 2007	Finalize HTF Policies and Procedures
September 11, 2007	HTFAB Meeting - Approve Policies & Procedures
September 15, 2007	RFPs Issued
October 1, 2007	RFPs due to CDGA
October 9, 2007	HTFAB Meeting
October 15, 2007	CDGA Finishes Review of Apps for Completeness (No Scoring by CDGA)
October 31, 2007	Technical Committee Completes Review and Issues Comments
November 12, 2007	Housing Trust Fund Committee Finishes Scoring and Provides Recommendation
November 13, 2007	HTFAB Meeting
November 21, 2007	Common Council Approval
November 21, 2007	Start Preliminary Review of Agencies Recommended (as needed)
November 21, 2007	Start Term Sheet Negotiations
December 11, 2007	HTFAB Meeting
December 15, 2007	Complete HTF Term Sheets and Legal Documents
December 15, 2007	Contract Execution

EXHIBIT



City of Milwaukee

Meeting Minutes

HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR

Bethany Sanchez, Vice-Chair

Heather Dummer-Combs, Cecelia Gore, Craig Kammholz, Chris Laurent, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, Mike Soika, Michael Van Alstine

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Tuesday, July 10, 2007	1:30 PM	Room 301-B, City Hall

Meeting convened: 1:43 P.M.

Present 10 - Murphy, Soika, Kammholz, Van Alstine, Madden, Peters, Dummer Combs, Gore, Laurent and VACANT

Excused 3 - Sanchez, Schmidt and Lyles

1. Roll call

Also present: Tom Gartner-Assistant City Attorney, Emma Stamps-Legislative Reference Bureau, Jeff Osterman-Legislative Reference Bureau and Steve Mahan-Community Block Grant Director

2. Approval of the minutes of the June 12, 2007 meeting

Mr. Van Alstine moved approval of the minutes, Ms. Dummer Combs seconded. There were no objections.

3. Discussion on the policies and procedures of the Housing Trust Fund

Mr. Mahan gave an overview of the changes made to the application and scoring sheet that were approved at the June 12, 2007 Housing Trust Fund Advisory Board (HTFAB) meeting.

Atty. Gartner referred to his memo (Exhibit 1) that was handed out and said this board may want to reconsider the timing between the receipt of applications and submission of the applications to the Council for approval. He said that he contemplated that the term sheet would be negotiated before the approval of the award so that both the board and the Council would know the terms of the grant or loan when acting to approve them. He said that according to the time line that was approved by the HTFAB at the July 10, 2007 meeting, the award is being approved before the term sheet negotiation takes place.

Mr. Soika asked if the term sheet can be completed within the time frame that has been presented.

Atty. Gartner replied that he couldn't answer that right now. He said that if they could prepare a standard term sheet that would apply to all applications it could be done within the time frame presented, but if they have to negotiate a separate term sheet and other documentation for each application the answer would be no.

Mr. Soika asked if it would be possible to get an approval by the Council contingent upon the success of the negotiation of the term sheet?

Atty. Gartner replied that it would be more desirable to have specific terms at the time of the approval of the application. He say until they receive the first round of proposals it is difficult to know what kind and how much documentation will be needed and how much time will be needed.

Ald. Murphy explained that the details of the term-sheet are spelled out before the committee formally votes on the application, because it want to know what it is voting for. He said if they didn't have the specifics of the term-sheet at the time a vote is take on the application a big responsibility would then be delegated to the City Attorney, the Department of City Development and the Comptroller. He further said that they could end up at a later time with terms that weren't agreed upon.

Atty. Gartner said that having a prepared and approved term-sheet would make it much easier to prepare the other documentation needed, such as the contract.

Mr. Kammholz asked if there will a development agreement or cooporation agreement prepared after the final term sheet is recommended for approval by the Council.

Atty. Gartner referred to his memo and said that it lists the minimum documentation that will be needed. He said it would be nice to have one standard grant agreement. He said he would like to have the actual proposal summarized and attached to the application. He said they would also need some kind of agreement to handle the disbursement of funds and a regulatory agreement.

Ald. Murphy asked Atty. Gartner if he could prepare a general one-page boiler plate of what a term sheet would require.

Atty. Gartner replied in the affirmative. Atty. Gartner said he could prepare a standard term sheet that could be attached to the RFP.

4. Other business

Ald. Murphy said that the state legislation on the Housing Trust Fund did not make it to the Finance Committee. He said the governor is still pushing for the real estate transfer fee, but the assembly wants to reduce it to one dollar.

Ald. Murphy said he had sponsored legislation (File Number 070327) that recently passed the Common Council and explained that it directs the city to lobby the Southeastern Wisconsin Regional Planning Commission (SEWRPC) to undertake a study on housing.

Ald. Murphy said he met with Mayor Barrett this morning to discuss the Housing Trust Fund and in addition they discussed the work that the city and county had been doing on the study of housing for the mentally ill. He said the report is still in draft right now, but will be released soon. He said that the Housing Trust Fund is noted in the study for funding of housing for the disabled. He advised that he invited Ms. Martha Brown who is the City's appointed person to that study to appear at the next Housing Trust Fund Advisory Board meeting to discuss the study.

Mr. Mahan asked how the SEWRPC housing study would affect the city of Milwaukee's Smart Growth Plan.

Ald. Murphy said the last housing study was done in the 1970's and the reason that he wanted a housing study to be done is to determine where the needs are that need to be met and that there has been very little effort to promote affordable housing in the suburban communities.

Ald. Murphy said that the state of Wisconsin passed legislation a number of years ago called Smart Growth Planning. He explained that the legislation requires each county to prepare a development management plan. He said the problem with that plan is that there is no enforcement and the state provided very little money towards the plan.

Meeting adjourned: 2:12 P.M.

Terry J. MacDonald Staff Assistant



800 City Hall, 200 E. Wells St., Milwaukee, WI 53202, Telephone 414-286-2601, Fax 414-286-8550

MEMORANDUM

TO:	Housing Trust Fund Advisory Board
FROM:	Thomas O. Gartner, Assistant City Attorney
DATE:	July 10, 2007
RE:	Insert to Application for Funding and Program Documentation

Attached to this Memorandum is a brief insert for inclusion at the beginning of the "Funding Decision" paragraph on page 7 of the Housing Trust Fund Application for Funding.

The Term Sheet, which should be negotiated with each successful Applicant, will address the specific terms and conditions upon which Housing Trust Fund assistance will be made available. The documentation for such funding should include, at a minimum, the following:

1. Grant Funding

- 1) Grant Agreement
- 2) Disbursing Agreement
- 3) Regulatory Agreement
- 4) (Mortgage)
- 2. <u>Loan</u>
 - 1) Loan Agreement
 - 2) Note
 - 3) Mortgage
 - 4) Regulatory Agreement
 - 5) (Subordination or Intercreditor Agreement)

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Housing Trust Fund Advisory Board July 10, 2007 Page 2

In addition to the foregoing documentation, it will no doubt be necessary to include additional documents tailored to meet the requirements of each individual transaction, including requirements imposed by other lenders on the individual project, and requirements necessary for tax credit transactions.

TOG/ms Attachment 1055-2007-1319:121183

CITY OF MILWAUKEE HOUSING TRUST FUND

Insert to Funding Decision Paragraph

"Successful Applicants will be required to meet with staff to negotiate a Term Sheet setting forth specific terms and conditions for the award. The Term Sheet will be submitted to the Housing Trust Fund Advisory Board and the Common Council for final review and approval."

1055-2007-1319:121176



City of Milwaukee

Meeting Minutes

HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR

Bethany Sanchez, Vice-Chair ·

Cecelia Gore, Craig Kammholz, Chris Laurent, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, Mike Soika, Michael Van Alstine

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Tuesday, September 11, 2007	1:30 PM	Room 301-A, City Hall

Meeting convened: 1:41 P.M.

1. Roll call

Present 11 - Murphy, Soika, Kammholz, Van Alstine, Sanchez, Peters, Dummer Combs, Gore, Schmidt, Lyles and VACANT

Excused 2 - Madden and Laurent

Also present: Tom Gartner-Assistant City Attorney, Marianne Walsh-Manager-LRB-Fiscal Review Section, Jeff Osterman-Legislative Reference Bureau, Steve Mahan-Community Block Grant Director and Garry Werra-DOA-Community Block Grants Admin.

2. Approval of the minutes of the July 10, 2007 meeting

Mr. Soika moved approval of the minutes, Ms. Gore seconded. There were no objections.

3. Presentation given by Ms. Martha Brown relative to the Special Needs Housing Action Team study

Ald. Murphy introduced Ms. Martha Brown the Deputy Commissioner of Department of City Development and one of the staff persons for the "Special Needs Housing Action Team (SNHAT)."

Ms. Brown handed out a summary of her presentation (Exhibit 1) and said Ms. MacDonald has already distributed copies of the "Special Needs Housing Action Team, June 2007, Report" (Exhibit 2) to all the members.

Ms. Brown explained how the "Special Needs Housing Action Team" came about and gave an overview of each of the members appointed to the team.

Ms. Brown said that Mayor Barrett and County Executive Walker had asked the team to do the four things that are listed under "Charge" on her summary. She explained each of those charges and then went on to explaining the five key points under the "Elements of successful special needs housing" and the three key points under the "Key Development challenges" that were also shown on her summary. She then explained each of the eleven recommendations that were offered by the Special Needs Housing Action Team. Ms. Brown ended her presentation with an update on the progress of the recommendations. Mr. Soika asked if the SNHAT did an analysis on how many units of support housing are needed?

Ms. Brown replied in the affirmative. She said that there were two analyses done. The first one is detailed in the report and that was done by the Staff of the Behavior Health Division of Milwaukee County. She said the County did a survey of all its case workers based on the case worker's observation, but their numbers were low because many of the mentally ill do not seek services on their own. She said the second analysis is being done by the Plan Council, which was contracted by the County and is a more detailed analysis, but was not included in the report because it is not complete yet.

Mr. Soika asked what is the number of clients that the County used in its survey?

Ms. Brown replied that it was about 400 clients. She said the details of the County's analysis are on page 8 of the report.

Ms. Gore asked Ms. Brown if she knows how many projects are near ready to go.

Ms. Brown replied that they are aware of two projects that are well along and a third that is deep in the planning stage. She said those three projects will provide about 140 units.

Ald. Murphy asked what are the names of the two projects that are well along.

Ms. Brown replied that one is the Guest House, which is a 30 unit project and is located at 1218 W. Highland Ave., the second one is the United Christian Church on 26th and Center and the third is Mercy House.

Ald. Murphy asked if the first two have all their financing in place yet.

Ms. Brown replied in the negative.

Ms. Sanchez asked where is Mercy located?

Ms. Brown replied that Mercy has not shared their location yet.

Mr. Peters said that from his perspective, supportive housing is sometimes a code word for segregated housing and asked what kind of efforts will be made to make sure those housing units will be integrated into the community?

Mr. Brown replied that that question was discussed in great length by the team and the team concluded that quality supportive housing development is integrated in the community. She said some of the team members went down to Chicago to visit the Hartland and Mercy development and said they were impressed with the staff there who are devoted full-time to community outreach. For example, residents are encouraged to join block clubs and to become leaders of the block clubs and leadership training is offered.

Mr. Peters asked what kind of services are required that Ms. Brown alluded to earlier?

Ms. Brown replied that it was concluded by the team that the most important services needed are case management. She said case management would help residents get connected with community services that they need.

Mr. Peters asked who will be appointing the members to Commission on Supportive Housing (CSH)?

Ms. Brown replied that the Mayor, the County Executive, the President of the Common Council and the President of the County Board would be responsible for the appointments. She also directed the committee members to page 17 in the report that shows the details of the appointments to the CSH.

Mr. Peters said that at one point West Samaria was nice, but it has a lot of problems now and asked Ms. Browh how will Milwaukee County prevent similar problems from happening with proposed projects in the future?

Ms. Brown said that West Samaria was heard before the Board of Zoning Appeals (BOZA) last week and said West Samarie is operating under a special use permit from the BOZA and they had to summit a plan of operation that specifies certain bench marks that they have to meet. She then explained some of the problems that took place at West Samarie. She said the biggest barrier is probably money.

4. Discussion on current housing trust fund legislation

Ald. Murphy referred to an Article in today's Journal/Sentinal (Exhibit 3) that says that Mayor Barrett plans to put \$400,000 in the 2008 Budget for the housing trust fund. He said that there was a difference of opinion in terms of the interpretation of the housing trust fund legislation as to what those dollars figures would be. He said there was a City Attorney's opinion requested by the Mayor on a point of contention regarding the comptroller interpretation of the legislation as it relates to the Potawatomi monies. He said he doesn't expect the Mayor to change his position, since the budget is to be submitted to the printer by September 19, 2007 and to the Common Council on September 25, 2007, and also we don't have a state budget yet.

Ald. Murphy asked Assistant City Attorney Gartner to appear to discuss the release of the applications.

Atty. Gartner said that one of the problems he has come across with the application is that the way the application is currently structured, it leaves it up the applicants to make the determination as to whether they are going to apply for grant funds or loan funds. He said it may be difficult to analyse and compare applications.

Atty. Gartner also said that he would not be able to do a term sheet until the application has been received. He further said that as far as the term sheet, each application will have to be negotiated differently.

Ald. Murphy asked Mr. Mahan if he would rather have more direction or have the latitude as far as the term sheets.

Mr. Mahan said that right now the way the legislation is written, it is very open to the types of activities that will be funded. He said If the board wants to concentrate on capital projects as the first type of activity that will be funded, that would simplify it. He said it is very hard to nail down what is submitted when it is an unlimited application. He further said that the applications will be weighed heavily by the board after Housing Trust Fund Advisory Committee Technical Review Subcommittee reviews them for compliance.

Ald. Murphy referred to page eight of the application (Exhibit 4) and said that the dollar

amounts listed would have to be changed if this board chooses to go with funding only capital projects in the first funding phase. He suggested that if it is the will of the board to have the first round of funding go to bricks and mortar projects and still have \$375,000 under "Other Needs as Identified" and add the home-buyer counsel services and postpurchasing services into that category. He asked if there could be a better definition or clarity.

Mr. Mahan replied that the funds available are just stated as the maximum in each category and that there has been talk of bricks and mortar projects being the priority.

Ald. Murphy said that a cover letter should be sent along with the application that would say that the focus will be on bricks and mortar projects.

Ald. Murphy asked that page eight of the application be amended as follows: "Homelessness" should be amended by deleting "Provide Supportive Services." "Rental Housing" will stay the same.

"Home Ownership" will be amended by moving "Homebuyer Counseling Services" and "Post-Purchase Counseling Services" under "Other Needs as Identified."

Ms. Gore asked how "Supportive Services" would be weighed, if it is a critical issue, as it relates to the success of the project.

Ald. Murphy replied that there is a scoring measure attached to the application and that when an activity comes in under that category it would be weighed accordingly.

Mr. Peters said that his understanding was that the remaining %15 of funds would be moved to any of the other three categories, if needed, and would not be a separate category by. itself.

Mr. Soika replied that on page two of the application, under 'Funding Guidelines', fourth bullet point, it states that "The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the Advisory board, subject to the requirements of the housing trust funds."

A motion was made by Mr. Kammholz to move the first sentence on page three of the application to the first paragraph on page two. There were no objections.

Mr. Van Alstine said that moving support services under the "Other Needs as Identified" could cause confusion, because we would be implying that there is \$375,000 in funding available for support services.

Mr. Soika said that they could solve that problem by adding a bullet point under "Other Needs as Identified" that would say that those funds may be use for any of the other housing categories listed or for supportive services.

Mr. Mahan said that he recalls that there weren't going to be upportive services at all for the first phase of funding.

Ald. Murphy said it wasn't the legislation's intent.

Mr. Mahan asked if this first phrase of funding is going to be for bricks and mortar projects or is it going to be for supportive services also?

Ms. Sanchez said that the priority was going bricks and mortar projects, but the door was

to be left open for other needs. She asked if that would be hard to administer?

Mr. Mahan replied in the affirmative and said if it was up to his department all the money should go for bricks and mortar until they can figure out how the process is working.

Mr. Lyles said the issue of sustainability of the fund is very important. He said that as for the bricks and mortar projects, they should put in the application, under "Funding Decision" that the City has the ability to negotiate a financing strategy with the applicant.

Ms. Gore said that she recalls that requests for supportive services would need to be connected to the capital project.

Ald. Murphy said they should commit all the monies to bricks and mortar projects and once the projects are up and running and then if they get additional monies from outside entities they could then look at the supportive services category.

Mr. Lyles asked if they should look at limiting the monies given to one particular project in the first round?

Mr. Mahan replied that any project that would need tax credits would leave a gap of about 30% of their entire budget and that the technical subcommittee would address the gap issue. He also said that half of the project's budget will be leveraged by grant.

Ms. Sanchez said that homeless developments are going to be an on-going need that need to be address one way or another. She then asked if they should make a distinction between bricks and mortar only or bricks and mortar and home-owner counseling versus supportive services, because there is a huge need in Milwaukee on how to avoid foreclosures and she feels they shouldn't cut-off the funding possibility.

A motion was made by Mr. Soika to limit all the funding to bricks and mortar projects. There were no objections.

Ald. Murphy said that the \$375,000 under "Other Needs as Identified" will have to be redistributed between the other three categories.

Mr. Kammholz asked if *Mr.* Lyles recommendation relating to negotiations be added to the application under "Funding Decision."

Mr. Werra replied that on page seven of the application, under the "Funding Decision" there is a statement that says "City Attorney to provide language regarding all awards subject to negotiation on final terms." He said that should cover the negotiation issues.

A motion was made by the Mr. Soika and seconded by Mr. Schmidt that the application be released as amended. There were no objections.

5. Report given by Mr. Vincent Lyles the Chair of the Housing Trust Fund Advisory Board Finance Subcommittee

Ald. Murphy asked Mr. Lyles to give his report.

Mr. Lyles said the Housing Trust Fund Advisory Board Finance Subcommittee has met on a regular basis and it came up with a couple of ideas. He said one of those ideas was to send a letter to the Mayor to encourage him to put funding in his 2008 budget for the housing trust fund, which was recently sent.

6. Discussion on policies and procedures of the Housing Trust Fund

Mr. Mahan handed out a draft copy of the "Administrative Policies and Procedures for the City of Milwaukee Housing Trust Fund" (Exhibit 5). He said these policies and procedures will need to be finalized before the board can start reviewing the applications.

Mr. Mahan read into the record each of the items listed on the draft copy of the "Administrative Policies and Procedures for the City of Milwaukee Housing Trust Fund." He said some of the policies and procedures cannot be deviated.

Mr. Mahan said that under "General Criteria" he will be striking #6 from it entirety, because it isn't necessary.

Mr. Mahan directed committee members to page 2, under "Fiscal Procedures" section, item #9, and said that the "Policy on changes in salary levels of HTF funded positions" hasn't been discussed and asked the committee for a decision on what the minimum salary amount should be for supportive services?

A motion was made by Mr. Kammholz to take item #9 out for 2007. There were no objections.

Mr. Mahan said that under the "Procurement Policies" on page 4, the dollar amounts listed are too low if they are planning on going with capital project only. He asked the members what they would recommend?

Ms. Gore asked Mr. Mahan what he would recommend?

Mr. Mahan replied that he would recommend some kind of bid process so that they are documented.

Ald. Murphy asked what would the minimum dollar figure be?

Mr. Mahan replied that the HUD standard is \$100,000 and the City's is \$30,000.

Mr. Kammholz said they should use the City's policy.

Ald. Murphy agreed and said they should use the City's dollar amount of \$30,000.

Mr. Mahan said that if any of the committee members have any questions, etc. regarding the draft "Administrative Policies and Procedures for the City of Milwaukee Housing Trust Fund", they should have them to him by the October 9, 2007 Housing Trust Fund Advisory Board meeting. He said the policies and procedures will need to be finalized and approved at that meeting.

Mr. Mahan handed-out a housing trust fund proposed schedule for 2007(Exhibit 6) and gave a brief overview of it.

Mr. Kammholz said that the schedule shows the term sheet negotiations will begin on December 20, 2007 and said that seems a bit late. He said that the negotiations of the term sheets should be done before the Zoning, Neighborhoods & Development Committee and the Common Council approves the applications.

Mr. Mahan replied that they could roll the term sheet negotiations into the HTFAB

HOUSING TRUST FUND ADVISORY BOARD

Technical Review Subcommittee time frame, which will be between October 17th and October 31st.

Meeting adjourned: 3:24 P.M.

Terry J. MacDonald Staff Assistant

Special Needs Housing Action Team

- Appointed jointly by Mayor Tom Barrett and County Executive Scott Walker, November 2006
- Charge
 - Support the Milwaukee Continuum of Care in its efforts to maximize the amount of HUD funding coming to Milwaukee County for housing development projects that serve homeless and special needs populations.
 - Assess the local special needs housing infrastructure.
 - Develop practical strategies to housing developers assemble the elements needed for successful special needs housing: sites, financing, and services that support residents.
 - Establish strategies to secure diverse range of fiscal resources needed to develop and operate special needs housing.
- Elements of successful special needs housing
 - Affordable to very low income individuals whose primary source of income is SSI.
 - Safe and comfortable.
 - Housing design serves as a springboard to increased independence.
 - Housing provides support services that are accessible, flexible and target residential stability.
 - Housing provides site-based case management to residents who choose to take advantage of them.
- Key development challenges
 - Tenant income insufficient to offset development and operations costs. Extraordinary levels of subsidy from many sources are required.
 - Enriching housing units with appropriate services, and finding resources to sustain service delivery.
 - o Possibility of neighborhood opposition.
- Report issued June 2007
 - o Establish permanent Commission on Supportive Housing.
 - Provide visibility for supportive housing needs.
 - Establish community goals and monitor progress.
 - Appoint City-County Supportive Housing Development Committee for ongoing staff-level coordination.
 - Assist supportive housing developers to get information about resources available for development and support services.

EXHIBIT

- Advise bodies that make funding decisions. Recommend allocations and seek set-asides.
- Develop local supportive housing templates/models.
- Develop local zoning template.
- Establish a fund to fill the equity gap in capital funding needs for supportive housing proposals.
- City, County and Continuum of Care should coordinate application processes and deadlines for programs that provide resources for supportive housing.
- Mayor and County Executive should convene philanthropic community to discuss their role.
- City, County, philanthropic community and Continuum of Care members should provide greater financial support to more adequately staff Continuum of Care.
- Seek appointment of a supportive housing developer to WHEDA's Qualified Allocation Plan Advisory Committee.
- Seek changes in WHEDA's QAP formula, including set-aside of low income housing tax credits for supportive housing projects.
- Urge Gov. Doyle to support creation of state low-income housing tax credit to be used exclusively for supportive housing projects.
- Seek appointment of individual with knowledge of supportive housing to Community Investment Advisory Council of Federal Home Loan Bank of Chicago.
- Seek partnership from State and federal government to adequately fund treatment and support services for individuals with mental illness.

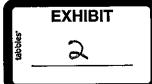
• Progress to date

- City Council and County Board considering legislation to establish permanent supportive housing commission.
- 2008 Milwaukee County budget proposes new housing division and additional funds for supportive housing development.
- City and County budget propose funds to staff Continuum of Care.
- WHEDA has been asked to appoint supportive housing developer to QAP advisory committee.
- o City and County staff working together on specific projects.

Special Needs Housing Action Team

Final Report

June, 2007



Letter of Transmittal

June, 2007

The Hon. Tom Barrett Mayor, City of Milwaukee The Hon. Scott Walker Milwaukee County Executive

Dear Mayor Barrett and County Executive Walker:

We the members of the Special Needs Housing Action Team have completed the assignments you have given us and submit herewith a report of our findings and recommendations for your review and implementation.

We thank you for demonstrating the leadership and vision that brought the members of this Team together to address one of this community's most pressing issues: the need to develop safe, decent and affordable supported housing for persons with mental illness. We believe that the findings discussed in this report and the recommendations we have made will result in better housing choices, better care, and ultimately a better quality of life for these individuals.

We are honored to have been asked to be a part of this important initiative, and we offer our assistance to you and your staffs in ensuring that these recommendations are implemented. Thank you again for allowing us to be of service in addressing this critical community need.

Respectfully Submitted,

Tim Beaudoin Tom Brophy Supv. Lynne DeBruin Kathryn Dunn Scott Gelzer Sr. Lucina Halbur Peter Hoeffel Paula John Adam Kroshus Cheryl Lofton Jim Marks Lynn Oehlke Tony Perez Connie Pukaite Leo Ries Dr. Lucille Rosenberg James Tarantino Julia Taylor Jerry Tepper

Executive Summary

The Special Needs Housing Action Team appointed by Mayor Tom Barrett and County Executive Scott Walker examined a broad range of issues that underlie the documented shortage of appropriate housing options for persons with mental illness in Milwaukee County. This evaluation led the Action Team to formulate recommendations designed to improve inter-governmental cooperation and broaden the sources of financial support for supportive housing development. For the last 30 years, public policy has mandated the deinstitutionalization of persons with mental illness. The Action Team believes that in order to address the unmet needs that have resulted, all levels of government must coordinate their policies, priorities and resources to provide adequate housing and services in the community.

It is clear from our research that supportive housing models that incorporate services necessary to support stability and recovery provide an exciting alternative to the far less adequate residential choices available to many persons with mental illness. This approach also may require an upfront investment of resources that may be more costly at first, but that ultimately should produce better and more cost-effective results than our current system. This approach also may offer lessons to guide improvements in existing housing that serves persons with mental illness.

Because of the work of the Continuum of Care, the presence of private developers new to Milwaukee who specialize in supportive housing, and the commitment of both City and County government to invest in quality housing for persons with mental illness, we are beginning to see significant progress in efforts to implement supportive housing models here. Those efforts will expand to meet the need only when State and federal governments also increase their commitment to provide adequate funding for both housing development, operation and service delivery.

Introduction

Throughout 2006, a series of articles in the *Milwaukee Journal Sentinel* focused attention on the lack of safe, decent and affordable housing in Milwaukee County for poor persons suffering from mental illness. The series highlighted a lack of coordination among various agencies in meeting the housing needs of vulnerable citizens. It also criticized local efforts to maximize housing funding from federal sources.

In response to these stories, Mayor Tom Barrett and County Executive Scott Walker convened a meeting of top city and county officials, officials from the U.S. Department of Housing and Urban Development (HUD), and representatives from the Milwaukee foundation community to determine what we might collectively do as a community to address this critical issue. One of the outcomes of that meeting was an agreement to form an inter-agency special needs housing Action Team. The Action Team was charged with the responsibility of completing four tasks:

- 1. Support the Milwaukee Continuum of Care (CoC) in its efforts to maximize the amount of HUD funding coming to Milwaukee County for housing development projects that serve homeless and special needs populations.
- 2. Assess the local affordable special needs housing infrastructure, identify the biggest gaps in that infrastructure, define the highest priority need, and develop a vision and roadmap for creating a sufficient supply of safe, decent and affordable housing for Milwaukee County's most vulnerable residents.
- 3. Develop practical strategies to help housing developers assemble the elements needed for successful special needs housing: sites, financing, and services that support residents.
- 4. Identify and establish strategies to secure the diverse range of fiscal resources that will be necessary for the continued development and support of affordable housing for persons

suffering from mental illness and/or substance abuse, including non-governmental sources of funding from foundations, corporate donors, etc.

Mayor Barrett and County Executive Walker invited representatives of government, local foundations, social service providers, mental health professionals, housing developers, advocacy groups and mental health consumers to join the team. City and county staff supported the group. A complete list of members and staff is found in Appendix I at the end of this report.

The Special Needs Housing Action Team held its first meeting on December 5, 2006 and met regularly for the first half of 2007. The group heard presentations from individuals representing a variety of perspectives regarding special needs housing development. Presenters included the U.S, Department of Housing and Urban Development (HUD); the Wisconsin Housing and Economic Development Authority (WHEDA); the Milwaukee Continuum of Care (CoC); the Milwaukee County Behavioral Health Division (BHD); the Milwaukee Department of City Development (DCD); agencies that provide services to people with mental illnesses; supportive housing developers; supportive housing operators; and consumers of mental health services who live in or are in need of supportive housing.

This report addresses the four tasks of the Action Team in the order given above. The recommendations are outlined in the "Recommendations" section following the discussion of the tasks.

A Word About "Special Needs" Housing ...

Throughout the Action Team's discussions, several members frequently expressed the view that the Action Team's charge and focus on "special needs" housing is too narrow, and that this narrow focus has two negative impacts: 1) It obscures the important larger reality that the lack of decent, safe and affordable housing is a function of poverty in the community, not mental illness; and 2) It implies embracing a "segregated" approach to addressing the housing needs of

people with mental illness, suggesting that housing for this population can or should be physically isolated from housing in the community at large.

The Action Team wishes to state that it fully acknowledges the accuracy and legitimacy of these concerns. However, the Action Team believes that this cannot and should not prevent it from addressing the specific needs of this population, since it is equally clear that mental illness often makes it even more difficult to obtain affordable permanent housing. The duty to address the adverse effects of poverty in the community and society at large are well beyond its scope and capacity. In limiting its scope, however, the Action Team wishes to make it clear that it strongly supports approaches that integrate housing options for people with mental illness into other housing in the community.

The Action Team has used the term "special needs housing" to mean housing for people with mental illnesses (such as those served by BHD), and/or housing for people who are homeless (such as those assisted by programs supported by grants made to the Continuum of Care). Individuals living in special needs housing may require varying levels of on-site support, ranging from periodic visits by case managers to 24-hour presence of property managers and clinicians at the facility. This report uses that definition for the term "special needs housing."

Task 1: Support the Milwaukee Continuum of Care

The Milwaukee Continuum of Care (CoC) is an unincorporated coalition comprised of representatives of government, non-profit organizations, funding sources, advocacy groups, consumers, and other interest groups. The CoC is designated by HUD as the entity responsible for coordinating the homeless services system in Milwaukee, specifically for planning and coordination pursuant to the completion of the community's annual response to the HUD Notice of Funding Availability (NOFA) for the Supported Housing Program.

As noted above, one of the primary charges given to the Special Needs Housing Action Team by County Executive Walker and Mayor Barrett was to develop strategies to assist the

Continuum of Care in its efforts to maximize the receipt of Federal homeless assistance dollars in Milwaukee County. The Action Team is pleased to note that significant progress already has been made toward that goal. The CoC developed several internal improvements in preparation for the 2006 and 2007 NOFA applications, and it has also worked closely with the City, County and Action Team to coordinate efforts to assist viable development projects and to better understand and strategically respond to HUD requirements and policy directives. Because significant improvements already have been made, there is now a limited need to propose new strategies. However, a key recommendation regarding appropriate administrative funding for the CoC is contained in the "Recommendations" section of this report.

To fully appreciate the progress that has been made by the CoC, it is important to understand the HUD application process and its components. The annual CoC application for HUD Supportive Housing and Shelter + Care funding has two components: 1) an Exhibit 1, which is a detailed description of the CoC's membership, activities, performance, and proposed project; and 2) an Exhibit 2, which is a funding proposal for each project in that year's CoC portfolio.

The success of the Milwaukee package depends upon the points awarded to Exhibit 1. In other words, if Exhibit 1 fails to score sufficient points, the entire package will fall below a threshold established by HUD for fully funding proposals submitted in that year. In 2005, the Milwaukee Continuum scored 80.5 points on a 100-point scale, placing the Continuum 1.5 points below the HUD cut-off score of 82.0 points. The scoring deficiency was the result of several factors, including low housing emphasis (i.e., the percentage of funds requested devoted to housing costs vs. the provision of supportive services); insufficient leveraging of additional resources; and the lack of a new permanent housing project. As a result of the low score, Milwaukee projects that had generally requested two- or three-year funding were only awarded funds for one year, and no new projects were funded. The CoC received an award of \$4,623,629 in 2005.

Several changes were implemented in the 2006 application to improve scoring, including more aggressive management of the Continuum's portfolio of projects to increase housing emphasis, improved compliance with information system requirements, and the inclusion of a large

new permanent housing project for chronically homeless individuals. The 2006 CoC application fared significantly better than 2005, receiving an award of funding totaling \$10,486,582.

In the interest of securing the most viable permanent housing projects possible, the CoC issued a request for letters of interest in late 2006 and conducted a permanent housing application and review process shortly thereafter. By moving the Continuum's selection process up several months, the prospective housing projects were able to leverage the Continuum's commitment in their applications for Low Income Housing Tax Credits and other resources. This process was modeled on the Continuum's customary proposal application and peer review process and will be utilized in the 2007 cycle with refinements as appropriate to meet the timelines of other critical funding sources.

The Continuum's 2007 application will include 34 distinct project proposals. Aggressive management of the project portfolio continues, but the CoC has also set higher performance standards for projects being considered for renewal in this cycle. The Continuum also has selected two new permanent housing projects, which will be ranked #1 and #2 on the priority list. The first of these projects will receive the Samaritan Housing Bonus of \$950,000.

Another important improvement in 2007 was Milwaukee County's provision of funding support that enabled the CoC to secure a full-time coordinator. Supplementing the administrative coordination provided by Community Advocates and technical support provided by an outside consultant, this position will greatly enhance the Continuum's overall operation and effectiveness. Also this year, Continuum members have improved performance on key HUD indicators, successfully managed the transition of resources from ANET to a permanent housing project, transferred a permanent housing project from a nonprofit that dissolved to another Continuum organization, achieved 100% information system compliance, and addressed critical issues in transitional housing outcomes, employment programming, and access to mainstream resources.

Task 2: Assess the special needs housing infrastructure

Assessing the need for supportive housing and determining the community's ability to meet those needs are not simple tasks. The *Milwaukee Journal Sentinel* housing series noted that hundreds of people with mental illness are living in squalor in the community. There is no doubt that statement is true, but in order to address this problem, it is also necessary to understand the severity of mental illness experienced by individuals who are living in substandard housing, what (if any) treatment programs they are accessing, whether they agree that their current housing situation needs to be improved, and whether their individual circumstances make them eligible for the type of supportive housing that the Action Team and others believe must be developed in this community.

The Action Team acknowledges that significant additional work needs to be done in order to comprehensively assess the need for additional housing units in Greater Milwaukee to serve persons with mental illness. However, information on housing needs does exist for two specific populations of individuals: persons who are participants in BHD's Community Support Program (CSP) and Targeted Case Management (TCM) program, and persons who are homeless.

In an attempt to begin quantifying the need for housing for people with mental illnesses, BHD's Service Access to Independent Living (SAIL) staff conducted a survey of all case managers in the CSP and TCM programs between August 22, 2006, and September 28, 2006. The survey objective was to obtain a "snapshot" of the housing circumstances and housing needs of all the clients of these programs at a given point in time.

Each case manager was asked to complete an Internet-based survey for each of the clients assigned to her or him at the time of the survey. An identifying medical record number was included on the survey, which allowed BHD to follow up with contracted agencies with regard to enrolled clients for whom surveys had not yet been submitted. There were a total of 2,474 enrollments in the two community-based programs on the date the survey was launched; by the end of the survey, 2,463 unique client surveys had been submitted.

The analysis of the survey results disclosed 14 clients (0.6%) living "on the street or in shelters." Another 66 clients (2.7%) lived in housing which, in the case manager's assessment, met the HUD definition of "substandard." Combining these two, therefore, a total of 80 mental health consumers (3.3%) enrolled in BHD's TCM and CSP programs had substandard housing by HUD criteria in September 2006.

Staff were concerned that even the broad HUD definition of substandard housing might not capture the whole story, so the survey also asked case managers to assess whether the consumer's present housing environment promoted the consumer's mental health recovery, *regardless of whether the housing was substandard or not*. Including all those who were homeless or in substandard housing, a total of 404 clients (16.7%) were considered by their case managers to be living in environments that *did not* promote their mental health recovery. That is, there were 324 clients who were not in substandard housing but who were not in environments conducive to recovery.

This survey did not address housing concerns for consumers involved in outpatient treatment with Milwaukee County BHD. There are approximately 3,600 consumers in this level of care. Consumers who participate in outpatient treatment are predominantly low income individuals without insurance and whose illnesses are not as severe as those involved in targeted case management or community support programs. BHD has contracted with the Planning Council to find more specific data on what the housing needs are for all consumers involved in the BHD mental health system. This effort is already underway and will be finalized in 2007.

In terms of housing infrastructure for persons with mental illness who are enrolled in BHD programs, BHD has existing contracts to provide a continuum of housing options to those consumers. There are currently 130 Community-Based Residential Facility (CBRF) beds available for consumers requiring a highly structured level of care. There are also 42 supported apartment beds that can provide shared apartment units to consumers with some on-site support, and the county also operates a 7-bed Transitional Housing Program at West Samaria.

HUD-funded units are also available: 23 transitional housing beds through the Safe Haven program that provides safe and affordable housing to homeless individuals with disabilities in a supported setting; and 309 subsidized permanent apartment units under the Shelter + Care program for consumers who meet the HUD definition of homelessness and who are involved in long-term case management. The Shelter + Care HUD-funded units used by BHD consumers are a part of a larger Continuum of Care network of permanent housing units that total 653, as stated in the 2006 HUD application.

The CoC, for its part, is also required to assess the need for housing in the community as part of its annual application process. According to the CoC's 2006 application, there was/is an unmet need of 387 units of permanent housing in Milwaukee for individuals who are considered homeless using HUD criteria. It is unclear how many of those individuals have been diagnosed with mental illness and/or are participants in BHD programs.

There are also many housing providers in the community who do not have a formal contractual relationship with Milwaukee County, but who nevertheless provide safe, clean and affordable housing to people with mental illnesses, both those receiving case management or other services from BHD, as well as those who are not and do not wish to be served by BHD. Consumers rent apartment units directly from many private landlords, room-and-board and roominghouse operators. They live in duplexes, triplexes and single-family homes. The Housing Authority of the City of Milwaukee (HACM) states that it provides permanent housing to almost 400 individuals with mental illness. BHD relies on all of these forms of housing to meet the various housing needs of its consumers, and the vast majority live safely and successfully in them.

Compounding the difficulties in assessing the level of need in the community is the fact that for a variety of reasons, many persons with mental illnesses and substance abuse issues are not and never have been connected with the public mental health treatment system in Milwaukee County. In order to serve their housing and treatment needs, individuals must either voluntarily

seek services from BHD or be brought to BHD's crisis service involuntarily under an emergency detention. Until one or the other of these contacts occurs, an accurate and complete assessment of the housing needs of these individuals will be difficult to obtain, and serving their needs through the mental health system will be impossible.

The following summarizes recent efforts to assess the housing needs of persons with mental illness:

- 2,463 persons with mental illness enrolled in BHD's Community Support Program and Targeted Case Management Program in September 2006 were assessed regarding their housing conditions at that time.
 - 14 (0.6%) were living on the street or in shelters
 - 66 (2.7%) lived in substandard housing as defined by HUD
 - 324 (13.1%) lived in housing environments not conducive to recovery
- 387 people were identified by the Milwaukee Continuum of Care as homeless under HUD's homeless definition, and in need of housing with service coordination.
- 3,600 individuals receiving Milwaukee County Outpatient Treatment, whose treatment needs were considered less severe, were not included in the September 2006 housing assessment, but are predominantly low-income and may also be in need of supportive housing.

The following summarizes infrastructure known to be available to meet this need. This summary does not include housing providers who do not have a formal contractual relationship with public sector entities but who nevertheless provide housing to persons with mental illnesses.

- 130 beds under BHD contract in Community-Based Residential Facilities
 42 supported apartment beds funded by BHD
 - 10

- 7 transitional housing beds funded by BHD in West Samaria
- 23 Safe Haven beds funded by HUD
- 309 Shelter + Care beds funded by HUD
- 400 units of housing provided to persons with mental illness by HACM

Task 3: Elements of successful special needs housing, and development challenges

According to the Continuum of Care 2006 Housing Inventory, there are nearly 700 units of existing permanent supportive housing in the Milwaukee. They have been developed by a variety of organizations and partnerships, and receive operating support from both public and private sources. Testimony to the Action Team, and multiple studies of special needs housing nationally, identify several common elements that create a successful independent living environment for individuals who have mental illness or who are homeless. These elements are:

- Housing must be affordable. Mental health problems can severely restrict earning potential, and most residents of special needs housing are poor. Mercy Housing, the largest supportive housing provider in the Midwest, told the Action Team that its average resident income is less than \$9,000/year. Rents must be extremely low to make supportive housing available to those who need it most.
- Housing must provide safety and comfort. This requires high-quality physical facilities and top-notch property management. A report entitled "Transforming Housing for People with Psychiatric Disabilities Report" and published in 2007 by the U.S. Department of Health and Human Services, notes that "...poor housing is correlated with poor community adjustment outcomes.... Greater choice in housing is also positively correlated with happiness and life satisfaction ratings and, ultimately, with community success." According to the Milwaukee Mental Health Task Force, "Failure to attend to this issue diminishes the promise of integration for persons with psychiatric disabilities and undermines the goal of recovery."

- Housing must include elements that tenants can utilize as a springboard to increase their levels of independence. Some supportive housing providers provide job training, literacy tutoring, and tenant employment programs. Others encourage resident councils and involvement in local block watch organizations. Housing that mixes several populations was viewed as most likely to foster independence.
- Housing must provide support services that are accessible, flexible and target residential stability. The Action Team heard testimony from a number of consumers who discussed the importance of case management, opportunities for social interaction, and peer mentoring relationships. Mary Neubauer, a certified peer support specialist who has battled mental illness and experienced several periods of homelessness, called for "places where people can succeed."
- Fundamental to the success of special needs housing is the presence of site-based case management, especially where large numbers of individuals with mental illnesses are living. In recent years, the term "supportive housing" has been used to describe residential buildings in which case management services are available on site to residents who choose to take advantage of them. On-site case managers play two complementary roles. They connect residents with appropriate services, and communicate regularly with property managers and housing subsidy providers in order to ensure that the housing quality contributes to the stability and recovery of the residents.

According to the Corporation for Supportive Housing, "Supportive housing is proven to help people who are persistently homeless find stability in a home of their own. Supportive housing's combination of permanent, affordable housing and available services works well for people who face the most complex challenges – people who are not only homeless, but who also have very low incomes and serious, persistent issues that may include substance use, mental illness, and HIV/AIDS."

This model has proven to be particularly effective in serving individuals who would not maintain a stable housing situation without tightly linked services. The Action Team heard compelling presentations from several developers who have had great success in building and operating supportive housing, and who are committed to bring that model to Milwaukee.

Housing development is, on the surface, a pretty simple process. A builder secures land, obtains permits, constructs a building, and secures a buyer who qualifies for a mortgage or tenants with adequate income to pay the rent. That process is supported by an infrastructure that includes local permitting agencies, real estate brokers, and financial institutions.

The infrastructure required to support special needs housing development is, however, far more complex. The infrastructure must respond to particularly challenging circumstances surrounding this development niche:

Tenant rent payments are insufficient to offset development and operation costs for special needs housing. Supplemental Security Income (SSI) is often the sole source of income for tenants who live in special needs housing. In 2007, an individual living on SSI in Wisconsin had a monthly income of \$706.78. Under accepted "housing affordability" standards that suggest rent should not consume more than 30% of income, people living on SSI can afford to pay \$212 monthly for rent. Such rent levels are well below the amount required to pay debt service and operating costs for such housing, including the cost of on-site property and case management staff.

As a result, special needs housing development requires an extraordinary degree of development subsidy from multiple funding streams. The executive director of Mercy Housing Lakefront, a Chicago-based supportive housing developer, vividly described the strategy of piecing together development funds from multiple sources as "lasagna financing." A typical Mercy project supplements bank financing with one or more HUD funding programs, Low Income Housing Tax Credits, locally-administered HOME funds, housing trust funds, and philanthropic contributions.

Section 8 Housing Choice rent vouchers, which supplement tenant rent payments, can be a critical ingredient for special needs housing. As a result of little to no growth in funding for federal housing programs, as well as changes in the renewal funding process, public housing authorities (PHAs) have a very limited supply of new, tenant-based vouchers available for use.

- The housing development must include a service delivery component. The "housing first" model supported by HUD and many mental health advocates is built on the notion that stable housing itself contributes to an individual's recovery. Delivery of services such as case management in the residential building helps to ensure that people remain housed as they work toward greater levels of independence. According to the National Coalition for Homeless Veterans, service-enriched housing "has been linked to a decrease in emergency room visits, detoxification services and incarceration rates, and more than 80% of clients remained in housing for at least one year."
- Special needs housing development may draw neighborhood opposition. Although well-managed special needs housing can serve as a stabilizing force for a neighborhood, developers can face opposition from neighbors who fear that such development will negatively affect property value, safety, and quality of life.

The Action Team also identified specific deficiencies in the local housing development infrastructure that must be addressed if the community is to successfully develop high-quality special needs housing. One significant deficiency is that each development funding source requires separate applications seeking separate information, submitted to different agencies on different forms to meet different deadlines. Often, funding sources that are vital to the financing package have conflicting requirements. Development schedules lengthen and costs increase because of the effort required to assemble resources.

Another impediment to successful development is that local agencies that allocate resources for social services have traditionally had little involvement in housing development. There is no well-established forum for these agencies to coordinate their financial support for projects that must receive resources for both development and services in order to succeed. Also, many social services resources are linked to individuals, not to buildings. This makes it difficult to target social service assistance to a particular project.

Task 4: Recommendations

The foregoing discussion illustrates the complexities of assessing the need in the community for supported housing, and the challenge that meeting this need presents to public and private entities involved in treatment and housing. It is clear that there is much that can and should be done to improve how this community's private and public agencies address the need for safe, decent and affordable special needs housing.

The Action Team has identified a number of recommendations which, if adopted, we believe will result in better coordination and use of local, state and federal resources and substantially increase both the quality and availability of this housing for the benefit of both consumers and the community. These recommendations are as follows:

1. The Action Team recommends that the Mayor and County Executive appoint a permanent Commission on Supportive Housing (CSH) consisting of governmental and community leaders, mental health and community advocates, and mental health consumers. The core purpose of the CSH will be to establish goals and benchmarks for the effort to address housing needs for persons with mental illness and other special needs in the community, and to monitor progress and hold the community accountable for meeting those goals.

It is recommended that the CSH adopt the following mission and guiding principles:

Mission: To create a community infrastructure with the institutional commitment and the financial resources necessary to provide safe, affordable, and accessible housing options with supportive services for persons with mental illness and other special needs.

Guiding Principles:

- Persons with mental illness and other special needs should be able to choose the housing options and supportive service plans that best fit their needs and interest from the variety of best practice models, all offered within the context of recovery and support for their integration into the broader community.
- The input of persons with mental illness and other special needs is a critical component in every special needs housing policy, plan, and program.
- Affordable housing initiatives, especially for persons with mental illness and other special needs, must be developed with a full understanding of the profound impact of poverty on individuals' ability to maintain permanent housing.
- Affordable housing initiatives for persons with mental illness must be developed and operated with a full understanding that, for many individuals, mental illness is a chronic condition, requiring ongoing treatment and support services. Most individuals with severe and persistent mental illness do not have adequate, sustained access to such services. Inadequate public funding, and restrictive caps on the level of mental health treatment reimbursed by standard health insurance plans, are at the root of this problem. The lack of adequate, long-term services and treatment contribute to housing instability for people with mental illness.
- The community's commitment to a "housing first" model requires the development of a sustainable infrastructure for coordination of financial resources, attraction of high quality developers, and the maintenance of effective permanent housing options.

- Housing developments serving people with mental illness or other special needs should be subject to the same level of zoning regulation and review as all other housing developments.
- Regulatory barriers to the cost-effective development and operation of permanent housing for people with mental illness or other special needs must be eliminated, whether those barriers exist at the federal, state, county or city levels of government.
- Resources beyond those made available by better coordination of existing local, state and federal resources are necessary to offer the best special needs housing possible; additional resources, especially funding, to address supportive services must be developed.

The Action Team recommends that the CSH consist of the following members:

From the city:

The Director of the Department of Administration;

The Executive Director of the Housing Authority of the City of Milwaukee; One representative from the Common Council appointed by the Common Council President.

From the county:

The Director of the Department of Administrative Services;

The Director of the Department of Health and Human Services;

One representative from the County Board of Supervisors appointed by the County Board Chairman.

From the philanthropic foundation community:

Two representatives nominated (one each) by the Mayor and the County Executive and confirmed by the Common Council and County Board.

From the Continuum of Care:

Two representatives nominated (one each) by the Mayor and the County Executive and confirmed by the Common Council and County Board.

From mental health advocacy organizations:

Two representatives nominated (one each) by the Mayor and the County Executive and confirmed by the Common Council and County Board.

From the consumer community:

Two mental health consumers appointed by the Administrator of the Milwaukee County Behavioral Health Division.

From the business community:

One business representative appointed jointly by the Mayor and President of the Common Council; and

One business representative appointed jointly by the County Executive and Chairman of the County Board.

It is recommended that the CSH meet at least quarterly to establish goals for the community based on the above mission and guiding principles and to monitor progress toward meeting those goals. It is further recommended that the CSH prepare and submit annual reports to the Mayor, Common Council President, County Executive and County Board Chairman that describe the community's progress. It is further recommended that CSH provide input regarding special needs housing to the governments of Milwaukee, Milwaukee County, Wauwatosa and West Allis, in connection with the preparation of the Consolidated Plan/Action Plan submitted by those units of government to the US Department of Housing and Urban Development for CDBG, HOME, Emergency Shelter Grants, and Housing Opportunities for Persons with AIDS funds.

An agenda item at each CSH meeting shall be a report from the Supportive Housing Development Committee (SHDC) described in Recommendation #2 below. Staffing for the CSH shall be provided by the Housing Authority of the City of Milwaukee and the Milwaukee County Department of Health and Human Services.

Implementation: Legislation creating the CSH shall be jointly prepared by the City's Department of City Development and the County's Department of Administrative Services and Department of Health and Human Services and submitted to the Common Council and County Board by September 2007. Legislative approval shall occur by November 2007 and appointments shall be made to the CSH and confirmed by legislative bodies by December 2007, allowing for an initial organizing meeting in January 2008.

2. The Action Team recommends formalizing City-County collaboration and cooperation by appointing an ongoing Supportive Housing Development Committee to be responsible for coordinating countywide efforts to develop and support selected supportive housing projects, and ensure timely delivery of financial commitments from local governments.

Perhaps the overriding recommendation of the Special Needs Housing Action Team is that the City of Milwaukee and Milwaukee County establish a permanent, ongoing body to strategically plan and coordinate the development of quality housing to meet the needs of individuals with mental illness and other special needs. This recommendation is based on the clear benefits that have been engendered by the commitment to City/County coordination that was made by Mayor Tom Barrett and County Executive Scott Walker in the fall of 2006.

In the wake of that commitment, senior officials from the City's Department of City Development and Housing Authority and the County's Department of Health and Human Services, Behavioral Health Division and Department of Administrative Services have met regularly to discuss and coordinate respective efforts to support individual development projects and to create funding mechanisms for special needs housing. This coordination has re-

sulted in decisions to jointly support three major projects (Guest House/Heartland, United Christian Church/Cardinal Capital, and Mercy Housing). Two of the three projects completed successful applications to WHEDA for Low Income Housing Tax Credits in 2007; the third project will apply for WHEDA tax credits in 2008. City/County collaboration also led to enhanced coordination with the Continuum of Care with regard to the permanent housing projects that it has prioritized. All three development teams have pointed to this coordination as a key element in their ability to rapidly develop effective project proposals.

In order to formalize this city/county coordination and better define its charge, the Special Needs Housing Action Team recommends that a Supportive Housing Development Committee (SHDC) be appointed by the Mayor and the County Executive. It is recommended that the SNDC consist of the following members:

From the City:

1 representative from the Department of City Development;

1 representative from the Community Block Grant Administration office;

1 representative from the Low-Income Housing Trust Fund;

1 representative from HACM

From the County:

2 representatives from the Behavioral Health Division (1 from the Housing Section and 1 from the Community Services Branch); and

2 representatives from Economic and Community Development Division (1 from Housing and 1 from CDBG); and

The specific charge of the SHDC would be as follows:

a) Assist special needs housing developers to access information about the development, service and ongoing operations resources they need to make projects work. The SHDC would serve as a "one-stop shop" for developers to access information from City and County experts that will help them design their proposals. It is envisioned that developers would present their ideas and proposals to the Committee, which in turn would educate them about city, county, state, federal and other funding sources and the requirements associated with those sources. This would include not only information about development funding, but also about funding for supportive services and rental subsidies (e.g. Section 8 vouchers) so that projects can succeed operationally. The Action Team also recommends that any developer seeking financing from either the City or County for a supportive housing project be required to submit proposals to the SHDC for review and recommendation prior to submitting their proposals to relevant governing bodies for approval.

b) Provide useful advice to the bodies that make special needs housing funding decisions.

The SHDC would consider the various projects seeking funding from competitive funding sources (e.g. WHEDA tax credits, HUD Homeless Assistance, City Low-Income Housing Trust Fund, County Capital funds); "screen" proposals to ensure that the developer has appropriately matched physical development resources with supportive service resources required to assist vulnerable tenants, and recommend to the agencies that control limited resources to focus their resources on a limited number of projects each funding cycle, in order to ensure the success of the selected projects. The SHDC also would letter of support to funders on behalf of projects that meet its approval.

c) Develop templates for supportive housing and encourage developers and current providers of service to adhere to those templates. Among other things, these templates would outline elements and criteria for appropriate sites and corporate management structures for projects to be considered for city and county support that are responsive to the unique needs of the homeless population and individuals served by the Milwaukee County Behavioral Health Division; specify necessary on-site case management, programming and supportive service components, especially at sites serving 10 or more persons; and define the Committee's overall expectations regarding housing quality.

While the Action Team has focused on reducing barriers to the development of new supportive housing, we note that existing residential facilities that serve persons with mental illness and homeless individuals may be improved by incorporating these approaches to integrating case management and support services within the residential setting. The team encourages those who provide and fund services or housing to special needs populations to examine these approaches, and make operational modifications if appropriate.

d) Recommend allocations of city and county low-income housing funding sources and establish specific set-asides for special needs housing.

Both the city and county administer CDBG, HOME and Section 8 funds, and each has taken steps in the past year to develop ongoing sources of nonfederal development funding, but there is currently no strategic coordination to ensure that mutual objectives are met via the use of those funds. The SHDC would establish special needs housing development as a key mutual objective and would recommend to policymakers specific annual allocations of City and County funding sources to ensure that special needs housing projects that meet the Commission's criteria are developed and supported.

- e) Provide periodic reports to the Commission on Supportive Housing, and to the city and county regarding the performance of projects funded with local government resources.
- f) Analyze all HUD funding options for special needs housing and develop strategies to maximize use of those funding options.

Despite the considerable progress that has been made in the past several months to bring additional HUD funding to Milwaukee and to work with the local HUD office to better understand and take advantage of HUD grant programs, much more progress can and should be made. The SHDC would further research and coordinate efforts to maximize the use of HUD resources in Milwaukee and provide technical assistance to entities seeking these resources for projects that meet the Commission's housing model criteria.

- g) Identify other sources of funding for development of supportive housing, including other federal agencies, state agencies, and foundations.
- h) Study and make recommendations concerning property tax assessment policies for supportive housing.

Property taxes, which typically increase on an annual basis, are of special concern to supportive housing developments because tenants in these buildings have extremely low incomes, and operators must also absorb the cost of on-site service delivery. The SHDC would study the impact of property assessments on supportive housing developments to determine whether changes in assessment policy are warranted.

 Develop a simple instrument that municipalities in Milwaukee County can use to determine whether their zoning ordinances welcome the development and operation of supportive housing, including on-site services.

It is envisioned that Committee members will devote several hours per month to the activities of the SHDC. However, in recognition of the fact that each member also will have significant additional job responsibilities, the Action Team believes that a nearly full-time consultant will be needed to coordinate the work of the Committee and administer its responsibilities. Consequently, it is recommended that both the City and County appropriate \$25,000 annually to retain a consultant to provide this staff function.

Implementation: The SHDC shall be appointed by the Mayor and the County Executive within 60 days following the adoption of this report.

3. The Action Team recommends that the Common Council and County Board collaboratively establish a fund to help fill the equity gap in capital funding needs of wellqualified proposals for special needs and homeless housing to encourage greater use of 4% tax credits and bond financing.

The State's tax credit program, administered by WHEDA, provides 9% federal tax credit, which in turn typically produces up to 80% of the equity required for affordable housing developments. However, the total amount of 9% tax credits available to Wisconsin annually is limited, and the application process is highly competitive, leaving many well-qualified housing proposals unable to proceed without resources. Projects could qualify for 4% tax credits, which are issued automatically with tax-exempt bond financing, but 4% credits do not provide quite enough equity to allow most projects to go forward. A City-County Equity-Gap Fund for Special Needs and Homeless housing could help overcome the critical need for such housing.

During the past year, both the County and City have established "funds" that are intended to contribute to the financing of special needs and/or low-income housing. Consideration could be given to merging some or all of the dollars contained in these funds to establish the Fund suggested in this recommendation.

Implementation: Evaluation of the feasibility and logistics of implementing this recommendation will be assigned to the Commission on Supportive Housing (CSH) to be created by adoption of recommendation #1 of this report.

4. The Action Team recommends that the City of Milwaukee, Milwaukee County, and the Continuum of Care coordinate application processes and deadlines for programs that provide resources to special needs housing development.

The development of supportive housing requires assembly of financing from a great variety of resources, many from government agencies. Local sources of development support include the City of Milwaukee (HOME, CDBG, Milwaukee Housing Trust Fund, and rent vouchers from the Housing Authority of the City of Milwaukee); Milwaukee County (HOME, CDBG, Affordable Housing Initiative and rent vouchers from Milwaukee County Housing Authority); and the Milwaukee Continuum of Care (a variety of HUD programs).

At present, each of these development funding sources has its own application process and deadlines. The complexity of this process acts as a barrier to housing development because it increases risk, reduces certainty, lengthens development schedules and increase development costs.

The many local agencies that administer affordable housing resources should work together to create a coordinated application process and common deadlines for locallycontrolled resources. In 2007, the Continuum of Care changed its application process to make their preliminary selections of permanent projects prior to the application deadline for

Low Income Housing Tax Credits. This creative approach can serve as a model to other local agencies tapped for supportive housing development resources.

Implementation: Upon its establishment, the SNDC will work with representatives of the three public entities to examine the potential for and logistics of modifying the schedules to accomplish the intent of this recommendation. Schedule changes that can be made administratively will be implemented as soon as practical, but no later than December 31, 2007. Schedule changes requiring action by the entities' governing bodies will be drafted as resolutions and submitted to those bodies for their disposition before December 31, 2007.

5. The Action Team recommends that the Mayor and County Executive convene the community's philanthropic leadership to discuss the report and what role private philanthropy has played and can continue to play in addressing the major issues of supportive housing as identified in this report.

Private philanthropy has been an important resource for programs serving the homeless and persons with special needs, particularly in support of demonstration projects and innovative programs. It may also provide an additional independent voice on behalf of persons with special needs and advocacy for adequate and appropriate housing options and help identify best practices and model programs from around the country. The meeting should identify both "targets of opportunity", i.e., specific projects, and a longer-term framework to support sustainable housing for those with special needs.

Implementation: The meeting will take place before September 30, 2007. Conclusions and recommendations, if any, will be communicated promptly to the appropriate individuals and organizations.

6. The Action Team recommends that the City of Milwaukee, Milwaukee County, the Milwaukee area philanthropic community and CoC members equally share an administrative support budget for the CoC that equals 2.0% of the annual HUD request.

Currently, the Milwaukee CoC has an operating budget of \$90,000; this represents 0.9% of the 2006 HUD request (Supportive Housing Program and Shelter + Care) of \$9,778,707. Funding is provided through the City of Milwaukee Community Development Block Grant, Milwaukee County, foundation support, and an assessment on organizations that are HUD grantees. This current level of funding is not sufficient to adequately staff the CoC year-round and manage the annual HUD Exhibit 1 preparation and competitive application process.

A level of support equal to 2.0% of the annual HUD request, apportioned among the current funding entities consistent with current allocations for this purpose, would provide \$195,574 with which to staff the Continuum. This amount will fully support its working committees, provide technical assistance to improve the performance of individual supportive housing projects and the Continuum as a whole, coordinate the Continuum's activities with other entities, support additional grant-writing activities, and insure consistently high-level performance in the national HUD competition.

Implementation: Upon adoption of this recommendation and the final report, the Co-Chairs of the Action Team will send a letter to the funding entities, including the three foundations represented on the Action Team, requesting the apportioned amounts of funding from each.

7. The Action Team recommends that the Mayor and the County Executive jointly ask the WHEDA Executive Director to appoint a developer specializing in supportive housing to WHEDA's Qualified Allocation Plan (QAP) Advisory Committee.

Every two years, WHEDA writes a Qualified Allocation Plan (QAP) that spells out the process by which Federal Low-Income Housing Tax Credits (LIHTC) will be awarded to projects. These tax credits are a critical component of the financing mix for many new affordable housing developments, especially those that serve special needs populations. The QAP establishes a scoring system for tax credit applications, evaluating criteria such as project location, project characteristics, tenant populations and sponsor characteristics. The QAP also delineates the dollar value of "set-asides" for projects in specified categories (such as projects developed by non-profit organizations). WHEDA has established an Advisory Committee that provides public input to the QAP.

Successful special needs housing deals are typically more complex than other affordable housing deals. To ensure that the scoring and set-asides in the QAP fairly consider the particular needs of such projects, it is important that experts who are intimately familiar with the demands of supportive housing development have a voice in the creation of the QAP.

Implementation: The recommendation has been implemented. A letter to this effect was prepared and sent in May 2007.

- 8. The Action Team recommends that the Mayor and the County Executive submit the following suggestions for WHEDA's QAP Advisory Committee consideration:
 - a) Create a specific set-aside of annual tax credits for proposals addressing special needs housing;
 - b) Establish an additional scoring category (or points) for written confirmation from local governments that a special needs housing proposal addresses the <u>top priority</u> housing need of the local community;
 - c) Restructure current project scoring categories so that special needs housing proposals, which carry the extra cost burden of providing on-site services, may be more competitive
 - d) Seek an alternative to local government or HUD fund commitment letters, such as letters of intent prior to official public action, for the purpose of verifying the feasibility of special needs housing projects.

These recommendations seek to correct structural impediments in the WHEDA application process which leave special needs housing projects at a competitive disadvantage relative to others. For example, "Category 6" of the WHEDA review criteria restricts points to all projects receiving HUD Section 8 rental assistance because of WHEDA's policy that the subsidy already renders the housing "affordable," and therefore the project does not have as great a need for tax credits. Yet, special needs housing costs much more to operate than standard rental housing due to the supportive services required for the population; and tenants with special needs typically have the lowest of income. "Category 11" requires written financial *commitment* of participation from other sources of funds such as HUD, cities or counties be included with the tax credit application. Yet, the timing for final governmental decisions on annual budgets is often incompatible with WHEDA's tax credit application submittal date.

Implementation: A letter outlining the items suggested in this recommendation will be drafted, signed by the Mayor and County Executive, and sent to WHEDA not later than 60 days following the issuance of this final report.

9. The Action Team urges Governor Doyle to support creation of a state low-income housing tax credit, to be used exclusively to support development of supportive housing.

The Federal Low Income Housing Tax Credit is the nation's most important resource to create affordable housing. Nationwide, use of the credit has resulted in development of more than 1.4 million units since the credit was authorized by Congress.

The competition for federal Low Income Housing Tax Credits is keen in Wisconsin. In 2007, developers sought credits to develop about 2,800 units of affordable housing, but credits were available to support the construction of less than 1,500 units. Because the credits are such a significant source of equity financing for affordable housing development, projects that fail to receive an allocation, or receive far less in credits than needed, often cannot proceed.

Recognizing the need to provide additional resources to make development of affordable housing financially viable, a number of states, including Illinois, Missouri, Massachusetts, and New York, have created state low-income housing tax credit programs to supplement the federal LIHTC. Some states award State credits only to projects that receive or apply for Federal credits. State housing agencies that award Federal credits often have responsibility for awarding state credits as well.

The Action Team urges the State of Wisconsin to follow the lead of these states by establishing a state low income housing tax credit, dedicated exclusively for supportive housing development. Creation of a state tax credit would provide an ongoing source of equity financing for supportive housing projects outside the highly competitive environment of the federal tax credits. We recommend that WHEDA be given the responsibility to develop and administer the state tax credit program.

Implementation: Within 60 days following adoption of this report, the Mayor and the County Executive will submit resolutions to their legislative bodies calling for their support for state legislation to this effect.

10. The Action Team recommends that the Mayor and the County Executive jointly nominate an individual with knowledge of the development and operation of supportive housing for membership in the Community Investment Advisory Council of the Federal Home Loan Bank of Chicago.

The Affordable Housing Program operated by the Federal Home Loan Bank of Chicago provides grants for affordable housing development in Wisconsin and Illinois. A Community Investment Advisory Council advises the Bank on the operation of the Affordable Housing Program, including the criteria used to score applications. An individual who represents supportive housing interests will be in a position to ensure that grant scoring criteria are responsive to the unique structure of supportive housing developments.

Implementation: Within 60 days of the adoption of this report, the Mayor and County Executive will identify an individual for nomination to the Community Investment Advisory Council and submit the nomination form. Nominations are accepted September 1 through October 23, 2007.

11. The Action Team recommends that the Governor, the Legislature and the federal government work in partnership with the City and County of Milwaukee to adequately fund treatment and support services to people with mental illness, and commit sufficient state fiscal resources to enable the county to both meet and sustain its existing responsibilities, and to meet new responsibilities for site-based case management in new special needs housing units.

The State of Wisconsin has the primary responsibility for funding the human services it mandates counties to provide. The county has **n**either sufficient nor appropriate fiscal resources to meet the existing need for housing and support services which are critical to the ability of individuals with mental illnesses to live independently in the community. Yet, without adequately funded support services, housing initiatives designed to address the special needs of this population will fail. State government must increase its commitment of fiscal resources to ensure that these needs can be met.

In particular, state government must do its share to provide sufficient fiscal resources to fund the site-based case management approach in new special needs housing units that is advocated in this report. That approach likely will require an increase in annual case management funding as additional units are constructed and a broader and more effective means of providing case management to BHD clients in new and existing housing units is implemented. The county cannot and should not accommodate that increase solely with local property tax dollars.

In fairness to the State, it too has suffered from federal human services mandates that have not been accompanied by increases in Social Services Block Grant and Medicaid funding. The federal government also should be called upon to increase its support for mandated human services programs.

Implementation: Within 90 days following adoption of this report, the Mayor and the County Executive will submit resolutions to their legislative bodies calling for their support for state and Federal budget action to this effect.

Appendix I (cont'd)

Members

Tim Beaudoin, Mental health services consumer Tom Brophy, Chairman, Milwaukee Continuum of Care Supv. Lynne DeBruin, Milwaukee County Board Kathryn Dunn, Community Investment Officer, Helen Bader Foundation, Inc. Scott Gelzer, Executive Director, Faye McBeath Foundation Sr. Lucina Halbur, President and CEO, SET Ministries Peter Hoeffel, Milwaukee Mental Health Task Force Paula John, Vice President, AMS Fund Adam Kroshus, Wisconsin Housing and Economic Development Authority Cheryl Lofton, Wisconsin Department of Health and Family Services Jim Marks, Vice President and Program Director, Milwaukee Foundation Lynn Oehlke, President and CEO, St. Catherine Residence Tony Perez, Executive Director, Housing Authority of the City of Milwaukee Connie Pukaite, Retired WHEDA Program Coordinator, former mayor of Mequon Leo Ries, Program Director, Local Initiatives Support Corporation (Milwaukee office) Dr. Lucille Rosenberg, retired psychiatrist James Tarantino, Owner, Tarantino and Co. Julia Taylor, President, Greater Milwaukee Committee

Jerry Tepper, Mayor, City of Glendale, representing the Intergovernmental Cooperation Council

Appendix I (cont'd)

Staff

Judy Allen, Milwaukee Department of City Development Martha Brown, Milwaukee Department of City Development Judy Feierstein, Milwaukee County Department of Health and Human Services Rob Henken, Milwaukee County Department of Administrative Services Jim Hill, Milwaukee County Behavioral Health Division Jim Mathy, Milwaukee County Behavioral Health Division

Appendix II

Glossary of Abbreviations Used in This Report

ANET A homelessness prevention and outreach program developed by Milwaukee County's Disabilities Services Division and funded by the U.S. Department of Housing and Urban Development (HUD).

BHD The Milwaukee County Behavioral Health Division. A public entity under the Milwaukee County Department of Health and Human Services (DHHS) responsible for providing a wide range of mental health and substance abuse services to Milwaukee County residents.

CBRF Community-Based Residential Facility. A housing unit of typically 4-8 unrelated disabled residents who receive intensive clinical and therapeutic support services and assistance with daily living tasks. Sometimes called a "group home."

CDBG Community Development Block Grant. A federally funded program providing financial assistance for a wide range of activities designed to promote community and neighborhood development.

CoC Continuum of Care. A HUD-mandated, unincorporated coalition comprised of representatives of government, non-profit organizations, funding sources, advocacy groups, consumers, and other interest groups responsible for coordinating the HUD-funded homeless services system in Milwaukee County.

CSH Commission on Supportive Housing. The proposed name of the entity recommended in this report to be created to coordinate efforts to develop safe, decent and affordable housing with on-site support services.

CSP Community Support Program. A level of community-based care provided to persons with mental illnesses who require intensive clinical intervention and support in order to live independently in the community.

- **DCD** The Department of City Development. A public agency of the city of Milwaukee responsible for promoting neighborhood and community social and economic development.
- **HACM** The Housing Authority of the City of Milwaukee. A federally funded public entity (see PHA below) responsible for the development and management of affordable housing and related housing programs for low-income residents of the city of Milwaukee.

Appendix II, (cont'd)

HOME The HOME Investment Partnerships Program. A HUD-funded and sponsored program to promote development of affordable housing through partnerships between State and local governments, public housing authorities, and nonprofit organizations.

HUD U.S. Department of Housing and Urban Development. An agency of the federal government whose mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination.

LIHTC Low Income Housing Tax Credit. A federal (and sometimes state) income tax incentive that is designed to attract equity capital for investment in rent restricted affordable housing.

NOFA Notice of Funding Availability. An official notice issued by a government agency announcing the availability of funds, and the project and criteria necessary for applicants to be considered eligible for award.

PHA Public Housing Authority. A federally authorized public entity responsible for the development and management of affordable housing and related housing programs for low-income residents of a municipality or region.

QAP Qualified Allocation Plan. The process and criteria by which federal Low-Income Housing Tax Credits (LIHTC) will be awarded to qualifying projects.

SAIL Service Access to Independent Living. The section of the Milwaukee County BHD which evaluates and determines the service needs of individuals with mental illnesses that will enable them to live independently and successfully in the community

SHDC Supportive Housing Development Committee. The name of the city-county entity recommended to be created in this report to provide staff-level technical assistance, advice, recommendations and coordination of resources to assist in the efficient development of supported housing for individuals in Milwaukee County.

TCM Targeted Case Management. A level of community-based assistance provided to persons with mental illnesses who do not require intensive clinical intervention but who can benefit from assistance with daily living skills in order to live independently in the community (compare CSP above)

WHEDA Wisconsin Housing and Economic Development Authority. An independent state finance authority that works through a network of Wisconsin lending institutions to provide low-cost financing for housing and economic development.

<u>Appendix III</u>

A Brief Description of HUD Programs Referenced in or Relevant to This Report

McKinney-Vento Homeless Assistance Act. A law passed by the Congress in 1987 that, among other things, created a number of programs focused specifically on ending homelessness, including the HUD programs listed below (except for HOPWA). See also **NOTE** below.

Emergency Shelter Grant Program (ESG). A non-competitive, formula-funded federal grant program designed to help improve the quality of existing emergency shelters for the homeless, to make available additional shelters, to meet the costs of operating shelters, to provide essential social services to homeless individuals, and to help prevent homelessness. Provided to cities, counties and the state if qualified.

Housing Opportunițies for Persons with AIDS (HOPWA). A federal grant program with funding available both through formula and competitively. Funds may be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds also may be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services.

Shelter Plus Care Program (S+C). Provides grants for rental assistance for homeless persons with disabilities through four component programs: Tenant, Sponsor, Project, and Single Room Occupancy (SRO) Rental Assistance. Competitive via NOFA.

Single Room Occupancy Program (SRO). Rental assistance within the Section 8 program specifically provided on behalf of homeless individuals in connection with moderate rehabilitation of SRO dwellings. Competitive via NOFA.

Supportive Housing Program (SHP). Provides housing, including housing units and group quarters, that has a supportive environment and includes a planned service component. Includes transitional housing and permanent housing for the handicapped. Competitive via NOFA (see definition, Appendix II).

NOTE: Persons with mental illness who live in substandard housing are, generally speaking, ineligible for HUD housing assistance programs administered through the local Continuum of Care because such individuals are not considered "homeless" under the federal definition of "homelessness."

Mayor to cut aid in 2008 to Housing Trust Fund

Barrett plans to put in \$400,000 instead of expected \$2 million

By GEORGIA PABST

gpabst@journalsentinel.com

The Housing Trust Fund was expecting \$2 million from the City of Milwaukee in the 2008 budget to help build affordable housing, but Mayor Tom Barrett said he expects to put \$400,000 into the fund, a move that's drawn fire from the trust fund coalition.

"Milwaukee Housing Trust Fund on Death's Bed" reads a flier denouncing the lower-than-expected allocation the coalition says will put "100 jobs and 100 affordable housing units in jeopardy." The coalition is urging a write-in campaign to try to get Barrett to increase the funding.

He met with members of the housing trust fund coalition last week to explain his position and to hear their complaints.

Barrett said the housing trust fund, which was created last year, was funded with \$2.5 million in general obligation bonds that have not yet been spent. So far, the city hasn't received any proposals for projects, he said.

"Honestly, I'm surprised and dis-

appointed by the reaction because we've issued \$2.5 million in bonding authority this year with the understanding it would be matched," Barrett said Monday. "Our frustration is, where is everybody else?"

He noted other failed housing initiatives in the city and said he is "determined to invest resources wisely." He was referring to a string of non-profit housing groups including Walker's Point, East Side Housing Action and others that failed.

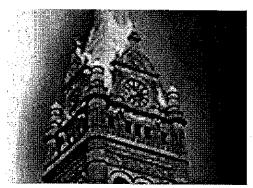
With threatened cuts in state revenue, the city will be forced to make cuts in the public library and Health and Fire departments, and the housing trust fund is the largest new program in the budget, Barrett said.

Marcus White, executive director of the Interfaith Conference of Greater Milwaukee, which provides staff for the coalition, said a \$2 million allocation was expected in 2008 under the legislation that created the trust fund. The money would come from additional revenue from Potawatomi Bingo Casino and from money from closed tax incremental financing districts, he said.

But in an opinion requested by Barrett, City Attorney Grant Langley said funding for the housing trust fund is subject to the normal budget and appropriation process.

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EXHIBIT



APPLICATION FOR FUNDING FY2007

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APPLICATION FOR FUNDING FY2007

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund services that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

FUNDING GUIDELINES

- A <u>minimum</u> of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A <u>minimum</u> of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

HOUSING TRUST FUND ACTIVITIES MUST OCCUR IN THE CITY OF MILWAUKEE

REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF MILWAUKEE WILL BE REJECTED

City of Milwaukee Housing Trust Fund Application Page 2 of 20 Revised May 2007



APPLICATION FOR FUNDING FY2007

Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Funds may not be used as the primary source of funds for any project.

ELIGIBLE APPLICANTS

- 1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.
- 2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

AFFORDABILITY REQUREMENTS

- 1. <u>Rental Housing:</u> Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
- 2. <u>Owner-Occupied Housing and Homeownership:</u> Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

Housing Trust Fund dollars are available for home-buying counseling. Homebuyer counseling agencies must demonstrate that they serve low- and moderate-income clients. In addition, any organization that receives Housing Trust Fund money for this purpose must demonstrate that it has the ability to assist disabled individuals (e.g., the location is accessible and the organization offers translation services, materials in Braille, etc.).

3. <u>Housing and Services for the Homeless</u>: All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.

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APPLICATION FOR FUNDING FY2007

INCOME ELIGIBLITY

1. <u>Owner-Occupied Housing</u>: Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are based on the CMI and are subject to change annually.

2. <u>Rental Housing and Housing for the Homeless:</u> Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income.

Please refer to Attachment A for current Housing Trust Fund income limits

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

Please refer to Attachment C for a detailed description of application scoring measures.

City of Milwaukee Housing Trust Fund Application



APPLICATION FOR FUNDING FY2007

OTHER REQUIREMENMTS

The following accessibility standards apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.
- The design principles of any one of the following:
 - 1. Aging in place
 - 2. Universal design
 - 3. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.
- For new housing units in one- to three-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:
 - 1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
 - 2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
 - 3. Powder room (half bath) on the main-level floor that has:
 - i. A doorway entrance with a minimum 32" clear passage opening;
 - ii. Sufficient space to close the entrance door while the room is occupied;
 - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.
- Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

City of Milwaukee Housing Trust Fund Application



APPLICATION FOR FUNDING FY2007

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding*.

Completed applications and required attachments must be received at the Community Development Grants Administration office <u>no later than (TIME)</u> on (DATE). No extensions will be granted. Submit the original and fifteen (15) copies to:

> Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647. Your application will begin when your complete application has been received, including all items indicated below:

- A fully completed application. If a question does not apply, indicate this on the application.
- Applicants should include audited financial statements for three years, if in existence for less than three years, all statements received to date (balance sheets, cash flow statements, and profit and loss statements). For special limited purpose corporations, the supporting organization's statements.
- Tax returns for three years (Individual 1040, Corporate 1120, Form 990, and Partnership 1065).
- Project or Business plan
- Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- Market analysis for projects containing twelve or more residential units.
- Resumes and qualifications of the development team.
- Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- A minimum 5-year projected pro-forma
- An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- Post rehabilitation or new construction appraisal

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APPLICATION FOR FUNDING FY2007

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding will be notified by mail within 30 days of Common Council action.

In addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

<u>CITY ATTORNEY TO PROVIDE LANGUAGE REGARDING ALL AWARDS SUBJECT TO</u> NEGOTIATION ON FINAL TERMS.

City of Milwaukee Housing Trust Fund Application Page 7 of 20 Revised May 2007



APPLICATION FOR FUNDING FY2007

Organization Name:		
Organization Address:	City	Zip
Contact Person:	Title	
Telephone Number:	Fax:	
E-Mail:	FEIN	· · · · · · · · · · · · · · · · · · ·
		•

Indicate the amount requested in the appropriate category below. <u>Please submit a separate application</u> for each category being requested.

Activity	2007 Funds Available	Amount Requested		
Homelessness	\$625,000			
- Rehabilitation of Existing Facility		\$		
- New Construction of Facility		\$		
- Provide Supportive Services		\$		
Rental Housing	\$875,000			
- Rehabilitation of Existing Structure				
- New Construction		\$		
Home Ownership	\$625,000			
- Rehabilitation of Existing Structure(s)				
- New Construction		\$		
- Owner-Occupied Rehabilitation		\$		
Homebuyer Counseling Services		\$		
Post-Purchase Counseling Services		\$		
Qther Needs as Identified	\$375,000) S		
TOTAL) \$		
Indicate the percentage and amount of HTF funds requested that will % \$				
be used to fund accessibility improvements or modifications. \rightarrow $-\frac{70}{2}$				

<u>Proposals must be authorized and signed by the Chief Executive Officer -AND- an official of the Board of Directors.</u>

Signature:	Date:	· · ·
Printed Name:	Title:	
Signature:	Date:	
City of Milwaukee Housing Trust Fund Application		Page 8 of 20 Revised May 2007



APPLICATION FOR FUNDING FY2007

Printed Name:

Title:

PART I: PROJECT DESCRIPTION

1. <u>Describe the Project</u>: Briefly identify the project location and the specific activity to be completed.

a. If project involves construction or rehabilitation, please attach photos of the site and sketches or drawings of the proposed project.

Photos and/or sketches are attached

Project does not involve construction or rehabilitation

b. If the project involves the provision of services, briefly describe the specific services to be provided.

· · · · · ·

Project does not involve the provision of supportive services

- 2. Households/Clients Served: Briefly describe the specific population to be served, including target income level and special needs populations, as applicable.
- 3. Indicate the unduplicated number of units/household to be served

City of Milwaukee Housing Trust Fund Application Page 9 of 20 Revised May 2007



APPLICATION FOR FUNDING FY2007

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City of Milwaukee Housing Trust Fund Application Page 10 of 20 Revised May 2007



APPLICATION FOR FUNDING FY2007

PART II: PROJECT TIMELINE

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

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	MONTH		EVENT(S)
	· · ·		
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City of Milwaukee Housing Trust Fund Application

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CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING FY2007

PART III: PROJECT SITE CONTROL, ZONING, & ENVIRONMENTAL ISSUES

1.	Site Control is in the form of:
•	Deed
	Purchase Agreement
	Option (Expiration Date)
	Other
	a. Please Attach Written Documentation of Site Control
2.	Site is currently zoned:
	a. Please Attach Written Verification of Zoning Designation
3.	Is the zoning appropriate for your project?
	Yes No
	If no, is rezoning currently in process and when is it anticipated that this issue will be resolved?
	Date
4.	Describe what, if any, Environmental Assessment activities have been conducted.
	a. Please attach a copy of any environmental findings/reports received.
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City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

PART IV: PROJECT FINANCING

1.	Please Attach the Following Items		
	 Sources and Uses of all funds Development Budget Project 5-Year Pro-Forma Cash Flow Statement 		
2.	Please describe the specific use of Hous	sing Trust Fund dollars (i.e.:	
	·····		
	· · · · · · · · · · · · · · · · · · ·		
		· · · · · · · · · · · · · · · · · · ·	
3.	Has the project secured a firm commit	ment from a construction lender?	
•	Yes No		
4.	Has the project received a conditional	commitment from a construction lender?	
-	Yes No		
5.		attach written verification of any commitments hitments, provide the name of the lender you are	
	Lender Name	Phone number	
	Contact Person	· · · · · · · · · · · · · · · · · · ·	
	Address		
	Commitment Amount \$	Rate/Term	
City	of Milwaukee	Page 13 of 20	

Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

6. Identify the project total amount of other funds (private and/or public) that would be leveraged by the Housing Trust Fund dollars?

Funding Source	Amount Leveraged				
	\$				
	\$				
	\$				
	\$				
	\$				
	\$				
TOTAL FUNDS LEVERAGED	\$				

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City of Milwaukee Housing Trust Fund Application



1.

CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING FY2007

PART V: CAPACITY AND EXPERTISE

Has your agency previously undertaken this type of project before? Yes No If yes, identify the three most recent projects completed: a. Identify the staff responsible to complete the project and indicate any experience 2. specifically related to this project DO NOT WRITE BELOW For City of Milwaukee HTF Use Only Reviewer's Comments: Score:

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

PART VI: FURTHERANCE OF HOUSING TRUST FUND GOALS

1. Describe the accessibility improvements or modifications that will be included as a part of this project:

.

(years)

· .

·

2. Explain how this project serves the lowest-income segment of the population:

.

3. Does the project affordability period exceed the minimum period required by the Housing Trust Fund (please refer to page 3)?

_____ Yes _____ No

Affordability Period Required by HTF: _____ (years)

Affordability Period Proposed for Project:

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

3. Will this project utilize workers from the neighborhood and/or give priority to emerging business enterprise contractors?

Yes	No

a. If yes, please describe:

4. Does this project encourage neighborhood diversity and increase housing choices within the neighborhood?

_ Yes ____ No

a. If yes, please describe:

5. Will this project utilize green building principles?

Yes No

a. If yes, please describe:

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

6. Will this project coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies?

Yes No If yes, please describe: a. Will this project facilitate the movement of persons from institutions into the community? 7. Yes No If yes, please describe: a. Will the project use contractors who pay family-supporting wages for all workers on the 8. project (family supporting wages are defined as \$8.25 per hour)? Yes Ňo If yes, please describe: a.

City of Milwaukee Housing Trust Fund Application Page 18 of 20 Revised May 2007



APPLICATION FOR FUNDING FY2007

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City of Milwaukee Housing Trust Fund Application Page 19 of 20 Revised May 2007



APPLICATION FOR FUNDING FY2007

PROPOSAL CHECKLIST - YEAR 2007

Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office <u>no later than</u> <u>(TIME)</u> on <u>(DATE)</u>. No extensions will be granted.

Submit the original and fifteen (15) copies to:

Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Faxed or electronic applications will not be accepted. <u>All proposals received after the closing date noted</u> above will be returned to the applicant without review.

PLEASE BE CERTAIN TO

> Complete and submit 1 original and 15 unbound copies of all documents:

- > Attach all required supporting documentation as requested in the application.
- If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will be discarded.

If your Application is funded, some additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.

City of Milwaukee Housing Trust Fund Application Page 20 of 20 Revised May 2007 ATTACHMENT A

CITY OF MILWAUKEE HOUSING TRUST FUND INCOME LIMITS - 2007

Tranno Taval	A nuliashilit				Household Size	old Size			
	Application	1	2	3	4	ŝ	9	7	×
50% of CMI	Rental and/or Homeless Housing Projects (Any Amount of HTF Assistance)	23,500	26,900	30,250	33,600	36,300	39,000	41,650	44,350
65% of CMI	Owner-Occupied Housing - Substantial Projects (HTF Assistance More than \$5,000)	30,562	34,960	39,325	43,677	47,182	50,687	54,147	57,652
100% of CMI	Owner-Occupied Housing - Modest Projects Including Acquisition & Rehabilitation, Acquisition, New Construction or Rehabilitation of Owner-Occupied Housing (HTF Assistance is \$5,000 or less)	47,063	53,750	60,500	67,188	72,563	77,938	83,313	88,688

1. Income Limits are based on the HUD HOME Program Limits and are subject to change annually.

ATTACHMENT B

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CITY OF MILWAUKEE HOUSING TRUST FUND RENT LIMITS AND UTILITY ALLOWANCE SCHEDULE - 2007

<u> </u>	1	- v										1				<u> </u>		
	6BD		\$95	\$217	\$116	\$22 \$51	\$40	\$40		\$11	\$13	\$36	\$12	\$1	\$2		\$7	\$10
re Units	5BD	\$1,083	\$83	\$190	\$102	\$19 \$46	\$36	\$37		\$10	\$12	\$33	\$12	\$1	\$2		\$7	\$10
e or Mo	4BD	\$942	\$73	\$164	\$88	\$16 \$40	\$32	\$34		\$9	\$ 11	\$31	\$12	\$1	\$2		\$7	\$10
PE: Thre	<u>3BD</u>	\$915	\$61	\$139	\$76	\$15 \$34	\$28	\$31		\$8	\$10	\$28	\$12	\$1	\$2		£\$	\$10
BUILDING TYPE: Three or More Units	<u>2BD</u>	\$726	\$50	\$113	\$62	\$12 \$28	\$23	\$28		\$7	\$9	\$18	\$12	\$1	\$2		\$7	\$10
BUILL	<u>1BD</u>	\$608	\$31	\$69	\$38	\$10 \$23	\$18	\$22		\$6	\$7	\$ 16	\$12	\$1	\$2		\$7	\$10
	0BD	\$ 510	\$25	\$56	\$31	\$8 \$20	\$14	\$15		\$5	\$5	\$16	\$12	\$1	\$2		\$7	\$10
	<u>(BD</u>	\$1,225	, \$103	\$234	\$125	\$22 \$51	\$40	\$40		\$11	\$13	\$36	\$12	\$1	12		\$7	\$10
	5BD	\$1,083	\$90	\$206	\$111	\$19 \$46	\$36	\$37		\$10	\$12	\$33	\$12	\$1	5		\$7	\$10
Duplex	4 BD	\$942	\$79	\$177	\$95	\$16 \$40	\$32	\$34		\$9	\$11	\$31	\$12	\$1	\$2		57	\$10
G TYPE:	<u>3BD</u>	\$915	\$66	\$151	\$82	\$15 \$34	\$28	\$31		88	\$10	\$28	\$12	\$1	\$2		\$7	\$10
BUILDING TYPE: Duplex	2BD	\$726	\$54	\$ 122	\$67	\$12 \$28	\$23	\$28		23	\$9	\$18	\$12	\$1	\$2		\$7	\$10
	<u>1BD</u>	\$608	\$33	\$74	\$41	\$10 \$23	\$18	\$22		\$6	\$7	\$16	\$12	\$1	\$2		\$7	\$10
	0BD	\$510	\$27	\$ 61	\$33	\$20 \$20	\$14	\$15		\$5	\$5	\$16	\$12	\$1	\$2		\$7	\$10
	6BD	\$1,225	\$110	\$252	\$135	\$22 \$51	\$40	\$40		\$11	\$13	\$36	\$12	\$1	\$2		\$7	\$10
	<u>5BD</u>	\$1,083	\$97	\$221	\$119	\$19 \$46	\$36	\$37		\$10	\$12	\$33	\$12	\$ 1	\$2		\$1	\$10
	<u>4BD</u>	\$942	\$85	\$191	\$102	\$16 \$40	\$32	\$34		\$9	\$11	\$31	\$12	\$1	\$2		\$7	\$10
l Single	3BD	S 915	\$71	\$162	\$88	\$15 \$34	\$28	\$31		85	\$10	\$28	\$12	\$1	\$2		\$7	\$10
Detachec	2BD	\$726	\$58	\$131	\$72	\$12 \$28	\$23	\$28		\$7	6\$	\$18	\$12	\$ 1	\$2		\$7	\$10
BUILDING TYPE: Detached Single	1BD	\$608	\$36	\$80	\$44	\$10 \$23	\$18	\$22		\$6	\$7	\$16	\$12	1\$	\$ 2		\$7	\$10
BUILDIN	0BD	\$510	\$29	\$66	\$36	\$8 \$20	\$14	\$15		\$5	\$5	\$16	\$12	\$1	\$2	<u> </u>	\$7	\$10
	BEDROOM SIZE:	Maximum allowable rent if all following utilities are paid by Landlord	1. <u>HEATING</u> Gas	Oil	Electric	2. WATER HEATING Gas Oil	Electric	3. LIGHTING/ REFRIGERATION	4. COOKING	Gas	Electric	5. WATER & SEWER	<u>TRASH</u> /\$NOW&ICE	6. STOVE	7. REFRIGERATOR	8. FIXED CHARGES	Electric	Gas

<u>Note:</u> 1. Rent Limits are based on the HUD Low HOME Rent Limits and are subject to change annually. 2. Utility allowances determined by HACM and are subject to change annually

ATTACHMENT C

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

	Max 100 P	Scale(a)
·	Point	Max
	Range	Points
Leveraged Dollars are less than 3% of total project cost	15	15
HTF dollars account for 3 - 5% of total project cost	13	
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	
Income Targets Please Use Attached Chart		15
# of units with residents up to 50% of income target	15	10
# 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	oni logicophicica
# of units with residents between 86% to 100% of income target	3	
Afforda bility Period	52 N 10 10 15	CTN 209 CT 10
Meets HTF Affordability Period (Required - Zero Points)	0	y agus guictorea
Exceeds HTF Affordability Period by 25%	2	
Exceeds HTF Affordability Period by 50%	5	A CONTRACTOR
Exceeds HTF Affordability Period by 75%	8	
Exceeds HTF Affordability Period by 100% or more	10	
Use of City of Milwankce (resident) workers (Total Broject)		5
Less Than 18% Milwaukee (resident) workers	-5	udu sə ətəsit
18% Milwaukee (resident) workers	1	
24% Milwaukee (resident) workers	2	one controlesso
30% Milwankee (resident) workers	3	
36% Milwaukee (resident) workers	4	00104016010
More than 36% Milwaukee (resident) workers	5	
Use of City, County, or State EBE (Total Project)		
Less Than 18%	5	
18% EBE	1	
24% EBE	2	
30% EBE	3	4 J. 5 P. 10 S. 6 S. 6 J.
36% EBE	4	
More than 36% EBE	5	
Neighborhood-Diversity		
Project Increase neighborhood diversity in housing choices	5	n sida kogdaaja
Green Building Principles of Building Sciences and Scienc	- I	
Project Utilizes Green building Principles	5	
Coordination with Community Institutions	-	5
Project is Coordinated with Community Institutions	5	
Community integration	-1	5
Move persons from institutions to community	-	hodol (dokening)
Family Supporting Wages (applies to entire project) addentation and an and a second se		
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)	
Experience and an	2000	
Agency experience with same type/similar project	5	minadici nach
Staff experience with same type/similar project		-
Accessibility improvements or modifications		5
Meets Minimum Standards		ni u Stateni
Exceeds Minimum Standards	5	antes entre statute
Service Partners (b) as standard and a service standard stand Standard standard st		3 1911 - 1911 - 1911 - 1911 - 1911 - 1911 - 1911 - 1911 - 1911 - 1911 - 1911 - 1911 - 1911 - 1911 - 1911 - 1911
Provision of services on site w/out use of HTF \$		
Construction Financing	اء	5
Construction Loan is Firmly Committed	5	
Construction Loan is Conditionally Committed	2	
Construction Loan is not Identified		nen filligi si della da la composicio della da la composicio della da la composicio della da la composicio della
Proposal Meets Community Neells (Subjective)	0.15	
TBD by Reviewer	0-15	100
Total Points		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

INCOME TAR	GETING TABLE						
		100	% CMI	65%	6 CMI	50%	CMI
CMI %	Rating Points	67,200		43,680		33,600	
Up to 50%	15	1.00	33,600	1.00	21,840	1.00	16,800
51% to 70%	12	33,601	47,040	21,841	30,576	16,801	23,520
71% to 75%	9	47,041	50,400	30, 5 77	32,760	23,521	25,200
76% to 85%	6	50,401	57,120	32,761	37,128	25,201	28,560
86% to 100%	3	57,121	67,200	37,129	43,680	28,561	33,600

UNIT FORMULA TABLE

						•								
	Jp to 50	%¦of	Target	51% 1	to 70%	of Target	71% to	75%	of Target	76%	to 85%	of Target	Athre	larget
	1	5	В		12	В		9	В		6	В	3	В
			Α			А			Α			А		Α
A	A = Total Units													
В	B = Units meeting HTF Income Targets													

Step 1: Determine which HTF income target your project fails under (100% CMI, 65% CMI or 50% CMI)

Step 2: Using the INCOME TARGETING TABLE, Identify the Income level which is appropriate for your project

Step 3: Locate the Rating Points associated with the income target for your project (15, 12, 9, etc)

Step 4: Using the Rating Points Identified in step 3, locate the appropriate formula set to use in the UNIT FORMULA TABLE

Step 5: Using the UNIT FORMULA TABLE, place the number of units meeting the project income target Identified In step 2 as the Numerator (B).

Step 6: Place the Total Number of units as the Denominator (A).

Step 7: Run the calculation to determine the appropriate number of points awarded for this section.

Example:

1. Project is in the 50% CMi category

2. Project will have 50 units of which 25 are for individuals making at or around \$22,000/yr

3. The above two facts results in the project being given 9 rating points.

Calculation: 12 * 25

50 = 12 * 0.5 or 6 points.

- 7. **Method of payment.** Requests for Disbursement of Funds. The HTF operates on a reimbursement basis. All claimed costs must be pald before submission of reimbursement requests. Any act(s) of non-compliance will require the entire amount of HTF subsidy to be repaid to the HTF account. The CONTRACTOR may not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs as determined by the HTFAB. Compensation and/or reimbursement for services required under this Contract shall be contingent upon each activity being reviewed for approval by the CDGA approving officer.
- 8. **Contract Extensions.** The HTFAB may recommend that ZND consider contract extensions based on the following criteria:
 - 1. Groups which received funds out of cycle to finance individual programs as they are approved by Common Council Resolution. An extension will allow the project to operate at a full 12 month period.
 - 2. Groups which have met productivity goals and have extenuating circumstances.
 - 3. All work has been completed but final payment must be made.
 - 4. To pay a specific outstanding commitment or obligation which has been <u>encumbered</u> prior to the end of the fiscal year.

Encumbrances from previous CDBG years not liquidated by the end of the next CDBG year will be subject to review by the HTFAB/ZND.

Extension requests must be submitted to the office of Community Development Grants Administration for approval, before the start of the new program fiscal year.

- 9. Policy on changes in salary levels of HTF funded positions. Salary levels for positions within an organization. Each <u>Contractor/Employee</u> has the responsibility for establishing salary levels according to procedures defined by board of directors for that organization. However, the required minimum salary for all grant-funded positions is <u>S0.00</u> per hour, full time. In addition, if salary levels seem excessive given job duties and responsibilities, then overall grant funding may be similarly affected.
- 10. **Complaints**. The Director of the Community Development Grants Administration has the authority to hear appeals to all complaints involving administrative policies and procedures of all HTF funded programs administered by CDGA. Exceptions to administrative policies and procedures shall be granted only when in the opinion of the Director of the Community Development Grants Administration, extenuating circumstances prevented a project, an individual funded with grant funds, or a citizen from reasonably complying with the letter and intent of Administrative Policies and Procedures.

ADDITIONAL DEFINITIONS AND CRITERIA

Close Out - Expeditious payment of all costs accrued through December 31*, preparation and submittal of final cost report to CDGA, and reconciliation of any variance between budgeted and actual costs. (*Unless an extension has been authorized by ZND, or a project contract specifies a termination date other than December 31.)

ADMINISTRATIVE POLICIES AND PROCEDURES FOR THE CITY OF MILWAUKEE HOUSING TRUST FUND

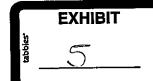
DEFINITIONS:

DRAFT ZND The City of Milwaukee Zoning, Neighborhood & Development Committee, or successor body. The City of Milwaukee Housing Trust Advisory Board HTFAB HTF As applicable, funds received by the City of Milwaukee from various sources that comprise the financing of the Housing Trust Fund. The City of Milwaukee Community Development Grants Administration. CDGA

GENERAL CRITERIA

The following criteria will apply to all projects receiving HTF funds through the Community Development Grants Administration.

- 1. Acknowledgment of HTF Funding. Contractor must acknowledge the receipt of grant funds in literature and promotional materials in one of the following manners:
 - a. Use of City of Milwaukee logo (obtainable from the City Clerk).
 - Inclusion of specific language as follows: "This project is funded in part through a City of Milwaukee Ъ. Housing Trust Fund allocation".
- 2. Equal Opportunity. Contractor shall provide equal employment and promotional opportunities to all present and prospective employees without regard to race, religion, color, age, handicap, sex, national origin, sexual orientation, marital status, creed or ancestry. A policy of equal employment opportunity shall apply to all personnel transactions, including, but not limited to, recruitment, hiring, compensation, promotion, transfer, demotion, recall from lay-off and educational opportunity. Grantees shall maintain a positive, continuing affirmative action program to eliminate barriers to employment which have had the effect, although unintentional, of denying equal employment opportunities to the above groups. Contractor shall monitor certain key indicators to measure positive progress in this area such as minority composition of staff and boards of directors.
- Non-English Speaking Clienteles. If Contractor serves a large non-English speaking population, it shall 3. demonstrate how language needs are met, either by having translation capacity available or having multilingual staff.
- Board of Directors Membership. If Contractor is a non-governmental entity, it shall maintain a board of 4. directors of not fewer than five members. The Board of Directors is to be independent and separate from the paid staff (except for the chief executive officer may serve as a board member). Board members may not profit or benefit in any manner from HTF-funding and shall be subject to City of Milwaukee Conflict of Interest regulations.
- 5. Participation by City Officials. Contractor must disclose participation of elected or appointed city officials in their organizations.
- 6. Grantees may be required to submit affirmative action reports and plans to show good faith efforts in this area. CDGA shall monitor certain key indicators to measure positive progress in this area such as minority composition of staff and boards of directors.



- 7. Funded agencies must demonstrate that they are "financially viable". In other words, the agency would be able to maintain a minimal level of program activity even without funding administered through the Community Development Grants Administration. The Zoning, Neighborhoods & Development Committee will handle this on a case-by-case basis.
- 8. Continuing projects must meet various programmatic and financial quality standards in order to receive further funding.
- 9. Reporting. The Contractor agrees to submit reports as may be required by the CITY at such times as may be scheduled for submittal as described in the contract hereto. These data-collection instruments will be a part of CDGA's monitoring and evaluation of the Contractor's activities. Reimbursement requests will be held until specific report deadlines are met.
- 10. One Year Fiscal Agency Rule. Projects with fiscal agency arrangements must be able to deal with internal accounting policies and procedures in-house. An alternative to in-house fiscal management is an alternative source of funding to pay for a continued fiscal agency arrangement. If an agency needs to extend the fiscal relationship for more than one year, due to extenuating circumstances, approval must be obtained from the Zoning, Neighborhoods & Development Committee. Evidence of fiscal autonomy shall be provided to the office of the Community Development Grants Administration.
- 11. Applicant's principal organization or business address must be listed. Post office boxes are not acceptable except for legitimate security reasons surrounding the organization and its programs. Also unacceptable are home addresses and organizations or businesses located in residences or domiciles.

FISCAL PROCEDURES

- 1. Ninety-Day Rule. An award of funds remaining 90 days after award shall be subject to revocation by the Zoning, Neighborhoods & Development Committee if the grantee has not, within ninety days of the final approval of the award, provided all documentation necessary for contract execution.
- 2. **Timely Expenditure.** If Contractor has not expended or encumbered at least sixty percent of the contract amount prior to the beginning of the tenth month of the contract term, this Contract shall be subject to full or partial termination by the Zoning, Neighborhoods & Development Committee.
- 3. Final Cost Report. The final cost report for this Contract must be filed no later than 4:00 P.M. on the fifteenth day after the end of the contract term (e.g., for January 1 December 31 contracts).
- 4. **Payment of Accrued Costs.** All accrued costs reported on the final cost report must be paid no later than the forty-fifth-day after the end of the contract term (e.g., for January 1 December 31 contracts, not later than February 15 of the succeeding year). Accrued cost is any cost incurred (goods or services ordered, in transit, or received) but not yet paid and/or recorded as such on the financial records of the project.
- 5. **Fiscal Year Close Out.** Costs submitted to the City for reimbursement after the close out date of the close of the fiscal year, CDGA is authorized to charge the amount in question to the project's current year contract.
- 6. **Recovery of Unexpended Funds**. All budget balances remaining sixty days after the end of the contract term shall revert to the HTF.

PROCUREMENT POLICIES

<u>Procurement Procedures</u>: Proper procurement procedures must be followed in order to secure any goods and services to be purchased (or reimbursed) with City funds, including the selection of contractors, suppliers and related vendors. As such, City of Milwaukee funded housing production agencies must adhere to the following procurement procedures:

- 1. <u>Contracts and Purchase of Less than \$5,000</u> An agency must document that it has contacted at least three bonafide sources and has selected the source that provides the most appropriate product, at a price most reasonable for the project.
- 2. Contracts and Purchases From \$5,000 to \$30,000 Agencies must request proposals from at least three bonafide sources. Requests for proposals must be in writing and provide all contractors, vendors, and suppliers the same information and opportunity to "walk-through" a project, if appropriate. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contractors, licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and/or materials and services to be provided.
- 3. <u>Contracts and Purchases Greater than \$30,000</u> All Requests for Proposals greater than \$20,000 must be advertised in either the Milwaukee Journal Sentinel or the Daily Reporter. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contractors, licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and or materials and services to be provided. Failure to follow these procurement procedures will result in a Finding during a CDGA monitoring visit and will require the agency to "payback" all HTF funds disbursed using non-Federal funds.

Conflict of Interest Regulations Applicable to City of Milwaukee Housing Trust Fund

Persons Covered

A.

- 1. Employees of the City of Milwaukee
- 2. Employees of the subrecipient organizations (Including Board members)
- 3. Agents of the City
- 4. Consultants of the City
- 5. Officers of the City
- 6. Elected officials of the City
- 7. Appointed officials of the City

No Persons (identified above)

- who exercise any functions or responsibilities with respect to HTF activities, or
- who have exercised any functions or responsibilities with respect to HTF activities, or
- who are in a position to participate in a decision making process, or
- who are in a position to gain inside information with regard to such activities.

4

Prohibition

- may obtain a *financial interest* from a HTF assisted activity, or
- obtain a benefit from a HTF assisted activity, or
- have a *financial interest* in any contract, subcontract, or agreement with respect to a HTF assisted activity, or with respect to the proceeds of the HTF assisted activity
- either for themselves, or
- those with whom they have business or immediate family ties,
- during their tenure or for one year thereafter.

Employees of both the City and Employees of Subrecipient Organizations that receive HTF funds:

Before any employee who exercises or has exercised any functions or responsibilities with respect to HTF activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to HTF activities, is permitted to avail himself or herself of a financial interest or benefit from programs funded with those grants, or is permitted to enter into any contract or agreement relating to such activities, the City, on behalf of the employee, is required to first seek an exception to the conflict of interest regulations.

<u>City Employees & Board members</u>: Any City employee who exercises or has exercised any functions or responsibilities with respect to HTF activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to HTF activities, and who wishes to participate in a program funded with HTF funds, should first seek a confidential advisory opinion from the Ethics Board. In order to seek an exception from the conflict-of-interest regulations, an employee or Board member must provide an opinion of the City Attorney that the relationship at issue does not violate state or local law.

<u>Any other City Employee</u> described above whose position involves activities related to a HTF funded program in which he or she wishes to participate should seek a confidential advisory opinion from the Ethics Board <u>before</u> participating in the program.

CITY OF MILWAUKEE - HOUSING TRUST FUND PROPOSED SCHEDULE - 2007

, Date(s)	Key Activity
September 11, 2007	HTFAB Meeting - Review Draft Policies & Procedures
September 18, 2007	RFPs 1ssued (Available for download from CDGA website w/ links from Mayor's, DCD, & City Clerk Pages.) Advertising: Sept. 17-21, 2007 Milw. JS; and week of Sept 21 in El Conquistador and Community Journal.
October 9, 2007	HTFAB Meeting - Finalize Policies & Procedures
October 10, 2007	RFPs due to CDGA
October 17, 2007	CDGA Finishes Review of Apps for Completeness and forwards eligible/completed applications to Tech Committee (No scoring by CDGA)
October 31, 2007	Technical Committee Completes Review, Issues Comments, and forwards to full Committee
November 13, 2007	HTFAB Meeting: HTFAB Finishes Scoring and Approves its Funding Recommendations to ZND
December 4, 2007	Zoning, Neighborhoods, & Development Committee - Approve Funding
December 11, 2007	Common Council - Approve Funding
December 11, 2007	HTFAB Meeting
December 15, 2007	Complete HTF Term Sheets and Legal Documents
December 20, 2007	Begin Preliminary Review of Agencies Recommended (as needed)
December 20, 2007	Begin Term Sheet Negotiations
First Quarter 2008	Contract Execution

FOR INFORMATION CALL

FOR IMMEDIATE RELEASE



September 12, 2007

Ald. Michael Murphy (414) 286-3763

Door To Trust Fund Opens Tuesday

Ald. Michael Murphy, chair of the Milwaukee Housing Trust Fund Advisory Board, said the request for proposals for Milwaukee Housing Trust Fund (HTF) dollars begins Tuesday, September 18. The \$2.5 million program marks an important and innovative solution to housing development needs in the city. Ald. Murphy said, "Affordable housing is the necessary first step toward combating many of the city's most difficult issues including crime and unemployment. Adequate and safe housing defines the quality of life and its impact on a city is immeasurable."

The Milwaukee Housing Trust Fund will provide for the construction, rehabilitation and accessibility modification of affordable housing for low-to moderateincome households in the city. The use of HTF dollars is currently limited to capital improvement (brick and mortar) activities. All HTF activities must occur in the City of Milwaukee and applications that request funds for projects outside the city will be rejected.

The housing trust fund coalition, spearheaded by Ald. Murphy (10th District), has brought together stakeholders from numerous area agencies and businesses and fosters further relationship building through the project. Marcus White, executive director of the Interfaith Conference of Greater Milwaukee said the coalition is "confident there are many private sector partners who want to work with the Housing Trust Fund and who want to multiply the financial impact of these projects."

-More-

Trust Fund RFPs to be Released Tuesday/ADD ONE

The funding program is designed to help support agencies and developers who have worked to create new housing opportunities but may not be able to secure all of the necessary funds from other grants or contributions. Funds from the HTF are designed to match other funding sources and may not be used as the primary source of funds for any project.

Ald. Murphy said, "By leveraging these dollars, we hope to see this 2.5 million dollars create safe and affordable housing as well as provide an economic engine for creating jobs in our community."

Applications must be returned to the Community Development Grants Administration no later than Wednesday, **October 10, 2007, 4:00 p.m.**

-30-

MICHAEL J. MURPHY ALDERMAN, 10TH DISTRICT

City Hall, Room 205 200 East Wells Street Milwaukee, WI 53202-3570

Phone (414) 286-2221 Fax (414) 286-3456

e-mail: mmurph@milwaukee.gov website: www.milwaukee.gov/district10



CHAIR: Finance & Personnel Committee Mitwaukee Arts Board

MEMBER: Judiciary & Legislation Committee Steering & Rules Committee Zoning, Neighborhoods & Development

Dear Applicant:

Re: City of Milwaukee Housing Trust Fund Request for Proposals (2007)

As Chairman of the City of Milwaukee Housing Trust Fund Advisory Board, I am pleased to provide you with the attached 2007 Application for Funding.

The Milwaukee Housing Trust Fund (HTF) will provide funding for the construction, rehabilitation and accessibility modification of affordable housing for low- to moderateincome households in the City. The use of HTF dollars is currently limited to capital improvement (brick and mortar) activities. Housing Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Fund dollars may not be used as the primary source of funds for any project.

The Housing Trust Fund is administered by the City of Milwaukee - Community Development Grants Administration. Please return your completed application to the Community Development Grants Administration no later than Wednesday, October 10, 2007; 4:00pm. <u>Applications received after this date and time will not be reviewed or</u> <u>considered for funding.</u>

For more information contact:

Community Development Grants Administration City Hall - 200 E. Wells Street; Room 606 Milwaukee, WI. 53202 Telephone (414) 286-3647 TDD: (414) 286-8047 8:00 a.m. - 4:45 p.m. Monday through Friday

Sincerely,

Chair, Housin dvisory Board



City of Milwaukee

200 E. Wells Street Milwaukee, Wisconsin 53202

Meeting Minutes

HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR

Bethany Sanchez, Vice-Chair ALD. BAUMAN, Cecelia Gore, James Hiller, Craig Kammholz, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, Mike Soika, Marcus White

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mall: jpolan@milwaukee.gov

Tuesday, October 9, 2007	1:30 PM	Room 301-A, City Hall

Meeting convened: 1:40 P.M.

1. Roll call

Present 8 - Murphy, Soika, Sanchez, Madden, Gore, Schmidt, Laurent and White

Excused 3 - Kammholz, Peters and Lyles

Also present: Tom Gartner-Assistant City Attorney, Jeff Osterman-Legislative Reference Bureau, Steve Mahan-Community Block Grant Director and Garry Werra-DOA-Community Block Grants Admin.

Ald. Murphy handed out (Exhibit 1) a copy of Mr. Van Alstine's letter of resignation as a member of the Housing Trust Fund Advisory Board. Ald. Murphy said that Mr. Van Alstine's resignation is based on a Board of Ethics response to his written request for an opinion relating to the possibility of a conflict-of-interest as a member of this board.

Ald. Murphy encouraged all the board members to submit a letter to the Ethics Board for an opinion.

Mr. Soika said that based on the Ethics Board response to Mr. Van Alstine request, they may all have to resign.

Ald. Murphy said he will ask Mr. Dwight Ellis the chairman of the Ethics Board and City Attorney to appear before this Board to give some clarification on the Ethics Board response.

Mr. Mahan said his office was not contacted by the Ethics Board regarding the recent opinion.

Approval of the minutes of the September 11, 2007 meeting 2.

Mr. Soika moved approval of the minutes, Mr. Schmidt seconded. There were no objections.

3. Review and approval of the policies and procedures for the Housing Trust Fund

Mr. Mahan handed out an updated version of the Administrative Policies and Procedures for the City of Milwaukee Housing Trust Fund (Exhibit 2).

A motion was made by Mr. Schimidt and seconded by Mr. Laurent to approve the Administrative Policies and Procedures for the City of Milwaukee Housing Trust Fund. There were no objections.

4. Update on the status of the Housing Trust Fund applications

Ald. Murphy said the dead line for the applications is tomorrow Oct. 10, 2007, and asked Mr. Mahan for a status report on the applications.

Mr. Mahan said they received two applications so far and that both are very thorough. He said most of the applications will come in tomorrow.

Mr. Werra said that he estimates they will receive 12-15 applications tomorrow.

Ald. Murphy said that once the applications are received, the next step would be for the staff to review them to see if they meet the technical qualifications and then the applications will be submitted to the Housing Trust Fund Advisory Board Technical Review Subcommittee for review and recommendations.

Mr. Mahan replied that that is the process. He said the applications will be available on Thursday, Oct. 11, 2007, for the board members to pick up.

Ald. Murphy asked Mr. Mahan to send an e-mail to all the Housing Trust Fund Advisory Board (HTFAB) members with the names and dollar figures from all the applications received.

Mr. Solka asked if they could include in the e-mail the matching fund dollar amounts?

Mr. Mahan replied in the affirmative and said they will also include a brief narrative in the email.

Ms. Madden said that she is interested in the demand and asked if they are keeping track of all the calls they have received, even those that have not applied.

Mr. Mahan replied that they don't consider all the calls as part of the demand and that they haven't kept track of every call.

Mr. Werra said that the calls he kept notes on are those who were in the process of writing their applications.

Ald. Murphy asked what is the time-line from the time the applications go to the Technical Review Subcommittee to when they will appear before the Housing Trust Fund Advisory Board?

Mr. Werra replied that the applications will go to the Technical Review Subcommittee some time between Oct. 17th and Oct. 31st.

Ms. Gore asked if they could keep track of all the calls, as to what kind of calls they are, so that the board members could get an idea of the needs out there that this board may need to address.

Mr. Werra replied that the only questions he received outside of the questions relating to the applications were on rent assistance and money to fix a property.

Mr. Mahan replied that they would keep track of every call from now on.

Meeting adjourned: 2:13 P.M.

Terry J. MacDonald Staff Assistant

NTH WCC

PAGE 02

neighborhood improvement project 1223 south 23rd mllwaukee, wisco

1223 south 23rd street mllwaukee, wisconsin 53204 teiephone (414) 643-7704 fax (414) 643-7938 nip@mccwl.org

October 8, 2007

Ald. Michael Murphy, Chair Housing Trust Fund Advisory Board 200 E. Wells Street Milwaukee, Wisconsin, 53202

Dear Ald. Murphy:

Based upon the (attached) decision of The Board of Ethics, City of Milwaukee, I must resign from the Housing Trust Fund Advisory Board (HTFAB). It was the ruling of the Board that my continued service as a member of the HTFAB will violate the City's Ethics Code so long as I continue to be employed by the Milwaukee Christian Center (MCC). As I have no imminent plans to terminate my employment with MCC, nor do I have any reason to believe that MCC will terminate my employment in the near future, it appears that the only recourse available is to resign.

I have chosen not to appeal this decision, in great part because the MCC has decided to submit an application to the HTFAB. Under this circumstance, it seems implausible to believe that a very real conflict of interest would not be created.

I am grateful to have been chosen to serve on the HTFAB and am proud to have served.

Sincerely,

Michael T. Van Alstine Project Director

Cc: Bethany Sanchez, Vice Chair

EXHIBIT



The Board of Ethics

September 20, 2007

Mr. Michael Van Alstine Milwaukee Christian Center NIP Project Director 1223 South 23rd Street Milwaukee, WI 54204

Dear Mr. Van Alstine:

Thank you for your request for advisory opinion dated September 17, 2007. The City of Milwaukee Ethics Board met in closed session on Wednesday September 19, 2007 to discuss your request. The Ethics Board was sorry that you were not able to appear in person due to your illness. However, your very detailed request with extremely thoughtful questions and comments provided the Board with all information it felt was necessary to make a determination.

In your request, you stated that you have recently been appointed to serve on the Housing Trust Fund Advisory Board (HTFAB), filling the position designated for a non-profit developer. You further explained that in your official capacity with the HTFAB, you are involved in the review of loan/grant applications and the recommendation of Housing Trust Fund financial awards. Your particular concerns deal with the fact that you are employed by the Milwaukee Christian Center, Inc. (MCC), as the Project Director of the Neighborhood Improvement Project, which facilitates owner occupied rehabilitation in the City of Milwaukee. Further, you explained in your letter that MCC is the sole member of two Limited Liability Corporations: MCC-CHDO, LLC and MCC-Youthbuild, LLC and that both of these LLCs are engaged in the development of single-family homes for sale to income eligible owners occupants and that you have oversight responsibilities with each.

In your letter request you ask several questions regarding potential conflicts of interest between you as a member of the HTFAB and your employment as Project Director of the Neighborhood Improvement Project with MCC. Before addressing your specific questions, we must inform you that the Ethics Board has determined that because of the particular work of your employer and the express purposes and responsibilities of HTFAB, your continued service as a member of the HTFAB will violate the City's Ethics Code so long as you continue to be employed by MCC.

As indicated in your letter, MCC and/or its LLCs may (at some time in the future) apply for funds from the Housing Trust because of the nature of the work done by MCC.

PAGE 04

Your letter acknowledges that this situation would place you in a conflict of interest position (as regards that specific application). In the normal instance, the Ethics Code would require that you recuse yourself from any Board deliberations or actions regarding the application of your employer. Under Ethics Code section 303-5-2: "No official may use his or her public position to obtain financial gain or anything of substantial value for the official's private benefit or . . . for an organization with which he or she is associated."

However, as indicated in the italicized portion of your letter after the last question on page 2, you correctly note that your participation on applications of other organizations could also present the appearance of a conflict. In fact, the Ethics Board believes that because of the nature of the work done by MCC and its LLCs, every applicant for funds from the Housing Trust would be either a competitor of MCC (Harambee in your example) or a collaborator of MCC (NNH in your example). It is the belief of the Ethics Board (based upon the information submitted by you in your letter and the duties of the HTFAB as specified in the Municipal Code) that there is no possible way in which you could participate in deliberations or actions by the HTFAB without violating the Ethics Code. Ethics Code section 303-5-4 provides: "No official may intentionally use or disclose information gained in the course of or by reason of his or her official position or activities in any way that could result in the receipt of anything of value for himself or herself... or for any other person, if the information has not been communicated to the public or is not public information."

For the above reasons, the Ethics Board believes that the appropriate answer to each individual question posed in your letter is "No." If circumstances should change in that MCC and its LLCs would not ever be an applicant for funds from the Housing Trust or in competition or collaboration with other applicants or you are no longer employed by MCC or one of its LLCs, then the basis for this advisory opinion would change.

Thank you for bringing this matter to the attention of the Ethics Board. Your concern for maintaining the ethics of local government in the City of Milwaukee is appreciated. If you have any questions regarding this letter or the determination of the Ethics Board, please do not hesitate to contact the undersigned. If you believe for any reason that the facts and circumstances of your situation and letter are not correctly understood by the Ethics Board, please feel free to submit further information and evidence for the Board's reconsideration of your request.

Very truly yours,

Awight Ellis

Dwight Ellis, Chair Ethics Board

Nmd.

Submitted un amail to Ethics Rd.

September 14, 2007

Ethics Board City of Milwaukee 200 E. Wells Street, Room 205 Milwaukee, Wisconsin, 53202

Re: Advisory Opinion Request

Dear Ethics Board:

I was appointed to the Housing Trust Fund Advisory Board (HTFAB) filling the seat designated for a non-profit developer. As part of this board, I will be involved in the reviewing and recommending for funding grant/loan applicants for Housing Trust Fund awards.

I am employed by Milwaukee Christian Center, Inc. (MCC), as the Project Director of the Neighborhood Improvement Project, which does owner occupied rehabilitation in the City of Milwaukee. The MCC is also the sole member of two Limited Liability Corporations: MCC-CHDO, LLC and MCC-Youthbuild, LLC. Both of these LLC's are engaged in the development of single-family homes for sale to income eligible owner occupants. I have oversight responsibility for both programs.

The MCC and/or one of its LLC's may desire to apply for Housing Trust Funds. This would place me in a position where I could have a conflict of interest. I did not volunteer for the Technical Review sub-committee specifically for that reason.

The questions upon which an opinion is desired are as follows:

- May the MCC and/or one of its LLC's apply for Housing Trust Funds while I am a sitting board member?
- If so, may I represent the MCC and/or one of its LLC's, before the HTFAB?
- May I represent the MCC and/or one of its LLC's, before one of the HTFAB's subcommittees of which I am not a member?
- May I represent the MCC and/or one of its LLC's, before one of the HTFAB's subcommittees of which I am a member?
 I am not currently a member of any sub-committee; however, it is not unreasonable to assume that in the future there may be an expectation for all members to serve on a subcommittee.
- If the MCC and/or one of it's LLC's submits an application to the HTFAB, may I
 participate in discussions about
 - o the MCC application,

- competing applications in the same category,
- applications in categories for which the MCC and/or one of its LLC's did not apply?
- If the MCC and/or one of its LLC's submits an application to the HTFAB, may I vote
 - o on the MCC application,
 - o on competing applications in the same category,
 - on applications in categories for which the MCC and/or one of its LLC's did not apply?
- If neither the MCC nor its LLC's, submit an application for funding in a particular funding cycle, how does it change the answers to the questions stated above?
 While on the face of it seems as if I should be able to participate fully, I can anticipate situations where the perception of favoritism could be levied. As an example, MCC has been a partner in proposals with Northcott Neighborhood House (NNH), but not Harambee. If both NNH and Harambee but not MCC, submit competing proposals, how does that affect my ability to participate as a HTFAB member.

I am aware of the Ethic Board meeting scheduled for September 19, 2007 at 9:00 am and intend to attend.

Sincerely,

Michael T. Van Alstine Project Director

ADMINISTRATIVE POLICIES AND PROCEDURES FOR THE CITY OF MILWAUKEE HOUSING TRUST FUND

DEFINITIONS:

ZND	The City of Milwaukee Zoning, Neighborhood & Development Committee, or successor body.
HTFAB	The City of Milwaukee Housing Trust Advisory Board
HTF	As applicable, funds received by the City of Milwaukee from various sources that comprise the financing of the Housing Trust Fund.
CDGA	The City of Milwaukee Community Development Grants Administration.

GENERAL CRITERIA

The following criteria will apply to all projects receiving HTF funds through the Community Development Grants Administration.

- 1. Acknowledgment of HTF Funding. Contractor must acknowledge the receipt of grant funds in literature and promotional materials in one of the following manners:
 - a. Use of City of Milwaukee logo (obtainable from the City Clerk).
 - b. Inclusion of specific language as follows: "This project is funded in part through a City of Milwaukee Housing Trust Fund allocation".
- 2. Equal Opportunity. Contractor shall provide equal employment and promotional opportunities to all present and prospective employees without regard to race, religion, color, age, handicap, sex, national origin, sexual orientation, marital status, creed or ancestry. A policy of equal employment opportunity shall apply to all personnel transactions, including, but not limited to, recruitment, hiring, compensation, promotion, transfer, demotion, recall from lay-off and educational opportunity. Grantees shall maintain a positive, continuing affirmative action program to eliminate barriers to employment which have had the effect, although unintentional, of denying equal employment opportunities to the above groups. Contractor shall monitor certain key indicators to measure positive progress in this area such as minority composition of staff and boards of directors.
- 3. Non-English Speaking Clienteles. If Contractor serves a large non-English speaking population, it shall demonstrate how language needs are met, either by having translation capacity available or having multilingual staff.
 - 4. **Board of Directors Membership**. If Contractor is a non-governmental entity, it shall maintain a board of directors of not fewer than five members. The Board of Directors is to be independent and separate from the paid staff (except for the chief executive officer may serve as a board member). Board members may not profit or benefit in any manner from HTF-funding and shall be subject to City of Milwaukee Conflict of Interest regulations.
- 5. **Participation by City Officials.** Contractor must disclose participation of elected or appointed city officials in their organizations.

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- 6. Funded agencies must demonstrate that they are "financially viable". In other words, the agency would be able { maintain a minimal level of program activity even without funding administered through the Community Development Grants Administration. The Zoning, Neighborhoods & Development Committee will handle this on a case-by-case basis.
- 7. Continuing projects must meet various programmatic and financial quality standards in order to receive further funding.
- 8. **Reporting.** The Contractor agrees to submit reports as may be required by the CITY at such times as may be scheduled for submittal as described in the contract hereto. These data-collection instruments will be a part of CDGA's monitoring and evaluation of the Contractor's activities. Reimbursement requests will be held until specific report deadlines are met.
- 9. One Year Fiscal Agency Rule. Projects with fiscal agency arrangements must be able to deal with internal accounting policies and procedures in-house. An alternative to in-house fiscal management is an alternative source of funding to pay for a continued fiscal agency arrangement. If an agency needs to extend the fiscal relationship for more than one year, due to extenuating circumstances, approval must be obtained from the Zoning, Neighborhoods & Development Committee. Evidence of fiscal autonomy shall be provided to the office of the Community Development Grants Administration.
- 10. Applicant's principal organization or business address must be listed. Post office boxes are not acceptable except for legitimate security reasons surrounding the organization and its programs. Also unacceptable are home addresses and organizations or businesses located in residences or domiciles.

FISCAL PROCEDURES

- 1. Ninety-Day Rule. An award of funds remaining 90 days after award shall be subject to revocation by the Zoning, Neighborhoods & Development Committee if the grantee has not, within ninety days of the final approval of the award, provided all documentation necessary for contract execution.
- 2. **Timely Expenditure.** If Contractor has not expended or encumbered at least sixty percent of the contract amount prior to the beginning of the tenth month of the contract term, this Contract shall be subject to full or partial termination by the Zoning, Neighborhoods & Development Committee.
- 3. **Final Cost Report**. The final cost report for this Contract must be filed no later than 4:00 P.M. on the fifteenth day after the end of the contract term (e.g., for January 1 December 31 contracts).
- 4. **Payment of Accrued Costs.** All accrued costs reported on the final cost report must be paid no later than the forty-fifth-day after the end of the contract term (e.g., for January 1 December 31 contracts, not later than February 15 of the succeeding year). Accrued cost is any cost incurred (goods or services ordered, in transit, or received) but not yet paid and/or recorded as such on the financial records of the project.
- 5. **Fiscal Year Close Out.** Costs submitted to the City for reimbursement after the close out date of the close of the fiscal year, CDGA is authorized to charge the amount in question to the project's current year contract.
- 6. **Recovery of Unexpended Funds**. All budget balances remaining sixty days after the end of the contract term shall revert to the HTF.

- 7. **Method of payment**. Requests for Disbursement of Funds. The HTF operates on a reimbursement basis. All claimed costs must be paid before submission of reimbursement requests. Any act(s) of non-compliance will require the entire amount of HTF subsidy to be repaid to the HTF account. The CONTRACTOR may not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs as determined by the HTFAB. Compensation and/or reimbursement for services required under this Contract shall be contingent upon each activity being reviewed for approval by the CDGA approving officer.
- 8. **Contract Extensions.** The HTFAB may recommend that ZND consider contract extensions based on the following criteria:
 - 1. Groups which received funds out of cycle to finance individual programs as they are approved by Common Council Resolution. An extension will allow the project to operate at a full 12 month period.
 - 2. Groups which have met productivity goals and have extenuating circumstances.
 - 3. All work has been completed but final payment must be made.
 - 4. To pay a specific outstanding commitment or obligation which has been <u>encumbered</u> prior to the end of the fiscal year.

Encumbrances from previous CDBG years not liquidated by the end of the next CDBG year will be subject to review by the HTFAB/ZND.

Extension requests must be submitted to the office of Community Development Grants Administration for approval, before the start of the new program fiscal year.

9. **Complaints.** The Director of the Community Development Grants Administration has the authority to hear appeals to all complaints involving administrative policies and procedures of all HTF funded programs administered by CDGA. Exceptions to administrative policies and procedures shall be granted only when in the opinion of the Director of the Community Development Grants Administration, extenuating circumstances prevented a project, an individual funded with grant funds, or a citizen from reasonably complying with the letter and intent of Administrative Policies and Procedures.

ADDITIONAL DEFINITIONS AND CRITERIA

Close Out - Expeditious payment of all costs accrued through December 31*, preparation and submittal of final cost report to CDGA, and reconciliation of any variance between budgeted and actual costs. (*Unless an extension has been authorized by ZND, or a project contract specifies a termination date other than December 31.)

PROCUREMENT POLICIES

<u>Procurement Procedures</u>: Proper procurement procedures must be followed in order to secure any goods and services to be purchased (or reimbursed) with City funds, including the selection of contractors, suppliers and related vendors. As such, City of Milwaukee funded housing production agencies must adhere to the following procurement procedures:

- 1. <u>Contracts and Purchase of Less than \$5,000</u> An agency must document that it has contacted at least three bonafide sources and has selected the source that provides the most appropriate product, at a price most reasonable for the project.
- 2. <u>Contracts and Purchases From \$5,000 to \$30,000</u> Agencies must request proposals from at least three bonafide sources. Requests for proposals must be in writing and provide all contractors, vendors, and suppliers the same information and opportunity to "walk-through" a project, if appropriate. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contractors, licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and/or materials and services to be provided.
- 3. <u>Contracts and Purchases Greater than \$30,000</u> All Requests for Proposals greater than \$20,000 must be advertised in either the Milwaukee Journal Sentinel or the Daily Reporter. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contracto licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to t performed, and or materials and services to be provided. Failure to follow these procurement procedures will result in a Finding during a CDGA monitoring visit and will require the agency to "payback" all HTF funds disbursed using non-Federal funds.

Conflict of Interest Regulations Applicable to City of Milwaukee Housing Trust Fund

Persons Covered

A.

- 1. Employees of the City of Milwaukee
- 2. Employees of the subrecipient organizations (Including Board members)
- 3. Agents of the City
- 4. Consultants of the City
- 5. Officers of the City
- 6. Elected officials of the City
- 7. Appointed officials of the City

No Persons (identified above)

- who exercise any functions or responsibilities with respect to HTF activities, or
- who have exercised any functions or responsibilities with respect to HTF activities, or
- who are in a position to participate in a decision making process, or
- who are in a position to gain inside information with regard to such activities.

4

Prohibition

- may obtain a *financial interest* from a HTF assisted activity, or
- obtain a *benefit* from a HTF assisted activity, or
- have a *financial interest* in any contract, subcontract, or agreement with respect to a HTF assisted activity, or with
 respect to the proceeds of the HTF assisted activity
- either for themselves, or
- those with whom they have business or immediate family ties,
- during their tenure or for one year thereafter.

Employees of both the City and Employees of Subrecipient Organizations that receive HTF funds:

Before any employee who exercises or has exercised any functions or responsibilities with respect to HTF activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to HTF activities, is permitted to avail himself or herself of a financial interest or benefit from programs funded with those grants, or is permitted to enter into any contract or agreement relating to such activities, the City, on behalf of the employee, is required to first seek an exception to the conflict of interest regulations.

<u>City Employees & Board members</u>: Any City employee who exercises or has exercised any functions or responsibilities with respect to HTF activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to HTF activities, and who wishes to participate in a program funded with HTF funds, should first seek a confidential advisory opinion from the Ethics Board. In order to seek an exception from the conflict-of-interest regulations, an employee or Board member must provide an opinion of the City Attorney that the relationship at issue does not violate state or local law.

<u>Any other City Employee</u> described above whose position involves activities related to a HTF funded program in which he or she wishes to participate should seek a confidential advisory opinion from the Ethics Board <u>before</u> participating in the program.



City of Milwaukee

200 E. Wells Street Milwaukee, Wisconsin 53202

Meeting Minutes

HOUSING TRUST FUND ADVISORY BOARD TECHNICAL REVIEW SUBCOMMITTEE

CRAIG KAMMHOLZ, CHAIR Bethany Sanchez and Mike Soika

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Friday, May 11, 2007

1:30 PM

Room 301-B, City Hall

Meeting Convened: 1:35 P.M.

1. Roll call

Present 3 - Soika, Kammholz and Sanchez

Also present: Tom Gartner-Assistant City Attorney; Mr. Garry Werra-DOA-CBGA; Albert Franitza-Department of City Development; Joe'Mar Hooper-DOA-Budget and Management Analysis Division

2. Discussion and creation of application scoring measure

Mr. Kammholz asked Mr. Werra to start them off by giving an overview of the May 9, 2007 revised draft application.

Mr. Werra said he basically tried to do two things, one was to incorporate the changes requested by the Housing Trust Fund Advisory Board (HTFAB) at its May 2, 2007 meeting, an second to set up an initial frame work for scoring. He than gave and overview of the revisions he made to the draft application.

Ms. Sanchez said she has concerns with the last sentence in the first paragraph on page 2. She said her understanding on the request to change that sentence at the May 2, 2007 HTFAB meeting, was to take out any reference of supportive services. She said that they should either leave the whole sentence in, including the homebuyer example or take the whole sentence out completely. She said the sentence is not inaccurate as it is, but if the intent is to place brick and mortar projects as a priority and so as not confuse applicants by referring to services in the application they should consider removing the last sentence completely.

Mr. Soika said his recollection of the request was to delete the example in the parentheses only.

Mr. Kammholz said that they should leave it in for now, because even though they are going to prioritize brick and mortar projects they aren't going to exclude services.

Ms. Sanchez said her point is that "supportive", to her, means supporting homeless or people with disabilities and doesn't include homebuyer or home lender, so if they are going to leave the sentence in, they need to add homebuyer back in.

Mr. Werra suggested they could take out the word supportive. Ms. Sanchez said that would clear it up from her prospective.

Ms. Sanchez referred to page four and said the difference between the first and second paragraph isn't clear to her in the language that is used.

Mr. Werra replied said that most of the wording was taking straight from the actual resolution and some if it is hard to understand. *Mr.* Werra said he would contact *Ms.* Sanchez to work on cleaning up the language for the first and second paragraph on page four.

Ms. Sanchez referred to the second bullet point on page six and asked if they need to change it or go back and include some wording on page three under "Eligible Applicants" so that if there is a 3 year requirement it would be clear up front.

Mr. Kammohlz suggested that the second bullet point on page 6 should read as follows: "Corporate or non-profit applicants should include audited financial statements for three years and if in existed for less the three years the annual financial statement."

Atty. Gartner said that they might want to have a broader disclaimer. He continued by giving examples.

Mr. Kammholz suggested changing "Corporate or non-nonprofit" to just "Applicants".

Mr. Werra read back the following suggested changes for the second bullet point on page 6: "Applicants should include audited financial statements for three years and if in existed for less the three years the financial statement to date (Balance sheets, cash flow statements, etc.). For special limited purpose corporations, the supporting organization's statements.

Ms. Sanchez asked if 5-year projected pro-forma (Bullet point ten) is enough time?

Mr. Werra replied that 5 years is questionable.

Mr. Kammholz said that they should add a "minimum" of 5 years.

Mr. Kammholz asked *Mr.* Werra if he wants to go through some of the other bullet point such as tax return, business plan, photos, etc?

Mr. Werra questioned the need for a business plan and asked who is going to review it and if they are really necessary. He further said that as far as site photos, they do ask for those.

Mr. Kammholz said that they should leave in business plan for now and have the full HTFAB discuss it at its next meeting.

Mr. Franitza asked if zoning is addressed in the application process? *Mr.* Werra replied in the affirmative and said it is in the beginning of the process.

Mr. Kammholz asked for an explanation on the changes made to page eight.

Mr. Werra replied that he removed the language "Create housing for the homeless" and

left in "Rehabilitation of Existing Facility and New Construction of Facility", he add the line at the bottom that says "Indicate the percentage..." and last he added signature lines for CBGA Chief Executive Officer and for an official of the Board of Directors.

Mr. Werra explained what had been changed on page nine. *Mr.* Kammholz suggested that they take out the word supportive, on page nine, under 1 b.

Mr. Kammholz asked if page nine is where the scoring would begin? Mr. Werra said that page nine is where they want to start looking at scoring.

Mr. Soika offered a hand out of recommendations for a rating system (Exhibit 2). He then explained how he came up with the categories and the rating points for each. He further said that he liked the idea of the formula used by Federal Home Loan Bank of Chicago (Exhibit 3).

Mr. Kammholz said the total point shown on Mr. Soika's hand out is 175. He than asked if the projects would need to meet a minimum criteria of the 175 in order to be considered for funding and than would those project with say a 100 point move the applicant into the next stage for potential awarding of housing trust funds?

Mr. Soika replied that he didn't attempt to get at the minimum score.

Mr. Kammholz said that they should come up with a strict point scale.

Ms. Sanchez questioned the "Construction Loan firmly committed" points.

Mr. Soika said that those points could be taken out.

Mr. Werra said that there should be some scoring for "loan committed."

Mr. Werra asked if they are changing the scoring for "Construction Loan firmly committed" to 5 points and leave the "Construction Loan Conditionally Committed" at 5 points?

Mr. Soika replied in the affirmative. *Mr.* Kammholz said that they should leave it as is for now and they can discuss it at the next HTFAB meeting.

Ms. Sanchez said there are two additional categories that she suggests they add and those are "Terms of Affordability" and how it addresses the "Needs in the Community."

Mr. Kammholz asked Ms. Sanchez what kind of points she would assign to those?

Ms. Sanchez said she would assign 15 points to "Terms of Affordability" and 10 points for "Needs in the Community."

Mr. Werra asked what the objective of affordability is and do they want to use a scale like what Mr. Soika had used for "Income Targets?"

Ms. Sanchez replied that the objective for the homeless is 50 years and Mr. Soika replied that for homeowner's it is 5 years.

Mr. Kammholz said they are in an agreement that there will be a scale setup for "Terms of Affordability" and asked Mr. Werra to put a scale together for review by the HTFAB members.

Mr. Kammholz asked if they are all comfortable with the FHLB scoring measure? Mr. Werra said CBGA has a similar scoring measure to the FHLB of Chicago.

Atty. Gartner asked how is the number of units calculated?

Mr. Solka replied by referring the members to the formula used in the FHLB of Chicago application guidelines shown on page 7 and 8 (Exhibit 3).

Mr. Soika said he would work with Mr. Werra to put together a formula.

Mr. Kammholz continued with the review of Mr. Soika's handout and asked if "Equity Partners" should have a scale.

Mr. Werra gave an example of donated property and said a scale could be used.

Mr. Kammholz said that property should be changed to real estate. Mr. Kammholz said that they should delete "Equity Partners."

Mr. Werra replied that they could keep "Equity Partners", but no give it any points.

Mr. Soika explained what is meant by "Service Partners."

Mr. Kammholz suggested that they bring "Service Partners" down to five points or take it out completely. He then said they should leave it in and it could be discussed at the next HTFAB meeting.

Mr. Werra said he and Mr. Soika will get together to work out the scaling details for each item listed on Mr. Soika's handout.

Mr. Kammholz continued with the rest of *Mr.* Soika's recommendations, starting at "Agency/Staff Experience" to determine which ones need to be scaled.

Ms. Sanchez said that 15 points for "Agency/Staff Experience" doesn't seem to be enough points.

Mr. Werra said there is a big difference between agency and staff experience. *Mr.* Kammholz suggested that they break apart "Agency" and "Staff Experience" and give each 15 points.

Mr. Kammholz continued with "Accessibility improvements..." and said the points seem high and suggested that they lower the points to 10.

Mr. Kammholz moved on to "Use of area workers or emerging businesses."

Mr. Gartner asked if 18% EBE is going to be the requirement and are they going to require an EBE agreement for each project?

Mr. Soika said the ordinance doesn't say anything about EBE requirements.

Mr. Kammholz said that if they are going to include it, it should say RPP or EBE.

Mr. Gartner suggested addition points be given if and entity is committing to say 40% EBE instead of 18%. He than asked what is the intent?.

Mr. Kammholz asked if there are saying that if they don't comply they would get 0 points and if they comply they would get 10 points? *Mr.* Solka said that they could use a sliding scale.

Mr. Kammholz continued with "Increase Neighborhood Diversity in Housing Choices" and said they should keep it in.

Mr. Soika said that the rest of the recommendations are in the legislation.

Ms. Sanchez referred to the draft HTF application and said on page 18 at the top they needs to include for instances.

Mr. Werra referred the member to the bottom of page 18 and asked how is the living wage defined or will they use the block grant standards (\$7 per hour currently).

Mr. Kammholz said that they could use the block grant standard for now.

Mr. Werra said that he would put in parenthesis (\$7 per hour).

Ms. Sanchez said the intent of the funds is that it could be the first allocated or committed, but is to be the last dollars use.

Ms. Sanchez referred to page 20, the 3rd arrow point down and asked how does it relate to the grid on page 8?

Mr. Werra replied that the applicant will need a separate application for each project, because each project could be so different.

Mr. Werra referred to page 21 of the application and said this is where the language will go for the last money out.

Mr. Kammholz said that they need to make that distinction on the "last dollars out" upon the award and at the time the term sheet is drafted, so that the actually city funds will be last into the project. He said it is more of a disclosure, but it real comes to play is in the term sheet.

Mr. Gartner said that it seems that they want to say is that our dollars will be disbursed after all other sources of funding for the project are used.

Mr. Werra referred to the handouts he gave to the members and said that he will insert the rental limits (Exhibit 4) and the utility allowance numbers that is shown on the spreadsheet (Exhibit 5) on to page 21.

Mr. Kammholz asked if those could be attached as appendix?

Mr. Werra replied in the affirmative.

Atty. Gartner said that once the packet is put together they will need to add some disclaimers, such as the right to reject any application and even if an applicant has the highest score, that doesn't mean they are going to be approved.

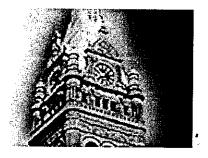
Mr. Werra replied that they already included the disclaimers from the CBGA application, so he feels they have those covered.

3. Next meeting date and time

Mr. Kammholz said that they will wait to set the next meeting date until after the May 22, 2007 HTFAB meeting. Members will then be contacted by the Staff Assistant, Ms. MacDonald to set the meeting date and time.

Meeting adjourned: 3:03 P.M.

Terry J. MacDonald Staff Assistant



APPLICATION FOR FUNDING FY2007

DRAFT FOR DISCUSSION PURPOSES ONLY

	EXHIBIT
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	/

AFT APPLICATION FOR FUNDING FY2007 DRAFT

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund supportive services that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

FUNDING GUIDELINES

- A <u>minimum</u> of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A minimum of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

HOUSING TRUST FUND ACTIVITIES MUST OCCUR IN THE CITY OF MILWAUKEE

REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF MILWAUKEE WILL BE REJECTED

City of Milwaukee Housing Trust Fund Application

Page 2 of 22 Revised May 2007 **Comment [GMW1]:** "(e.g., homepurchase counseling)" [this language removed per HTF Board directive on 05/02/07]

Comment [GMW2]: "the Community Development Grants Administration Division and" [This language removed because CDGA does not prepare the document described, it is done by DCD]

Comment [GMW3]: Added for clarification

Comment [GMW4]: Added per CDGA recommendation





<u>**ZAFT APPLICATION FOR FUNDING FY2007** DRAFT</u>

Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Funds may not be used as the primary source of funds for any project.

ELIGIBLE APPLICANTS

1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.

2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

AFFORDABILITY REQUREMENTS

- 1. <u>Rental Housing:</u> Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
- 2. <u>Owner-Occupied Housing and Homeownership</u>: Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

Housing Trust Fund dollars are available for home-buying counseling. Homebuyer counseling agencies must demonstrate that they serve low- and moderate-income clients. In addition, any organization that receives Housing Trust Fund money for this purpose must demonstrate that it has the ability to assist disabled individuals (e.g., the location is accessible and the organization offers translation services, materials in Braille, etc.).

3. <u>Housing and Services for the Homeless:</u> All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.

City of Milwaukee Housing Trust Fund Application

Page 3 of 22 Revised May 2007 Comment [GMW5]: Added for clarification consistent with HTF Board directive on 05/02/07

AFT APPLICATION FOR FUNDING FY2007 DRAFT

INCOME ELIGIBLITY

1. <u>Owner-Occupied Housing:</u> Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income (currently \$43,680) for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are subject to change annually.

2. <u>Rental Housing and Housing for the Homeless:</u> Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income (currently \$33,600).

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

City of Milwaukee Housing Trust Fund Application

Page 4 of 22 Revised May 2007

<u>RAFT APPLICATION FOR FUNDING FY2007 DRAFT</u>

OTHER REQUIREMENMTS

The following accessibility standards apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.
- The design principles of any one of the following:
 - 1. Aging in place
 - 2. Universal design
 - 3. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.
- For new housing units in one- to three-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:
 - 1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
 - 2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
 - 3. Powder room (half bath) on the main-level floor that has:
 - i. A doorway entrance with a minimum 32" clear passage opening;
 - ii. Sufficient space to close the entrance door while the room is occupied;
 - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.
- Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

City of Milwaukee Housing Trust Fund Application

Page 5 of 22 Revised May 2007



AFT APPLICATION FOR FUNDING FY2007 DRAFT

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding.*

Completed applications and required attachments must be received at the Community Development Grants Administration office <u>no later than (TTME)</u> on (DATE). No extensions will be granted. Submit the original and fifteen (15) copies to:

> Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647. Your application will begin when your complete application has been received, including all items indicated below:

- A fully completed application. If a question doe not apply, indicate this on the application.
- Corporate applicants should include financial statements for three years (balance sheets, cash flow statements, and profit and loss statements).
- Tax returns for three years (Individual 1040, Corporate 1120 and Partnership 1065).
- Project or Business plan
- Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- Market analysis for projects containing twelve or more residential units.
- Resumes and qualifications of the development team.
- Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- A 5-year projected pro-forma
- An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- Post rehabilitation or new construction appraisal

Reserved for additional requirements

• Reserved for additional requirements

City of Milwaukee Housing Trust Fund Application

Page 6 of 22 Revised May 2007 Comment [GMW6]: Increased to allow a copy for each Board member (13) and 3 CDGA staff (Steve, Hettie, Garry)

AFT APPLICATION FOR FUNDING FY2007 DRAFT

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding, will be notified by mail.

In addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

City of Milwaukee Housing Trust Fund Application Page 7 of 22 Revised May 2007



Organization Name:		
Organization Address:	City	
Contact Person:	Title	<u>_</u>
Telephone Number:	Fax:	
E-Mail:	FEIN	

Indicate the amount requested in the appropriate category below. <u>Please submit a separate application</u> for each category being requested.

	Activity	2007 Funds Available	Amount Requested		
	Homelessness (25% Minimum)	\$625,000	nin in sin hilling agent and a second state of		
	- Rehabilitation of Existing Facility		\$		Comment [GMW7]: "Create Housing
	- New Construction of Facility	A Charles and the second	\$		for the Homeless" [this language
	- Provide Supportive Services		S		removed per HTF Board directive on 05/02/071
	Rental Housing (35% Minimum)	\$875,000			<u></u>
	- Rehab of Existing Structure				-
	- New Construction		S		
	Home Ownership (25% Minimum)	\$625,000			
	- Rehabilitation of Existing Structure(s)		建铁合作和全部中的合合和		
	- New Construction		S		
	- Owner-Occupied Rehabilitation	Contaction ministered and	S		
~_	- Homebuyer Counseling Services		S		
	- Post-Purchase Counseling Services		\$		
	Other Needs as Identified (15% Maximum)	\$375,000	S		
	TOTAL		<u>s</u>		
	Indicate the percentage and amount of HTF func- be used to fund accessibility improvements or m	ls requested that will odifications. →	% \$ <u></u>	1	Comment [GMW8]: Added per HTF Board directive on 05/02/07
<u>Pr</u> of	oposals must be authorized and signed by the (Directors.	Chief Executive Officer -AN	D- an official of the Board) {	Comment [GMW9]: Added per CDGA recommendation

Signature: Printed Name:	Date: Title:	
Signature:	Date: Title:	
City of Milwaukee Housing Trust Fund Application	Page 8 of 22 Revised May 2007	

RAFT APPLICATION FOR FUNDING FY2007 DRAFT

PART I: PROJECT DESCRIPTION

1. <u>Describe the Project</u>: Briefly identify the project location and the specific activity to be completed.

a. If project involves construction or rehabilitation, please attach photos of the site and sketches or drawings of the proposed project.

_____ Photos and/or sketches are attached

Project does not involve construction or rehabilitation

b. If the project involves the provision of supportive services, briefly describe the specific services to be provided.

Comment [GMW10]: "for the homeless" [this language removed per HTF Board directive on 05/02/07]

Project does not involve the provision of supportive services

- 2. Households/Clients Served: Briefly describe the specific population to be served, including target income level and special needs populations, as applicable.
- 3. Indicate the unduplicated number of units/household to be served

City of Milwaukee Housing Trust Fund Application Page 9 of 22 Revised May 2007



DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

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Reviewer's Comments:	Score:

City of Milwaukee Housing Trust Fund Application

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DRAFT APPLICATION FOR FUNDING FY2007 DRAFT

PART II: PROJECT TIMELINE

Comment [GMW11]: Added for consistent with HTF Board directive on 05/02/07

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

	MONTH			EVENT(S)		
			····		<u>_</u>	
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Reviewer's Comments:	Score:

City of Milwaukee Housing Trust Fund Application Page 11 of 22 Revised May 2007

 a.	rol is in the form of: Deed Purchase Agreement Option (Expiration Date) Other Please Attach Written Documentation of Site Control rently zoned:
. Site is cur	
	rently zoned:
a.	
	Please Attach Written Verification of Zoning Designation
Is the zon	ng appropriate for your project?
	Yes No
	zoning currently in process and when is it anticipated that this issue will be resolved? Date
a.	Please attach a copy of any environmental findings/reports received. <u>DO NOT WRITE BELOW</u> For City of Milwaukee HTF Use Only

City of Milwaukee Housing Trust Fund Application

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	DIGIT I MITLICITION FOR FUNDING F12007 DRAFT
DAI	
FA.	RT IV: <u>PROJECT FINANCING</u>
1.	Please Attach the Following Items
	• Sources and Uses of all funds
	Development Budget
	• Project 5-Year Pro-Forma
	Cash Flow Statement
2.	Please describe the specific use of Housing Trust Fund dollars (i.e.:
3.	Has the project secured a firm commitment from a construction lender?
3.	Has the project secured a firm commitment from a construction lender?
3.	Has the project secured a firm commitment from a construction lender?
3.	
	Yes No
3. 4.	Yes No
4.	Yes No Has the project received a conditional commitment from a construction lender? Yes No
4.	Yes No Has the project received a conditional commitment from a construction lender? Yes No Provide the following information and attach written verification of any commitments
4.	Yes No Has the project received a conditional commitment from a construction lender? Yes No
4.	Yes No Has the project received a conditional commitment from a construction lender? Yes No Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with.
4.	Yes No Has the project received a conditional commitment from a construction lender? Yes No Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are
	Yes No Has the project received a conditional commitment from a construction lender? Yes No Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with.
4.	Yes No Has the project received a conditional commitment from a construction lender? Yes No Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with. Lender Name Phone number
4.	Yes No Has the project received a conditional commitment from a construction lender? Yes No Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with. Lender Name Phone number Contact Person Phone number
4 <i>.</i> 5.	Yes No Has the project received a conditional commitment from a construction lender? Yes No Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with. Lender Name Phone number Contact Person Phone number

.

AFT APPLICATION FOR FUNDING FY2007 DRAFT

6. Identify the project total amount of other funds (private and/or public) that would be leveraged by the Housing Trust Fund dollars?

Funding Source	Amount Leveraged
	\$\$
	\$ \$
n An an	\$ \$
TOTAL FUNDS LEVERAGED	\$

	Score:
·	

City of Milwaukee Housing Trust Fund Application

(

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		CITY OF MILWA HOUSING TRUST			
	DRAFT			<u>FT</u>	
PAI	RT V: <u>CAPACI</u>	TY AND EXPERTISE			
1.	Has your age	ncy previously undertaken this type o	of project before?		
	Yes	No			
	a. If yes,	identify the tbree most recent project	ts completed:		
		· · · ·			
2.	Identify the s specifically re	taff responsible to complete tbe proje lated to this project	ct and indicate any experier	ice	
-					
Stunder of the	94 (75) - 1759-14 - 1560 (100 - 100 - 100 (100 - 100 - 100 (100 - 100)))))))))))))))))))			Der Studen um Häuff warden (Frager Hiffer) - er (1914)	
Revie	ver's Comments:	DO NOT WRITE BEL For City of Milwaukee HTF			
100100	ver s comments.		50,0,0		

City of Milwaukee Housing Trust Fund Application Page 15 of 22 Revised May 2007

RAFT APPLICATION FOR FUNDING FY2007 DRAFT

	NCE OF HOUSING TRUST FUND GOALS	Comment [GMW12]: The act of furthering, advancing, or helping forw
Describe the acces this project:	ssibility improvements or modifications that will be included as a	part of
Explain how this p	project serves the lowest-income segment of the population:	
·····		
Does the project af Trust Fund (please	ffordability period exceed the minimum period required by the H	
Does the project al Trust Fund (please Yes	ffordability period exceed the minimum period required by the H	
Trust Fund (please	ffordability period exceed the minimum period required by the H e refer to page 3)? No	
Trust Fund (please Yes Affordability Period	ffordability period exceed the minimum period required by the H e refer to page 3)? No	
Trust Fund (please Yes Affordability Period	ffordability period exceed the minimum period required by the H e refer to page 3)? No d Required by HTF: (years)	· · · · · · · · · · · · · · · · · · ·
Trust Fund (please Yes Affordability Period	ffordability period exceed the minimum period required by the H e refer to page 3)? No d Required by HTF: (years)	· · · · · · · · · · · · · · · · · · ·
Trust Fund (please Yes Affordability Period	ffordability period exceed the minimum period required by the H e refer to page 3)? No d Required by HTF: (years)	· · · · · · · · · · · · · · · · · · ·

City of Milwaukee Housing Trust Fund Application

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<u>DRAFT</u> APPLICATION FOR FUNDING FY2007 <u>DRAFT</u>

	_ Yes	No	
a.	If yes, please	describe:	
Does the r	s this project en 1eighborhood?		and increase housing choices within
	_ Yes	No	
a.	If yes, please	describe:	
	· · · · · · · · · · · · · · · · · · ·		
Will	this project util	lize green building principles?	
	Yes	No	
a.	If yes, please	describe:	
/ilwau			Page 17 of 22

(CITY OF MILWAUKEE HOUSING TRUST FUND RAFT APPLICATION FOR FUNDING FY2007 DRAFT	
6.	neig	this project coordinate with and enhance the work of other entities in the hborhood, such as employers, business improvement districts, schools, job training acies or social service agencies?	
	 a.	Yes No If yes, please describe:	
		·	
7.	Will	this project facilitate the movement of persons from institutions into the community?	
		Yes No	
	a.	If yes, please describe:	
		······	
8,	Will wage	the project use contractors who pay family-supporting wages (family supporting same as same per hours)?	Comment [GMW13]: How does HTF
		_ Yes No	Board define a "living wage" Will payroll registers be required as part of monitoring?
	a.	If yes, please describe:	
	y of Milwau using Trust l	keePage 18 of 22Fund ApplicationRevised May 2007	



PRAFT APPLICATION FOR FUNDING FY2007 *DRAFT*

<u>DO NOT WRITE BELOW</u> For City of Milwaukee HTF Use Only				
Reviewer's Comments:	Score:			

City of Milwaukee Housing Trust Fund Application Page 19 of 22 Revised May 2007



PROPOSAL CHECKLIST - YEAR 2007

Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office <u>no later than</u> (<u>TIME</u>) on (<u>DATE</u>). No extensions will be granted.

Submit the original and fifteen (15) copies to:

Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Faxed or electronic applications will not be accepted. <u>All proposals received after the closing date noted</u> above will be returned to the applicant without review.

PLEASE BE CERTAIN TO

- Complete and submit 1 original and 15 unbound copies of all documents:
- > Attach all required supporting documentation as requested in the application.
- If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will be discarded.

If your Application is funded, some additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.

City of Milwaukee Housing Trust Fund Application

Page 20 of 22 Revised May 2007 Comment [GMW14]: Increased to allow a copy for each Board member (13) and 3 CDGA staff (Steve, Hettie, Garry)

DRA



RAFT APPLICATION FOR FUNDING FY2007 DRAFT

ADDITIONAL ITEMS THAT NEED TO BE INCORPORATED INTO THE APPLICATION...

*** Need to indicate that HTF \$ will be the last \$ in.

City of Milwaukee Housing Trust Fund Income Limits – 2007

Іпсоте	Household Size									
Level	1	2	3	4	5	6	7	8		
30% (EL1)	14,100	16,150	18,150	20,150	21,750	23,400	25,000	26,600		
50% (VLÍ)	23,500	26,900	30,250	33,600	36,300	39,000	41,650	44,350		
80% (LI)	37,650	43,000	48,400	53,750	58,050	62,350	66,650	70,950		

City of Milwaukee Housing Trust Fund Application Page 21 of 22 Revised May 2007



RAFT APPLICATION FOR FUNDING FY2007 DRAFT

City of Milwaukee Housing Trust Fund Rent Limits – 2007

	Number of Bedrooms							
	Efficiency	1	2	3	4	5	6	
Base Rent (If Rent Includes Utilities) Utility Allowance	. 510	608	726	873	942	1075	1176	Comment [GMW15]: Requeste
Adjusted Rent (If Tenant Pays Utilities)	0	0	0	0	0	0	0	from HACM 05/03/07

City of Milwaukee Housing Trust Fund Application Page 22 of 22 Revised May 2007

HTF Rating Point System - Draft Rec	ommend	ation
Intrading Found System Blattice		
	Possible	Total
Leveraged Dollars - 25 Points Available	Points	Points
HTF \$ = 1-2% of total project cost	25	25
HTF \$ = 3-5% of total project cost	20	
HTF \$ = 6-10% of total project cost	15	
HTF \$ = 11 - 15% of total project cost	10	
HTF \$ = > 15% of total project cost	5	
		•
Construction Loan firmly committed	10	10
Construction Loan Conditionally Committed	5	5
· · · · · · · · · · · · · · · · · · ·	-	
Income Targets - 25 Points Available		
# of units with residents below 150% of income target	25	25
# of units with residents below 130% of income target	20	
# of units with residents below 125% of income target	15	
# of units with residents below 115% of income target	10	
# of units with residents at income target	5	
# of units above income target	~10	
	10	10
Equity Partners Cash or donated property. In-kind services don't qualify	10	10
Cash of donated property. In-kind services don't quality		· · ·
Service Partners	10	10
Provision of services on site w/out use of HTF \$	10	10
	1	
Agency / Staff Experience	15	
Experience with same type/similar project		
	1	
Accessibility improvements or modifications	15	15
Use of area workers or emerging businesses	10	10
Increase neighborhood diversity in housing choices	10	10
· · · · · · · · · · · · · · · · · · ·		
Utilize Green building Principles	10	10
Coordinate with Community Institutions	10	10
· · · · · · · · · · · · · · · · · · ·		
Move persons from institutions to community	10	10
•		
Contractors pay family supporting wages	10	10
	_ <u>_</u>	
T + + D + +		
Total Points		175

<i>S</i>	
	EXHIBIT
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FHLB Chicago

Federal Home Loan Bank of Chicago

Affordable Housing Program Application Instructions and Scoring Guidelines for 2007 Round A

Applications must be received in our office by 5:00 p.m. on Thursday, March 15, 2007.

General Instructions

- 1) Provide an original application and three copies. The application must be signed by an authorized signer for both the member and sponsor applicants.
- 2) All pages should be single sided, securely stapled or clipped, and preferably $8 \frac{1}{2} \times 11$.
- 3) Required exhibits and other attachments must be labeled and placed in numerical order behind the application using index tabs with corresponding exhibit numbers.
- 4) All parts of the application and all required exhibits must be fully completed to be considered in the competition. Late applications will not be considered for purposes of scoring.

The application is available on the Community Investment web site (at <u>http://ci.fhlbc.com</u>) of the Federal Home Loan Bank of Chicago (the "Bank"). Click on Affordable Housing Program; Application Process; then link to the application.

Eligibility Requirements

Prior to scoring, applications will be evaluated to determine that they meet the eligibility requirements per section 951.5(c) of the AHP Regulations and the Bank's AHP Implementation Plan (the "Implementation Plan"). Eligibility requirements include, but are not limited to, the following items:

- 1) AHP subsidy must be used for purchase, construction or rehabilitation costs that are integral or essential to the housing unit(s).
- 2) Income Targeting requirements:
 - a) At least 20% of the units in a rental project must be occupied by and affordable to households with incomes less than 50% of the area median income per HUD income guidelines.
 - b) Households in owner-occupied projects must earn less than or equal to 80% of the area median income per HUD income guidelines.
- 3) AHP assisted owner-occupied units must be retained as affordable for a minimum of 5 years.
- 4) AHP assisted rental units must be retained as affordable for a minimum of 15 years.
- 5) Project readiness must be demonstrated. Critical pieces of financing must be committed, and projects involving new construction must include evidence of site control and zoning.
- 6) There must be a need for the AHP subsidy (see Section II.B.2 of the Implementation Plan). Development and operating costs should be within feasibility guidelines (as further outlined in Exhibit I to the Implementation Plan, the "Feasibility Guidelines"). If they are not, applicant must provide an explanation.
- 7) Project feasibility: Evaluation of project feasibility, as further outlined in the Feasibility Guidelines, will be based on the following:
 - a) Local market need and demand for the proposed development
 - b) Development experience, management experience and capacity of the development team
 - c) Financial feasibility and project readiness. The Bank's review will include an analysis of the sources and uses of funds, project costs, and operational feasibility.
- 8) Project must comply with federal and state fair housing laws and regulations.

- 9) Member institution must be a member of the Bank at time of application and at time of AHP disbursement.
- 10) The amount of AHP subsidy any single member may receive may not exceed 25% of the subsidy awarded or the subsidy announced for each application period, whichever is greater.
- 11) The maximum amount of AHP subsidy per project to \$500,000. Consortium and multi-member projects where the AHP funds are broadly distributed over multiple government jurisdictions may request a waiver from this requirement.

An application failing to meet eligibility requirements will be deemed ineligible and will not be considered for funding.

AHP Regulations

The Affordable Housing Program (AHP) regulations, 12 CFR, Part 951, can be found at <u>www.access.gpo.gov</u>. Select GPO Access, Online Federal Information, Code of Federal Regulations, 12CFR951.

Application Instructions

These instructions are meant to clarify sections of the application where questions commonly arise. The identifying numbers and letters on the instructions correspond with the identifying numbers and letters on the application.

Detailed information regarding the Bank's scoring guidelines are included under Section IV-Scoring, starting on page 5.

L. Contact Information

Sponsor Information: Please be sure that the sponsor entity is appropriate for the structure of your project. Organizations using tax credits should consult a tax attorney and tax accountant prior to applying for AHP funding to determine the impact of the AHP subsidy to the project, and to confirm that the appropriate party is named as the project sponsor.

Requests for a subsequent change or modification of the project sponsor is at the bank's discretion, and may not be approved.

II. Type of Subsidy

Check either Direct Subsidy or Subsidized Advance. A Direct Subsidy is a grant that involves a cash outlay that must be repaid if the property is sold before the end of the retention period.

If you are applying for a Subsidized Advance, contact Community Investment staff prior to submitting your application to ensure that the subsidy is delivered in the most appropriate manner. Also, please be aware that AHP awards for subsidized advances are for a subsidy amount only; the Bank does not commit to a rate at the time of approval. Prepayment of advance and/or sale of the property prior to the end of the retention period may result in a repayment of the AHP subsidy.

III. Project Information and Eligibility Requirements

A. Name and Location

Enter the project site location or the project site address. For scattered site projects, please attach a listing of sites if known; if unknown state that "sites are to be determined." Do not list the sponsor's address, unless the sponsor address is the same as the project address.

B. Type of Project

- 1. The application must be for either an owner-occupied or a rental project. If the project includes both owner-occupied and rental segments, you must submit two separate AHP applications.
- 2. Single family properties include buildings of 1-4 units whether owner-occupied or rental; Multifamily properties are buildings with 5 or more units. For group home rental projects with more than one independent household residing in a unit, you should consider each separate household as a unit.
- 3. If the project is lease-to-purchase ("LTP"), please explain the conditions of the program in Section III. C., Project Description. In most instances, LTP projects will be scored as rental projects; therefore, please include corresponding documents for rental projects. Existing LTP projects that will use the AHP subsidy for downpayment assistance to purchase units during the upcoming 12 months are an exception, and will be scored as owner-occupied projects. Please consult with Community Investment staff to ensure you are submitting proper documentation.
- 4. Though the project may include commercial or non-housing space, the costs associated with developing the commercial/non-housing space of the project are not an eligible use of AHP funds. The application must clearly show that no AHP funds are being used for the development of the commercial/non-housing space and that the housing segment of the project will not be used to subsidize the operation of the commercial/non-housing space.

Applications including commercial/non-housing space must submit separate Development Budgets, 15-Year Operating Budgets and Sources and Uses Statements (Exhibits III and V respectively) for the commercial/non-housing space and the housing space.

6. Though the project may include supportive services, the costs associated with the provision of services are not an eligible use of AHP funds. Applications including supportive services must submit a separate, self-sustaining 15-Year Operating Budget (Exhibit III) for services.

D. Subsidy Description

100 100

2a. AHP subsidies <u>must</u> be used for one of two broad purposes:

- to finance the purchase, construction and/or rehabilitation of owner-occupied housing for households with incomes at or below 80% of area median income (AMI); or
- to finance the purchase, construction and/or rehabilitation of rental housing, of which at least 20% of the units will be occupied by, and affordable to, households with incomes at or below 50% of AMI.

Eligible uses include, but are not limited to:

- downpayment assistance
- hard construction costs
- soft costs
- land acquisition, in connection with new construction

- gap financing
- homeownership counseling costs, provided that such costs are incurred in connection with counseling for homebuyers who actually purchase an AHP assisted unit and the cost of the counseling has not been covered by another funding source, including the member.

The AHP subsidy may not be used to capitalize operating or other reserves, to directly or indirectly fund services, or to fund commercial or unrelated non-housing space.

The application must specify what eligible uses the AHP award will be used for as it relates to the project. For example, if the application indicates that the award will be used for downpayment assistance, the project sponsor must obtain the approval of the Bank if they wish to change the project so that funds are used for land acquisition or any other eligible use.

E. Sponsor Capacity

If the sponsor does not have experience with projects of similar size and scope, indicate who the sponsor will partner with (consultant, developer, etc.) to bring the project to fruition. Provide qualifications and experience for all parties, including the project sponsor in Exhibit XIV.

F. Prior AHP Subsidy

Please provide requested information.

G. Application to more than one Federal Home Loan Bank

Please provide requested information.

H. Project Readiness

Some or all of the AHP subsidy approved under the Bank's competitive application program must be likely to be drawn down or used by the project to procure other financing commitments within one year of the date of approval of the application for AHP funding.

Project readiness is assessed based on the firm commitment of all sources of critical financing. Development projects must also submit evidence of site control and zoning.

I. Interest in Project

In the case of real estate that is sold to a project by a member that is providing the AHP subsidy to the project, or property sold to the project upon which the member holds a mortgage or lien, an appraisal completed by a state certified or licensed appraiser must be included with the application. The appraisal must be performed within six months prior to the date the Bank disburses the AHP subsidy to the project.

J. Fair Housing

AHP regulations require that projects must comply with applicable Federal and State laws on fair housing and housing accessibility, including, but not limited to, the Fair Housing Act, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, and the Architectural Barriers Act of 1969 and must demonstrate how the project will be affirmatively marketed. We urge you to contact legal counsel or an organization with expertise on these laws. Refer to the HUD website at <u>www.hud.gov</u> for information on fair housing.

K. Local Market Conditions

The application must include a market analysis that describes local market conditions and illustrates market demand for the type of housing being developed. Include data and other relevant facts that sufficiently demonstrate the need for and viability of the proposed project. Rental projects involving new construction should provide a third party market study completed within the last 18 months. Owner-occupied projects should provide information on the availability of homes in the targeted locations and at the targeted price points identified in the application. Attach such market analysis as Exhibit XII.

L. Long-Term Retention and Repayment

<u>Retention</u>

AHP regulations require that owner-occupied projects retain the units as affordable for five (5) years from the closing date of the purchase of the home. For rental projects, the units must be retained as affordable for fifteen (15) years from the date of project completion. Projects that do not meet the minimum retention period will not be considered for funding.

Some examples of acceptable types of retention documentation include deed restrictions, land covenants, and junior mortgages. All retention documents must be recorded.

<u>Repayment</u>

Specific language must be contained within a document such as a soft second mortgage, an Affidavit of Interest, a Deed Restriction, or a third party agreement between the member and the sponsor, ensuring that funds will be returned to the Bank in the event that repayment is required. All repayment documents must be recorded.

IV. Scoring, Criteria

Projects meeting all eligibility requirements will be reviewed and scored based on nine scoring criteria that equal a maximum of 100 points. The applications receiving the highest overall scores will be recommended to the Affordable Housing Committee of the Bank's Board of Directors for award approval. Such Committee will approve applications sufficient to exhaust the AHP funds available for the applicable round.

Each of the nine scoring criteria has been assigned a maximum point value, and is designated as either a fixed point or variable point scoring item. Fixed point criteria (i.e., pass/fail) are those that cannot be satisfied in varying degrees ("Fixed"). Applications meeting a fixed point criterion will receive the maximum number of points allocated to that category. Variable point criteria are those where there are varying degrees by which an application can satisfy the criteria ("Variable"). The application(s) best achieving each variable point criterion shall receive the maximum point score available for that category, with the remaining applications scored on a declining scale.

1. Donated / Discounted Government or Other Properties (5 points - Variable)

Projects that can document the financing of housing using a significant proportion, defined as a minimum of 20% of the total land or units, of (1) land or units donated or conveyed to the project by the Federal government or any agency or instrumentality thereof, or (2) land or units donated or conveyed by any other party, for an amount that is at least 20% below the fair market value ("FMV") of the units or land conveyed. FMV must be supported by a third-party appraisal completed within 12 months prior to the AHP application date.

Applicants must indicate what is being donated or sold to the project at a discount, and include addresses if multiple land parcels or buildings are involved.

Evidence of donation or conveyance must be included as an attachment to the application to receive credit for donated properties. For properties conveyed at a discount to FMV, an appraisal completed within 12 months prior to AHP application date and evidence of conveyance cost are required to receive credit. The discount is calculated by subtracting the actual cost of all land or units in the project from the FMV of all the land or units in the project, and dividing the result by the FMV.

Rehabilitation-only projects that do not involve the acquisition of land or buildings are not eligible to receive points in this category.

Points will be awarded as follows:

5 points	If property or units are fully donated by a non-affiliated third party.
4 points	If conveyed by a non-affiliated third party and discount is between 80-99.99% of FMV per appraisal.
3 points	If conveyed by a non-affiliated third party and discount is between 60-79.99% of FMV per appraisal.
2 points	If conveyed by a non-affiliated third party and discount is between 40-59.99% of FMV per appraisal.
1 point	If at least 20% of (1) the land or units are donated or conveyed by the federal government; or (2) land or units donated or conveyed by a third party are discounted between 20-39.99% of FMV per appraisal. A maximum of 1 point will be awarded for the conveyance of land or units with a discount of at least 20% by a subsidiary or affiliate of the ownership entity, or other entity with an ownership interest in the project.

2. Project Sponsorship (5 points - Variable)

Project-sponsorship by a not for profit organization, a state or political subdivision of a state, a state housing agency, a local housing authority, a Native American Tribe, an Alaskan Native Village, or the government entity for Native Hawaiian Home Lands that:

- has any ownership interest in a rental project; or
- is integrally involved in an owner-occupied project, by exercising control over the development or management of the project, by providing homebuyer/homeowner counseling, or by qualifying borrowers and providing or arranging financing for the owners of the housing.

Demonstrated sponsor capability and past track record will also be taken into consideration. Attach evidence of sponsor capacity as Exhibit XIV for sponsors and co-sponsors.

- 1967 - 1963 -	Rental Projects
1 point	Criteria 1: Sponsor must have non-profit status (or be a state or political subdivision of a state, a state housing agency, a local housing authority, Native American Tribe, an Alaskan Native Village, or the government entity for Native American Home Lands) and ownership interest in the project.
l point	Criteria 2: If Criteria 1 is met and if ownership interest by non-profit sponsor exceeds 50% of the managing member or general partner.
1 point	Criteria 3: If Criteria 1 and 2 are both met and the non-profit sponsor plays an integral role in the project by directly exercising operational control over the development or property management of the project or by directly providing supportive services to residents of the project.
1-2 points	Criteria 4: If Criteria 1, 2 and 3 are all met and non-profit sponsor has related experience in the completion or operation of at least 2 projects of similar size and scope, applicants will receive 1 point. If Criteria 1, 2 and 3 are all met and non-profit sponsor has related experience in the completion or operation of at least 3 projects of similar size and scope, applicants will receive 2 points.

	Owner-Occupied Projects
2 points	Criteria 1: Sponsor must have non-profit status (or be a state or political subdivision of a state, a state housing agency, a local housing authority, Native American Tribe, an Alaskan Native Village, or the government entity for Native American Home Lands) and the sponsor plays an integral role in the project, by exercising control over the development or management of the project, by providing homebuyer/homeowner counseling, or by qualifying borrowers and providing or arranging financing for the owners of the housing units.
1 point	Criteria 2: If Criteria 1 is met and if non-profit sponsor plays more than one integral role, as defined in the preceding cell above, in the project.
1-2 points	Criteria 3: If Criteria 1 is met and non-profit sponsor played an integral role, as defined above, in the successful completion and administration of at least 2 projects of similar size and scope, applicants will receive 1 point. If Criteria 1 is met and the non-profit sponsor has played an integral role, as defined above, in the successful completion and administration of more than 3 projects of similar size and scope, applicant will receive 2 points.

3. Targeting (20 points - Variable)

The Bank will consider the extent to which the project creates housing for very low, low or moderate income households. For purposes of this scoring criterion, applications for owner-occupied and rental projects will be scored separately.

Owner-Occupied Projects

Points will be awarded to projects that finance the purchase, construction and/or rehabilitation of owneroccupied homes for low and moderate income households in that priority order. For owner-occupied projects, incomes cannot exceed 80% of the Area Median Income ("AMI") and units must be retained as affordable for a minimum of 5 years.

Owner-occupied projects will be awarded points on a declining scale. Those with the greatest percentage of households with low incomes (60% of AMI or less) and moderate incomes (61%-80% of AMI), in that order, will receive the most points. A weighted average is calculated with the greater weight given to low income households. The following formula is used to determine the score:

$$20\left[\frac{B}{A}\right] + 12\left[\frac{C}{A}\right] = \text{SCORE}$$

Where: A = Total Number of Units

B = Number of Units <= 60% of AMI

C = Number of Units 61% - 80% of AMI

Rental Projects

Points will be awarded to projects that finance the purchase, construction, and/or rehabilitation of rental housing, of which at least 20% of the units in the project will be occupied by, and affordable to, very low income households with incomes at or below 50% of AMI. For rental projects, units must be retained as affordable for a minimum of 15 years.

- a. Rental projects where 60% or more of the total units will be occupied by, and affordable to, very-low income households (at or below 50% of AMI) will receive 20 points.
- b. Rental projects that do not meet the 60% very low income criteria will be awarded points on a declining scale based on the percentage of units in a project that are reserved for very-low income households and on the percentage of remaining units reserved for moderate income households. Rental projects will be scored using the following formula:

$$25\left[\frac{B-(.20(A))}{.80(A)}\right] + 15\left[\frac{C}{.80(A)}\right] + 3\left[\frac{D}{.80(A)}\right] + 0 \ [E] = VALUE$$

Where: A = Total Number of Units

B = Number of Units <= 50% of AMI

C = Number of Units 51% - 60% of AM1

D = Number of Units 61% - 80% of AMI

E = Number of Units > 80% of AMI

In addition to indicating the number of units in the project committed to each income group, please indicate the number of Family, SRO (single room occupancy units) and Group Bed Units. Group Bed Units are defined as two or more independent households residing in a unit where each separate household is considered a unit for AHP purposes. This is generally seen in group homes or similar projects.

4. Promotion of Empowerment (5 points - Variable)

Up to 5 points are available for projects that empower residents by providing housing in combination with empowerment program(s) as identified in the application.

Sponsors must provide a service plan (Exhibit XV-A) to receive points. The sponsor must explain how each service will economically empower and benefit the residents and indicate the plan to deliver services, if services will not be available on site. Such service plan(s) should indicate how sponsor will track, monitor, and demonstrate that the empowerment services listed are provided.

In addition to Exhibit XV-A, to receive points for sponsor-provided activities or services, the application must include a brochure or annual report detailing the services to be provided to the tenants or homebuyers. If these materials are not available, an expanded service plan including detailed descriptions of services the sponsor will directly provide to the residents will be acceptable. Applicants must also indicate the source of funding for each of the activities the sponsor will provide. These attachments should be included under tab XV-A of the application.

To receive points for services provided by organizations other than the sponsor, a Commitment to Provide Services (pre-printed form included with the application) should be completed by each service provider, and included as Exhibit XV-B. Exhibit XV-A must also be completed. If there is insufficient room on the exhibit to provide a complete description of services, the service provider should provide documentation on all services to be offered to the project on their letterhead in addition to completing and signing Exhibit XV-A.

Points will not be awarded for commitments dated more than one year prior to the AHP application date.

Applications will be scored in the following manner, based on information contained in the Commitments to Provide Services and sponsor-provided documentation.

4 1 8 1 . 7*5 - 200 - 20	Rental Projects
1 point	Employment services and/or job training programs to assist residents with procuring employment. These services must include at least one of the following: welfare to work programs, on- or off-site job opportunities, or job search assistance including career counseling.
1 point	Training/Education services to residents that include one of the following: adult accredited education programs, vocational training, youth* education programs, saving and budgeting education, or computer classes. *Youth programs qualify, only if they serve as a substitute for childcare.
1 point	Comprehensive case management services, mental and behavioral health services, substance abuse prevention and treatment programs, or residential support services. Services provided must promote economic betterment by supporting residents' ability to find or sustain employment or be self-sufficient.

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1 point	Resident involvement in decision-making affecting the creation or operation of the project via resident council or resident participation on the board.
1 point	Donated/discounted day care services.
State of the	Owner-Occupied Projects
1 point	Pre-purchase homebuyer counseling if counseling is mandatory for all AHP-assisted homebuyers.
¹ / ₂ - 1 point	1 point will be awarded for post-purchase homebuyer counseling if counseling is mandatory for all AHP-assisted homeowners. ½ point will be awarded if counseling is available, but not mandatory.
l point	Financial literacy training, if mandatory for all AHP-assisted homebuyers. Course content must include budgeting, credit topics, and a predatory lending component.
1 point	Sweat equity if mandatory for all homebuyers/homeowners. Applicants must submit program description that clearly notes sweat equity to receive points.
1 point	One-on-one homebuyer or homeowner counseling, if mandatory for all

5. Housing for Homeless Households (5 points - Fixed)

homebuyers/homeowners.

Projects that (i) create rental housing, excluding overnight shelters, reserving at least 20% of the units for homeless households, (ii) create transitional housing for homeless households permitting a minimum of six months occupancy, or (iii) create permanent owner-occupied housing reserving at least 20 percent of the units for homeless households, are eligible to receive 5 points, if referral source(s) and source of funding for specialized services (if provided) are identified, and an acceptable supportive service plan for homeless residents has been provided. Units designated as "reserved" must be used only for homeless households throughout the retention period. If qualified homeless households are not available, the unit(s) must remain vacant until a homeless household is found to occupy the unit.

A homeless household is defined as:

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A household made up of one or more individuals, other than individuals imprisoned or otherwise detained pursuant to state or federal law, who:

- 1. lack a fixed, regular, and adequate nighttime residence; or
- 2. have a primary nighttime residence that is:
 - a. a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);or
 - b. an institution that provides a temporary residence for individuals intended to be institutionalized; or
 - c. a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

6. District Priority 1 (24 points - Variable)

a. Member Financial Participation (5 points-Variable)

This scoring criterion measures the extent to which a member participates financially in a project, excluding pass-through of the AHP subsidy. Attach a Commitment of Member Financial Involvement as *Exhibit XVII* to receive points in this category.

	Rental Projects
3 points	If member applicant provides long-term financing to the project (i.e., permanent financing, letter of credit for credit enhancement or tax credit equity), which constitutes at least 20% of total project costs. Points will also be awarded to consortium projects providing long-term financing to the project if member participation constitutes at least 20% of total project costs. To receive points, the minimum loan term must be 15 years.
1 point	If member is providing <i>only</i> intermediate or short-term financing to the project (i.e., construction loan, bridge loan, letters of credit for credit enhancement) or permanent financing which constitutes less than 20% of total project costs.
1 point	If member is providing concessionary rates or fees, fee waivers or donations to the project.
1 point	If member provides both short-term and long-term financing.

	Owner-Occupied Projects
4 points	If member applicant(s) will definitively provide financing (with a minimum loan term of 5 years) to at least 50% of all qualified homebuyers/homeowners.
2 points	If member applicant(s) will provide only short-term financing to the project (i.e., construction loan or bridge loan), or will definitively provide financing with a minimum 5 year loan term to at least 20% of homebuyers/homeowners.
l point	If member applicant(s) will provide financing with a minimum 5 year loan term to 10% - 20% of homebuyers/homeowners.
l point	If member will provide concessionary rates or fees, fee waivers or donations to the project.

b. <u>Community Involvement</u> (3 points-Variable)

The Bank will consider the extent to which the application demonstrates support for the project by local government, other than as project sponsor, in the form of property tax deferment or abatement, zoning changes or variances, infrastructure improvements, fee waivers or other similar forms of non cash assistance or demonstrated support for the project by community organizations or individuals, other than as project sponsors, through their commitment of donated goods and services, or volunteer labor. Points are allocated to the extent the application includes documentation of active support for the project by local government, community organizations or individuals, other than the project sponsors. Commitments must be documented by those organizations and attached as Exhibit XV to receive points. Letters of support that simply endorse the project as being good or necessary for the community will not gamer any points.

1 point	Demonstrated support for the project by a local government (other than as a project sponsor) in the form of property tax deferment or abatement, zoning changes or variances, infrastructure improvements, or fee waivers.
1 point	Donated or discounted materials, services or labor.
1 point	If multiple organizations, businesses, etc. provide donated or discounted services, materials, or labor.

c. Special Needs Housing (6 points-Fixed)

The financing of housing where at least 20% of the units are reserved for occupancy by households with special needs will receive 6 points.

Units designated as "special needs housing" may only be used for the identified population(s), and no other. If qualified tenants in the target population are not available, the units must remain vacant until an eligible household is found to occupy the housing unit. Special needs housing includes housing for:

- the elderly
- mentally or physically disabled persons

- persons recovering from physical, alcohol, or drug abuse
- persons with HIV/AIDS

Referral source(s) and source of funding for specialized services (if provided) must be identified.

d. <u>First-Time Homebuyer</u> (5 points-Fixed)

Projects that provide financing of housing for first-time homebuyers will receive 5 points. 80% of the units must be reserved for, and sold to, first-time homebuyers to qualify for credit. A first-time homebuyer is defined as a household meeting any one of the following criteria:

- An unmarried individual or an individual and his or her spouse, who has/have not owned a home during the three-year period immediately prior to the date of purchase of a home with the AHP subsidy.
- A divorced or legally separated individual who has only owned a home with a (former) spouse.
- An unmarried individual or an individual and his or her spouse who has/have only owned a home that was not in compliance with State, local, or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

e. <u>Rural Housing</u> (5 points-Variable)

Points will be awarded on a pro rata basis, based on the percentage of units that satisfies the criterion.

The Bank's definition of a rural area will be consistent with the Rural Housing Service, U.S. Department of Agriculture definition per 7 C.F.R. 3550.10. To determine if a particular location is designated as rural per 7 CFR 3550.10, please refer to <u>http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do</u>. Depending on the project type,

click on "single Family" or "multifamily" and enter the property address.

If the property location is considered rural, but located in a county with ineligible areas, please submit a USDA map of that county as Exhibit XVIII, locating the property on the map. Contact information for Rural Development offices is as follows:

Wisconsin: (715) 345-7620 Illinois: (217) 403-6200

7. District Priority 2 (6 points - Variable)

書 Th	e creation of housing that satisfies one of the following second district priorities:	
•	At least of 20% of total housing units are located in Indian areas as defined by Native American Housing Assistance and Self-Determination Act; or	Fixed
•	At least 20% of total housing units are located in state or federally declared disaster areas; or	Fixed
٠	At least 20% of total housing units have 4 or more bedrooms (excludes group homes); or	Fixed
٠	Project meets the definition of Mixed Income housing, as defined below:	
	 Rental projects with at least 20 % unrestricted units; or 	Fixed
.'	 Housing located in census tracts where the median income exceeds 80% of median income for the county or metropolitan area that the project is located in. 	Variable
	Applicants must provide information or statistics as evidence that the project meets the mixed income criterion. Census tract income information can be found on <u>http://www.ffiec.gov</u> . Enter property address in the Geocoding Mapping System. Click on "Search", then "Get Census Demographic."	

The income for the census tract is divided by the HUD median income for the county. A Census Tract Median Family Income of greater than 80% of the median income for the county or metropolitan area is necessary to qualify for points under this criterion.

Note that results for the above calculation may differ from the FFIEC calculation, particularly in rural locations.

If project is located in an Indian area, state or federally declared disaster area or in a census tract that qualifies for District Priority 2 credit, supporting documentation must be submitted with the application (Exhibit XX) to receive points.

Scattered site projects, in which some of the properties qualify for mixed income credit, will be scored on a pro rata basis, based on the percentage of units in mixed income projects or mixed income locations.

8. AHP Subsidy per Unit (16 points - Variable)

The Bank will consider how effectively the project uses AHP subsidy dollars. Scoring is based on the extent to which the project proposes to use the least amount of AHP subsidy per AHP targeted unit (units <= 80% of AMI), i.e.:

AHP Subsidy # of units <= 80% AMI = \$ Subsidy per Unit

Owner-occupied and Rental projects will be scored separately. Rental projects with 24 units or less will be scored the same as owner-occupied projects.

Owner-Occupied Pr Rental Projects - 24 un		Rental Projec 25 or more un	
\$ Subsidy per Unit	A CONTRACT OF CARGE STREET, ST	\$ Subsidy per Unit	Points
\$5,000 or less	16	\$4,000 or less	16
\$5,001 - \$6,000	15	\$4,001 - \$5,000	15
\$6,001 - \$6,500	14	\$5,001 - \$5,500	14
\$6,501 - \$7,000	13	\$5,501 - \$6,000	13
\$7,001 - \$7,500	12	\$6,001 - \$6,500	12
\$7,501 - \$8,000	11	\$6,501 - \$7,000	11
\$8,001 - \$8,500	10	\$7,001 - \$7,500	10 ⁻
\$8,501 - \$9,000	9	\$7,501 - \$8,000	9
\$9,001 - \$9,500	8	\$8,001 - \$8,500	. 8
\$9,501 - \$10,000	7	\$8,501 - \$9,000	7
\$10,001 - \$10,500	6	\$9,001 - \$9,500	6
\$10,501 - \$11,000	5	\$9,501 - \$10,000	5
\$11,001 - \$11,500	4	\$10,001 - \$10,500	4
\$11,501 - \$12,000	3	\$10,501 - \$11,000	3
\$12,001 - \$12,500	2	\$11,001 - \$11,500	2
\$12,501 - \$13,000	1	\$11,501-\$12,000	1
More than \$13,000	0	More than \$12,000	0

In the case of an application for a project financed by a subsidized advance, the total amount of AHP subsidy used by the project shall be estimated based on the Bank's cost of funds as of the date on which all applications are due for the funding period in which the application is submitted.

9. Community Stability (14 points - Variable)

9 points	Demolition of distressed properties and replacement with new construction; major rehabilitation of vacant or abandoned buildings; or rehabilitation-only projects with costs exceeding \$40,000/unit, if no acquisition is involved.
8 points	New construction on vacant land; purchase of existing units with significant rehabilitation (>50% of total development costs); adaptive re-use; or rehabilitation-only projects with rehabilitation costs of \$25,001-\$40,000/unit if no acquisition is involved.
7 points	development cost); or rehabilitation-only projects with rehabilitation cost between 25%-50% of total \$25,000/unit, if no acquisition is involved
6 points	Purchase of existing units with rehabilitation costs of less than 25% of total development cost; or rehabilitation-only projects with rehabilitation costs of \$1,500-\$10,000/unit, if no acquisition is involved.
5 points	Purchase of existing units with minimal rehabilitation (less than \$1,500/unit) or no rehabilitation.

Points will be awarded as follows:

Bonus points

l point	Project meets housing needs defined in a neighborhood stabilization plan, documented by a statement from municipality, or excerpt from community stabilization plan.
l point 2-3	Live Near Work Initiative or Employer Assisted Housing Programs if documents 1
points	covenants that will expire within the next 3 years are eligible to receive 3 metators
	documented. Projects with land use covenants and rent/operating subsidies expiring within the next 3 years are eligible to receive 3 points, if documented.

Applicants must indicate whether displacement will occur, and whether or not there is a resettlement plan. Any project that displaces residents must provide a plan for relocation of those to be displaced as Exhibit XVI.

Documentation for Live-Near-Work Initiatives must include certification from local employer(s) stating (i) the number of employees earning incomes at the level proposed by the project, which must equal or exceed the number of low-income units proposed, (ii) that the employer has difficulty attracting a quality workforce due to the lack of affordable housing within a 5 mile radius (ten for rural areas) of the worksite, and (iii) the employer supports construction of the proposed project. Jobs must be appropriate for the tenant population to be served. (For example, Supportive Living Facilities do not qualify for these points.) The employer(s) must indicate how they will advertise positions to project residents, and how the housing units will be advertised to their employees. Projects involving rehabilitation of existing units will be considered for points in this category, only if at least 50% of the units are unoccupied at the time of the application. More than one employer may be identified, as long as the aggregate number of positions equals or exceeds the number of low-income units indicated in the application.

V. Certifications

The Bank will require applicants to certify that the named parties for the sponsor and member, for contact information and reporting, funding, and monitoring purposes are duly authorized to represent those organizations, and to make commitments on behalf of those organizations. Additionally, those parties signing the application are duly authorized to sign the application on behalf of the organization.

VI. Exhibits

Capitalized terms used in the exhibit instructions below are defined within the exhibit(s) to which they refer.

1. Exhibit I-A Owner-Occupied Project Worksheet

If the project area includes more than one county or metropolitan area with differing income guidelines, the sponsor should select a representative area and indicate the area used. Please use the HUD Income Guidelines' for the area indicated when completing the Maximum Annual Income at targeted income level. Monthly Income at targeted income level is calculated by dividing the Maximum Annual Income by 12.

For each of the income groups targeted, include a financing scenario for a typical owner-occupied transaction, showing cost of home including closing costs and any rehab costs; and total funding sources, including buyer's downpayment, amount of AHP subsidy, other grants, and other financing in addition to the first mortgage. Under Mortgage Information, please indicate the rate and term, the monthly principal and interest, monthly taxes and insurance, and any monthly condo association fees.

The total cost of the home, including closing costs, should equal the total funding sources. Total Cost for the average home multiplied by number of units in the project should coincide with Total Uses of Funds reflected on Exhibit V, the Sources and Uses Statement. Financing and mortgage information, should coincide with the Sources table on Exhibit V, the Sources and Uses Statement.

Housing Expense to Income Ratio is calculated by dividing the Total Monthly Housing Expense by Total Monthly Income.

2. Exhibit I-B Owner-Occupied Checklist

The Owner-Occupied Checklist requires an explanation of any cost or ratio outside of the Bank's Feasibility Guidelines.

Projects will not automatically be excluded from scoring if they fall outside of the ranges listed; however applicants must justify why the cost or ratio is appropriate. The Bank reserves the right to reduce requested subsidy amounts if the project fails to satisfy published financial feasibility guidelines and/or fails to adequately document a need for the subsidy requested. Additionally, projects failing to adequately explain items falling outside of the Bank's feasibility ranges may be deemed ineligible.

Depending on the project, explanations may also be requested for items falling within the ranges listed.

3. Exhibit II-A Rental Project Worksheet

The purpose of the Rental Project Worksheet is to insure that rents are affordable to households of the appropriate family size.

- Project Area If the project area includes more than one county or metropolitan area with differing income guidelines, list all counties or metropolitan areas. Use the HUD Income Guidelines^{*} for the area indicated when calculating Column E of the table.
- Column B & C Fill in the number of units and number of bedrooms. Group homes and 1 person units without a separate bedroom (e.g. studio apartment, etc.) should indicate 0 bedrooms.

Income guidelines published annually by the Department of Housing & Urban Development (HUD) are located at <u>http://ci.fhlbc.com</u> under Administrative Information. Click on HUD Income Guidelines.

Column D -

Field will populate with presumed household size for that type unit based on the AHP Regulations (1.5 persons per bedroom).

Column E

Column F

Identify the targeted income group for those units.

Using the HUD Income Guidelines, fill in the "adjusted income limits" for each of the project areas that correspond to the household size in (D) and the targeted income group in (E).

To determine the half person family sizes calculate the average household income limit using the limit above and below the half size household (i.e., the qualifying income for 4.5 persons is the average of the four and five persons household income limits, as shown in the example on the first line of the table).

Corresponding income definitions are:

Exhibit IIA Column E	HUD Income Guidelines
<=50% of AMI	VERY LOW - INCOME
51-60% of AMI	60% INCOME LIMITS
61-80% of AMI	LOW INCOME LIMITS

Actual tenant income may be less than the maximum amount, but cannot exceed it. If your targeted population has income below 50% of AMI, use the 50% limit.

Column G

Fill in the proposed monthly rent for that type of unit. (Tenant's Annual Rent should correlate with the Gross Residential Rents listed on the Operating Budget, Exhibit III.)

Column I

Fill in the tenant's share of the rent (rent less assistance payment). This will be the same as Column H unless a portion of the rent is subsidized.

Column J

2

Field will calculate, dividing the Tenant Rent Share by the target <u>monthly</u> income (Column I divided by 12 months). For all units, the ratio must be 30% or less.

4. Exhibit III Development Budget & Operating Pro forma for Rental Projects

Applications for rental projects must include a detailed Development Budget and a 15 year Operating Proforma.

The Development Budget should represent the actual outlay of cash needed to pay for materials, labor, and acquisition or other costs of completing such project. Do not include in-kind donations, voluntary professional labor or services, or sweat equity.

The developer fee should reflect developer overhead and profit only. All other project expenses should be appropriately detailed as either a hard or soft-cost line item.

Since AHP funds can be used to pay only for costs associated with the purchase, construction and/or rehabilitation of housing, projects involving non-housing related space (such as an exercise room, non-housing related office space, etc.) and/or services must demonstrate that the AHP subsidy will only be used for eligible purposes.

 Projects including commercial space must separate out development costs and operating costs associated with the commercial space. This can be done as separate columns on the development/operating budget or by submitting two separate budgets. The operating pro forma for commercial space must selfsustaining.

 Projects including on-site residential services provided by the sponsor/project owner (such as supportive services, case management, etc.) must submit separate operating budgets, including income and expenses, for housing and services. The service budget must be self-sustaining.

5. Exhibit IV-A Rental Project Checklist

The Rental Project Checklist requires an explanation of any cost or ratio outside of the Bank's Feasibility Guidelines, as reflected on the Rental Project Checklist and in the Bank's AHP Implementation Plan. Projects will not automatically be excluded from scoring if they fall outside of the ranges listed; however applicants must justify why the cost or ratio is appropriate.

Projects failing to adequately explain items falling outside of the Bank's feasibility ranges may be deemed ineligible. Additionally, the Bank reserves the right to reduce requested subsidy amounts if a project fails to satisfy the Feasibility Guidelines and/or fails to adequately document a need for the subsidy requested.

Depending on the location and type of project, explanations may also be requested for items falling within the ranges listed.

6. Exhibit V Sources and Uses Statement

Total Sources must equal Total Uses of Funds.

If the project includes commercial space, a separate Sources and Uses Statement is required for the commercial space.

Projects involving new construction of owner-occupied projects should submit a Sources and Uses Statement that reflects the sale to the homebuyers.

Sources

List all Permanent Sources of Project Funding in the Source of Funds table. Name the specific financing source and the amount. Refer to the Description Code list to describe the type of financing; indicate one type code only per line item.

Verification of financing commitments must be attached as Exhibit XVII. Projects without documented commitments of critical financing sources may be deemed ineligible.

Owner-occupied projects should include the borrower's downpayment as an equity source so that the sources and uses balance.

Permanent Financing

Indicate the rate to be charged on any permanent financing. Projects seeking a spread exceeding 300 basis points over the Bank's CIP rate for a comparable term may be deemed ineligible and will not be considered for funding. If your project includes financing with a spread exceeding 300 basis points, you will be required to provide an explanation in a Clarification Request.

Interim Financing

Detail any interim financing, showing the amount, type of financing, rate, term, and spread to be charged. Projects seeking a spread exceeding 300 basis points over the Bank's CIP rate for a comparable term may be deemed ineligible and will not be considered for funding. If your project includes financing with a spread exceeding 300 basis points, you will be required to provide an explanation in a Clarification Request.

Tax Credits

If tax credits are used, indicate the amount of tax credits requested per year. Include the equity from the tax credits in the sources table and attach verification of your allocation and commitment from equity provider as Exhibit XVII.

Üses in the second s

Provide the amounts for each use of funds in the Uses Table. Uses should represent the actual outlay of cash needed to pay for materials, labor, and acquisition or other costs of completing such project. For multifamily projects, this table should summarize the more detailed Development Budget submitted as Exhibit III.

Non-cash costs should not be included as a use of funds. Do not include in-kind donations, voluntary professional labor or services or sweat equity.

7. Exhibit VI AHP Needs Analysis Summary

Completion of Exhibit VI is required for owner-occupied projects with sponsor-provided mortgage financing. The Excel spreadsheet containing Exhibit VI is available on our website. If you cannot access the Bank's Community Investment website or Excel, contact the Community Investment Group at (312) 565-5745 for assistance with the calculations.

A) Cash Required to Complete Project:

Enter Total Uses from Exhibit V (Sources & Uses of Funds). Note that Uses per Exhibit V should not include the value of any donated or discounted land, materials, labor, sweat-equity or any non-cash contributions.

B) <u>Cash Sources Other than Sponsor:</u>

Cash Sources other than Sponsor includes project-specific support, such as grants from foundations or corporations, CBDG or HOME funds. Please label sources and attach verification of committed funding as Exhibit XVII.

Total Cash Sources Other than Sponsor will calculate automatically.

C) <u>Cash Contributions from Sponsor:</u>

- Enter total downpayments from homebuyers for all homes included in the project.
- Enter Monthly principal and interest ("P& I") payments for all homes included in the project. (Multiply P&I for typical owner-occupied transaction reflected on Exhibit I-A (Owner-Occupied Project Worksheet) by number of homes included in the project.)
- Enter the term of loan(s) in number of months.
- The present value of monthly mortgage payments and Total Cash Contributions from Sponsor will automatically calculate.

AHP Needs Analysis Summary:

- Funding Gap will automatically calculate.
- Amount of AHP subsidy cannot exceed the Funding Gap.

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Utility Allowance effective 10/1/06

Voucher Payment Standard revised 10/1/06

RENT ASSIC DE PROGRAM UTILITY ALLOWANCE SCHEDULE

		BUILDIN	G TYPE	: Detach	BUILDING TYPE: Detached Single					B	BUILDING TYPE: Duplex	TYPE.	Duplex			Ľ	עמיווחי	BUILDING TYPE: Three or More Units	Three	s or Mor	e Units	
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Cranston-Gonzales Act

SEC-215 -- QUALIFICATION AS AFFORDABLE HOUSING.

(a) Rental Housing.-

(1) Qualification.-Housing that is for rental shall qualify as affordable housing under this title only if the housing-

(A) bears rents not greater than the lesser of

- (i) the existing fair market rent for comparable units in the area as established by the Secretary under section 8 of the United States Housing Act of 1937, or
- (ii) a rent that does not exceed 30 percent of the adjusted income of a family whose income equals 65 percent of the median income for the area, as determined by the Secretary, with adjustment for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes;

(B) has not less than 20 percent of the units

- occupied by very low-income families who pay as a contribution toward rent (excluding any Federal or State rental subsidy provided on behalf of the family) not more than 30 percent of the family's monthly adjusted income as determined by the Secretary, or
- (ii) occupied by very low-income families and bearing rents not greater than the gross rent for rent-restricted residential units as determined under section 42(g)(2) of the Internal Revenue Code of 1986;

(C) is occupied only by households that qualify as low-income families;

(D) is not refused for leasing to a holder of a voucher or certificate of eligibility under section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as a holder of such voucher or certificate of eligibility;

(E) will remain affordable, according to binding commitments satisfactory to the Secretary, for the remaining useful life of the property, as determined by the Secretary, without regard to the term of the mortgage or to transfer of ownership, or for such other period that the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this Act; and

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(B) at a price consistent with guidelines that are established by the participating jurisdiction and determined by the Secretary to be appropriate

(i) to provide the owner with a fair return on investment, including any improvements, and

(ii) to ensure that the housing will remain affordable to a reasonable range of low income homebuyers; and

(5) if newly constructed, meets the energy efficiency standards promulgated by the Secretary in accordance with section 109 of this Act.



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 Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Thursday, May 31, 2007	1:30 PM	Room 101, City Hall

Meeting convened: 1:40 P.M.

1. Roll call

Present 2 - Kammholz and Sanchez

Excused 1 - Solka

Also present: Tom Gartner-Assistant City Attorney; Mr. Garry Werra-Department of Administration-Community Block Grant Administration; Albert Franitza-Department of City Development; Joe'Mar Hooper-DOA-Budget and Management Analysis Division; Chris Martin-Manager, Emerging Business Enterprise program

2. Approval of the minutes of the May 11, 2007 meeting

Ms. Sanchez moved to amend by adding "Terms of" before "Affordability" throughout page three.

Mr. Werra said that the second to last sentence from end on page 3 should say 50 years instead of 55 years.

Mr. Kammholz moved approval of the minutes as amended, *Ms.* Sanchez seconded. There were no objections.

Roll call taken at 1:59 P.M.

Present 3 - Soika, Kammholz and Sanchez

3. Discussion and review of application evaluation scoring measures

Mr. Kammholz said that there are two outstanding issues this subcommittee needs to revisit and those are the "Use of area workers or Emerging Businesses" and the "Family Supporting Wages."

Mr. Werra said that "Income Targets" was another item that this subcommittee needed to revisit.

Mr. Kammholz said that they could start by discussing the "Family Supporting Wages" and reminded the members that the Housing Trust Fund Advisory Board (HTFAB) felt the wage of \$7.00 was set too low and asked if they should leave it as is or should they make

Page 1

May 31, 2007

changes to it.

Mr. Mahan said the \$7.00 wage rate is based on job placement and job training wages, which do not really relate to construction pay rates. He then asked Mr. Martin what wage rate does the EBE contractors have to follow.

Mr. Martin replied that the EBE contractors have to following the city's \$7.74 living wage rate, but when they are speaking of contractors that are unionized or have prevailing wage requirements, those wages are set much higher.

Mr. Werra asked *Mr.* Martin to explanation the difference between the living wage and prevailing wage.

Mr. Martin explained that prevailing wages are similar to union wages as far as the pay scale, but the prevailing wage doesn't have the other benefits that the union wage offers. He said the living wage is different in that it is the city's living wage requirement and it is updated every year.

Mr. Kammholz asked Atty. Gartner if the concept that they are looking for is the city's living wage requirement.

Atty. Gartner replied in the affirmative.

Mr. Kammholz said that the recommendation by this subcommittee should be that they use the city's living wage requirement and that the application be updated annually and for scoring purposes it would be either five points or zero.

Mr. Mahan said that it would be just five points for every applicant, because it would be a requirement.

Mr. Martin asked how they would insure that the entity is paying those wages.

Mr. Mahan said that the entity's payroll would be monitored, and that would done by certified payrolls.

Ms. Sanchez said that she is in support of the requirement, but said that it says in the legislation that the applicant would get extra points if the organization meets the minimum thresholds.

Mr. Mahan replied that for the entity to get the points it would have to be verified.

Mr. Werra explained the procedure used under the HUD guidelines on how living wages are monitored. He then asked if this living wage requirement would apply to the entire project or just the housing trust fund dollars and are they going to monitor just the organization's wages or will they have to monitor all the subcontractors that the organization uses on the project as well.

Mr. Soika appeared at 1:59 P.M.

Ms. Sanchez asked if there is a way to separate the housing trust fund dollars for the total project dollars?

Mr. Mahan replied in the affirmative and said that the RFP could state what the funds are

to be use for, such as for certain activities. He said that the "last dollars in" should not be paying for developer fees.

Mr. Werra said that the major question that needs to be addressed, is who will the living wage requirement be imposed on, the contractor only, or both the contractor and its subcontractors, because some of the smaller subcontractors may be paying wages below the rate of \$7.74 an hour.

Ms. Sanchez suggested that they could make the top point range higher to make it meaningful so that it would attract contractor who pay higher wages.

Mr. Mahan said that is something they can go with, but it would have to be determined if the requirement will be on the total project dollars or just the trust fund dollars.

Ms. Sanchez asked if it could be on just on the trust fund dollars.

Mr. Mahan replied in the affirmative.

Atty. Gartner said that he is concerned that they are setting up a structure where big developers are going to out score everybody else, because the big developers will probably be paying more per hour. He said it seems like a "one-size-fits-all" application.

Ms. Sanchez asked, that instead of requiring payroll documents, could the organization be required to put up signs at the project site, that would say "because this is funded with Housing Trust fund dollars, the living wage is required and if the entity isn't paying the living wage they can be reported to Community Block Grant Administration (CBGA)."

Mr. Mahan replied that they can do that too, but if this is approved, the monitoring is something that they will have to do anyway.

Mr. Kammholz asked if they could require the organization to send a self-reporting document.

Mr. Martin said that projects like this could be a problem when there are requirements to use area workers and pay prevailing wage, which could leads to unskilled area workers being pald prevailing wage.

Mr. Soika said these are just bonus points and they should use the living wage, but lower the points.

Mr. Kammholz asked if the committee wants to apply the living wage requirement to the total project cost or just the housing trust fund dollars?

Mr. Mahan replied that it wouldn't eliminate the monitoring no matter which way they did it.

Mr. Kammholz asked if they could include in the term sheet a self monitoring requirement?

Mr. Mahan said they need to identify who the contractors are that will be required to apply the living wage; will it be just the contractor or will it apply to the whole project, which would include all the subcontractors.

Atty. Gartner replied that it would apply to the universe (general contractor and all the

subcontractors).

Mr. Kammholz said that they could drop the scale to three points, that the requirement would be for the entire project and that a self-monitoring provision be put in the term sheet.

Mr. Martin replied that in the Emerging Business Enterprise program, if there are City dollars involved, the whole project would be monitored.

Ms. Soika asked if the committee would prefer that wage requirement be limited to the trust fund dollars?

Mr. Mahan replied in the affirmative.

Mr. Kammholz asked if there is a formal recommendation or suggestion.

Mr. Mahan recommended that they keep the "Family Supporting Wage" intact at the 5 point system, update the wage per hour to \$7.74, that there is a set dollar amount on the projects funded and that a full scale monitoring would be on just those dollars.

Mr. Kammholz asked Mr. Mahan if his recommendation would only affect the housing trust fund dollars?

Mr. Mahan replied in the affirmative.

Mr. Soika said that they could say that the "minimum pay for laborers" should be the \$7.74 an hour.

Ms. Sanchez suggested that it should affect each development award of \$50,000 or more.

Mr. Mahan suggested that it should be on any amount funded.

Mr. Werra read the following proposal for "Family Supporting Wage" as suggested by the subcommittee members:

"Contractors pays employees the City's minimum wage \$7.74-9.74 per hour1 pointContractors pays employees the City's minimum wage \$9.75-11.74 per hour2 pointsContractors pays employees the City's minimum wage \$11.75-13.74 per hour3 pointsContractors pays employees the City's minimum wage \$13.75-15.74 per hour4 pointsContractors pays employees the City's minimum wage \$15.75 and up per hour5 points

Mr. Kammholz asked if they could take out contractor and replace it with Vendor/Contractor, given that there are going to be service providers who will pay the lower wages and the bricks and mortar contractors will probably be paid at a higher wage rate? He then reiterated what was stated earlier, that the wage requirement would apply to the entire project and the term sheet would include a self monitoring requirement.

Mr. Kammholz said the next issue the committee needs to address is the "Use of area workers and emerging businesses" and said his recollection on this issue as discussed by the HTFAB is that they should take out "Use of area workers" and just go with "EBE", because it would be problematic to use both. He said the question was do they want to use the city's EBE requirements?

May 31, 2007

Ms. Sanchez asked if there is anything to prevent them from separating the "Use of area workers and emerging businesses" into two categories and awarding points for each.

Mr. Martin replied that they could separate them and said that they could use "Use of area workers" and say if they use less than 5% area workers they don't score, if they have 5-10% they would get x number of points, etc.

Mr. Martin explained the listing of RPP certified workers and gave an example on how the Department of Public Works uses that list. He said that may not want to mirror the RPP program completely. They may want to have the contractors identify the workers they have that are within the Community Block Grant target area or they could just say the whole City of Milwaukee.

Mr. Mahan said they should use the whole City of Milwaukee for "Use of area workers."

Mr. Soika said that using the whole city is fine with him.

Mr. Kammholz suggested that they separate "Use of city area workers and EBE" into two separate categories. He further said that "resident" means City of Milwaukee resident.

Mr. Soika ask if they are saying that everyone connected to the project has to be a city resident.

Mr. Kammholz replied in the negative. He said the contractor would get the points if they have a certain percentage of city resident workers and they would get a negative five if they don't have any city resident workers.

Atty Gartner asked how would an applicant anticipate what percentage of city workers they will have if they haven't selected a general contractor and subcontractors at the time they submit their application?

Mr. Martin replied that if the developer wants the dollars they would have to put it in his or her contract when seeking a contractor that there is a resident requirement and that the contractor and their subcontractors would have to abide by the requirement.

Atty. Gartner said that they may want to put a footnote at the bottom of the scoring sheet that would say that following the award of funding under this program, the applicant will need to develop term-sheets and documentation for each project and acknowledge that there will be a different set of requirements for each development project, depending on the size of the project. Atty. Gartner then asked if they have ten term sheets, who would be doing the negotiations for all of them?

Mr Kammholz said that it should be more then just a footnote and that it should be put in the application form.

Mr. Werra suggested that they insert Atty. Gartner's comments regarding the term-sheet, etc. on page 7 under "Funding Decision."

Atty. Gartner asked if they will have the term-sheets before it goes to council.

Mr. Kammholz replied in affirmative.

Mr. Kammholz said that the discussion on EBE's by the HTFAB was that they could mirror the City's EBE program. He says he believes they can. He said it was mentioned by the HTFAB that there is a way to cross-reference with the County and State Certification program. He further said that WHEDA would probably have most of the EBE vendors that would be applicable to this program. He then asked Mr. Martin how they should proceed with the EBE scoring and would it work for Housing Trust Fund to mirror the City's EBE program.

Mr. Martin replied that using the City's EBE program alone would be restrictive. He said that the State of WI NBE certification program as well as the EBE certification program would be applicable. He suggested that they may want to create their own program for the Housing Trust Fund that would include the use of all City EBE, County DBE and State of WI NBE certification programs. He said the problem they may come across, would be that it would open it up to vendors from all over.

Mr. Werra asked for clarification on the language the committee would like to use in the evaluation scoring sheet for EBE's category.

Mr. Kammholz replied that it should say "City EBE or Milwaukee County DBE or State of Wisconsin NBE Certification programs."

Atty. Gartner suggested that could just say "Meets human resource requirements of X percentage will be calculated using EBE, DBE, and NBE certification programs."

Mr. Kammholz said that they didn't want to get to far away from the City's EBE program.

Mr. Martin sald if they don't want to get to far from the City EBE program, they may just want use City EBE program, otherwise if they open it up they will get vendors from all over.

Mr. Kammholz asked if they do open this up could they forward the applicants to the Mr. Martin's Office to be certified.

Mr. Martin replied in the affirmative.

Atty. Gartner said that they are going to have a human resource agreement for these grants and he then asked who will do the monitoring.

Mr. Mahan replied that they plan to do some subcontracting for the monitoring.

Mr. Kammholz asked Mr. Werra if he is clear on the changes to the use of area workers and EBE section of the evaluation form.

Mr. Werra replied in the affirmative and explained that he took the original category of "Use of area workers or emerging businesses" and created two categories with the exact same structure. The two category titles are: "Use of City of Milwaukee (resident) workers" and "Use of City of Milwaukee EBE (Total project)."

Mr. Kammholz said that the last two issued they need to review is "Income Targets" and "Zoning requirements."

Mr. Solka said the only thing that need review for "Income Targets" was just a change to the calculation and that they were going to include the chart as part of the evaluation

scoring sheet.

Mr. Soika said he would work with Mr. Werra to prepare a chart.

Mr. Kammholz moved the discussion on to the zoning requirement issues.

Atty. Gartner said all applicants will have to abide by all zoning requirements.

Mr. Franzia said that the zoning approval would be well along in the process by the time the applicant gets to the point of filling out the application. He asked if they could for see an applicant applying for these additional funds prior to the zoning being approved.

Mr. Kammholz asked if they need clarification in the application.

Mr. Gartner replied in the negative and said that they don't need to mention the zoning requirement in the application. He said they do have a boiler plate provision relating to zoning requirements and it can be put in the final agreement.

4. Next meeting date and time

Thursday, June 7, 2007 at 1:30 p.m. to discuss the time-line process.

Meeting adjourned: 3:25 P.M.

Terry J. MacDonald Staff Assistant



October 12, 2007

Ald. Michael Murphy (414) 286-3763

Request for Proposals Deemed Success

Ald. Michael Murphy, chair of the Milwaukee Housing Trust Fund (HTF) Advisory Board is pleased with the number of proposals the HTF has received. With this week's deadline for submission, 21 proposals were received requesting a total of over \$5.6 million. On average, these dollars would leverage 15 times the city's investment.

Murphy said, "This kind of response demonstrates the urgency of housing needs in our community and the \$2.5 million program marks an important and innovative solution." Ald. Murphy added, "Affordable housing is the necessary first step toward combating many of the city's most difficult issues including crime and unemployment. Adequate and safe housing defines the quality of life and its impact on a city is immeasurable."

The Milwaukee Housing Trust Fund will provide for the construction, rehabilitation and accessibility modification of affordable housing for low- to moderateincome households in the city. The HTF Advisory Board will review the proposals and forward recommendations to the Common Council's Zoning, Neighborhoods & Development Committee in mid November.

Marcus White, executive director of the Interfaith Conference of Greater Milwaukee said, "The high number of requests tells us there is tremendous need in the community and there are organizations willing to meet that need." White also noted that with this much interest, the HTF is vitally important, adding "The Housing Trust Fund puts the last piece of the puzzle in place to make these proposals viable."

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MacDonald, Terry

From: Soika, Michael [msoika@ymcamke.org]

Sent: Monday, October 29, 2007 1:48 PM

To: Murphy, Michael; MacDonald, Terry

Subject: Resignation from Technical Review Committee

Dear Alderman Murphy:

Please accept this email as my formal resignation from the Housing Trust Fund Advisory Board – Technical Review Committee. Due to potential conflicts of interest as it relates to my position as a representative of the Milwaukee Continuum of Care to the HTFAB, I believe it is in the best interest of all involved if I were not to take an active role in the technical review process.

Please accept this resignation from the Technical Review sub-committee and feel free to name a replacement in my absence.

As always, if you have any questions on this matter, please feel free to give me a call.

Best,

Michael Soika, Executive Administrator YMCA-Urban Campus 1350 W. North Avenue Milwaukee, WI 53205 (414) 274-0749 <u>MSoika@ymcamke.org</u> <u>www.ymcacdc.org</u>

"The winds of grace are always blowing. All you need do is raise your sails." -- Rabindranath Tagore



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 Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

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

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 **a**re 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.

1.

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 gets 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 availabe).

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 is 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 sent 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 as 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

HOUSING TRUST FUND ADVISORY BOARD TECHNICAL REVIEW SUBCOMMITTEE

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 being 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 week 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 are 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 then 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.

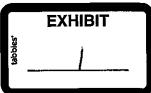
Terry J. MacDonald Staff Assistant

Policy Guideline Areas

- 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 P	Max 100 Pt Scale(a)	
	Point Range	Max Points	
Leveraged Dollars from the second		15	
HTF dollars are less than 3% of total project cost	15	difference and the	
HTF dollars account for 3 - 5% of total project cost	12	CONTRACTOR OF STREET,	
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		
Income Targets - Please Use Attached Chart and the second state and		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		
Affordability Period	-	1	
Meets HTF Affordability Period (Required - Zero Points)	0		
Exceeds HTF Affordability Period by 25%	2		
	5		
Exceeds HTF Affordability Period by 50%	8		
Exceeds HTF Affordability Period by 75%	10		
Exceeds HTF Affordability Period by 100% or more			
Use of City of Milwaukee (resident) workers (Total Project)			
Less Than 18% Milwaukee (resident) workers	5	66 1999 899	
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		
Use of City, County, or State EBE (Total Project)			
Less Than 18%	-5		
18% EBE	1		
24% EBE	2		
30% EBE	3		
36% EBE	4	F. C.	
More than 36% EBE			
		rine siri Misi and	
Neighbothood Diversity in housing choices Project Increase neighborhood diversity in housing choices	5	Printer Distances	
Green-Building Principles and the substantian and t			
Project Utilizes Green building Principles	<u> </u>		
Coordination with Community Institutions 27 27 27 28 28 and and a second second			
Project is Coordinated with Community Institutions	5		
Community Integration			
Move persons from institutions to community	5	ele submitte de la companya de la co	
Family Supporting Wages (applies to entire project)			
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 \$t2.25 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		
Experience:	A CALLER AND AND		
	5	No. 200 Provide State	
Agency experience with same type/similar project	5		
Staff experience with same type/similar project		2004 Cont #0100 14	
Accessibility improvements or modifications		2 12 (0 (0) us 5 (5 (b) for the second	
Meets Minimum Standards	1		
Exceeds Minimum Standards			
Service Partners (b)			
Provision of services on site w/out use of HTF \$			
Construction Financing and the second s	(produced has only 0.22)		
Construction Loan is Firmly Committed	5	30.0500002-55	
Construction Loan is Conditionally Committed	2		
Construction Loan is not Identified	l õ	1000.000.00	
	_		
Proposal Meets Community Needs (Subjective)			
		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



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 Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Friday, November 30, 2007	2:30 PM	Room 301-A, City Hall

Meeting convened: 2:37 P.M.

1. Roll call

2.

3.

Present 4 - Kammholz, Sanchez, Madden and Gore

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

Approval of the minutes of the November 6, 2007 meeting

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

Discussion relative to the policy guidelines and procedures for the Housing Trust Fund

Mr. Kammholz said that at the last meeting of the Housing Trust Fund Advisory Board Technical Review Subcommittee (HTFABTRS) he provided three broad funding guideline areas and asked each of the subcommittee members to consider them and to submit any ideas. He said since the last HTFABTRS meeting the city staff has worked internally to add depth to each of the those three areas. He than referred to the draft copy of the "Funding Guidelines for 2007 Housing Trust Fund Project Awards" (Exhibit 1) that he prepared and that was sent to each member prior to this meeting. He explained each of the areas and then asked if there are any additions or modifications by subcommittee members.

Ms. Gore asked, when Mr. Kammholz talks about the funding gap, does he mean that they would not fund 100 percent of a project's funding? She said that there were a couple applications that requested 100% funding.

Mr. Kammholz replied that the Housing Trust Fund Advisory Board said that the housing trust fund monies is not supposed to be the sole source of the a project's funding, but to be used to leverage other funding sources.

Ms. Gore asked if those applications would automatically be declined?

Mr. Kammholz replied that is a hard call and this subcommittee will have to decide how to proceed with those under item #4.

Mr. Kammholz asked for a motion to approve and forward the "Funding Guidelines" to the Housing Trust Fund Advisory Board for review and final action?

Mr. Gore asked how new catalytic projects would be defined?

Mr. Kammholz replied that he had reflected back to what the Housing Trust Fund Advisory Board members had spoken to as far as how the funds were to be used and it was said that the funding is supposed to go for to projects that are in addition to what is currently being done and that these are to be in addition to other funding and should not be the only funding source for a project. He said that he thought he is speaking the spirit of the housing trust fund that the funds are to help new projects move forward that otherwise wouldn't happen.

Ms. Gore said that the HTF monies are to be the "last dollars in."

Ms. Sanchez asked if the last sentence in bold, in the first paragraph under "Funding" is necessary. She said that it could be read two ways.

Mr. Mahan replied that it is saying that there is only one source of funding for 2007, but it could be reworded.

Ms. Sanchez suggested that it could read as follows: "2007 Housing Trust Fund consisted of only public funds."

A motion was made by Ms. Sanchez and seconded by Ms. Gore to approve the "Funding Guidelines for 2007 Housing Trust Fund Projects Awards" as amended and forward it to the Housing Trust Fund Advisory Board for review and final action. There were no objections.

4. Review of the housing trust fund applications

Mr. Kammholz said that there are two major categories of criteria on the scoring sheet (Exhibit 2). There is the objective criteria, which include, Leveraged Dollars, Income Target, Affordability Period, Use of City of Milwaukee residents and use of EBE and Family Supporting wages and than there are the subjective criteria, which are Neighborhood Diversity, Green Building Principles, Coordination with Community Institutions, Community Integration, Experience, Accessibility improvements or modifications, Service Partners, Construction Financing and Community Needs.

Mr. Kammholz said that he has done some of the preliminary scoring on the objective items, but would like the Community Development Grant Administration staff to verify that his numbers are correct. He than said that once the verification is complete they could than come back to the next meeting with the subjective scorings and marry them.

Mr. Kammholz said there are two items in the objective area that needs to be discussed. The first one is the Emerging Business Enterprise (EBE) area and asked Mr. Mahan to explain what was found.

Mr. Mahan said that he met with Chris Martin with the EBE Office and said that Mr. Martin felt strongly that this is not a criterion that should be in the objective area and that it should be considered as a yes or no answer. He said the EBE Office would be doing the monitoring. He also said that every applicant would get the five points if the applicant indicated that they will be using EBE's.

Mr. Kammholz said that when this subcommittee meets again to go over the scoring sheets for each of the applications the members will see that all the applicants who indicated that they will use EBE's will automatically receive an award of five points.

Mr. Mahan said the term sheet will hold the applicants to the EBE requirements.

Ms. Sanchez said that if the applicant would default for any reasons, that applicant would fall off and the next applicant would move up.

Mr. Kammholz asked *Mr.* Mahan what would the process be, if an applicant would default for any reasons, would the next applicant move up? He also asked would the next applicant need to be brought before the HTFAB for approval?

Mr. Mahan replied in the affirmative.

Mr. Kammholz said the other category that needs to be discussed is the "Leveraged Dollars" and said that there are two ways to calculate leveraged dollars. He said that it is both City Atty. Gartner's and the Department of City Development (DCD) staff's recommendation as well, that every time the city approaches leveraging of dollars it is always a bifurcation between private funds and public funds and the way the Housing Trust Fund is written, it is the housing trust fund award vs. all other project awards. He said during the discussion the DCD staff asked if the applicant is getting HOME dollars, rent dollars or Community Development Block Grant dollars and a tax incremental Funds (TIF) are they really leveraging all that with the HTF monies as well? He said right now they would rank it both ways.

Mr. Kammholz said it is a good way to advertise the housing trust fund once the project gets out the gate, but in terms of ranking and scoring and good public policy, it should be measured by public city dollars vs. private funding and weight the percentage that way. He said he advocates for the public vs. private vs. Housing trust funds vs. total.

Ms. Sanchez said she understands where Mr. Kammholz is coming from, but she would be more comfortable with taking the other kinds of city funds out of the equation and leaving in state and federal funds.

Mr. Kammholz said that they will have both calculations available for the next meeting.

Mr. Kammholz suggested that the following two ways they could proceed with the scoring of the subjective items would be to go through all of the subjective criteria together and come up with a consensus score for each of the applications or each member could score the applications on their own and come back and do an average. He asked the members for their input on which way they would like the subjective scoring handled?

Ms. Sanchez said she likes the idea of going through each of the applications collectively this first time around.

Ms. Madden said she agrees with Ms. Sanchez and than asked if all the items from experience down on the scoring sheet are considered subjective?

Ms. Gore asked if there are any best practices for projects in the different categories.

Ms. Sanchez said starting from "Neighborhood Diversity" down is considered subjective

minus the "Family Supporting Wages."

Ms. Gore asked if "Construction Financing" would be objective also?

Ms. Sanchez replied in the negative.

Mr. Werra said the discussion relating to the "Construction financing" was on how people felt about what was secure and what is speculative or tentative.

Mr. Kammholz said it is easy to give it a two or five, because the applicant does have a box to check on the application.

Ms. Madden said if the "Construction Financing" is not committed it could get to be fuzzy.

Ms. Madden said that each member could score each application and come up with a total amount for each application and than the members could come together to discuss what factored in to how the scoring total came about from each member and than have a consensus.

Mr. Werra said those scoring areas that could have one to ten points would probably warrant a discussion, but if everyone came in with 5's or 3's on a certain item it would seem that each member is thinking the same way and no discussion would be needed.

Ms. Madden replied that they wouldn't need to discuss each and every line.

Ms. Sanchez said they may not have to go through each category on each of the applications after the subcommittee members reviewed two or three applications.

Ms. Kammholz said they could start out with Ms. Sanchez's approach and have a line by line discussion for the first two applications and by the time they get to the third application they could discuss and consolidate the subjective measure.

Atty. Gartner said that it is all preliminary at this point and that the members may find that once they do an initial scoring for each of the application for one category and as the members are going through the process they may find that they have to revisit the first few applicants, because the thinking may have changed.

Mr. Kammholz said that he often finds that when getting together and listening to how each of the other raters came up with up their scoring helps to see things that he may have not considered when he was doing his scoring.

Mr. Gartner said that once the scoring is completed and the awards have been made, those scoring worksheets will need to be available to reflect the process. He said that applicants who didn't receive an award will have the right to review those documents.

Mr. Kammholz said in the end they need to have one complete set of scoring worksheets.

Mr. Gartner said that there isn't any applicant present today, but it would be helpful for groups who have submitted applications to be able to see the scoring process, so they would understand in future rounds what types of things would help them enhance their applications.

Mr. Kammholz said that one of the things that might lighten the load for the raters is that

there is one applicant that had insufficient information and three other applicants that had no leveraged dollars.

Ms. Gore asked if she could have the names of those applicants?

Mr. Werra replied that the Wisconsin Community Foundations had missing documentation and the Christian Center Handicap accessibility, the Christian Center Neighborhood Improvement and the Harambee Ombudsman had zero leveraged dollars.

Mr. Kammholz said that there were two applications for Mercy House submitted, but they are both for the same project and said he would advocate that those two be rated as one.

Mr. Kammholz said if they take out those five that will leave 16 projects.

Mr. Kammholz said that this subcommittee wouldn't have to go through the subjective scoring for the five exceptions discussed earlier and that would leave 16 applicants, but they could still review those exceptions at the next meeting and determine at that time whether the subcommittee will deny those five or not.

Ms. Gore asked about the percentage of housing trust fund dollars for accessibility improvements and said there are some that say zero, but in the project it actual has a money allocated for accessibility and that she assumes that they are saying they aren't going to use the housing trust fund dollars for the accessibility improvement. She said if there are accessibility improvements in the project they should be listed whether the applicant is going to use the housing trust fund dollars or not.

Mr. Kammholz said that should be discussed because each member may look at it differently.

Mr. Werra asked for a point of clarification about the two Mercy applications. He asked if they want to combine them into one now, and if they combine them, is it then going to be limited to the funding availability from only one category.

Mr. Kammholz replied that he left them in both categories and gave them the same score.

Ms. Gore asked if someone could define "Neighborhood Diversity" and "Coordination with Community Institutions.

Ms. Sanchez said that the "Neighborhood Diversity" and "Coordination with Community Institutions" categories were her suggestions. She said that what she intended for "Neighborhood Diversity" was that if there is a neighborhood full of middle class, upper class or single family housing and the proposed project would offer a different options than what is already in that neighborhood, it would get points for that. She said that the her intent for "Community Institutions" was the that the neighborhood schools or social service agency or community development corp. in a certain neighborhood might have a project that needs more affordable housing choices to support the needs of the businesses for their employees and alternatively schools might say they need more stable housing because they are tired of kids moving around every couple of months. The idea would be that the applicant would get extra points if they were working with initiatives like those.

Ms. Gore asked if the "Experience" category means the experience of the agency or the

consultant?

Ms. Madden replied that she looked at the experience of both the agency and support when scoring the "Experience" category.

Mr. Mahan said that when the applicant applies for its tax credits, it goes in as a development team.

Ms. Gore said that they should define each of the scoring categories, so that when the subcommittee meets again it can see exactly what the subcommittee is looking for.

Mr. Kammholz asked if it should be in writing?

Ms. Gore replied in the affirmative.

Ms. Gore asked if they are considering "Construction Financing" as subjective?

Mr. Kammholz replied that "Construction Financing" is considered subjective only if the applicant marks it as contingent. He then gave examples on what is considered contingent.

Ms. Gore asked if "Construction Financing" is worth scoring?

Ms. Madden replied in the affirmative.

Mr. Kammholz said that in his review of the applications, the applicants had either said they had financing, they didn't have financing, or their financing was contingent upon something. He said that there were four applicants that gave contingent as their answer. He further explained that the points that could be given are 5, 2 or 0.

Mr. Gartner said "Construction Financing" should be discussed so that the scoring is consistence.

Mr. Kammholz asked the subcommittee members to review the four applicants that mark contingent on their applications, so that when this subcommittee is discussing them at the next meeting all the members will understand why the applicants marked contingent. He said all the other applicants would be given a score of 0, 2 or 5.

Mr. Kammholz referred back to *Ms.* Gore's request to define the subjective criteria and asked if she wants all of them in writing?

Ms. Gore replied in the affirmative and said that she would like all the members to be on the same page.

Ms. Madden said some of the categories are clear and some needs to be defined.

Mr. Kammholz said that they should have the subjective criteria defined in writing and that each member should take a couple catagories and define them and send them to the Ms. MacDonald or Mr. Mahan so that all of them can be combined into one document and he will have that document distributed to all the members before the next meeting.

Ms. Sanchez said she could do the write-up for "Neighborhood Diversity" and "Coordination with Community Institutions".

Mr. Werra said most of them are pretty laid-out, except for maybe "Green Building Principles".

Ms. Madden said a lot people don't understand what "Green Building" is and said some people have thought it meant energy efficient windows. She asked if there are published green practices?

Mr. Kammholz asked Mr. Mahan to check with the City's Green Initiative for a definition of "Green Building Principles" and to bring that information to the next subcommittee meeting.

Ms. Madden said she could define "Community Integration".

Ms. Gore asked for a definition of "Accessibility"?

Mr. Mahan gave a brief explanation for "Accessibility".

Mr. Kammholz asked if the Housing Authority has standards for "Accessibility"?

Mr. Mahan replied in the affirmative.

Mr. Kammholz asked *Mr.* Mahan if he could get a copy of the accessibility standards from the Housing Authority by the next subcommittee meeting?

Mr. Mahan replied in the affirmative.

Ms. Sanchez said that some of the projects' time frames seem to be so far off. She said some will not have zoning approval until January and some are not even applying for their tax credits until February.

Mr. Kammholz said that will have to be discussed on project by project bases.

Mr. Gartner said that the focus right now should be on the rating and preliminary awards. He said all the applicants that receive an award will not receive the award within a week or month or even two months, because all the documentation still needs to be prepared. He said the next step after the initial awards would be for the CDGA office to focus on prioritizing the applications, by considering such things as when the project's zoning will be approved and/or when the applicant will receive his or her tax credits. He said that after the initial award there is no guarantee that those project will end up using the funds.

5. Next meeting date, time and agenda

Next Meeting Date is scheduled for Friday January 7, 2007 at 8:30 A.M. in the Port of Milwaukee Confence Room.

Meeting adjourned: 4:13 P.M.

Terry J. MacDonald Staff Assistant

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. No private funding sources were identified to supplement the public funding available for the 2007 Housing Trust Fund project awards.

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.

EXHIBIT

CDK:TOG:11-29-07

ATTACHMENT C

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

	Max 100 Pt Scale(a)	
	Point	Max
	Range	Points
Leveraged Dollars		15
HTF dollars are less than 3% of total project cost	15	
HTF dollars account for 3 - 5% of total project cost HTF dollars account for 6 - 10% of total project cost	12 9	
HTF dollars account for 11 ~ 15% of total project cost	9	
HTF dollars are more than 15% of total project cost	3	
Income Targets - Please Use Attached Chart	Network are to be a close o clar.	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	
Affordability Period	5	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% Exceeds HTF Affordability Period by 100% or more	8 10	
Use of City of Milwaukee (resident) workers (Total Project) and a second s	10	
Less Than 18% Milwaukee (resident) workers	-5	
18% Milwaukee (resident) workers	1	e e se e e e e e
24% Milwaukee (resident) workers	2	
30% Milwaukee (resident) workers	3	
36% Milwaukee (resident) workers	4	
More than 36% Milwaukee (resident) workers	5	
Use of City: County, or State EBE (Total Project)	Non-Alexandrian	in an de
Less Than 18%	-5	
18% EBE	1	Contraction of C
24% EBE	2	
30% EBE	3	a section of the local section
36% EBE More than 36% EBE	4	
	5	
Neighborhood Diversity and the second s	5	int annual ann
Green Building Principles	60/500326/06066	
Project Utilizes Green building Principles	- 5	
Coordination with Community Institutions		
Project is Coordinated with Community Institutions	5	
CommunityIntegration		in the second second
Move persons from institutions to community	5	
Family Supporting Wages (applies to entire project)		
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 Experience in the second and the second s		1
Agency experience with same type/similar project	5	n na star star star star star star star sta
Staff experience with same type/similar project	5	ANE PERIO 20 241
Accessibility improvements or modifications		
Meets Minimum Standards	1	
Exceeds Minimum Standards	5	
Service Partners (b)		
Provision of services on site w/out use of HTF \$	5	merininaliji
Construction Financing		
Construction Loan is Firmly Committed	5	
Construction Loan is Conditionally Committed	2	
Construction Loan is not Identified	0	
	noomini nigora	
TBD by Reviewer	0-15	
Total Polnts		100

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

(a) 100 point maximum applies to projects requiring ou-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





City of Milwaukee

Meeting Minutes

HOUSING TRUST FUND ADVISORY BOARD FINANCE SUBCOMMITTEE

VINCENT LYLES, CHAIR Cathie Madden, Vice-Chair Brian Peters, Ray Schmidt, Bethany Sanchez Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Monday, July 2, 2007	3:30 PM	Room 301-B, City Hall
		· -

Meeting convened: 3:39 P.M.

1. Roll call

Present 5 - Sanchez, Madden, Peters, Schmidt and Lyles

Also present: Tom Gartner-Assistant City Attorney, Emma Stamps-Legislative Reference Bureau, Jeff Osterman-Legislative Reference Bureau and Steve Mahan-Community Block Grant Director, Martha Brown and Maria Prioletta staff from Department of City Development

2. Selection of Vice Chair

Ms. Madden offered to be Vice Chair. Mr. Lyes appointed Ms. Madden as Vice Chair. There were no objections.

3. Review of Milwaukee Housing Trust Fund funding options previously considered

Mr. Lyles introduced *Mr.* Leo Reis who had served as the chair of the Housing Trust Fund Task Force Financing Models Subcommittee (HTFTFMS) and said that this Subcommittee has asked *Mr.* Reis to appear to give an overview on the funding options that had been considered by the HTFTFMS.

Mr. Reis said that the biggest challenge is in trying to figure out a good funding source and to come up with good policy and good politics. He said that they had came up with a lot of great funding sources, but a lot of them were ruled out for political reasons, because they weren't view as feasible. He said the goal would be to get a funding source that is dedicated and predictable and would not be subject to annual reallocation decisions, something that is substantial, something that is under local control and finally something that would not be seen as cutting out other revenue sources.

Mr. Reis said that when the HTFTFMS debated the Housing trust fund, it reviewed a variety of funding sources and some were fairly modest, such as the sale of public land and parking structure revenues. He asked if the board wants to get revenues from many sources or just one significant revenue source? He said he would argue for the latter, because any of these funding sources will take a political battle, and if they could focus on just one significant funding source it would be a more efficient use of everyone's time.

Mr. Reis said when the HTFTFMS finally concluded its work; it basically came up with a two pronged approach. One was to use a city tax revenue bond of \$2.5 million that would get the Housing Trust Fund up and running and that would buy some time for them to go

through the legislators to get approval for the TIF idea. The proposed TIF idea basically was that they would get authorization from the legislator to allow TIF's to remain open for 2 to 4 years beyond what is needed for the project, in other words it would build 10% in funds from every TIF District for the Housing Trust Fund.

The current legislative bill under consideration right now in the state would allow the extension of TIF's for one year and that 75% of the funds would be available for the Housing Trust Fund and the remaining 25% would be for available for lead abatement activities. He said one of the problems that they would be faced with if they go with the TIF idea would be that they would have to wait 15 years for new TIF projects to end.

Mr. Reis referred to "City Housing Trust Fund Revenue Sources" (Exhibit 1) handout given by Ms. Madden and said some of the cities listed use sales taxes and general revenue funds and said he doesn't see those as possible revenue sources for this Housing Trust Fund, because it would be a hard sell and it would be too much of a political battle.

Mr. Reis explained some of the other revenue sources that were considered, such as a county transfer fee and a linkage fee. He said the following two tax credit ideas were discussed: a) State to approve tax credit for contribution that would go to the trust fund, and b) Create a statewide affordable housing credit. Mr. Reis referred to the "Updated Summary Neighborhood Assistance Legislation – August 2005" (Exhibit 2) and said that it has a list of states and what kind of tax credit they offer.

Mr. Reis said that the best way to go is to advocate strongly for the policy on TIF and explained that TIF's would have a built-in percentage that would go into a Housing Trust Fund.

Mr. Peters said he met with a person from *St.* Louis and they talked about a use tax and maybe this subcommittee can discuss that further at a later time.

Ms. Sanchez said that she recalls that there was a longer list of options that was discussed by the HTFTF than what Mr. Ries has mentioned and asked if some of the ideas were rejected at the begin.

Mr. Reis replied that what he explained up until now was what was in the final report and from the notes he had, but there may have been more that he doesn't know about.

Ms. Sanchez said she recalls other funding options that were discussed and said she will get that information together for the members.

Ms. Madden said that there are many kinds of developer fees and because the real estate boom is on the down side, was some of those developers fee's not considered.

Mr. Reis replied that at the time the HTFTF was taking place, the Park East corridor debate was going on and there was a group advocating for public benefits, such as affordable housing, prevailing wages and environmental issues. He said that Milwaukee doesn't have a requirement for developers to do affordable housing.

Ms. Madden asked if a conversion fee was considered?

Ms. Reis replied that they did look at putting a linkage fee on condominiums.

Ms. Dummer Combs appeared and said that the City Attorney said they couldn't put a linkage fee only on condominiums, because there is a state statute that says all types of real estate are to be tax equally.

Mr. Reis said the other complaint they received is from the developers because it would be taking money out of their pockets.

Ms. Madden asked if they could look at other states on how they got around putting a conversion fee on some housing projects and not others.

Ms. Brown replied that it is in the state of Wisconsin constitution.

Mr. Ries said that it would require a change to the state statute.

Ms. Sanchez said developer fees, linkage fees, hotel motel taxes, etc. are the most common across the country.

Ms. Sanchez explained the way a linkage fee is calculated in San Diego, California.

Mr. Ries read into the record the linkage fee rates for Boston, San Francisco, Sacramento, San Diego and said there is a lot of variation in the rates. He further said that the Good Jobs and Livable Neighborhoods Coalition had submitted a linkage fee proposal for the Park East Corridor. That linkage fee program would have developers, contributing .99 cents per square foot for office developments and .75 cents for commercial developments and any development under 30,000 square feet would be exempt. Mr. Ries further said that state legislation would be required.

Mr. Schmidt asked if the tax credit policies are incentives or an award.

Mr. Ries replied that all of the programs are meant to be incentives.

Ms. Brown replied that one of the recommendations made by the Special Needs Housing Action Team was to establish a state low income housing tax credit and it purpose would be to encourage the kind of affordable housing that the Housing Trust Fund is also looking to do.

Ms. Prioletta explained that the federal tax credit program generates about \$80 million in the state of Wisconsin for affordable housing purposes and about 40-45% of those funds are allocated to the city of Milwaukee. She said the state has a companion program, where local corporations that pay state income tax could purchase additional credits as additional investments and receive a credit toward there state tax.

Ms. Brown referred to Mr. Reis' suggestion on the use of retired TID as a way to get revenue for the Housing Trust Fund and explained that she has a lot of difficulties with that suggestion, because it takes along time to retire a TID and to extend the life of a TID would delay the ability of the city to reap the tax benefits.

Ms. Brown suggested that they consider establishing a trust fund that would produce revenue. She asked if they have look into seeking investments from say pension funds or other entities that have cash to invest?

Mr. Lyles asked how would the City of Milwaukee be able to take its dollars and bid out to the various financial services companies and would the City then stop putting money into the Trust Fund?

Mr. Ries said his understanding of what Mr. Lyles is saying is that they would have to

persuade high wealth individuals, corporations or local government to forgo some revenue on a project or on a pool of investments and that a certain percentages of the investment's interest would go into the Housing Trust Fund. He said that they had recently had a similar conversation with the BATA Foundation, Inc. where the BATA Foundation would forgo the interest on a CD deposit to help a business owner with a project that was otherwise not doable.

Ms. Madden said for example, San Antonio went to banks for investments.

Ms. Prioletta suggested going to insurance company.

Ms. Brown suggested the City of Milwaukee pension fund.

Mr. Reis asked how large of a fund would they need to come up with \$5 million a year?

Ms. Madden suggested that they could use investments as one strategy and partner it with say low interested loans.

Mr. Reis said that maybe they could get *Mr.* John Seifert with Northwest Mutual Life to come to one of the HTFABFS meetings to give a presentation on investments.

Ms. Sanchez asked if the city would administer the funds?

Mr. Ries replied that who would administer the fund would have to be looked at, because the private sector probably wouldn't like it if the city had full administration rights to the funds if they are putting in funds.

Mr. Lyles said the Housing Trust Fund mission would stay the same, but they would have multiple sources of funding. He further said that the issue of sustainability is most important and to keep in mind that funding from the city and county for the Housing Trust Fund could change each year due to circumstances within government, such as more police officers needed.

Ms. Sanchez said she likes the idea of private funding and suggested that they could use the private sector funding for matching or leveraging of the trust fund monies that already exist. She said it is important for the city to have funding budgeted for the Housing Trust Fund.

Ms. Madden said if this seed of money in the Housing Trust Fund doesn't continue and grow all the thing they are working for would go away.

Ms. Reis said that they should pursue the idea of funding from the private sector. He asked what is the possible source of public money that could be designated to the Housing Trust Fund?

Ms. Sanchez replied that a transfer fee makes sense. She also suggested the linkage fee, such as the .25 cent per square foot paid by developers.

Ms. Madden asked if the \$2.5 million is a yearly dedicated funding source in the City's Budget for the Housing Trust Fund?

Ms. Stamps appeared at the table and said the city is contributing a one time funding of \$2.5 million. Ms. Stamps further said that the Comptroller's concern is that the tax levy should not support the debt repayment, which is one of the reason why the Housing Trust

Fund Advisory Board needs to come up with alternative funding sources to pay the debt service on whatever borrowing the City does on the \$2.5 million.

Mr. Lyles asked where are they suppose to come up with the money to pay the debt services?

Ms. Stamps replied that the Housing Trust Fund Advisory Board will need to come up with the funding sources to pay the debt services.

Ms. Dummer Combs said the debt repayment is to be paid back by a portion of the revenues received for the Housing Trust Fund, which will come from TIF closure revenues, any increase in the Potawatomi monies and any new payments in lieu of taxes (PILOT) agreements and any excess after debt repayment is what can be disburse annually.

Ms. Sanchez asked what is the repayment period of the \$2.5 million is.

Mr. Ries said to pay back \$2.5 million would require \$400,000 to \$500,000 a year for fifteen years.

Ms. Dummer Combs referred to Common Council Resolution File Number 060071 (Exhibit 3) and said that to pay back \$5 million would take \$350,000 to \$583,000 a year for fifteen years, so it would be half of that amount to pay back \$2.5 million.

Mr. Peters asked when will the new revenues from Potawatomi and the other sources come in?

Ms. Dummer Combs replied that the payments are made yearly and the excess will be disbursed in the same year.

Mr. Schmidt asked how much would the excess dollar amount be per year?

Ms. Dummer Combs replied that it would be about \$1 million. She further explained that according to the Common Council File Number 060071, it says that TIF closures could generate about \$2.6 million in revenues in 2007.

Mr. Peters asked what if they don't use all of the \$2.5 million?

Ms. Dummer Combs replied that the bond repayment would be less.

Ms. Dummer Combs referred again to the Common Council File Number 060071 and said the PILOTs could generate \$20,000-\$27,000 per year for the Housing Trust Fund and Potawatomi could bring in \$3.3 to 3.8 million a year.

Ms. Stamps said that they can only use what the city already by law is allowed by the compact with Potawatomi.

Ms. Sanchez said for the record most of the HTFTF members were uncomfortable with the bonding option, but in the end it was the only thing that was going to work.

Ms. Madden said that they should continue to explore both public and private funding options.

Mr. Peters said that basically what St. Louis is doing is that they tax businesses that

purchase supplies from out of state and said that is something that might be politically feasible here.

Ms. Madden explained that St. Louis had passed two ordinances, the first is for a use tax and second was to set a portion of that use tax to be dedicated to a housing trust fund. She said that St. Louis structured it so that the goods and services purchased outside the state over \$2000 would be subject to a use tax and the second ordinance was setup to get a potion of the use tax dedicated to a housing trust fund.

4. Review of any legislative restrictions to funding considerations

Discussed under item #3.

- 5. Discussion relating to other Cities Housing Trust Fund funding sources Discussed under Item #3
- 6. Discussion related to proposed funding sources for the Housing Trust Fund Discussed under item #3.

7. Set the next meeting date and agenda

August 6, 2007 at 3:00 P.M. in Room 301-B.

Mr. Lyles said that he would like to have discussion on the following topics at future meetings:

1. Legislative update.

2. Discussion relating to exploring funding sources for the Housing Trust Fund, such as TIF option, use fee and investment options.

3. That they have a model out of what it would take to generate \$2.5 million and than think about ways that they could come up with that amount of money.

Mr. Lyles asked if there are any suggestions for possible discussion for future meetings?

Mr. Reis said he would contact *Mr.* John Siefert with Northwest Mutual Insurance Co. to see if he could appear to discuss investment options.

Ms. Sanchez said that Ms. Mary Brooke said that she would address the Subcommittee by phone conference to discuss what other cities have done.

Ms. Madden said that at a future meeting they should discuss how to structure disbursed fund, such as grant, low interest loans, forgivable loans, etc.

Mr. Schmidt said that the structure of disbursement of funds could be included in the model.

Mr. Schmidt said he would like more information on the tax credits.

Ms. Brown suggested getting a tax attorney to come to a meeting to discuss tax credits.

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Meeting adjourned: 5:03 P.M.

Terry J. MacDonald Staff Assistant

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CITY HOUSING TRUST FUND REVENUE SOURCES

Jurisdiction

Tucson, Arizona Berkeley, California Citrus Heights, Colifornia Cupertina, California Elk Grove, California Uvermore, California Long Beach, California Los Angeles, California Mammoth Lakes, California Menla Park, California Oakland, California Oxnard, California Palo Alto, California Pasadena, California Petoluma, California San Diego, California San Francisco City and County, California San Jose, California Santa Cruz, California Santa Monica, California Santa Rosa, California

West Hollywood, California Boulder, Colorado Longmont, Colorado Chicaga, Illinois Highland Pork, Illinois Bloomington, Indiana Indianapolis, Indiana Oskaloosa, lowa Lawrence, Kansas Masachusetts CPA communities Boston, Massachusetts Boston, Massachusetts Cambridge, Massachusetts Ann Arbor, Michigan Duluth, Minnesota Minneapolis, Minnesota St. Paul, Minnesota St. Louis, Missouri New Jersey COAH communities Santa Fe, New Mexico New York, New York Asheviãe, North Carolina Charlotte, North Carolina Portland, Oregon Philadelphia, Pennsylvania Charleston, South Carolina Knoxville, Tennessee Austin, Texas Son Antonio, Texas Solt Lake City, Utah Burlington, Vermont

Montpelier, Vermoni Alexondrio, Virginio Monossas, Virginia Bainbridge Island, Washington Seattle, Washington Modison, Wisconsin

Housing Treat Pand Housing Trust Fund Housing Trust Fund Affordable Housing Trust Fund Affordable Housing Fund Affordable Housing Fund Housing Trust Fund Housing Trust Fund Affordable Housing Trust Fund Housing Trust Fund **Below Market Rate Housing Program** Affordable Housing Trust Fund Affordable Rental Housing Trust Fund Affordable Housing Fund Housing Trust Fund Housing Fund Housing Trust Fund Affordable Housing Funds

Housing Trust Fund Affordable Housing Trust Fund Citywide Housing Trust Fund Housing Trust

Affordable Housing Trust Fund Community Housing Assistance Program Affordable Housing Fund Low Income Housing Trust Fund Affordable Housing Trust Fund **Community Preservation Act** Neighborhood Housing Trust AFSCME Council 93 AFL-CIO Housing Trust Fund Affordable Housing Trust Housing Trust Fund Housing Investment Fund Affordable Housing Trust Fund Neighborhood STAR Program Affordable Housing Trust Fund Council an Affordable Housing **Community Housing Trust Battery Park City Housing Trust Fund** Housing Trust Fund Housing Trust Fund Housing Investment Fund Housing Trust Fund **Lowcountry Housing Trust** Affordable Housing Trust Fund Housing Trust Fund Housing Trush Housing Trust Fund Housing Trust Fund

Revolving Loan Fund Housing Opportunities Fund/Housing Trust Fund Housing Trust Fund Housing Trust Fund Housing Levy Program Affordable Housing Fund

Rovenue Seurces

MF rental conversion fee; Unexpended funds from Utility Services U Assistance Program Developer impact feer Developer Impact fees; Inclusionary In-lieu fees Developer impact fees Developer Impact fees Indusionary In-lieu fees; program Income Transient occupancy tax Tax increment financing; General Fund (DWP); Other Transient occupany tax Developer impact fees; loan repayments Developer impact fees Developer impact fees Developer impact fees Developer impact fees Developer impact fees; Inclusionary in-lieu fees; Tax Increment financing Developer impact fees Developer impact fees; inclusionary in-lieu fees Transient occupancy tax; General fund increased tax increment funds; inclusionary in lieu fees Inclusionary in-lieu fees Developer impact fees; inclusionary in-lieu fees Tax Increment financing; inclusionary in-lieu fees; Reserve; Bond financing; General fund (growth in real estate transfer tax) Developer Impact fees; Program income Property tax and Housing Excise tax; General fund Inclusionary in-lieu fees; General fund City Corp funds Residential demolition tax

Electronic filing fees for property sales disclosure forms; Public/private investments FHIBank 1 Ø

Property kox Developer Impact fees Union agreement Developer Import fees PUD developer fees Cosing revenues Housing revenue bond fees; Miscellaneous funds; General fund Sales tax Use tax Developer feas Developer contributions Excess lease revenues General fund Bond revenues General fund Document recording fees General fund; Public/private investments General fund General fund Finance corporation bonds; Interest and earnings RDA commitments Developer fees: conduminium conversion, housing replacement, and inclusionary in-lieu rees; Property tax Property tax Property tax (to back bond); Developer contributions; Interest and repayments; Other General fund General fund Property tax levy EXHIBIT General fund

Updated Summary Neighborhood Assistance Legislation

August 2005

LISC

Local Initiatives Support Corporation

Prepared by: Arielle V. Linsky, State Policy Intern

Original research based on information from <u>Neighbors Building Community</u>. Jenice L. View & Carol E. Wayman, Union Institute, 1995.

Revision of July 2001, September 2002, Summary Neighborhood Assistance Legislation

EXHIBIT

WEST VIRGINIA

Name of Program: Conception: Statute: Oversight:	Neighborhood Investment Program (NIP) 1996 §11-13J West Virginia Development Office; NIP Advisory Board Twelve member council to select and approve projects, consisting of four officers of corporations licensed to do business in West Virginia, four executive directors of local non-profit organizations, and four economically disadvantaged persons of the state)
Tax Credit Amount:	50%
State Credit Limit:	\$2 million
Project Credit Limit:	None
Minimum Business Don Maximum Business Do Tax Credit Carryover 1	nation (Credit): \$200,000 (\$100,000)
Donation Recipients: Eligible Services:	Nonprofit organizations (specifically, community based organizations) Community services (counseling, emergency assistance, healthcare services), crime prevention, education, housing, job training, physical and environmental improvements
Eligible Donations:	Cash, property, goods and services (due to a strict approval process, those services allowed are few), technical assistance, stock
Other: Tax credits are a	awarded to approved nonprofit organizations, which in turn use the credits as

Other: Tax credits are awarded to approved nonprofit organizations, which in turn use the credits as incentives to encourage donations; projects must occur within a certified "economically disadvantaged area;" the state collects a certification fee of three percent of every donation they issue credits for.

Available Statistics:

Fiscal Year	Number of Donation Recipients	Amount of Credit Awarded	Amount of Credit Claimed	Amount of Donations Received	Percent of Credit Distributed
1997	68	\$1,999,377	\$204,253	\$408,507	10.2%
1998	73	\$2,000,000	\$573,986	\$1,148,194	28.7%
1999	77	\$1,999,978	\$801,899	\$1,603,798	40.1%
2000	61	\$2,000,000	\$1,072,048	\$2,144,097	53.7%
2001	73	\$2,000,000	\$1,233,002	\$2,889,629	62%
2002	81	\$2,000,000	\$1,518,056	\$3,097,307	76%
2003	102	\$2,000,000	\$1,625,990	\$3,308,327	81%
2004	116	\$2,000,000	\$1,657,617	\$3,369,305	83%
**2005	121	\$2,000,000	\$1,760,920	\$3,945,677	88%

*Other information available: number of project applications, number of counties represented, total amount of credit requested, average amount of credit requested, and certification fee collected. **Year-end close-out incomplete at the time of survey – statistics are not final

Website:http://www.wvdo.org/index.cfm?main=/community/indexContact:Lisa Wells, Community Development Representative
West Virginia Development Office
Capitol Complex, Building 6, Room 553
Charleston, WV 25305-0311
Phone: (304) 558-2001Lwells@wvdo.orgFax: (304) 558-2246

SOUTH CAROLINA

Name of Prog Conception: Statute:	20 §3	ommunity Economic Development Act 000 34:43:10-50				
Oversight:	De	epartment of Commerce				
Tax Credit A State Credit I Project Credi	Limit: \$1 t Limit: Th org	 33% \$1 million/year for 5 years There is a limit of no more than \$250,000 Tax Credits per certified organization, per year (a limit of approximately \$750,000 dollars of cash investments per CDC-CDF1, per year). 				
Maximum Bu	siness Donation (Credi siness Donation (Credi arryover for Businesse	it): None				
Donation Rec Eligible Servi	community financial ins	organizations (specifically, those organizations certified as development corporations (CDCs) or community development stitutions (CDFIs) by the Department of Commerce) y services, education, housing development, entrepreneurship, job				
Eligible Dona	training, eco capital or de	, economic development, neighborhood assistance, provision of credit, or development services				
Other:		onprofit organizations use the credits as incentives to encourage				
Available Star	tistics: N/A					
Website:	http://www.secomm	aerce.coni/CDCs_tax.html				
Contact:	South Carolina Dep	pment Corporation Initiatives partment of Commerce inity & Rural Development Suite 1600				
	Phone: (803) 737-38	-				

VIRGINIA

Name of Program: Conception: Statute: Oversight: Neighborhood Assistance Program 1981 § 63.2-2000 -- § 63.2-2006 Department of Social Services

Tax Credit Amount: State Credit Limit: Project Credit Limit: 45% \$8 million (\$2.75 million allocated specifically for education programs) Changes annually, depending upon number of nonprofit applications; the project credit limit for FY 2005 was \$350,000

Minimum Business Donation (Credit):\$889 (\$400)Maximum Business Donation (Credit):\$388,889 (\$175,000)Tax Credit Carryover for Businesses:5 yearsMinimum Individual Donation (Credit):\$500 (\$225)Maximum Individual Donation (Credit):\$111,111.11 (\$50,000)

Tax Credit Carryover for Individuals: 5 years

* As of July 1, 2000, the legislation was expanded to grant tax credits to individuals donating under the program.

** Beginning January 1, 2002, the minimum and maximum donations for individuals were raised to \$900 and \$1666.67, respectively, with a change in tax credit value from 100% to 45% (resulting in a minimum credit of \$405 and maximum credit of \$750). Effective July 1, 2002, the minimum donation was changed to \$500. As of July 1, 2005, the maximum tax credit for cash donations by individuals increased to \$50,000.

Donation Recipients:	Nonprofit organizations (specifically those whose primary function is to provide
	assistance for impoverished people)
Eligible Services:	Community services, legal services, education, healthcare services, housing, job training
Eligible Donations:	Business donors: cash, stock, goods, professional services, health care services, contracting services, real estate, and leased space Individual donors: limited to cash donations

Other:

Tax credits are awarded to approved nonprofit organizations, which in turn use the credits as incentives to encourage donations.

Available Statistics:

	Number of Approved	Number of ApprovedNumber of Businesses/Individuals'Amount Credit		Amount of Credit Claimed	Percent of Credit
Fiscal Year	Recipients	Donating	Awarded*	by NPOs	Claimed*
1997	289	2,204	~\$5.25m	\$4,404,325	83.9%
1998	227	1,312**	~\$5.25m	\$4,021,393	76.6%
1999	226	1,517	~\$5.25m	\$4,605,990	87.7%
2000	206	1,676	***~\$8m	\$5,949,194	74.4%
2001	222	5,020	~\$8m	\$6,849,810	85.6%
2002	235	4,859	\$8m	\$6,297,478	78.7%
2003	251	2,288	\$8m	\$6,286,695	78.6%
2004	255 .	2,090	\$8m	\$5,851,765	73.1%
2005****	220	1,475	\$8m	\$4,043,892	50.5%

*Program expanded to allow individuals to receive tax credits for cash donations.

**The drop in number of participants after FY96-97 was a result of legislation narrowing the scope of the program and limiting eligibility to nonprofits whose primary function is to provide assistance to impoverished individuals.

***The state credit limit was raised from \$5.25 million to \$8 million.

****As of July 21, 2005

*****Other information available: amount of donation and tax credit by business type, amount of donation and tax credit by donation type.

Website:

http://www.dss.virginia.gov/business/nap.html

Contact: Maggie Wilson, Program Administrator

maggie.wilson@dss.virginia.gov

Neighborhood Assistance Program Office of Community Services Virginia Department of Social Services 7 North Eighth Street, 3rd Floor Richmond, VA 23219-3301 Phone: (804) 726-7923

Fax: (804) 726-7946

CONNECTICUT

Name of Program:	R.E. Va	an Norstrand Neighborhood Assistance Act Program
Conception:	1982	
Statute:	Chapter	r 228a, §12.630-638
Oversight:	Departr	nent of Revenue Services
Tax Credit Amount:	60%	
State Credit Limit:		ion (\$3 million set aside for energy conservation, job training grams serving low-income persons)
Project Credit Limit:	No one	entity shall be entitled to receive an aggregate amount of
		in excess of \$150,000 in any one fiscal year.
	-	, 5
Minimum Business Don	ation (Credit):	\$250
Maximum Business Don	ation (Credit):	The maximum credit allowed to any business firm is \$75,000 annually and the maximum credit allowed in the aggregate to all business firms is \$5 million in any one fiscal year.
Tax Credit Carryover fo	or Businesses:	2 year carryback
Donation Recipients:		zations, government organizations
Eligible Services:	community servi	ms, community based alcoholism prevention or treatment programs, ces, crime prevention, education, health services, energy
Eligible Donations:	Cash	using, job training, neighborhood assistance
Engine Donations:	Casil	

Available Statistics:

	2000	2001	2002	2003	2004
Total number of approved business applications	832	474	453	386	371
Total number of participating businesses	441	241	205	206	202
Total number of participating organizations	368	390	376	376	339
Total number of approved programs	640	675	611	577	481
Total amount of donations to approved programs	\$6,043,236	\$4,087,528	\$3,589,583	\$4,456,929	\$3,520,110
Total amount of credit granted	\$3,332,144	\$2,326,712	\$2,640,996	\$2,674,157	\$2,112,066

Website: www.drs.state.ct.us

Contact: Susan Sherman, Legislative Program Manager Department of Revenue Services Research Unit 25 Sigourney Street Hartford, CT 06106 Phone: (860) 297-5687

Fax: (860) 297-5729

DELAWARE

Name of Program: Conception:	1972/1999 (From 1972-1999, the Tax Deduction offered a 100% ta corporation's income tax. As of with the Neighborhood Assistanc credit on approved charitable dom	Neighborhood Assistance Tax Credit 1972/1999 (From 1972-1999, the Delaware Neighborhood Assistance Tax Deduction offered a 100% tax deduction of up to 5% of a corporation's income tax. As of June 30, 1999, the act was replaced with the Neighborhood Assistance Tax Credit, which allows a 50% tax credit on approved charitable donations to community-based				
Statute:	organizations) Title 30 Chapter 20 Delaware Co completed October 2002.	de §§ 2001-2006. Rulemaking to be				
Oversight:	Economic Development Office, 7	`ax Appeal Board				
Tax Credit Amount: State Credit Limit: Project Credit Limit:	50% \$500,000 None					
Minimum Business Dor Maximum Business Do Tax Credit Carryover 1	nation (Credit): \$200,000 (\$100,000)					
Donation Recipients:	Nonprofit organizations (specifically, com community based organizations, and neigh consists of at least 51% of its members bei community), approved businesses	borhood organizations whose board				
Eligible Services:	Community services, crime prevention, education, healthcare services, housing job training, neighborhood assistance, economic development					
Eligible Donations:	Cash, property, goods and services, technic	cal assistance, stocks and bonds				
Other:	Programs within designated "impoverished Advisory Council, composed of representa sectors, to provide guidance and recommen Development Office and Tax Appeal Board	tives from both the public and private and private and the Economic				
Available Statistics:	Rulemaking for 1999 revisions to be comp Under the previous program, only one com deduction. In 2005 two projects were appr existing business program.	pany took advantage of the tax				
Website:	www.state.de.us/dedo					
Contact:	Barbara Rodgers Delaware Economic Development Office 99 Kings Highway Dover, DE 19901-7305	Barbara.Rodgers@state.de.us				
	Phone: (302) 672-6828	Fax: (302) 739-5749				

FLORIDA

Name of Program: Conception: Statute: Oversight:	Community Contribution Tax Credit Program (CCTCP) 1980 §§220.183, 624.5105, 212.08 (5) (q) Office of Tourism, Trade, and Economic Development		
Tax Credit Amount:	50%		
State Credit Limit:	\$12 million (The state will reserve \$9.4 million of the credits for projects that provide homeownership opportunities for low-income persons)		
Project Credit Limit:	None		
Minimum Business Don Maximum Business Don Tax Credit Carryover fo	ation (Credit): \$400,000 (\$200,000)		
Donation Recipients:	Nonprofit organizations (specifically community based development organizations), government organizations		
Eligible Services:	Community development projects, housing, job training, neighborhood development, and entrepreneurial development		
Eligible Donations:	Cash, property, goods, stocks and bonds		
Other:	Designated enterprise zones and Front Porch Florida Communities for community development projects (however, housing projects can be outside of EZ); businesses can donate to more than one project; contributions exclusively reserved for projects.		

	FY 2002/2003			FY 2003/2004			FY 2004/2005		
	# Projects	# Donations	Tax Credits*	# Projects	# Donations	Tax Credits*	# Projects	# Donations	Tax Credits*
Project Areas:									
Community Development in EZ	22	79	\$1,085,544	9	51	\$1,377,231	5	51	\$1,948,382
Low-Income Housing in an EZ	2	67	\$2,236,786	2	45	\$1,570,529	3	34	\$1,349,250
Low-Income Housing not in an EZ	27	213	\$6,677,670	21	189	\$7,052,240	21	166	\$6,702,368
Total	51	359	\$10,000,000	32	285	\$10,000,000	29	251	\$10,000,000

Available Statistics:

* Tax credits awarded.

http://www.myflorida.com/myflorida/government/governorinitiatives/otted/ Website:

Contact:

Burt Von Hoff, Community Development Liaison burt.vonhoff@myflorida.com Executive Office of the Governor Office of Tourism, Trade, and Economic Development The Capitol, Suite 2001 Tallahassee, FL 32399-0001 Phone: (850) 487-0467 Fax: (850) 487-3014

4

ILLINOIS

Name of Program: Conception: Statute: Oversight:	Illinois Affordable Housing Tax Credit 2001 Public Act 92-0491 Illinois Housing Development Authority	
Tax Credit Amount: State Credit Limit: Project Credit Limit:	Up to 50% tax credit \$13m; increases by 5% for remaining four years None	
Minimum Business Donati Maximum Business Donat Tax Credit Carryover for	ion (Credit): None	
Donation Recipients: Eligible Services: Eligible Donations:	Nonprofit housing developers and CDC sponsors of affordable housing Rental and single family housing for very low income; employer assisted housing, technical assistance (including counseling), operating support Money, securities, real and personal property	
Other:	Tied to income targets; City of Chicago has set-aside allocation	
Available Statistics:	Earlier Illinois legislation was not effective. 2001 revisions add new dimension to the program. Rulemaking has been completed.	
Website: www.ihda	.org/multifamilyfinancing/housingcredits	
Illinois Ho 401 N. Mi	Flickinger, Director of Tax Credits ousing Development Authority chigan Avenue, Suite 900	

Chicago, IL 60611 Phone: (312) 836-5240

Fax: (312) 832-2175

INDIANA

Name of Program: Conception: Statute: Oversight:	Neighborhood Assistance Program 1984 § 6-3.1-9 Indiana Housing and Community Development Authority		
Tax Credit Amount: State Credit Limit: Project Credit Limit:	50% of the contribution amount \$2.5 million annually \$50,000 in tax credits per organization		
Maximum Business/In	ndividual Donation (Credit): \$100.00 (\$50.00 in tax credits) ndividual Donation (Credit): \$50,000.00 (\$25,000.00 in tax or r for Businesses/Individuals: None	credits)	
Donation Recipients:	A business firm or a person who contributes to a neighbor is providing eligible services	hood organization that	
Eligible Services:	Community services (counseling, emergency assistance, n recreational facilities, housing facilities, or economic deve education, job training		
Eligible Donations:	Cash, check, credit card, stock that has been sold, land, or	building materials	
Other:	NAP tax credits are offered annually for distribution by ap not-for-profit corporations following the state fiscal year fi Organizations utilize the tax credits as incentives to encour certain neighborhood based activities. NAP tax credits are the donor's state income tax liability.	com July 1 to June 30. rage donations for	
Available Statistics: 19 counseling, 9 ch emergency shelter, educational assista	 668 organizations awarded from 1997-1998 FY througe 138 applications received and 67 funded for 2005-200 Funding rate has been approximately 50% for several FY) Average tax credit award for 05-06 FY = \$37,313.43 Activities funded in 05-06 (<i>Projects may encompass n</i> therefore calculations may count an organization mor hild care, 9 medical care, 8 affordable housing, 8 emergency for 5 job training, 5 recreational facilities, 2 downtown revitalization nce. 	6 fiscal year years (48% in 05-06 <i>ultiple activities;</i> <i>e than one time):</i> od assistance, 8	
Website: www	.indianahousing.org under the subheading "Helping Com	nunities"	
Alloc India 30 Sc India	ation Analyst ana Housing and Community Development Authority bouth Meridian, Suite 1000 anapolis, IN 46204	is@ihfa.state.in.us (317) 232-7778	

6

KANSAS

Name of Program:	Kansas Community Services Program		
Conception:	1994		
Statute:	§§79.32.194-199		
Oversight:	Department of Commerce		
Tax Credit Amount:	50%, 70% (50% tax credit for projects in those rural areas with greater than 15,000 people: 70% tax credit for projects in areas containing less		
	than 15,000 people)		
State Credit Limit:	\$4.1 million		
Project Credit Limit:	\$250,000 (50%), \$350,000 (70%)		
Minimum Business Do Maximum Business Do			
Tax Credit Carryover:	None		
Minimum Individual*			
Maximum Individual*			
* As of July 1, 2001, ind Program.	lividuals will be allowed to donate money in the Kansas Community Services		
Donation Recipients:	Nonprofit organizations (specifically community service organizations), government organizations		
Eligible Services:	Community services (employment, food, housing, emergency assistance), crime prevention, healthcare services		
Eligible Donations:	Cash, property, goods and services, technical assistance, stocks and bonds		
Other:	Tax credits are awarded to approved nonprofit organizations, which in turn use the credits as incentives to encourage donations.		

Available Statistics: **# Businesses** Tax Credits Tax Credits % Tax Credit Awarded to # of Projects Applying for Claimed by Claimed Year Credit Projects Projects 1999 30 995 \$5,000,000 \$3,575,293 71.5% 29 2000 961 \$5,000,000 \$4,135,356 82.7% 2001 26 1,114 \$4,130,000 \$4,105,449 99.0% 2002 28 1,231 \$4,130,000 \$4,130,000 100.0% 2003 29 1,711 \$4,130,000 \$4,130,000 100.0% 2004 27 1,647 \$4,130,000 \$4,130,000 100.0%

*Other information available: breakdown of credits by project.

KANSAS (continued)

Website:

http://kansascommerce.com/

Contact:

J.R. Robl, Program Manager Community Service Program Kansas Department of Commerce and Housing Community Development Division 1000 SW Jackson, Suite 100 Topeka, KS 66612-1354 Phone: (785) 296-3485

Fax: (785) 296-0186

Name of Program: Conception:	Neighborhood Assistance Tax Credit 1982
Statute: Oversight:	R.S. 47:35, R.S. 47:287.753 Department of Revenue, Commissioner of Administration
Tax Credit Amount: State Credit Limit: Project Credit Limit:	Up to 70% 1% of the corporation income tax of the previous fiscal year None
Minimum Business Do Maximum Business Do Tax Credit Carryover 1	onation (Credit): \$357,142 (\$250,000)
Donation Recipients:	Nonprofit organizations (neighborhood organizations), businesses administering neighborhood assistance projects
Eligible Services: Eligible Donations:	Community services (counseling, emergency assistance, medical care), crime prevention, education, job training, neighborhood assistance Cash, goods and services, technical assistance, stocks and bonds
Other:	Tax credit must be approved by the local municipality, the Commissioner of Administration, and the Secretary of Revenue.
Available Statistics:	N/A
Comments:	Program is not funded at this time.
Website:	N/A
Contact:	N/A

MARYLAND

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Name of Program: Conception: Statute: Oversight: Tax Credit Amount: State Credit Limit: Project Credit Limit:	Community Investment Tax Credit 1996 Title 5 Subtitle 14.01-13 Department of Neighborhood Revitalization 50% \$1 million Initial limit of \$50,000, but can request extra funding	
Minimum Business Dor Maximum Business Do		
Tax Credit Carryover f		
Donation Recipients: Eligible Services: Eligible Donations:	501 (c) (3) organizations Community services (including education and youth services, housing and community development job and self-sufficiency training, enhancing neighborhoods and business districts, arts, culture and historic preservation, technical assistance and capacity building and services for at-risk populations) Cash, goods and stock.	
Other:	Tax credits are awarded to approved projects, which in turn use the credits as incentives to encourage contributions. Awards will be made to projects which either are located within or primarily serve residents of "priority funding areas."	
Available Statistics:	In Maryland, the nonprofits market the credits for capital projects or a service for at least two years. The organizations may request supplemental allocations of credits based on their track record and documentation of need. [The supplemental allocations for strong performers come from a pool of credits recapturedafter two or more years from non-performers.]	

Year	# of Projects	# Businesses Applying for Credit	Tax Credits Awarded to Projects	Tax Credits Sold by Projects	% Tax Credit Claimed
1999	23	66	\$1,000,000	\$845,069	Data not Available
2000	34	114	\$998,884	\$921,011	Data not Available
2001	21	41	\$995,897	\$731,143	Data not Available
2002	40	138	\$960,000	\$650,899	Data not Available
2003 *	34	131	\$997,815	\$608,086	Data not Available
2004 *	49	117	\$1,000,000	\$285,402	Data not Available
2005 *	31	Pending	\$981,000.00	\$41,750.00	Data not Available

*To date, i.e., many of these projects are still actively marketing credits.

Website: http://www.dhcd.state.md.us/website/programs/citc/citc.aspx

Contact:	Mitra Basu	basu@dhcd.state.md.us
	Project Manager	0
	Division of Neighborhood Revitalization	
	Maryland Department of Housing and Comn	nunity Development
	100 Community Place	. .
	Crownsville, MD 21032	
	Phone: (410) 514-7255	Fax: (410) 987-4660

MICHIGAN

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Name of Program: Conception: Statute: Oversight:	Neighborhood Assistance and Participation Act 1980 §125.801-814 Department of Labor (no longer in existence)
Tax Credit Amount: State Credit Limit: Project Credit Limit:	50% Rebate None None
Minimum Business Dor Maximum Business Do Tax Rebate Carryover	ation (Rebate): \$100,000 (\$50,000 rebate) for the business's initial donation increasing in \$100,000 (\$50,000) increments annually until total donation allowed is \$500,000 (\$250,000 Rebate)
Tax Rebate Carryover	JI Dusinesses. None
Donation Recipients: Eligible Services: Eligible Donations:	Nonprofit organizations (neighborhood organizations and community development commissions) Community services (counseling, recreational programs, emergency assistance medical care), crime prevention, job training, physical revitalization Cash
Other:	The program applies to specific neighborhood areas that are considered "deteriorating environments."
Available Statistics:	The program has been unfunded since 1982.
Website: N/A	
Contact: N/A	

MISSOURI

Name of Program:	Neighbo	orhood Assistance	Program	
Conception:	1978			
Statute:		§32.105-32.125, RSMo.		
Oversight:	Departn	Department of Economic Development		
Tax Credit Amount:	than 15,	50%, 70% (50% tax credit for projects in those areas with greater than 15,000 people; 70% tax credit for projects in areas containing less than 15,000 people)		
State Credit Limit:	\$18 mill			
Project Credit Limit:		0 (50%), \$350,00	0 (70%)	
Minimum Business Don Maximum Business Don Tax Credit Carryover fo	ation (Credit):	None \$500,000 (\$250,0 5 years	000, \$350,000)	
Donation Recipients:		zations, businesses	s administering nei	ghborhood assistance
	projects			
Eligible Services:	Community servi	ces (counseling, r	nental health servio	ces, primary care services,
			hergency assistance	
	training physical	revitalization	t accounts), crime	prevention, education, job
Eligible Donations:	training, physical revitalization Cash, property, goods and services, technical assistance, stocks and bonds			
Other:	Credits are awarded for projects for use for one, two, or three years.			
	Available Statist	······································		1
		Credits		
	Fiscal Year	Awarded	Credits Issued*	
	1997	\$17,432,910	\$9,907,595	
	1998	\$20,597,918	\$10,038,299	
	1999	\$10,890,096	\$10,425,864	
	2000	\$17,986,106	\$12,572,577	
	2001	\$16,806,835	\$10,570,515	
,	2002	\$15,472,826	\$10,543,250	
	**2003	\$14.8 million	\$12.2 million	
	**2004	\$14.7 million	\$9.8 million	

*The credits issued column indicate figures for the current fiscal year only and not for the total life of the projects (ranging from one to three years).

\$16 million

\$11.3 million

**2005

** Missouri is still issuing credits for projects approved in these years.

Website: Contact: http://www.ded.mo.gov/cdbrenda.horstman@ded.mo.govBrenda Horstmanbrenda.horstman@ded.mo.govCommunity Development Program Coordinatorbrenda.horstman@ded.mo.govDepartment of Econonic DevelopmentHarry Truman Office Building, Room 770301 W. High Street, Post Office Box 118Jefferson City, MO 65102Phone: (573) 751- 4539Fax: (573) 522-4322

NEBRASKA

Name of Program: Conception: Statute: Oversight: Tax Credit Amount: State Credit Limit: Project Credit Limit:	Community Development Assistance Act (CDAA) 1985 §13-201-208 Department of Economic Development 40% \$350,000 \$25,000		
Targeted Area Credit L	 \$25,000 imit: \$100,000 ("Targeted Area" defined as an area in which at least 50% of the residents are of a racial minority, 20% of citizens have incomes below poverty level, 70% have incomes less than 80% of the median family income in metropolitan area, and 9% are unemployed) 		
Minimum Business Don Maximum Business Don Tax Credit Carryover f	nation (Credit): None		
Donation Recipients:	Nonprofit organizations (specifically, community betterment organizations and community development corporations), government organizations (county, city, and villages discharging community assistance)		
Eligible Contributors:	Nebraska-based businesses and individuals		
Eligible Services: Eligible Donations:	Community services (youth, day care, and senior citizens centers, emergency assistance, counseling, home improvement services, recreational activities), crime prevention, education, human and healthcare services, housing, job training, physical facility and neighborhood development services Cash, property, goods and services, technical assistance, stocks and bonds		
Other:	Projects must be situated in "chronic economic distress areas," defined by the State Legislature of Nebraska; Tax credits are awarded to approved nonprofit organizations, which in turn use the credits as incentives to encourage donations.		

Available Statistics:

Fiscal Year	Number of Projects	Total Tax Credits Awarded to Projects	Total Tax Credits Claimed by Projects	Percent of Credit Claimed
2000	7	\$124,400	\$27,457	
2001	14	\$250,000	\$138,180	
2002	14	\$250,000	\$146,825	
2003*	11	\$219,000	\$182,759	
2004*	9	\$203,900	\$138,685	
2005*	11	250,000	\$53,383	

*As of June 30, 2005 (continued)

Website:http://crd.neded.org/Contact:Dave Miller, CDAA Coordinatoremail: dave.miller@ded.ne.govNebraska Department of Economic DevelopmentCommunity and Rural Development Division301 Centennial Mall South, Post Office Box 94666Lincoln, NE 68509-4666Phone: (800) 426-6505 or (402) 471-3775Fax: (402) 471-3778

PENNSYLVANIA

Names of Programs (3):

Conception:

Oversight:

Tax Credit Amount:

Project Credit Limit:

State Credit Limit:

Statute:

Neighborhood Assistance Program: Neighborhood Assistance Program/Enterprise Zone (EZP): Neighborhood Assistance Program/Comprehensive Service Program (CSP) {replaced by the Neighborhood Partnership Program (NPP), though current CSP's will continue until they lapse} 1967 (NAP), 1986 (NAP/EZP), 1995 (NAP/CSP); 2004 (NPP) 62 P.S. §§ 2081-2089, 12 Pa. Code §135.1-135.44 Department of Community and Economic Development

20% (NAP/EZP), 50% (NAP), 70% (NAP/CSP/NPP) \$18 million for all programs

None (NAP), \$250,000 (NAP/EZP), \$175,000 (NAP/CSP/NPP)

Minimum Business Donation (Credit): Maximum Business Donation (Credit):

NAP: \$500,000 (\$250,000): NAP/EZP: \$1.25 million (\$250,000): NAP/CSP: businesses can donate a maximum of \$250,000 (\$175,000 in credits) per project: two project maximum.

Tax Credit Carryover for Businesses: 5 years

Donation Recipients: Nonprofit organizations, businesses administering neighborhood assistance projects

None

Eligible Services:

Eligible Donations: Other: NAP: Community services (counseling, emergency assistance, medical care, recreation activities), education, job training, crime prevention, neighborhood assistance NAP/EZP: Real property improvements within the enterprise zone: rehabilitation, expansion or physical improvements to land or property owned

by the business NAP/CSP/NPP: Those projects that serve clients who are low-income residents of economically distressed neighborhoods or that provide community and economic development activities within those neighborhoods: affordable housing programs, education, health and social services, community development, job training, crime prevention, community participation Cash, property, goods and services, technical assistance, stocks Businesses can donate to more than one project; projects must be executed in

designated "impoverished areas" or provide eligible services to clients with family income at or below 150% of the federal poverty guidelines.

Available Statistics:

Fiscal Year	Amount of Credit Awarded to Projects	Amount of Credit Claimed by Projects	Percentage of Credit Distributed
1997	\$10,427,150	\$6,809,139	65.30%
1998	\$10,170,350	\$5,228,600	51.41%
1999	\$8,657,433	\$6,112,372	70.60%
2000	\$9,611,089	N/A	N/A
2001	\$15,481,967	*N/A	N/A

*Includes tax credit awarded to NAP, NAP/EZP and NAP/CSP projects.

Website: Contact:

www.NewPA.com

JamesEtta Reed, Chief, Human Resources Divisionjareed@state.pa.usDepartment of Community and Economic DevelopmentCenter for Community Building, Office of Community Services4th Floor, Commonwealth Keystone BuildingHarrisburg, PA 17120-0225Phone: (717) 787-1984Fax: (717) 214-5399

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State	Year	Tax Credit	State Credit Limit	Max Bus. Donation	Max Tax Credit			Cited E	Cited Eligible Services	ervices			Eligible Recinients	ole oute		Rlighta Dometions	ant on		Carry-	
						. J	- Line	Edu	Health/			_	2		-				over	Other
								1741	- ridgy	TOUSC	SOOT	Seten	0 da	1.405	Cash Prop	d B	₹	8/8		
Connecticut	1982	60%	\$5m	\$125,000	\$75,000	×	×	x	×	×	×	×	- ×	×	×	-			2 yrs	Childcare focus: tax credit carryback
Dclaware	Rev. 1999	50%	\$500,000	\$100,000	\$50,000	×	×	x	к ^н	×	×	×	×		×	×	×	×	5 vis	Tax abatement to credit in 1999, rulemaking comulete 2002
Florida	1980	50%	\$10m	\$400,000	\$200,000	×				×	×	· ×	×	>		' 	<u> </u>	;		
Illinois	1993/ Rev. 2001	Up to 50% tax abatement	13m	n/a	varies	x				×	:	:	< ×	<u> </u>				×	sry c	Enterprise Zones Tied to income largets
Indiana	1984	50%	\$2.5m	\$50,000	\$25,000	x		×	к ^н	×	×	×				×°		* °×	None	Enlerprise zones, Individuals con donota
Kansas	1994	50%, 70%	\$4.1	none	varies	×	×		н×	×	×		×	×				, 		Rural/Urban;
Louistatta	1982	Up to 70%	1% of annual corporate income tax	\$357,142	\$250,000	×	×	×	н×		×	×	< ×				< ×	× >	None	Individuals can donate
Maryland	1996	50%	\$1m	\$250,000	\$125,000	×	×	×	н×	×			×		,	, °,	ļ	;, ;		Neighborhood
Michigan	1980	50%	Unlimited	Currently Unfunded	sd \$125.000	×	×		нХ		×		:		() ()			<	sik c	Unfunded at present
Missoturi	1978	50%, 70%	\$18m	\$500,000	\$250,00, \$350,000	×	×	×	×	×	:		×		< ×	×	×	,	None 5 tree	tune
Nebraska	1985	40%	\$350,000	none	none	×	x	×	х ^н	×	×	×	×	×		- ×	< ×	< ×	5 Vrs	Chronic Economic Distrace A 2000
Penusylvania	1967	20% EZP, 50% NAP 70% CSP	\$18m	\$1.25m (EZP), \$500,000 (NAP), \\$500,000 (CSP-2 projects)	\$250,000 (EZP), \$250,000 (NAP), \$350,000 (CSP each project \$175,000)	×	×	×	HX.			×	×	×		> 	,	×,		3 programs: NAP, Enterprise Zone (EZP), Comprehensive Service
South Caro)ina	2000	33%	\$1m	none	none	x		×		×	×	×	×	* ×		<	۰ 	<	ery c 10 vrs	(USP) Individuals con domata
Virginia	1981	45%	\$8m	\$388,889	\$175,000	×	×	×	н×	×	×		×	×	×	×		×s	5 yrs	Individuals can donate
West Virginia	1996	50%	ł	\$200,000	\$100,000	×	×	×	×	×	×		×	×	×	×	×	×s	None	"Economically Disadvantaned Area"
U/S = goods & services T/A = technical assistance	ices stance	S/B = stocks & x ^H = lucalthcar	S/B == stocks & bonds x ^H = lealthcare services only >	x ^u = goods only x ^s = stocks only		; 									-	-			, , ,	Programagen Chea

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Art ecutorial assistance
 a - ucuntrate services only
 Art= activation of the second of the state of the state of the state is tax credit programs promote community development.

State Neighborhood Assist Legislation as of August 2005

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City of Milwaukee Text File

Resolution

Introduced: 5/9/2006

Status: Passed

File Number: 060071

Version: 3

Sponsors: Ald. Murphy, Ald. McGee Jr., Ald. D'Amato, Ald. Bauman, Ald. Hines Jr., Ald. Wade And Ald, Witkowiak

..Number 060071 ...Version SUBSTITUTE 3 ..Reference 051017 ...Sponsor ALD. MURPHY, MCGEE AND D'AMATO ..Title

Substitute resolution relating to the recommendations of the Milwaukee Housing Trust Fund Task Force for the operation and funding of a housing trust fund.

..Analvsis

This resolution endorses, with certain modifications, the recommendations contained in the Milwaukee Housing Trust Fund Task Force's Final Report dated June, 2006, related to the establishment, operation and funding of a housing trust fund. This resolution also directs the Common Council's Legislative Reference Bureau and the appropriate City officials to draft additional legislation necessary for further Common Council action to implement the endorsed recommendations, including but not limited to an ordinance establishing a housing trust fund and provisions related to its operation and funding. The Task Force shall be dissolved upon Common Council action on this resolution, in accordance with File Number 060069, adopted May 31, 2006.

..Body

Whereas, On December 13, 2005, the Common Council adopted File Number 051017, a resolution establishing a 13-member Affordable Housing Trust Fund Task Force to evaluate and make recommendations relating to the structure, goals, strategies, financial resources and programs for a City of Milwaukee Housing Trust Fund; and

Whereas, The Task Force was given 180 days (until June 13, 2006) to submit its findings and recommendations to the Common Council, and this deadline was later extended to July 31, 2006, by File Number 060069, adopted May 31, 2006; and

Whereas, The Task Force submitted its Final Report and Recommendations to the Common Council in June, 2006, under File Number 060070, a communication transmitting the Final Report and Recommendations of the Housing Trust Fund Task Force: and



Whereas, The report was given a public hearing under the communication file by the Common Council's Zoning, Neighborhoods and Development Committee on July 7, 2006; and

Whereas, The recommendations of the Housing Trust Fund Task Force were as follows:

Financing the Housing Trust Fund

1. The Housing Trust Fund should be funded at a minimum level of \$5 million annually.

2. The City shall issue up to \$5 million in general obligation bonds to fund the Housing Trust Fund in its first year of operation, with debt service being funded by the property tax levy. These bonds should be issued in such a manner that it is clear that bond-sale proceeds will be used for a purpose for which the City would be exempt from the requirement to hold a referendum on the bond sale, as provided in the Wisconsin Statutes. This bond sale should be viewed as a one-time commitment intended to provide start-up funding for the Housing Trust Fund. It is anticipated that funding from other revenue sources, including those for which changes in state legislation are necessary, will provide the funding needed for the Housing Trust Fund in the second and subsequent years.

Assuming a 15-year term and an interest rate of 5%, annual debt service payments for this \$5 million bond issuance would range from \$350,000 to \$583,333.

3. If future City payments from the Potawatomi Bingo Casino exceed the current amount of \$3.38 million per year, the additional revenues shall be dedicated for the Housing Trust Fund. If the casino is expanded, payments to the City could increase by \$2 million to \$4 million.

4. When a tax incremental district is closed, for each of the 4 years immediately following the year in which closure occurred, the City shall designate General Fund revenue for the Housing Trust Fund in an amount equal to the incremental tax revenue (City portion) received from the TID during the last tax collection cycle in which the tax incremental district was in existence. Thus, for any year in the future - 2010, for example -- the total funds generated for the Housing Trust Fund for that year would be the final-year tax increment (City portion) for all TIDs that were closed in the preceding 4 years (in this case, TIDs that closed in 2006, 2007, 2008 and 2009).

Based on TID-closure years anticipated by the Department of City Development and the Comptroller's projection of the City tax increment from each tax incremental district in the TID-closure year, this option could generate the following revenues for the Housing Trust Fund over the next 10 years:

2007	\$2,674,900
2008	\$3,115,000
2009	\$3,431,800
2010	\$3,684,500
2011	\$1,068,100
2012	\$628,000

Text File Continued ...

2013	\$1,741,300
2014	\$1,712,800
2015	\$1,890,400
2016	\$2,869,400

Note: In developing these projections, the Comptroller's Office assumed that no new TIDs will be created and closed within the 10-year period, that equalized values of TIDs will increase 8% per year over the 2005 equalized value and that the City tax rate will continue to decrease until 2011, after which time it will level off.

5. 80% of the net proceeds from the sale of City-owned vacant land should be designated for the Housing Trust Fund. The remaining 20% would continue to go to the Redevelopment Authority for its administration of the land-sale program. Based on actual City land-sale proceeds over the past 5 years, it appears that this option could generate \$132,000-\$275,000 for the Housing Trust Fund each year.

6. Any payments in lieu of taxes ("PILOTs") received by the City from newly-negotiated PILOT agreements with owners of tax-exempt property should be dedicated for the Housing Trust Fund. Based on recent experience, PILOTs could generate \$20,000-\$27,000 per year for the Housing Trust Fund.

7. The City, through appropriate Common Council resolutions and the efforts of the Department of Administration-Intergovernmental Relations Division, should seek introduction and passage of state legislation that would:

 \cdot Allow revenues from tax incremental districts to be used for housing trust fund purposes outside those districts.

• Allow municipalities to assess linkage fees in the range of 10 to 30 basis points per square foot of new construction (both residential and non-residential), with the proceeds from such fees available to support local housing trust funds.

• Create a 50% state tax credit for contributions to housing trust funds.

• Enable municipalities and counties to levy taxes and fees that solely support housing trust funds. Such taxes and fees should be exempt from state-imposed revenue caps or tax-levy freezes.

Create a State of Wisconsin housing trust fund to be funded, at least in part, by real estate transfer fee proceeds, with no funds coming from local governments. Specifically, this housing trust fund should be funded by 5% of the real estate transfer fee revenues (i.e., the share of transfer fee revenues retained by the State for other purposes would be reduced from 80% to 75%).

• Increase the amount of the real estate transfer fee statewide from \$3 per \$1,000 of sale price to \$4 per \$1,000, with the increased revenues being dedicated to the state housing trust fund (if one is created) or to local housing trust funds (if no state housing trust fund is created).

• Eliminate the exemption from the requirement to pay the real estate transfer fee that currently applies to transfers involving purchasers that are limited liability companies ("LLCs"), with the additional transfer fee revenues being dedicated to the state housing trust fund or, if no state fund is created, to local housing trust funds.

Operation of the Housing Trust Fund

1. The Housing Trust Fund should be administered by the Community Development Grants Administration Division of the City's Department of Administration. If this agency is unable or unwilling to assume this responsibility, the Department of City Development/Neighborhood Improvement Development Corporation should administer the program. A third, but lesspreferred, option would be to have a private, non-profit agency administer the Trust Fund.

While the Housing Trust Fund would be administered by Community Development Grants Administration, requests-for-proposals, public hearings and funding-allocation decisions should be kept separate from the City's CDBG activities.

2. Oversight of administration of the Housing Trust Fund, as well as final funding recommendations to the Common Council, should be provided by a 13-member advisory board consisting of the following members, who shall serve staggered, 2-year terms:

- Two Common Council members (appointed by the Common Council President)
- Two members to be appointed by the Mayor
- The City Comptroller or his/her designee
- A non-profit developer (appointed by the Common Council President)
- A for-profit developer (appointed by the Common Council President)
- · A representative of Continuum of Care
- · A representative of a financial institution (appointed by the Common Council President)
- · A representative of the Local Initiatives Support Corporation
- A representative of the Metropolitan Milwaukee Fair Housing Council
- · A representative of Independence First
- A representative of the Interfaith Conference of Greater Milwaukee

(For advisory board members where no appointing authority is specified, the agency which the individual represents shall make the appointment.)

The board should be responsible for evaluating requests for funding from the Housing Trust Fund (after those requests have been submitted to and reviewed by the administering agency). In making funding-allocation decisions, the board should consider a report on Milwaukee's housing needs that is prepared annually by the Community Development Grants Administration Division and the Department of City Development.

3. A minimum of 25% of Housing Trust Fund dollars should be used to develop housing and provide services for people who are homeless. A minimum of 35% should be used to develop or rehabilitate rental housing. A minimum of 25% should be used to create and maintain home ownership opportunities. The remainder of the Fund (15% or less) should be set aside for "flexible" use to respond to whatever housing needs the advisory board identifies, subject to the income-eligibility requirements of items #7 and #8. In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. Each year, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, should be used to fund accessibility improvements or modifications in any of the 3 funding

categories (homeless, rental and home ownership).

For all projects financed by the Housing Trust Fund, Trust Fund dollars should be used to leverage and complement other sources of financing and to close funding gaps, but should not be viewed as the primary source of funds for the project.

4. Rental housing which is supported by the Housing Trust Fund shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.

5. For acquisition, new construction or rehabilitation of an owner-occupied dwelling, a Housing Trust Fund loan should be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years could be imposed through a deed restriction. If the owner sells the home before the end of the 5-year period, the owner would be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

6. For housing for the homeless, the period of affordability should be 50 years.

7. Financial assistance from the Housing Trust Fund for acquisition or new construction of owner-occupied housing should be limited to households with incomes at or below 100% of the County Median Income (currently \$67,200 for a family of 4), where "income" is as defined on the Census Bureau's Long Form. For homeowners seeking financial assistance for rehabilitation projects, household income should be limited to 65% of County Median Income (currently \$43,680) for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). The dollar values of these income limits will, naturally, be adjusted over time as County Median Income changes.

8. Housing Trust Fund assistance for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) should be limited to projects that serve households and individuals at or below 50% of the County Median Income (currently \$33,600).

9. Housing Trust Fund dollars should be available for home-buying counseling, but agencies providing counseling should be required to demonstrate that they serve low- and moderate-income clients. Also, any organization that receives Housing Trust Fund money for this purpose should be required to prove that it has the ability to assist disabled individuals needing counseling (e.g., the organization offers translation services, materials in Braille, etc.).

10. The advisory board should give weighted consideration to an application for Housing Trust Fund assistance if the proposed project will:

- · Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise

contractors.

• Encourage more neighborhood diversity and increase housing choices within the neighborhood.

• Use green building principles.

• Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.

- · Facilitate the movement of persons from institutions into the community.
- · Use contractors who pay family-supporting wages.

11. The following accessibility standards shall apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- · Section 504 of the Rehabilitation Act of 1973.
- · Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- · Wisconsin Open Housing Act.
- · Architectural Barriers Act.
- The design principles of any one of the following:
- --"Aging in place".

--"Universal design".

--Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund's advisory board.

• For new housing units in one- to 3-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:

--One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a

doorway entrance that has a minimum 32" clear passage opening.

--A usable path of travel throughout the interior main-level floor of the dwelling

unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.

--A powder room (half bath) on the main-level floor that has: 1) a doorway entrance with a minimum 32" clear passage opening; 2) sufficient space to entrance door while the room is occupied; 3) a minimum 30" by 48" clearance; 4) reinforced walls for future installation of grab bars to the toilet if necessary.

Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

; and

Whereas, Implementation of any of the recommendations contained in the Task Force's Final Report will require endorsement and implementation by the Common Council via appropriate legislation, including ordinances, resolutions and budget amendments; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Common Council endorses the following structure and strategies for the financing and operation of the City of Milwaukee Housing Trust Fund:

Financing the Housing Trust Fund

1. The Housing Trust Fund should be funded at a minimum level of \$5 million annually.

2. The City shall issue up to \$5 million in general obligation bonds to fund the Housing Trust Fund in its first year of operation, with debt service being funded first by the additional Potawatomi Bingo Casino revenues and tax incremental district revenues described in numbers 3 and 4 below and secondarily by the property tax levy. Bonds shall be issued as bond-funded projects are approved by the Common Council. These bonds shall be issued in such a manner that it is clear that bond-sale proceeds will be used for a purpose for which the City would be exempt from the requirement to hold a referendum on the bond sale, as provided in the Wisconsin Statutes. This bond sale should be viewed as a one-time commitment intended to provide start-up funding for the Housing Trust Fund.

3. If future City payments from the Potawatomi Bingo Casino exceed the current amount of \$3.38 million per year, 50% of the additional revenues shall be dedicated for the Housing Trust Fund.

4. When a tax incremental district is closed, for each of the 2 years immediately following the year in which closure occurred, the City shall designate General Fund revenue for the Housing Trust Fund in an amount equal to one-half the incremental tax revenue (City portion) received from the TID during the last tax collection cycle in which the tax incremental district was in existence. Thus, for any year in the future - 2010, for example -- the total funds generated for the Housing Trust Fund for that year would be one-half the final-year tax increment (City portion) for all TIDs that were closed in the preceding 2 years (in this case, TIDs that closed in 2006, 2007, 2008 and 2009).

Based on TID-closure years anticipated by the Department of City Development and the Comptroller's projection of the City tax increment from each tax incremental district in the TID-closure year, this option could generate the following revenues for the Housing Trust Fund over the next 10 years:

2007	\$1,337,450
2008	\$1,557,500
2009	\$378,450
2010	\$284,750
2011	\$155,600
2012	\$29,250
2013	\$715,050
2014	\$827,150
2015	\$230,150
2016	\$607,550

5. Any payments in lieu of taxes ("PILOTs") received by the City from newly-negotiated PILOT agreements with owners of tax-exempt property shall be dedicated for the Housing Trust Fund, if so designated by the property owner.

6. The City, through appropriate Common Council resolutions and the efforts of the Department of Administration-Intergovernmental Relations Division, shall seek introduction and passage of state legislation that would:

 \cdot Allow revenues from tax incremental districts to be used for housing trust fund purposes outside those districts.

 \cdot Allow municipalities to assess linkage fees in the range of 10 to 30 basis points per square foot of new construction (both residential and non-residential), with the proceeds from such fees available to support local housing trust funds.

Create a 50% state tax credit for contributions to housing trust funds.

• Enable municipalities and counties to levy taxes and fees that solely support housing trust funds. Such taxes and fees should be exempt from state-imposed revenue caps or tax-levy freezes.

 \cdot Create a State of Wisconsin housing trust fund to be funded, at least in part, by real estate transfer fee proceeds, with no funds coming from local governments. Specifically, this housing trust fund should be funded by 5% of the real estate transfer fee revenues (i.e., the share of transfer fee revenues retained by the State for other purposes would be reduced from 80% to 75%).

Increase the amount of the real estate transfer fee statewide from \$3 per \$1,000 of sale price to \$4 per \$1,000, with the increased revenues being dedicated to the state housing trust fund (if one is created) or to local housing trust funds (if no state housing trust fund is created).
 Eliminate the exemption from the requirement to pay the real estate transfer fee that currently applies to transfers involving purchasers that are limited liability companies ("LLCs"), with the additional transfer fee revenues being dedicated to the state housing trust fund or if no

with the additional transfer fee revenues being dedicated to the state housing trust fund or, if no state fund is created, to local housing trust funds.

Operation of the Housing Trust Fund

1. The Housing Trust Fund shall be administered by the Community Development Grants Administration Division of the City's Department of Administration. While the Housing Trust Fund would be administered by this office, requests-for-proposals, public hearings and fundingallocation decisions shall be kept separate from the City's CDBG activities.

2. A Housing Trust Fund Advisory Board shall be established to make project funding recommendations to the Common Council for approval. The 13-member Advisory Board shall consist of the following members, who shall serve staggered, 2-year terms:

- Two Common Council members (appointed by the Common Council President)
- Two members to be appointed by the Mayor
- The City Comptroller or his/her designee
- A non-profit developer (appointed by the Common Council President)
- A for-profit developer (appointed by the Common Council President)

- A representative of Continuum of Care
- A representative of a financial institution (appointed by the Common Council President)
- · A representative of the Local Initiatives Support Corporation
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(For advisory board members where no appointing authority is specified, the agency which the individual represents shall make the appointment.)

The Advisory Board shall be responsible for evaluating requests for funding from the Housing Trust Fund (after those requests have been submitted to and reviewed by the administering agency). In making funding-allocation recommendations, the board shall consider a report on Milwaukee's housing needs that is prepared annually by the Community Development Grants Administration Division and the Department of City Development.

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6. For housing for the homeless, the period of affordability shall be 50 years, with a review of the affordability requirement at 15 years and 30 years. The Common Council shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review or the 30-year review.

7. Financial assistance from the Housing Trust Fund for acquisition or new construction of owner-occupied housing shall be limited to households with incomes at or below 100% of the County Median Income (currently \$67,200 for a family of 4), where "income" is as defined on the Census Bureau's Long Form. For homeowners seeking financial assistance for rehabilitation projects, household income shall be limited to 65% of County Median Income (currently \$43,680) for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). The dollar values of these income limits shall be adjusted over time as County Median Income changes.

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10. The Advisory Board shall give weighted consideration to an application for Housing Trust Fund assistance if the proposed project will:

- · Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- \cdot Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.

• Encourage more neighborhood diversity and increase housing choices within the neighborhood.

- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- · Use contractors who pay family-supporting wages.
- Be taxable.

11. The following accessibility standards shall apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
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- Wisconsin Open Housing Act.
- · Architectural Barriers Act.

Text File Continued ...

The design principles of any one of the following:

--"Aging in place".

--"Universal design".

--Any other accessible and/or adaptable design criteria recommended by the Housing Trust Fund Advisory Board and approved by the Common Council.

For new housing units in one- to 3-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:

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doorway entrance that has a minimum 32" clear passage opening.

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unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.

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Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Common Council if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

;and, be it

Further Resolved, That the Common Council's Legislative Reference Bureau and the appropriate City officials are directed to draft legislation necessary for further Common Council action to implement the recommendations endorsed herein, including but not limited to an ordinance establishing a Milwaukee Housing Trust Fund and provisions related to its operation and funding; and, be it

Further Resolved, That the Housing Trust Fund Task Force is dissolved as provided in File Number 060069, adopted May 31, 2006, which provided that the Task Force shall be dissolved upon Common Council final action on Final Number 060071, a resolution relating to the recommendations of the task force for the operation and funding of a housing trust fund.

..Requestor

..Drafter LRB06229-5 JDO 09/25/2006



City of Milwaukee

Meeting Minutes

HOUSING TRUST FUND ADVISORY BOARD FINANCE SUBCOMMITTEE

VINCENT LYLES, CHAIR Cathie Madden, Vice-Chair Brian Peters, Ray Schmidt, Bethany Sanchez Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Monday, August 6, 2007	3:00 PM	Room 301-B, City Hall

Meeting Convened: 3:12 P.M.

1. Roll call

Present 3 - Madden, Peters and Lyles

Excused 2 - Sanchez and Schmidt

Also present: Leo Ries-Program Director-Local Initiatives Support Corporation (LISC) of Milwaukee; Martha Brown and Maria Prioletta staff from Department of City Development; Craig Kammholz-Member of the Housing Trust Fund Advisory Board; Ms. Heather Dummer Combs-Member of the Housing Trust Fund Advisory Board

2. Approval of the minutes of the July 2, 2007 meeting

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

3. Update on legislation relating to the Housing Trust Fund

Mr. Lyles said that there was legislation presented as part of the state budget that would allow a portion of the real estate transfer fee to be dedicated for housing trust fund activities. He said his last recollection of that bill was that it was taken out of the state budget and that there was an attempt to reintroduce it.

Ms. Dummer Combs replied that it was taken out of the state budget.

Ms. Madden asked if there is any legislative limits for any of the other funding sources that have already been discussed? She also asked if there has to be a dedicated source of funding for the housing fund?

Mr. Ries replied that a dedicated source of funding has been the goal for the housing trust fund and that there is no limit to what can be done and that they should go after every possibility. He further said that there are some funding sources that they know would not be fruitful.

Ms. Dummer Combs said state statute will limit some funding options.

Mr. Reis said that state statutes can be changed.

Ms. Madden said she doesn't want this subcommittee to discuss options that aren't

possible.

Mr. Ries said that he is disappointed that the TIF legislation was pulled out of the Governor's budget. He said it seemed that the TIF was a modest proposal and asked if anyone knew why it was pulled.

Mr. Lyles said the fiscal impact statewide might have been pretty substantial.

Mr. Ries replied that it would have only applied to Milwaukee, because it was only for cities of the first class.

Ms. Dummer Combs said that the way the language was written in the state budget, it gave the local council the authority to extend a TIF.

Mr. Ries said that he recently read an interesting article in the daily reporter that said there is another proposed change to the TIF law that is receiving a lot of support from the League of Cities and other groups. He said the proposed change would allow the spending of TIF proceeds up to a ½ mile radius. He said that it is being tried out in Kenosha.

Mr. Reis said that at the last meeting he was supposed to following-up on a couple of issues. He said the first was to follow-up with Foley and Lardner about tax advice, which he did and they referred him to a lawyer with National Equity Funds and the question he was to get answered is "How could they use the tax code to help advance the housing fund concept." He said he hadn't had the chance yet to contact National Equity Funds, but will do so by the next Housing Trust Fund Advisory Board Finance Subcommittee (HTFABFS) meeting. He said the second issue that he was going to follow-up on was to contact Mr. Selfert with Northwest Mutual Insurance Co, and asked him to appear before the HTFABFS to discuss investment options. Ms. MacDonald replied that she had contacted Mr. Seifert and he said that he would be on vacation this week and could not appear at this meeting.

Ms. Brown said that as far as she knew the City is in support of the proposed legislation to allow TID spending outside the boundary of the TID. She further said that based on the last few TID's that had gone forward, any extra monies that were squeezed out of the TID had been devoted to job training and that has been the Mayor's and the Council's priority.

Mr. Lyles asked if the Kenosha pilot is a result of new legislation or just the fact that the Kenosha had paid off its TID sooner then the prescribed time?

Mr. Reis replied that the legislators gave the approval for Kenosha to try out the TID program, therefore, it took an act by the state legislature. He said that the legislators are now talking about making it a statewide change to the TIF law. He said that it doesn't mean that the money has to be spent on housing. It could be spent on jobs.

Ms. Brown said the other option that was brought up was to use the extra TIF monies for transportation.

Mr. Ries said that maybe they could work on finding out what it would take to get the TIF legislation put back into the state budget.

Ms. Dummer Combs said that what might be more palatable on the state level in regards to the opposition of extending the life of a TIF is to give all municipalities the authority to make the decision to extend the life of a TIF. She said that anything that has Milwaukee

only tied to it is not going to get very far with the state legislature.

Ms. Dummer Combs said that the state is still working on its budget and that Senator Spencer Coggs had agreed to try and get the TIF put back in budget, but it didn't make the final short list to keep it in the state budget.

Mr. Lyles asked what is happening with the real estate transfer fee as far as the state budget.

Ms. Dummer Combs said that the idea that was put forth by the governor was to increase the real estate transfer fee and that the majority of the excess revenue would be use to support the court system and youth aid and a small percentage would be put towards housing.

Mr. Ries asked if any one knows if they are close to approving the review regulations for Fannie Mae and Freddy Mac? He said those are national trust funds that require a local match.

Ms. Prioletta replied that she doesn't know but she could find out.

4. Discussion on proposed funding sources for the Housing Trust Fund

Mr. Lyles asked Ms. Madden to give a brief overview on the research she had done on what other cities are using to fund its housing trust fund.

Ms. Madden replied that other cities housing trust funds are funded largely with public dollars, but that is changing due to city dollars becoming scarce. She said many cities are using private funding sources. For example, there are a couple of cities that are receiving funding from hospitals, because there is the realization that the impact of poor housing increases poor health, which increases health care cost.

Ms. Madden said Mr. Peters brought up the use tax at the last meeting, which is a public source of funding, and he had some creative ways that those public dollars could be use that this subcommittee may want to consider.

Mr. Lyles said for review and clarification purposes, the current resolution says that the current \$2.5 million of housing trust fund monies came from the Council's authorization and other monies that could be considered are Potowatomi revenues, PILOT's and TIF's. He asked how is it determined what those dollar amounts would be?

Mr. Ries replied that the Potowatomi payment is very specific in that the City receives \$3.38 million yearly. He said it is stated in the housing trust fund legislation that the monies received from Potowatomi that could go to the housing trust fund, is that amount that exceeds the \$3.38 million.

Ms. Dummer Combs explained that it would be one half of the revenues over and above the \$3.38 million received from Potowatomi.

Ms. Brown referred to a City Attorney's opinion (Exhibit 1) that was issued on June 15, 2007 and said that the way she reads the opinion, it says the City is under no obligation for any funding in 2008 or beyond for the housing trust fund. She said the opinion refers to Common Council File No. 041537 that established the trust fund says "it is anticipated that the housing trust fund is to be funded by services indentified in Common Council File No. 060071. The actual allocation and expenditure of City funds for the housing trust fund is subject to the City's normal budget and appropriation process. Accordingly, the combine authority of the two Common Council file does not "obligate" the Common Council and the Mayor to set aside specific funding for the housing trust fund in any given year."

Mr. Lyles said the Mayor has not submitted his 2008 budget yet and asked if anyone has talked to the Mayor as to what his plan is in 2008 for the housing trust fund.

Ms. Dummer Combs said that the Milwaukee Housing Trust Fund Coalition had contacted the Mayor to encourage him to include funding for the Housing Trust Fund in the 2008 city budget.

Mr. Lyles asked if it would be appropriate for this subcommittee to send a letter to the Mayor that would encourage the Mayor to fund the housing trust fund in the 2008 city budget at the 2007 level, which is \$2.5 million.

Mr. Brown said that the letter should also indicate that this subcommittee is working on other funding options, but hasn't had the time to fully explore those other options.

Ms. Dummer Combs said that they may want to clarify in the letter the funding sources that have been identified in the resolution. Ms. Dummer Combs than said that she would like to recommend that the following be included in the letter: She said the \$2.5 million bond still has to be paid off and the bond needs to be paid off with the revenue from the revenue sources that have been identified in the resolution. She said that at the very minimum, what needs to be done is that the source of revenues identified in the resolution needs to be earmarked for the housing trust fund and that the funding would first go towards paying off the bond, and second, any additional revenues above the bond payment can than be disbursed. She further said that something should be put in the letter that says this subcommittee is working diligently to find other sources of revenue for the housing trust fund.

Mr. Ries said that it is going to be really hard for this subcommittee to get the City to commit to a revenue stream, because the City has made it clear that Mayors' priorities are jobs and transportation. He said this subcommittee will need to come up with a private funding source and challenge the City to match it.

Ms. Madden said she thinks there is a link between housing and transportation.

Ms. Madden asked if they could discuss the concept of making the Housing Trust Fund operate like a trust fund. She said that the goal is for the Housing Trust Fund to have an on going funding source and not to become like a non-profit and have to look for funding every year.

Mr. Kammholz said that they have identified revenue sources in the resolution and, in addition, it seems that this subcommittee has looked at outside revenue sources such as from the state and asked if local sources have been consider such as a developer fee or impact fee.

Mr. Lyles replied that this subcommittee did review those fees at the last meeting, but concluded that it would be too much of a battle to go after developer fees or linkage fees.

Mr. Ries said a linkage fee would require state legislation.

Ms. Brown said that there are certain groups that benefit from housing construction, such

as lenders, construction workers, home improvement stores, etc. and asked if a strategy had been looked at that would tap those entities that benefit from housing construction and could be used as a revenue source.

Ms. Dummer Combs asked how they could tap into that revenue.

Mr. Ries asked if it would be a tax or on a voluntary bases.

Ms. Brown said that she and Ms. Prioletta met with Ald. Murphy and had made the following suggestions as ways to get housing trust funds: 1) Tax on cable, 2) Fees for installation of cell tower antennas, and 3) A fee that could be assessed for privately owned underground conduits. She said they also suggested private fund raiser approaches, such as a give back program with home improvement outlets similar to the round up for hungry program.

Ms. Prioletta suggested that a check off box be added to the state tax return for housing trust fund.

Mr. Kammholz said that there used to be a program call "New Opportunities for Homeownership", where banks would give a dollar for dollar matching funds.

Mr. Ries said that it may be hard to get banks to come up with the money.

Mr. Lyles said that maybe new banks coming to Milwaukee may be inclined to support a housing trust fund.

Ms. Dummer Combs said that thiers banks that don't have outstanding CRA rating and who may want to improve on there ratings might be interested.

Mr. Reis said that he received a brochure from a group in the Twin Cities who started a campaign to raise money for affordable housing and said that he will forward a copy of it to all the subcommittee members. He said he will also check with the group to see where they are.

Ms. Madden said one of the things that Minneapolis did with its housing trust fund was to limit its scope on what they are going to use the housing trust fund for, such as for rentals only. She suggested that they could focus their housing trust fund on housing for the mentally ill.

Ms. Brown said a few weeks ago the Urban Economic Development Association held a summit and the topic was on the city's Economic Development Plan, which is a job plan, and there was a lot of concerns raised on affordable housing. She then suggested that a task force be created to lay the ground work for fund raising options.

Mr. Lyles said that hopefully they can tap into all those sources that make money on the construction of a house.

Ms. Prioletta said that she would put together a list of companies that would make money on the construction of a new house.

Ms. Dummer Combs said they should also look at post construction companies.

Mr. Lyles said the other groups they should also consider are the local groups who would benefit from this work too, such as Interfaith and individuals.

Ms. Madden said they should also look at hospitals and educational institutes.

Ms. Dummer Combs said that the Housing Trust Fund Task Force was successful in getting support from MPS.

Ms. Prioletta suggested that when the board is reviewing applicants it should look at the kind of community support given for the project.

Ms. Dummer Combs said that it is stated in the legislation that extra points will be given for projects that have community partnership or commitments.

Mr. Kammholz said that the city has a cable franchise fee and to add a cable tax or local fee would not be a good idea, because AT&T is coming in with U-verse and while U-verse isn't cable it is competing with the cable company. He suggested a voluntary contribution by the cable company could be considered.

Mr. Ries said that they could consider going to new and or big companies located in *Milwaukee for voluntary contributions.*

Mr. Reis said he would contact Mr. Jim Imhoff with First Weber Company to see if he can appear before this subcommittee to discuss ways of getting contributions through the home sale process.

Mr. Peters asked if there has been discussion on the excess payment in lien of taxes (PILOT).

Mr. Brown said the City Assessor is the one who contacts the tax exempt property owner that is targeted for PILOT.

Mr. Kammholz said he hasn't seen any new PILOTs lately.

Mr. Peters said he would like more information on the PILOT program and asked if they could discuss the PILOT program further at the next HTFABFS meeting.

Ms. Brown said she would contact the Assessor for a list of PILOT's that already exist and any information she may have on any new ones.

5. Set next meeting date and agenda

Mr. Lyles asked if there are any objections to holding future HTFABFS meetings on the first Monday of each month, except for September, which is a holiday, until the end of the year 2007 and that all meeting would start at 3:00 P.M. There were no objections.

The following are the meeting dates for the remainder of 2007: Sept. 4, 2007 Oct. 1, 2007 Nov. 5, 2007 December 3, 2007 Meeting adjourned: 4:35 P.M.

Terry J. MacDonald Staff Assistant GRANT F. LANGLEY City Attorney

DOLPH M. KONRAD DA ULISS BURKE NCENT D. MOSCHELLA Deputy City Attorneys



June 15, 2007

Alderman Michael J. Murphy 10th Aldermanic District Room 205 – City Hall

Re: Housing Trust Fund

Dear Alderman Murphy:

In a May 18, 2007 letter our legal opinion was requested concerning the proper interpretation of Common Council File Nos. 041537 and 060071. Specifically, we were asked to provide an opinion as to whether the combined authority of those two Common Council files obligates the Council and the Mayor to set aside for the Housing Trust Fund in the 2008 and 2009 City Budgets an amount equal to one-half of the City's portion of the tax revenues received from three tax incremental districts which will be closed during 2007.

Common Council File No. 060071 was a resolution relating to recommendations of the Milwaukee Housing Trust Fund Task Force for the operation and funding of the Housing Trust Fund. The Task Force report and the resolution indicated that "... the City shall designate General Fund Revenue for the Housing Trust Fund in an amount equal to the incremental tax revenue (City portion) received from the TID during the last tax collection cycle in which the tax incremental district was in existence." Common Council File No. 041537 was the ordinance which created Chapter 316 of the Code of Ordinances pertaining to the Housing Trust Fund. In the ordinance, somewhat different language was utilized stating that "... it is anticipated that the Housing Trust Fund is to be funded by services identified in Common Council File No. 060071."

The actual allocation and expenditure of City funds for the Housing Trust Fund is subject to the City's normal budget and appropriation process. Accordingly, the combined authority of those two Common Council files does not "obligate" the Common Council and the Mayor to set aside specific funding for the Housing Trust Fund in any given year.

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THOMAS O. GARTNER BRUCE D. SCHRIMPF **ROXANE L. CRAWFORD** SUSAN D. BICKERT STUART S. MUKAMAL THOMAS J. BEAMISH MAURITA F. HOUREN JOHN J. HEINEN MICHAEL G. TOBIN DAVID J. STANOSZ SUSAN E. LAPPEN JAN A. SMOKOWICZ PATRICIA A. FRICKER **HEIDI WICK SPOERL** KURT & BEHLING **GREGG C. HAGOPIAN ELLEN H. TANGEN MELANIE R. SWANK** JAY & UNORA DONALD L. SCHRIEFER EDWARO M. EHRLICH LEONARD A. TOKUS VINCENT J. BOBOT **MIRIAM R. HORWITZ** MARYNELL REGAN G. O'SULLIVAN-CROWLEY KATHRYN M. ZALEWSKI MEGAN T. CRUMP ELOISA DE LEÓN ADAM B. STEPHENS **KEVIN P. SULLIVAN BETH CONRADSON CLEARY** THOMAS D. MILLER Assistant City Attorneys

Alderman Michael J. Murphy June 15, 2007 Page 2

It is our understanding that you anticipate scheduling a meeting involving representative of the Comptroller's Office, the Budget Office and our office to discuss the specific steps which will be required in order to provide the requisite budget and appropriation authority to fund this program. It will be our pleasure to work with you and other City departments in order to finalize that process.

Very truly yours,

Fidelika Kand you

GRANT F. LANGLEY City Attorney

THOMAS O. GARTNER Assistant City Attorney

TOG/mll:120467

c: Craig Kammholz, Comptroller's Office Mark Nicolini, Budget Office Ron Leonhardt, City Clerk

1033-2007-1461



City of Milwaukee

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD FINANCE SUBCOMMITTEE

VINCENT LYLES, CHAIR
Cathie Madden, Vice-Chair
Brian Peters, Ray Schmidt, Bethany Sanchez
Staff Assistant, Terry MacDonald
Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov
File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Tuesday, September 4, 2007	3:00 PM	Room 301-B, City Hall
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Meeting convened: 3:04 P.M.

1. Roll call

Present 4 - Sanchez, Madden, Peters and Lyles

Excused 1 - Schmidt

Also present: Tom Gartner-Assistant City Attorney; Leo Ries-Program Director-Local Initiatives Support Corporation (LISC) of Milwaukee; Craig Kammholz-Member of the Housing Trust Fund Advisory Board; Martha Brown and Maria Prioletta staff from Department of City Development; Ms. Heather Dummer Combs-Member of the Housing Trust Fund Advisory Board

2. Approval of the minutes of the August 6, 2007 meeting

Ms. Madden moved approval of the minutes, *Mr.* Peters seconded. There were no objections.

3. Appearance by and presentation given by Ms. Mary Reavey, City Assessor, relative to the Payment In Lieu Of Taxes (PILOT) program

Mr. Lyles introduced *Ms.* Mary Reavey the City Assessor and asked her to begin her presentation on the Payment In Lieu Of Taxes (PILOT) program.

Ms. MacDonald provided all Housing Trust Fund Advisory Board Members with a copy of the "Fair Share Program - guidelines for Payments in Lieu of Taxes from Exempt Institutions" (Exhibit 1).

Ms. Reavey started her presentations by giving an overview on her employment history.

Ms. Reavey explained how the Payment In Lieu of Taxes (PILOT) program came about. She said when they first began the PILOT program they looked at all the major non-profit corporations, such as hospitals and universities. She said the Mayor than contacted the CEOs of the 8 university and 6 hospitals, and as a result, they succeeded in getting St. Mary's hospital to make a commitment.

Ms. Reavey explained the process for requests for tax exemption of a property. She said at the time an exemption is granted, a request for a PILOT is included. She said this hasn't been very successful.

Ms. Reavey said one of the other ways they look at potential people to pay PILOTs is that they review the zoning requests that go through Board of Zoning Appeals (BOZA). She said they have had a few results, but found that most of those properties are not tax exempt.

Ms. Reavey said they also look at requests for bonding and said they did have some success with those.

Ms. Reavey said she has a list of all of the PILOT payments they have received from 2006 to the present and that she will get copies of that to the committee members (Exhibit 2).

Ms. Sanchez asked if *Ms.* Reavey could think of any particular entity that might be ripe and could be approached for a PILOT, who has a sensitivity to housing market needs. She also asked if they could work the foreclosure crisis angle?

Ms. Reavey replied that the senior retirement homes are ripe at this time, however, they have not pursued those because it looks like there may be state legislation changes in the near future that would change those to taxable properties. She further said that there are some non-profit low-income properties and some churches that may be interested. She said the organizations that could also be approached are hospitals and educational institutions, but they have not had much success with those.

Mr. Ries asked what could they do to help the Assessor's office be more aggressive in pursuing PILOT's? He suggested a campaign.

Ms. Reavey replied that the main help they will need will come from the City Attorney's Office.

Mr. Reis asked if there has been any discussion on the tax-exempt status of hospitals?

Ms. Reavey replied that it has been explored and said that they do assess the non-component parts of a hospital, such as the doctors offices.

Mr. Lyles asked Ms. Reavey to talk a bit about the success they had with St. Mary's.

Ms. Reavey replied that the Mayor's Office handled St. Mary's and that she wasn't involved at all.

Ms. Lyles asked if it is treated like a PILOT?

Ms. Reavey said that St. Mary's did not want it to be considered a PILOT.

Mr. Peters asked how the dollar amount is computed on page 5 of the "Guidelines for Payments in Lieu of Taxes" report? He also asked how often does an organization pay the full amount?

Ms. Reavey replied that the tax exempt organizations only pay the city amount of the levy and that dollar amount changes every year.

Mr. Lyles asked is any other units of government involved with this type of program.

Ms. Reavey replied in the negative.

Mr. Reis asked if they can compel a zoning or bonding requestor to make a payment.

Mr. Gartner replied that they can not compel a PILOT payment for zoning requests. He said af far as for bonding requests, they can require a PILOT payment.

Ms. Dummer Combs asked if there is other reason for the City to issue bonds to organizations other then for TIF's.

Mr. Gartner replied in the affirmative and said that the city has issued bonds for industrial, educational complexes, etc.

Ms. Sanchez asked if *Ms.* Reavey has a feel for the political climate for getting the senior retirement housing legislation passed.

Ms. Reavey replied that it is going to be a battle.

Mr. Peters asked where does the PILOT money go?

Ms. Reavey replied that it is a revenue and is treated the same as a license or permit fee.

Mr. Reis asked if any new PILOT payments are committed to the housing trust fund.

Ms. Reavey replied in the negative. She said there is no designation for the PILOT funds; it is considered a part of the General Fund.

4. Appearance by a representative from Northwest Mutual Insurance Co. relative to investment options

Mr. Lyles said the representative could not make this meeting. He said the representative may be able to make the October 1, 2007 meeting.

5. Discussion on proposed funding sources for the Housing Trust Fund

Mr. Jared Erdman, Legislative Assistant to Alderman Murphy appeared and said that Ald. Murphy is introducing legislation tomorrow to fix the issue relating to Potawatomi revenue being designated to the housing trust fund.

Mr. Lyles said that as a result of the last meeting, he drafted a letter to the Mayor and has forwarded it to the Ald. Murphy for review. He then said he will provide a copy of that letter to all the members.

Mr. Lyles referred to *Mr.* Erdman's comment and asked if someone want to elaborate on the email that was received by several members regarding the treatment of the City Attorney's and the Mayor's interpretation of the housing trust fund resolution and ordinance.

Mr. Kammholz replied that the Comptrollers' Office read the resolution and the charter ordinance and that basically what they did is follow the letter of the law and estimated \$1million of the \$5 million of Potawatomi revenue for the housing trust fund. He said the budget office requested a city attorney's opinion asking whether it was in fact a revenue recognition or an appropriation. The city attorney submitted his opinion and he

thinks that opinion is what was distributed through the e-mail. He further said that where it stands now and is what Mr. Erdman was alluding to, is that there was some things that could be stated clearer in the housing trust fund resolution and ordinance regarding the intent of the Common Council when it established the housing trust fund.

Mr. Gartner said part of the problem was that the Common Council cannot create that kind of dedication of funds by adopting a resolution. He then referred to the ordinance that indicated that "it was anticipated that various sources outlined in the resolution would be use to fund the housing trust fund", and said again the ordinance also does not setup any dedication of revenues for the housing trust fund.

Meeting adjourned: 3:53 P.M.

Terry J. MacDonald Staff Assistant

City of Milwaukee

- Fair Share Program -

Guidelines for Payments in Lieu of Taxes from Exempt Institutions

Thomas M. Barrett, Mayor

Mary Reavey, Assessment Commissioner

- Fiscal Year 2005 -

PILOT Procedure

The City of Milwaukee initiates discussions regarding a voluntary annual PILOT payment at the time a tax-exempt organization applies for a property exemption or when it contemplates either acquiring, expanding, improving or replacing its property. This policy has the pragmatic advantage of allowing exempt institutions to include the cost of any PILOT payment in their project financial plans.

When an institution anticipates multiple alterations to its campus, the agreement could take the form of a campus-wide agreement. This type of agreement allows for a predetermined formula to be applied to future property acquisitions or expansions and avoids duplicating the entire PILOT process each time a new project is undertaken.

There are four basic steps in the PILOT process:

- When an institution applies for an exemption or demonstrates its intent to expand, improve, replace or acquire a facility, the institution is given a New PILOT Project Profile Form by either the City Assessor's office or the Department of City Development. (See Attachment A) The exempt institution provides relevant data regarding its property, revenue raising capability, intended use, and related data. The institution also submits its Project Master Plan with the application;
- 2. Representatives of both the tax-exempt institution and the City Assessor's office meet to discuss the formulation of a payment in lieu of tax agreement and the amount of payment;
- 3. Once an agreement in principal is reached, the City Assessor's office drafts the PILOT agreement using the standardized format as a guide (See Attachment B);
- 4. After the PILOT agreement is approved by the institution, City Assessor's office and the City Attorney's office, the contract is executed.

Guidelines for Establishing the Payment in Lieu of Tax Amount

PILOT payments are based upon the value of the property and the revenue the municipal government forgoes due to the exempt status of the property. The City utilizes the following guidelines, while understanding that each institution and property has unique features that make flexibility necessary.

Estimating Value: Value can be determined using one of the following methodologies:

1. **Cost**: When an institution undertakes a large construction and/or renovation project, the cost involved in the construction provides a basis for determining the value. The Assessor's Office establishes a price per square foot based on the cost information provided by the institution.

- 2. Assessed Value: In situations where the exempt institution purchases property that was previously taxable and no renovations are planned, the assessed value is used as the basis for the PILOT.
- 3. **Comparable Buildings**: When possible, the value of a facility is based on the assessed value of comparable buildings in the same or comparable neighborhood with similar use.

Calculating the PILOT Amount

The "tax value" of a tax-exempt property is determined by multiplying the project value by the current city tax rate and dividing by 1,000. In 2004, a tax-exempt property with an estimated value of \$1 million would make a payment of \$9,730. The calculation does not include the tax rates of other jurisdictions city taxpayers support like Milwaukee County, Milwaukee Public Schools, Milwaukee Area Technical College and the Milwaukee Metropolitan Sewerage District.

Credits for Services Provided by Tax-Exempt Institutions

Many institutions prefer offering community services, such as scholarships, or free use of the institution's facilities or services to making actual cash payments to the city. The city will evaluate requests for community service credits on a case-by-case basis, but services that support the priorities of the Barrett administration to promote education, public safety, and expand jobs are preferred. Such credits must be new services over and above what the institution was providing prior to the execution of the PILOT agreement.

Escalator Clause

PILOT agreements apply an escalator clause to the base year payment to mitigate the effects of inflation. The city uses the Consumer Price Index produced by the Bureau of Labor Statistics at the U.S. Department of Labor. PILOT agreements last five years and are automatically renewed using the same methodology unless either party provides notification otherwise.

SUMMARY

The City of Milwaukee would like to thank those institutions that support the PILOT program. City government and exempt institutions must maintain a cooperative partnership to ensure Milwaukee's fiscal and economic health. By contributing back to the community, exempt institutions increase the city's ability to sustain its level of city services, a benefit to all city residents and institutions.

Please do not hesitate to contact Mary Reavey at (414) 286-3101 if you have any questions or comments about these guidelines.

NEW PILOT PROJECT PROFILE

As tax-exempt organizations apply for property tax exemptions, expand, improve, replace or acquire property, the city requests annual contributions to offset the costs of providing municipal services to these properties. In this manner, the city and exempt institutions join together in a partnership which ensures that the burden of paying for municipal services is equitably distributed. This survey will provide the city with the information necessary to begin discussions with your organization.

Please answer all questions that are relevant to your project in as much detail as possible.

1. CONTACT INFORMATION

INSTITUTION NAME:	
MAILING ADDRESS:	
CONTACT PERSON:	
TELEPHONE NUMBER:	
FAX NUMBER:	
E-MAIL ADDRESS:	
2. PROJECT DESCRIPTION	
PROJECT NAME:	
PROJECT LOCATION:	
PARCEL NUMBER: ALDERMANIC DISTRICT:	
PURPOSE/USE OF THE FACILITY:	
FACILITY SIZE (include square footage, number of floors, parking spaces):	
ESTIMATED PROJECT COSTS (acquisition, construction):	
ANTICIPATED OCCUPANCY DATE:	

Attachment A

WILL THIS FACILITY GENERATE ANY REVENUE? (Please attach estimates.)

3. INSTITUTIONAL CHARACTERISTICS

PURPOSE/MISSION:

CLIENTS SERVED ANNUALLY/ENROLLMENT: _____

NUMBER OF EMPLOYEES: _____

ANNUAL BUDGET (Attach annual report or financial statements, if available.):

BRIEF DESCRIPTION OF EXISTING PROPERTIES OWNED (Attach master plan or marketing brochure, if available.):

RETURN THIS FORM AND SUPPORTING DOCUMENTATION TO:

CITY ASSESSOR'S OFFICE ATTN: MARY REAVEY CITY HALL ROOM 507 200 E. WELLS ST. MILWAUKEE, WI 53202 (414) 286-3101

Attachment **B**

SAMPLE TAX-EXEMPT INSTITUTION PILOT AGREEMENT

<u>OWNER</u> :	SAMPLE TAX-EXEMPT INSTITUTION A Wisconsin Tax Exempt Institution
OWNER ADDRESS:	200 East Wells St Milwaukee, WI 53202
PROPERTY ADDRESS:	200 East Wells St Milwaukee, WI 53202

PROPERTY PARCEL IDENTIFICATION NO: 300-0000-000-0

This agreement for payments in lieu of taxes ("PILOT") is made by and between SAMPLE TAX-EXEMPT INSTITUTION NAME, ("TAX-EXEMPT") and the City of Milwaukee, a Wisconsin municipal corporation ("CITY"), as of the _____ day of _____,

____ ("AGREEMENT").

WITNESSETH

WHEREAS, TAX-EXEMPT owns or intends to acquire real property which is legally described in Exhibit A attached hereto (the "PROPERTY"); and

WHEREAS, TAX-EXEMPT and CITY have each determined that it is in their best interests to enter into this AGREEMENT, with the AGREEMENT being subject to: (i) TAX-EXEMPT being the holder of legal title to the PROPERTY; and (ii) CITY determining that the PROPERTY is tax exempt under TAX-EXEMPT's use, occupancy and ownership;

WHEREAS, CITY has determined that, under the facts and circumstances currently disclosed or known to the CITY and the law currently existing, and under TAX-EXEMPT'S intended ownership, occupancy and usage disclosed the CITY, the PROPERTY qualifies for real and personal property tax exemption under § 70.11(4), Wis. Stats., as of January 1, 2004; and

WHEREAS, TAX-EXEMPT recognizes that, notwithstanding property tax exempt status of the PROPERTY, valuable government services and benefits will be provided to it and the PROPERTY, which services and benefits directly or indirectly relate to the public health, safety and welfare, and which include, but are not limited to fire and police protection, paved streets and sidewalks, street lights and snow removal; and

WHEREAS, TAX-EXEMPT wishes to make PILOT payments to CITY in recognition of those services and benefits referred to herein.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. INCORPORATION OF WHEREAS CLAUSES.

The parties hereby acknowledge that the above clauses are part of this AGREEMENT.

2. CITY SERVICES.

A. <u>Services Typically Covered by Property Tax</u>

It is the parties' intent that CITY will provide public services to TAX-EXEMPT and the PROPERTY subject to the same terms and conditions as apply to properties owned by citizens or the public generally. Such services and benefits include, but are not limited by specific enumeration herein, those typically covered by the property tax such as fire and police protection, and on public streets, snow removal, street and sidewalk maintenance, and street lighting. CITY shall not have breached its obligations hereunder if it is prevented from providing benefits and/or services to TAX-EXEMPT or the PROPERTY because of typical *force majeure* reasons (e.g. war, flood, fire, labor dispute, supply shortage, act of God, natural disaster, etc.), because of budgetary constraints, or because any person or entity shall assert a right which prevents delivery of such benefits and/or services.

B. Special Assessments, Special Charges and Fees.

Notwithstanding paragraph 2.A. or property tax exempt status of the PROPERTY, TAX-EXEMPT understands that it may be subject to special charges, and special taxes as defined in § 74.01, Wis. Stats. (and as also referred to in Ch. 66, Wis. Stats.) and fees charged by CITY in the same manner that such special assessments, special charges, special taxes, and fees are changed for similar services and/or undertakings to commercial buildings within CITY. This provision shall not affect CITY's powers, consistent with the law, to determine the services and benefits (other than those typically covered by the property tax) that shall be provided to the PROPERTY and/or similarly situated property pursuant to this paragraph 2.B. Nothing contained herein shall preclude TAX-EXEMPT from appealing, as provided by law, the imposition of such special assessments, special charges, special taxes or fees.

3. PILOT PAYMENTS .

A. <u>Calculation for 200_ and Subsequent Years.</u>

In recognition of those services and benefits covered by paragraph 2.A. of this AGREEMENT, beginning in tax year 200_ until termination of this AGREEMENT, TAX-EXEMPT agrees to pay CITY an annual PILOT for the PROPERTY for each tax year (or portion thereof) during which TAX-EXEMPT owns the PROPERTY.

The method to be used in determining the PILOT payment for the base year shall be the Value¹ of the PROPERTY for that base tax year determined by the CITY Assessor's office times the CITY 's Property Tax Rate² for that tax year, divided by 1,000. In each

¹ "Value" herein means CITY Assessor's determination of the fair market value of the real property constituting the PROPERTY on January 1 of that tax year, subject to any revised determination under paragraph 6 of this AGREEMENT.

² "Property Tax Rate" means the property tax rate for only the CITY as determined for taxable property in CITY from time to time. For example, the 2004 CITY's Property Tax Rate was \$9.73 per \$1,000 in assessed value.

subsequent year of this agreement, the VALUE of the PROPERTY shall be adjusted according to the Consumer Price Index. If TAX-EXEMPT transfers or conveys the PROPERTY, the PILOT for that year will be prorated based upon the number of full months for which TAX-EXEMPT owned the PROPERTY.

B. <u>Payment Due Date</u>.

PILOT payments for the tax year 200_ and subsequent years shall be due and payable (i) in full on or before January 31 of the year following the tax year for which the PILOT payment was calculated, or (ii) if TAX-EXEMPT elects to pay in installments, according to the following schedule: One-tenth of the PILOT payment by the last day of each month for the first 10 months in the year following the tax year for which the PILOT payment was calculated. TAX-EXEMPT shall be deemed to have elected to pay the PILOT payment in installments by making the first full installment payment on or before January 31 in the respective year in which the PILOT payment is due.

C. <u>Use of PILOT Payment</u>.

CITY may use and expend PILOT payments hereunder in such manner and for such purposes as CITY desires.

D. <u>Voluntary PILOTs; Waiver.</u> TAX-EXEMPT is bound to make the PILOT payments required hereunder only to the extent that monies are obtainable for such purpose. TAX-EXEMPT has a good faith duty to take affirmative steps to satisfy its PILOT obligations hereunder by including the PILOT amount in its financial planning process.

If TAX-EXEMPT meets its good faith duties under the terms of this AGREEMENT, CITY shall not take and hereby waives any enforcement or collection action against TAX-EXEMPT. No tax lien shall attach to the PROPERTY in the event of non-payment or partial payment.

4. EXEMPT STATUS.

CITY has determined that, if TAX-EXEMPT acquires a PROPERTY and currently uses or will use it for the purposes described in its preliminary application for exemption, filed with CITY prior to the execution of this AGREEMENT, the PROPERTY does or will qualify for real and personal property tax exemption under Wisconsin law. TAX-EXEMPT understands and acknowledges that: (i) the earliest date that the PROPERTY can qualify for tax exemption is January 1, 200_; (ii) under the preamble to § 70.11, Wis. Stats., TAX-EXEMPT must, as a condition to securing an exemption, timely file an exemption application with CITY's Assessor; and (iii) CITY reserves all rights under Wisconsin law to grant or deny TAX-EXEMPT's application for exemption. In the event that CITY grants TAX-EXEMPT's application for exemption, CITY Assessor's Office may review and reconsider the PROPERTY's exempt status under § 70.11, Wis. Stats., from time to time with the respective January 1 dates being the reference dates for those exemption reviews.

If for any reason, CITY determines that all or any portion of the PROPERTY does not qualify for exemption from property tax: (i) CITY shall provide written notice of such determination to TAX-EXEMPT no later than May 31 of that year; (ii) no PILOT payment shall be due under this AGREEMENT with respect to any year for which exemption, in full or in part, does not apply; (iii) if a PILOT payment has been paid for such tax years, CITY shall promptly refund such PILOT payments or, at the option of CITY, offset such PILOT payments against any property taxes due on the PROPERTY, in which case CITY will treat such offset as having been made under protest; and (iv) the PROPERTY, or any portion thereof which does not quality for exemption, shall be placed on the property tax rolls for that and any subsequent years for which an exemption has been determined not to apply. If TAX-EXEMPT disagrees with CITY's determination that the PROPERTY, or any part thereof, no longer qualifies for tax exemption, TAX-EXEMPT may challenge such determination by following any procedure provided under Wisconsin law.

5. TERM.

A. <u>Termination of AGREEMENT</u>.

This AGREEMENT shall terminate on the soonest of any of the following described dates:

(i) The day before the respective January 1 of the year for which the CITY determines that the Property no longer qualifies for property tax exemption.

 (ii) The effective date of an enactment by the State of Wisconsin of a mandatory payment for municipal services by owners of property exempt from the general property tax or similarly situated owners of exempt property for the type of municipal services covered by this AGREEMENT;

(iii) The effective date of a repeal by the State of Wisconsin of the property tax exemption for the PROPERTY and other similarly situated property;

(iv) Five years from the effective date of this AGREEMENT.

(v) Upon a determination by TAX-EXEMPT that continuation of the AGREEMENT is not in the best interests of TAX-EXEMPT and after 30 days written notice to the CITY;

(vi) Upon a determination by the CITY that continuation of the AGREEMENT is not in the best interest of the CITY and after 30 days written notice to TAX-EXEMPT.

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B. <u>Payments Due and Payable at Termination Survive Termination</u>.

Notwithstanding any termination of this AGREEMENT, TAX-EXEMPT shall continue to be liable to the CITY for all PILOT payments due and payable under this AGREEMENT until the effective date of termination hereof.³

6. DOCUMENTS, INSPECTION, COOPERATION.

TAX-EXEMPT agrees to cooperate with CITY (including, but not limited to, the City Assessor's Office, the City Attorney's Office, and the City Comptroller's Office) with respect to this AGREEMENT by allowing inspections of the PROPERTY upon reasonable written request by CITY and such documents that CITY and TAX-EXEMPT may reasonably agree are relevant to exemption and valuation determinations. Notwithstanding the foregoing, CITY reserves all its rights in law and equity to inspect and to obtain disclosure, documents, inspection, and information.

7. AMENDMENT.

This AGREEMENT may be modified and amended from time to time as CITY and TAX-EXEMPT shall mutually agree in writing, executed by both parties.

8. GOVERNING LAW.

The laws of the State of Wisconsin and ordinances and regulations of the City of Milwaukee shall be the governing law with respect to this AGREEMENT.

9. AUTHORITY.

TAX-EXEMPT represents and warrants to CITY that its representative executing this AGREEMENT has been duly authorized to so execute and to cause TAX-EXEMPT to enter this

³ For example, if for year 2005, the CITY agrees that TAX-EXEMPT is exempt from property tax, then TAX-EXEMPT would owe the CITY a PILOT payment for the tax year 2005, payable in calendar year 2006. TAX-EXEMPT would remain liable to pay said PILOT payment for tax year 2005 DURING 2006 even though the AGREEMENT terminates pursuant to paragraph 5. A. of this AGREEMENT for tax year 2006.

AGREEMENT. CITY represents to TAX-EXEMPT that CITY's Common Council has authorized CITY to enter this AGREEMENT pursuant to Common Council File No.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be

BY_____

executed by duly authorized representatives as of the date and year first written above.

CITY OF MILWAUKEE

SAMPLE TAX-EXEMPT INSTITUTION

BY____ Thomas M. Barrett, Mayor

TAX-EXEMPT CEO, Manager

Attest:

RONALD D. LEONHARDT City Clerk

COUNTERSIGNED:

BY:_____

W. MARTIN MORICS City Comptroller

CITY ATTORNEY'S OFFICE

Approved as to form, execution and content This _____, 2004.

Assistant City Attorney



City of Milwaukee

200 E. Wells Street Milwaukee, Wisconsin 53202

Meeting Minutes

HOUSING TRUST FUND ADVISORY BOARD FINANCE SUBCOMMITTEE

VINCENT LYLES, CHAIR

Cathie Madden, Vice-Chair Brian Peters, Ray Schmidt, Bethany Sanchez Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Monday, December 3, 2007	3:00 PM	Room 301-A, City Hall
•		······································

Meeting convened: 3:08 P.M.

Present 5 - Sanchez, Madden, Peters, Schmidt and Lyles

Also present: Tom Gartner-Assistant City Attomey, Leo Ries-Program Director-Local Initiatives Support Corporation (LISC) of Milwaukee, Craig Kammholz-Member of the Housing Trust Fund Advisory Board, Martha Brown and Maria Prioletta staff from Department of City Development

1. Approval of minutes from the September 4, 2007 meeting

Mr. Schmidt moved approval of the minutes, Ms. Madden seconded. There were no objections.

2. Update on Housing Trust Fund Activities

Mr. Lyles said that Mr. Kammholz the chair of the Housing Trust Fund Technical Review Subcommittee (HTFABTRS) wasn't there yet to give an update. He than asked Ms. Madden, who is also a member of the HTFABTRS to give the update.

Ms. Madden said that at the last HTFABTRS meeting, it reviewed the scoring sheet to make sure there were common definitions for each of the criteria, so that all the members were on the same page. She said some of the members took some of the criteria home with them to prepare definitions and will bring them back to the next HTFABTRS meeting. She said the scoring sheet has been brokedown into objective and subjective criteria and the City staff will do the scoring for the objective criteria and the subcommittee members will score the subjective criteria and they will than marry them. She said the next HTFABTRS meeting is scheduled for January 7, 2008 and at that meeting they will go through and score each of the applications and than make recommendations that will be referred to the full Housing Trust Fund Advisory Board (HTF) for final approval.

3. Discussion on creating an overall Trust for future housing trust fund monies, e.g.,

Mr. Lyles said that one of the options that he would like this subcommittee to consider is the creation of a trust, where they could put a portion of the proceeds into some kind of financing vehicle, that would operate like a trust and would produce dollars annually and those dollars would then be uses to fund housing trust fund related activities. He said he would like to have some discussion on the creation of **a** trust and to find ouf if this is something this subcommittee would like to move forward with and, if so, should they bring it before the full Housing Trust Fund Advisory Board (HTFAB) meeting next week for its[±] approval.

Mr. Schimdt asked if this is a follow-up to the conversation this subcommittee had with *Mr.* Reis and staff from Department of City Development?

Mr. Lyles replied in the affirmative. He said this strategy will only be viable if the entire board is willing to move it forward. He said if they took a portion of the trust fund dollars and put it into some kind of financing vehicle that could generate a significant amount of money.

Mr. Schmidt asked what happen with the idea of taking some of the pension funds and investing it into the housing trust fund?

Mr. Lyles said that they haven't approached any of the different kinds of funding ideas that this subcommittee had talked about. He said he talked to Mr. Seifert and told him that the housing trust fund isn't ready to have someone invest in it yet. He said eventually they could have Mr. Seifert come in and talk about how to manage a trust fund.

Mr. Lyes said part of the reason he is pushing this is that this could be the way they could get the private sector to buy into this housing trust fund. He said at this point in time most of the people in the private sector think this will be funded by government dollars only and it would continue to use only government dollars.

Mr. Schmidt said that he is wondering if it would be an easier sell to the full HTFAB if this subcommittee would talk to them with actual quasi-concrete ideas with numbers attached as opposed to just bringing the concept itself. He asked if they could get a Mr. Seifert to come in to have a conversation on this trust concept, so that it would have more meat to it, before they bring it before the full board.

Ms. Madden said that she had a talk with Mr. Leo Ries, the LISC representative for the HTFAB, and asked him how this concept could be moved forward. She said they weren't sure how to go forward with it, so they met with Pat Curley, Mayor Barrett's Chief of Staff and he was very supportive of the idea on matching private dollars with city dollars, so she and Mr. Reis proposed to Mr. Curley that they should put together a small group of the people to go through the issue of what the parameters of a housing trust fund would look like, who would invest what, how would the dollars be leveraged, etc. She said she and Mr. Ries put together a letter to the Mayor asking him if he could help put together this group of people so that they could talk to them about this concept. She said unfortunately the letter was sent to the Mayor during the budget process and they have not heard back from the Mayor as yet. She said Mr. Reis has done a follow up with Mr. Curley.

Ms. Madden said that there are models that use private and public funds out there.

Mr. Peters asked for Ms. Madden for examples of the models that she is referring to.

Ms. Madden replied that whether all the models are successful or not, she is not certain. She said one of the organizations that have been a part of many models is the MacArthur Foundation. She said there is also the Mcknight foundation, the Guest House of Milwaukee, the Living Cities, which is a national organization, the Itasca Project. She said there is a Disparities Task Force that works with the business community to come up with funding models where both public and private dollars would work together. She said that there are several other examples used in the Twin Cities.

Mr. Lyles said that other examples would be the Bradley Center and Bradley Tech High

School. He said one way to attract the private sector to support the Housing Trust Fund is to provide some kind of carrot to the private sector that they could understand.

Ms. Brown appeared and said one of the things that is very essential to this trust fund idea, is not just the matter of bring money from many sources towards this goal, but it is the amount of funds itself that will be needed to invest that Mr. Schmidt was talking about earlier. It is having money that makes money and that money that is made by the principle is the money that would become available for projects. She than suggested that Jim Marks with the Milwaukee Foundation may be a good resource to investigate this concept with.

Ms. Madden said she agrees with Ms. Brown and said it will moved the housing trust fund from the concept of a being non-for-profit entity, that is constantly looking for donations to an investment fund, along the lines a social responsible portfolio.

Mr. Schmidt said that a trust would need a sizably corpus.

Mr. Lyles replied in the affirmative. He said that is why the City's on going commitment is so important, because in the early years of the trust, it wouldn't have enough spin off. He said if the city is putting up \$400,000, \$500,000, \$1 million each year and over time it will create a sizable corpus and then at some point in time the fund could be weaned off public dollars.

Ms. Madden said some of the HTF board members are concerned with city dollars always being a part of the mix.

Mr. Peters said he has concerns with who would be controlling this trust fund and asked would it be controlled by the city or the private sector?

Mr. Kammholz replied that up to this point the city has been in control, because it is all city dollars at this time, but if additional dollars were brought in from the private sector, over time it would become a public-private split and the control will change.

Mr. Lyles said the ultimate goal here is to provide support to worthy projects. He said how the funds are delivered on an on going basis is why this idea is being floated. He said the goal is to determine what can be done to create sustainability.

Ms. Brown said that the next appropriate step for this subcommittee is to do some deep research to find some actual models that have developed a corpus of public and private funds that spin off investments for community causes. She said that the Milwaukee Foundations is a good source to investigate such details. She said that those details are what needs to be brought to the table.

Ms. Madden asked have if they have to look only in the state of Wisconsin for possible funders? She asked if they could look to people from other states as possible funders?

Mr. Schmidt and Ms. Brown both replied in the negative to the first question.

Mr. Kammholz said that in terms of building a corpus they would have to raise a large amount of money. He said it is important that the housing trust fund show immediate success.

Mr. Schmidt said that they are looking for investments not donations.

Mr. Lyles asked the subcommittee members how do they want to go about getting this concept heard by the full HTF board?

Ms. Madden asked if it is too soon to bring it before the full HTF board?

Ms. Brown said that in the end the Common Council and the Mayor are the audiences that need to decide if this is the direction they want the funding to go. She suggested that the subcommittee talk to Ald. Murphy about the concept first, before bring it to the full HTF board.

Mr. Kammholz asked what is the proposed dollar amount that they are looking for?

Mr. Lyles replied that there wasn't a dollar amount decided on yet, but he thinks that \$500,000 per year would be best for the community and that the \$500,000 would be his initial comment to the full HTF board.

Mr. Lyles said they could give a report to the HTF board and than set up a discussion meeting with Ald. Murphy.

Ms. Madden said they should meet with Ald. Murphy first to see what he thinks.

Mr. Lyles said he would let Ald. Murphy know ahead of time on what the Finance Subcommittee plans to report to the full HTF board at its next meeting.

Mr. Schmidt said that he is very supportive of this idea, but would be reluctant to put the brakes on using a percentage of the \$2.5 million of HTF for this idea, because the 2008 city funding is a very small amount.

Mr. Kammholz said the Tech. Review Subcommittee had spend a lot of time on the 2007 funding guidelines for the allocation of the housing trust funds and explained that the \$2.5 million can be carried over to 2008, 2009 and 2010. He said that as far as the 2008 funding of \$400,000, if it isn't used by the end of 2008 they will loose it. He suggested that it may be a good use to transfer the \$400,000 to a seed fund or trust fund.

Mr. Lyles said that Mr. Schmidt makes a good point, but he also thinks that they should be thinking about, from a long term prespective, what they should be saying to the community at large and that should be that we are prepared to try and make this thing work over the long haul regardless of what happens. He said the way to do that is to set some money aside and if that amount turns out to be the \$400,000 that is great. He said that the more it is setup to show that it is going to be around for a long time, the more it will look real to investors and that it will be around for a long and it is not just a political campaign.

Mr. Lyes asked the subcommittee members if they are all OK with bring this idea before the full board?

Mr. Peters said he does have some concerns, but there is too much he needs to learn about the idea at this time.

Ms. Brown said that Milwaukee County has established something it is calling a housing trust fund, and because the county doesn't have access to kind of community block grant resources than the City does, its funding for its housing trust fund is going to be more reliable in terms of the amount of money set aside each year. She said the county has set aside a million dollars in 2007 and a million in 2008. She said the County's

housing trust funds are aimed very specifically at supportive housing. She said this may be another avenue to look at, is to see if the County would be interested in using its allocation to help capitalize this sustainable city trust fund.

Mr. Schmidt asked if the County housing trust fund is from the Park East land sales?

Ms. Brown replied in the negative.

Mr. Lyles said that he is hopeful that they will have some serious discussions and research done on this trust fund idea.

Ms. Brown said WHEDA has a foundation that could be considered as an early investor.

Ms. Madden asked if the full HTF board is in favor of this idea, what would be the next step this subcommittee will need to take?

Mr. Lyles replied that one of the people they should reach out to initial would be Jim Marks with the Milwaukee Foundation. He said they may also want to contact others in the community that could help with the structure of a trust and than also research other models.

Ms. Madden asked if they could consider the idea of meeting with the Mayor and asking him to pull a group of people from the community together?

Ms. Brown said she could talk to the Mayor's office.

Ms. Madden replied in the affirmative and said it would be considered a response to the letter Mr. Reis sent to the Mayor in December 2007 regarding the group idea.

Mr. Peters referred to the Sept. 4, 2007 HTF Finance Review Subcommittee meeting minutes and asked for a follow-up on Ald. Murphy's introduction of legislation that would modify the laws to fix the issue relating to Potawatomi revenue being designated to the housing trust fund.

* Ms. MacDonald replied that an ordinance was introduced, but is not sure what happened with it. She said she would find out and get that information to Mr. Peters.

Mr. Peters referred to page three of the September 4ths meeting minutes regarding the Payment In Lieu Of Taxes (PILOT) program and said that it says there isn't a designation of dollars from the PILOT program for the housing trust fund.

Mr. Lyles replied that the way he understood Ms. Reavey's presentation was that the PILOT was something that the City of Milwaukee was trying to step up their efforts on and that the PILOT dollars could be a potential source of funding for the housing trust fund, but the City hasn't collected enough PILOT dollars to put towards the housing trust fund or any other program.

4. Next meeting date, time and agenda

No future meetings dates were set.

Meeting adjourned: 4:09 P.M.

Terry J. MacDonald Staff Assistant

MacDonald, Terry

From:	Werra, Garry	
Sent:	Tuesday, November 06, 2007 2:08 PM	
То:	Mahan, Steven; Kammholz, Craig	
Cc:	White, Hettie; Higgins, Mario; Hayes, Darlene; MacDonald, Terry	
Subject: HTF Zoning Review		

Steve and Craig:

I spoke with Al Franitza, at DCD Planning. Al has completed his zoning review for all 21 applications and advised that all applications are in conformance with existing zoning, with the following exceptions:

- Sherman Associates Highland Park: The Community Center will require BOZA approval, but should not be difficult to obtain
- Mercy Housing Johnson Center Residences: Zoning change is in process and expected to be approved by end of the year.
- Milwaukee Christian Center and Harambee Ombudsman: These are scattered site projects with locations yet to be identified. Assuming these projects will occur in residential zoning districts, no zoning conflicts are anticipated.

Regards - Garry

Garry Werra, Housing Program Officer City of Milwaukee - CDGA 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Ph: (414) 286-3847
 Fx: (414) 286-5003
 <u>http://www.city.milwaukee.gov/CommunityDevelopment310.htm</u>

HOUSING TRUST FUND ADVISORY BOARD

2007 Annual Report

The attached report is submitted pursuant to s. 316-1 of the Milwaukee Code of Ordinance.

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HOUSING TRUST FUND ADVISORY BOARD

2007 ANNUAL REPORT

Purpose: (Per s. 316-1 of the Milwaukee Code of Ordinances)

The Housing Trust Fund is created 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.

Members (for 2007)

Thirteen member advisory board consisting of the following members, who shall serve staggered, two-year terms:

CHAIR

Ald. Michael Murphy

MEMBERS

Ald. Michael McGee (Appointed by the Common Council President)

> Ms. Cecelia Gore (Appointed by the Mayor)

> Mr. Ray Schmidt (Appointed by the Mayor)

Mr. Craig Kammholz (The City Comptroller or his/her designee)

Mr. Michael Van Alstine, Milwaukee Christian Center (A non-profit developer (appointed by the Common Council President))

Christopher Laurent, Gorman & Company (A for-profit developer (appointed by the Common Council President))

> Mr. Michael Soika (A representative of Continuum of Care)

> > 1

Mr. Vincent Lyles, M&I Community Development Corp. (A representative of a financial institution (appointed by the Common Council President)

> Ms. Cathie Madden (A representative of the Local Initiatives Support Corporation)

Ms. Bethany Sanchez (A representative of the Metropolitan Milwaukee Fair Housing Council)

> Mr. Brian Peters (A representative of Independence First)

Ms. Heather Dummer Combs (A representative of the Interfaith Conference of Greater Milwaukee)

Staff

Ms. Terry J. MacDonald, Staff Assistant Ms. Joanna Polanco, Council File Specialist Mr. Steve Mahan, Director, Community Development Grants Administration Garry Werra, Community Development Grants Administration Tom Gartner, Assistant City Attorney

Committee meetings held in 2007:

April 18, 2007 May 2, 2007 May 22, 2007 June 12, 2007 July 10, 2007 September 11, 2007 October 9, 2007

2

In 2007 the Housing Trust Fund Advisory Board created two subcommittees; The Housing Trust Fund Advisory Board Technical Review Subcommittee (Created May 2, 2007) and the Housing Trust Fund Advisory Board Finance Subcommittee (Created June 12, 2007).

Housing Trust Fund Advisory Board Technical Review Subcommittee

Purpose:

This subcommittee was created as a permanent subcommittee and its first task is to create a scoring measure for the scoring of the applications and its main task thereafter was to review the housing trust fund applications and to make funding recommendations to the full Housing Trust Fund Advisory Board.

MEMBERS

Mr. Craig Kammholz, Chair

Ms. Bethany Sanchez, Vice Chair

Mr. Michael Soika (October 29, 2007, resigned from subcommittee)

> Ms. Cecelia Gore (Replaced Mr. Soika)

> > Cathie Madden

Subcommittee meetings held in 2007:

May 11, 2007 May 31, 2007 November 6, 2007 November 30, 2007

Housing Trust Fund Advisory Board Finance Subcommittee

Purpose:

This subcommittee was created to investigate ways to raise money for the housing trust fund.

MEMBERS

Mr. Vincent Lyles, Chair

Ms. Cathie Madden, Vice Chair

Mr. Brian Peters

Mr. Ray Schmidt

Ms. Bethany Sanchez

Subcommittee meetings held in 2007:

July 2, 2007 August 6, 2007 September 4, 2007 December 3, 2007

HISTORY

On December 13, 2005, the Common Council adopted File Number 051017, substitute resolution creating an affordable housing task force to study issues related to establishing a City of Milwaukee Housing Trust Fund. (APPENDIX A)

On July 12, 2006, the Common Council received and placed on file, File 060070 - Communication from the Milwaukee Housing Trust Fund Task Force transmitting its final report and recommendations. (See APPENDIX A, File #060071 for list of recommendations)

On September 26, 2006, the Common Council adopted File Number 060071, substitute resolution relating to the recommendations of the Milwaukee Housing Trust Fund Task Force for the operation and funding of a housing trust fund. (APPENDIX A)

On November 10, 2006, the Common Council approved an amendment (84A) to the 2007 City Budget, submitted by Ald. Murphy that added a \$2.5 million general obligation borrowing authority for a Housing Trust Fund. (APPENDIX B)

On November 14, 2006, the Common Council passed File Number 041537, a substitute ordinance relating to the establishment, operation and funding of a Milwaukee housing trust fund. (APPENDIX A)

On May 8, 2007, the Common Council passed File Number 070140, an ordinance relating to the staffing and residency requirements of the housing trust fund advisory board. (APPENDIX A)

On April 18, 2007, the Housing Trust Fund Advisory Board met for the first time.

ACCOMPLISHMENTS IN 2007

The Housing Trust Fund Advisory Board and its Technical Review Finance Subcommittees worked together to accomplish the following in 2007:

• The Board's first goal was to create an application form.

At the board's April 2007 meeting, Ald. Murphy offered a proposed draft application form and the board members reviewed, revised and, came up with a final version. That final version was approved at the Board's June 12, 2008 meeting. (APPENDIX C)

• The second goal was to create a scoring measure.

The full board deferred this task to the Technical Review Subcommittee.

The Technical Review Subcommittee at its May 11, 2007 and May 31, 2007, meetings created a proposed scoring sheet and it was then reviewed, revised and approved by the full board at its June 12, 2007 meeting. (APPENDIX C)

- The Director of the Community Development Grants Administration prepared a list of Administrative Policies and Procedures for the Housing Trust Fund and the board approved those at its September 9, 2007 meeting. (APPENDIX D)
- At the board's May 22, 2007 meeting, the board decided that the first round of funding would go to brick and mortar projects only.
- In September of 2007 a request for proposal (application) process began and the due date for that first round of applications was set for October 10, 2007.

1. The first round of request for proposals brought in 21 applications.

2. In October 2007, each of the Technical Review Subcommittee members began reviewing and scoring the applications. The members would each bring their completed scoring sheets to a subcommittee meeting, which will take place in January 2008, where their scores will be compiled and calculated to come up with a final score for each of the applications. The subcommittee would make its award recommendations based on the final scores and forward those recommendations to the full board for final review and approval.

- The Technical Review Subcommittee created a proposed "Funding Guidelines for the 2007 Housing Trust Fund project awards" and the full board approved it at its January 18, 2008 meeting. (APPENDIX E)
- On December 11, 2007, Ald. Murphy submitted File 071312- Resolution expressing the City of Milwaukee's support for the establishment of a National Affordable Housing Trust Fund; for Immediate Adoption by the Common Council was adopted unanimously. (APPENDIX F)
- The Finance Subcommittee met several times throughout 2007 and its meetings consisted of reviewing the recommendations for funding from the Housing Trust Fund Task Force and than gathering information from City sources, such as the City Comptroller's staff, Department of City Development and City Assessor, who appeared at the meetings and either gave a presentation or offered information and suggestions on fund options. Some of the subcommittee members also provided information on how other cities were funding their housing trust funds.
- The full board Advisory Board will review the Technical Subcommittee recommendations first round of awards in January 2008.

APPENDIX A

City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202 Certified Copy of Ordinance

FILE NO: 041537

Title:

A substitute ordinance relating to the establishment, operation and funding of a Milwaukee housing trust fund.

Body:

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Chapter 316 of the code is created to read:

CHAPTER 316 HOUSING TRUST FUND

316-1 Establishment; Purpose316-3 Administration316-5 Housing Trust Fund Advisory Board316-7 Financing the Housing Trust Fund

316-1. Establishment; Purpose. There is established a housing trust fund 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.

316-3. Administration. The housing trust fund shall be administered by the community development grants administration division of the department of administration. The community development grants administration division, guided by the recommendations of the Milwaukee housing trust fund task force approved by the common council in resolution file number 060071, shall:

1. Administer the housing trust fund.

2. Develop and implement appropriate rules, procedures, guidelines and regulations for the proper operation of the housing trust fund, including the necessary internal controls over the fund.

3. Review requests for funding from the housing trust fund and make funding recommendations to the housing trust advisory board.

4. Establish criteria and procedures for reviewing requests for funding from the housing trust fund, and for allocating funds from the housing trust fund.

5. Prepare and submit an annual report to the mayor and common council concerning the administration and activities of the housing trust fund.

316-5. Housing Trust Fund Advisory Board. 1. CREATED. a. There is created a housing trust

fund advisory board consisting of the following 13 members who shall serve staggered 2-year terms:

a-1. 2 common council members appointed by the common council president.

a-2. 2 members appointed by the mayor.

a-3. The city comptroller or designee.

a-4. A non-profit developer, appointed by the common council president.

a-5. A for-profit developer, appointed by the common council president.

a-6. A representative of Continuum of Care, appointed by the agency.

a-7. A representative of a financial institution, appointed by the common council president.

a-8. A representative of the Local Initiatives Support Corporation, appointed by the agency.

a-9. A representative of the Metropolitan Milwaukee Fair Housing Council, appointed by the agency.

a-10. A representative of Independence First, appointed by the agency.

a-11. A representative of the Interfaith Conference of Greater Milwaukee, appointed by the agency.b. The mayor shall designate the committee chair and vice-chair.

2. DUTIES. Guided by the recommendations of the Milwaukee housing trust fund task force approved by the common council in resolution file number 060071, the housing trust fund advisory board shall:

a. Evaluate requests for funding from the housing trust fund after the requests have been submitted to and reviewed by the community development grants administration division.

b. Make recommendations to the common council concerning the allocation of housing trust funds based on the recommendations of the community development grants administration division.

c. Identify sources of financing the housing trust fund that may be utilized for consideration by the common council.

d. Adopt rules, guidelines and criteria to assist the board in carrying out its responsibilities.

3. STAFFING. The community development grants administration division shall provide staff support to the board.

316-7. Financing the Housing Trust Fund.

1. SOURCES. a. It is anticipated that the housing trust fund is to be funded by sources identified in common council resolution file number 060071, such as start-up funding using general obligation bonds, surplus Potawatomi Bingo Casino revenues, post-closure tax incremental district revenues, excess payments in lieu of taxes and other funding sources that may be identified by the common council and the housing trust advisory board.

b. The housing trust fund shall be initially capitalized for a maximum of \$5 million in general obligation proceeds, with the resulting annual debt service being amortized by surplus Potawatomi Bingo Casino revenues, post-closure tax incremental district revenues, excess payments in lieu of taxes, and secondarily by the property tax levy. Bonds shall be issued as bond-funded projects are approved by the common council. These bonds shall be issued such that bond-sale proceeds will be used for a purpose for which the city will be exempt from the requirement to hold a referendum on the bond sale, as provided in state law. This bond sale shall be considered a one-time commitment intended to provide start-up funding for the housing trust fund.

2. DEPOSITS AND EXPENDITURES. The city comptroller shall establish the necessary accounts for the deposit and expenditure of housing trust funds.

Part 2. For purposes of staggering the terms of the members of the housing trust fund advisory board, members shall be initially appointed under s. 316-5 as follows:

- a. One-year terms for members appointed under s. 316-5-a-2, 6, 8, 9, 10 and 11.
- b. 2-year terms for members appointed under s. 316-5-a-1, 3, 4, 5, and 7.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Ordinance Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on November 14, 2006, published on December 1, 2006, effective December 2, 2006.

Ronald D

Ronald D. Leonhardt

August 07, 2008

Date Certified

City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202 Certified Copy of Resolution

FILE NO: 051017

Title:

Substitute resolution creating an affordable housing task force to study issues related to establishing a City of Milwaukee Housing Trust Fund.

Body:

Whereas, In wake of the various national disasters and global wars, the numbers of homeless and other economically disadvantaged persons are growing; and

Whereas, Private businesses, community-based organizations, city, county and state agencies administer and manage various programs dedicated to ensuring that children and families are provided clean and safe shelter at affordable rents; and

Whereas, The City of Milwaukee continues to support and develop programs that provide quality, safe, affordable housing as a stabilizing factor for those persons and families most in need; and

Whereas, The Common Council in 2000 supported federal legislation designed to create and fund a National Affordable Housing Trust Fund, a bill that did not become law but would have leveraged funds against various publicly and privately run housing programs that serve thousands annually; and

Whereas, On October 18, 2005, the Common Council adopted Resolution File Number 050755, appropriating \$25,000 in non-tax levy funds to hire a consultant, who along with an advisory task force, will help develop the City of Milwaukee Housing Trust Fund (HTF); and

Whereas, It is the Common Council's intent that the advisory task force conduct various start up tasks including but not limited to, developing a formal structure for the administration of the Housing Trust Fund, recommending guidelines to select and develop worthy projects, and identifying on-going sources of revenue to support future Housing Trust Fund projects; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that a housing task force is created and shall consist of:

1. Two members appointed by the Common Council President, one to serve as chair and the other as vice-chair.

- 2. The Mayor or the Mayor's designee.
- 3. The Commissioner of the Department of City Development or the Commissioner's designee
- 4. The Director of the Housing Authority of the City of Milwaukee or the Director's designee.
- 5. Two members from the Interfaith Conference, appointed by the Common Council President.

6. One member from the business community, appointed by the Common Council President.

7. One member of the Milwaukee County Board of Supervisors, appointed by the Common Council President.

8. One member from the Wisconsin Housing and Economic Development Corporation, appointed by the Common Council President.

9. One member from the Fair Housing Council, appointed by the Common Council President.

10. One member from Independence First, appointed by the Common Council President.

11. One member from Continuum of Care, appointed by the Common Council President.

; and, be it

Further Resolved, That the Common Council President may appoint others to the task force from the private and public sectors that can assist the task force in reaching its objectives; and, be it

Further Resolved, That the task force shall evaluate and make recommendations relating to the hiring of a consultant and the structure, goals, objectives, strategies, financial resources and programs for the City of Milwaukee HTF; and, be it

Further Resolved, That the City Clerk's Office shall provide staff support to the task force; and, be it

Further Resolved, That all City departments are authorized and directed to cooperate with and assist the task force in carrying out its mission; and, be it

Further Resolved, That the task force may request assistance from non-City entities in carrying out its mission; and, be it

Further Resolved, That the task force shall submit its findings and recommendation to the Common Council within 180 days of adoption of this resolution, and shall thereafter be dissolved.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on December 13, 2005.

Ronald D

Ronald D. Leonhardt

August 07, 2008

Date Certified

City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202 Certified Copy of Resolution

FILE NO: 060071

Title:

Substitute resolution relating to the recommendations of the Milwaukee Housing Trust Fund Task Force for the operation and funding of a housing trust fund.

Body:

Whereas, On December 13, 2005, the Common Council adopted File Number 051017, a resolution establishing a 13-member Affordable Housing Trust Fund Task Force to evaluate and make recommendations relating to the structure, goals, strategies, financial resources and programs for a City of Milwaukee Housing Trust Fund; and

Whereas, The Task Force was given 180 days (until June 13, 2006) to submit its findings and recommendations to the Common Council, and this deadline was later extended to July 31, 2006, by File Number 060069, adopted May 31, 2006; and

Whereas, The Task Force submitted its Final Report and Recommendations to the Common Council in June, 2006, under File Number 060070, a communication transmitting the Final Report and Recommendations of the Housing Trust Fund Task Force; and

Whereas, The report was given a public hearing under the communication file by the Common Council's Zoning, Neighborhoods and Development Committee on July 7, 2006; and

Whereas, The recommendations of the Housing Trust Fund Task Force were as follows:

Financing the Housing Trust Fund

1. The Housing Trust Fund should be funded at a minimum level of \$5 million annually.

2. The City shall issue up to \$5 million in general obligation bonds to fund the Housing Trust Fund in its first year of operation, with debt service being funded by the property tax levy. These bonds should be issued in such a manner that it is clear that bond-sale proceeds will be used for a purpose for which the City would be exempt from the requirement to hold a referendum on the bond sale, as provided in the Wisconsin Statutes. This bond sale should be viewed as a one-time commitment intended to provide start-up funding for the Housing Trust Fund. It is anticipated that funding from other revenue sources, including those for which changes in state legislation are necessary, will provide the funding needed for the Housing Trust Fund in the second and subsequent years.

Assuming a 15-year term and an interest rate of 5%, annual debt service payments for this \$5 million

bond issuance would range from \$350,000 to \$583,333.

3. If future City payments from the Potawatomi Bingo Casino exceed the current amount of \$3.38 million per year, the additional revenues shall be dedicated for the Housing Trust Fund. If the casino is expanded, payments to the City could increase by \$2 million to \$4 million.

4. When a tax incremental district is closed, for each of the 4 years immediately following the year in which closure occurred, the City shall designate General Fund revenue for the Housing Trust Fund in an amount equal to the incremental tax revenue (City portion) received from the TID during the last tax collection cycle in which the tax incremental district was in existence. Thus, for any year in the future - 2010, for example -- the total funds generated for the Housing Trust Fund for that year would be the final-year tax increment (City portion) for all TIDs that were closed in the preceding 4 years (in this case, TIDs that closed in 2006, 2007, 2008 and 2009).

Based on TID-closure years anticipated by the Department of City Development and the Comptroller's projection of the City tax increment from each tax incremental district in the TID-closure year, this option could generate the following revenues for the Housing Trust Fund over the next 10 years:

2007	\$2,674,900
2008	\$3,115,000
2009	\$3,431,800
2010	\$3,684,500
2011	\$1,068,100
2012	\$628,000
2013	\$1,741,300
2014	\$1,712,800
2015	\$1,890,400
2016	\$2,869,400

Note: In developing these projections, the Comptroller's Office assumed that no new TIDs will be created and closed within the 10-year period, that equalized values of TIDs will increase 8% per year over the 2005 equalized value and that the City tax rate will continue to decrease until 2011, after which time it will level off.

5. 80% of the net proceeds from the sale of City-owned vacant land should be designated for the Housing Trust Fund. The remaining 20% would continue to go to the Redevelopment Authority for its administration of the land-sale program. Based on actual City land-sale proceeds over the past 5 years, it appears that this option could generate \$132,000-\$275,000 for the Housing Trust Fund each year.

6. Any payments in lieu of taxes ("PILOTs") received by the City from newly-negotiated PILOT agreements with owners of tax-exempt property should be dedicated for the Housing Trust Fund. Based on recent experience, PILOTs could generate \$20,000-\$27,000 per year for the Housing Trust

Fund.

7. The City, through appropriate Common Council resolutions and the efforts of the Department of Administration-Intergovernmental Relations Division, should seek introduction and passage of state legislation that would:

 \cdot Allow revenues from tax incremental districts to be used for housing trust fund purposes outside those districts.

 \cdot Allow municipalities to assess linkage fees in the range of 10 to 30 basis points per square foot of new construction (both residential and non-residential), with the proceeds from such fees available to support local housing trust funds.

Create a 50% state tax credit for contributions to housing trust funds.

• Enable municipalities and counties to levy taxes and fees that solely support housing trust funds. Such taxes and fees should be exempt from state-imposed revenue caps or tax-levy freezes.

• Create a State of Wisconsin housing trust fund to be funded, at least in part, by real estate transfer fee proceeds, with no funds coming from local governments. Specifically, this housing trust fund should be funded by 5% of the real estate transfer fee revenues (i.e., the share of transfer fee revenues retained by the State for other purposes would be reduced from 80% to 75%).

• Increase the amount of the real estate transfer fee statewide from 3 per 1,000 of sale price to 4 per 1,000, with the increased revenues being dedicated to the state housing trust fund (if one is created) or to local housing trust funds (if no state housing trust fund is created).

Eliminate the exemption from the requirement to pay the real estate transfer fee that currently applies to transfers involving purchasers that are limited liability companies ("LLCs"), with the additional transfer fee revenues being dedicated to the state housing trust fund or, if no state fund is created, to local housing trust funds.

Operation of the Housing Trust Fund

1. The Housing Trust Fund should be administered by the Community Development Grants Administration Division of the City's Department of Administration. If this agency is unable or unwilling to assume this responsibility, the Department of City Development/Neighborhood Improvement Development Corporation should administer the program. A third, but less-preferred, option would be to have a private, non-profit agency administer the Trust Fund.

While the Housing Trust Fund would be administered by Community Development Grants Administration, requests-for-proposals, public hearings and funding-allocation decisions should be kept separate from the City's CDBG activities.

2. Oversight of administration of the Housing Trust Fund, as well as final funding recommendations to the Common Council, should be provided by a 13-member advisory board consisting of the following members, who shall serve staggered, 2-year terms:

Two Common Council members (appointed by the Common Council President)

- Two members to be appointed by the Mayor
- The City Comptroller or his/her designee
- A non-profit developer (appointed by the Common Council President)
- · A for-profit developer (appointed by the Common Council President)
- · A representative of Continuum of Care
- A representative of a financial institution (appointed by the Common Council President)
- · A representative of the Local Initiatives Support Corporation
- A representative of the Metropolitan Milwaukee Fair Housing Council
- A representative of Independence First
- · A representative of the Interfaith Conference of Greater Milwaukee

(For advisory board members where no appointing authority is specified, the agency which the individual represents shall make the appointment.)

The board should be responsible for evaluating requests for funding from the Housing Trust Fund (after those requests have been submitted to and reviewed by the administering agency). In making funding-allocation decisions, the board should consider a report on Milwaukee's housing needs that is prepared annually by the Community Development Grants Administration Division and the Department of City Development.

3. A minimum of 25% of Housing Trust Fund dollars should be used to develop housing and provide services for people who are homeless. A minimum of 35% should be used to develop or rehabilitate rental housing. A minimum of 25% should be used to create and maintain home ownership opportunities. The remainder of the Fund (15% or less) should be set aside for "flexible" use to respond to whatever housing needs the advisory board identifies, subject to the incomeeligibility requirements of items #7 and #8. In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. Each year, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, should be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership).

For all projects financed by the Housing Trust Fund, Trust Fund dollars should be used to leverage and complement other sources of financing and to close funding gaps, but should not be viewed as the primary source of funds for the project.

4. Rental housing which is supported by the Housing Trust Fund shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.

5. For acquisition, new construction or rehabilitation of an owner-occupied dwelling, a Housing Trust Fund loan should be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years could be imposed through a deed restriction. If the owner sells the home before the end of the 5-year period, the owner would be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

6. For housing for the homeless, the period of affordability should be 50 years.

7. Financial assistance from the Housing Trust Fund for acquisition or new construction of owneroccupied housing should be limited to households with incomes at or below 100% of the County Median Income (currently \$67,200 for a family of 4), where "income" is as defined on the Census Bureau's Long Form. For homeowners seeking financial assistance for rehabilitation projects, household income should be limited to 65% of County Median Income (currently \$43,680) for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). The dollar values of these income limits will, naturally, be adjusted over time as County Median Income changes.

8. Housing Trust Fund assistance for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) should be limited to projects that serve households and individuals at or below 50% of the County Median Income (currently \$33,600).

9. Housing Trust Fund dollars should be available for home-buying counseling, but agencies providing counseling should be required to demonstrate that they serve low- and moderate-income clients. Also, any organization that receives Housing Trust Fund money for this purpose should be required to prove that it has the ability to assist disabled individuals needing counseling (e.g., the organization offers translation services, materials in Braille, etc.).

10. The advisory board should give weighted consideration to an application for Housing Trust Fund assistance if the proposed project will:

- Leverage other funds (private and/or public).
- · Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.

 \cdot Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.

- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.

 \cdot Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.

- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

11. The following accessibility standards shall apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- · Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).

• Wisconsin Open Housing Act.

• Architectural Barriers Act.

The design principles of any one of the following:

--"Aging in place".

--"Universal design".

--Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund's advisory board.

• For new housing units in one- to 3-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:

--One zero-step entrance to the dwelling unit that will permit a visitor using a

wheelchair to enter the main-level floor of the dwelling unit through a

doorway entrance that has a minimum 32" clear passage opening.

--A usable path of travel throughout the interior main-level floor of the dwelling

unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.

--A powder room (half bath) on the main-level floor that has: 1) a doorway entrance with a minimum 32" clear passage opening; 2) sufficient space to close the entrance door while the room is occupied; 3) a minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.

• Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

; and

Whereas, Implementation of any of the recommendations contained in the Task Force's Final Report will require endorsement and implementation by the Common Council via appropriate legislation, including ordinances, resolutions and budget amendments; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Common Council endorses the following structure and strategies for the financing and operation of the City of Milwaukee Housing Trust Fund:

Financing the Housing Trust Fund

1. The Housing Trust Fund should be funded at a minimum level of \$5 million annually.

2. The City shall issue up to \$5 million in general obligation bonds to fund the Housing Trust Fund in its first year of operation, with debt service being funded first by the additional Potawatomi Bingo Casino revenues and tax incremental district revenues described in numbers 3 and 4 below and secondarily by the property tax levy. Bonds shall be issued as bond-funded projects are approved by the Common Council. These bonds shall be issued in such a manner that it is clear that bond-sale proceeds will be used for a purpose for which the City would be exempt from the requirement to hold a referendum on the bond sale, as provided in the Wisconsin Statutes. This bond sale should be viewed as a one-time commitment intended to provide start-up funding for the Housing Trust Fund.

3. If future City payments from the Potawatomi Bingo Casino exceed the current amount of \$3.38 million per year, 50% of the additional revenues shall be dedicated for the Housing Trust Fund.

4. When a tax incremental district is closed, for each of the 2 years immediately following the year in which closure occurred, the City shall designate General Fund revenue for the Housing Trust Fund in an amount equal to one-half the incremental tax revenue (City portion) received from the TID during the last tax collection cycle in which the tax incremental district was in existence. Thus, for any year in the future - 2010, for example -- the total funds generated for the Housing Trust Fund for that year would be one-half the final-year tax increment (City portion) for all TIDs that were closed in the preceding 2 years (in this case, TIDs that closed in 2006, 2007, 2008 and 2009).

Based on TID-closure years anticipated by the Department of City Development and the Comptroller's projection of the City tax increment from each tax incremental district in the TID-closure year, this option could generate the following revenues for the Housing Trust Fund over the next 10 years:

2007	\$1,337,450
2008	\$1,557,500
2009	\$378,450
2010	\$284,750
2011	\$155,600
2012	\$29,250
2013	\$715,050
2014	\$827,150
2015	\$230,150
2016	\$607,550

5. Any payments in lieu of taxes ("PILOTs") received by the City from newly-negotiated PILOT agreements with owners of tax-exempt property shall be dedicated for the Housing Trust Fund, if so designated by the property owner.

6. The City, through appropriate Common Council resolutions and the efforts of the Department of Administration-Intergovernmental Relations Division, shall seek introduction and passage of state legislation that would:

 \cdot Allow revenues from tax incremental districts to be used for housing trust fund purposes outside those districts.

• Allow municipalities to assess linkage fees in the range of 10 to 30 basis points per square foot of new construction (both residential and non-residential), with the proceeds from such fees available to support local housing trust funds.

· Create a 50% state tax credit for contributions to housing trust funds.

• Enable municipalities and counties to levy taxes and fees that solely support housing trust funds. Such taxes and fees should be exempt from state-imposed revenue caps or tax-levy freezes.

Create a State of Wisconsin housing trust fund to be funded, at least in part, by real estate transfer fee proceeds, with no funds coming from local governments. Specifically, this housing trust fund should be funded by 5% of the real estate transfer fee revenues (i.e., the share of transfer fee revenues retained by the State for other purposes would be reduced from 80% to 75%).

Increase the amount of the real estate transfer fee statewide from \$3 per \$1,000 of sale price to \$4 per \$1,000, with the increased revenues being dedicated to the state housing trust fund (if one is created) or to local housing trust funds (if no state housing trust fund is created).

• Eliminate the exemption from the requirement to pay the real estate transfer fee that currently applies to transfers involving purchasers that are limited liability companies ("LLCs"), with the additional transfer fee revenues being dedicated to the state housing trust fund or, if no state fund is created, to local housing trust funds.

Operation of the Housing Trust Fund

1. The Housing Trust Fund shall be administered by the Community Development Grants Administration Division of the City's Department of Administration. While the Housing Trust Fund would be administered by this office, requests-for-proposals, public hearings and fundingallocation decisions shall be kept separate from the City's CDBG activities.

2. A Housing Trust Fund Advisory Board shall be established to make project funding recommendations to the Common Council for approval. The 13-member Advisory Board shall consist of the following members, who shall serve staggered, 2-year terms:

- Two Common Council members (appointed by the Common Council President)
- Two members to be appointed by the Mayor
- The City Comptroller or his/her designee
- A non-profit developer (appointed by the Common Council President)
- A for-profit developer (appointed by the Common Council President)
- A representative of Continuum of Care
- A representative of a financial institution (appointed by the Common Council President)
- · A representative of the Local Initiatives Support Corporation
- A representative of the Metropolitan Milwaukee Fair Housing Council
- A representative of Independence First
- A representative of the Interfaith Conference of Greater Milwaukee

(For advisory board members where no appointing authority is specified, the agency which the individual represents shall make the appointment.)

The Advisory Board shall be responsible for evaluating requests for funding from the Housing Trust Fund (after those requests have been submitted to and reviewed by the administering agency). In making funding-allocation recommendations, the board shall consider a report on Milwaukee's housing needs that is prepared annually by the Community Development Grants Administration Division and the Department of City Development.

3. A minimum of 25% of Housing Trust Fund dollars shall be used to develop housing and provide services for people who are homeless. A minimum of 35% shall be used to develop or rehabilitate rental housing. A minimum of 25% shall be used to create and maintain home ownership opportunities. The remainder of the Fund (15% or less) shall be set aside for "flexible" use to respond to whatever housing needs the advisory board identifies, subject to the income-eligibility requirements of items #7 and #8. In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. Each year, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, shall be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership).

For all projects financed by the Housing Trust Fund, Trust Fund dollars shall be used to leverage and complement other sources of financing and to close funding gaps. The Trust Fund should not be viewed as the primary source of funds for the project.

4. Rental housing which is supported by the Housing Trust Fund shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The Common Council shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.

5. For acquisition, new construction or rehabilitation of an owner-occupied dwelling, a Housing Trust Fund loan shall be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years may be imposed through a deed restriction. If the owner sells the home before the end of the 5-year period, the owner shall be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

6. For housing for the homeless, the period of affordability shall be 50 years, with a review of the affordability requirement at 15 years and 30 years. The Common Council shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review or the 30-year review.

7. Financial assistance from the Housing Trust Fund for acquisition or new construction of owneroccupied housing shall be limited to households with incomes at or below 100% of the County Median Income (currently \$67,200 for a family of 4), where "income" is as defined on the Census Bureau's Long Form. For homeowners seeking financial assistance for rehabilitation projects, household income shall be limited to 65% of County Median Income (currently \$43,680) for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). The dollar values of these income limits shall be adjusted over time as County Median Income changes.

8. Housing Trust Fund assistance for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) shall be limited to projects that serve households and individuals at or

below 50% of the County Median Income (currently \$33,600).

9. Housing Trust Fund dollars shall be available for home-buying counseling, but agencies providing counseling shall be required to demonstrate that they serve low- and moderate-income clients. Also, any organization that receives Housing Trust Fund money for this purpose shall be required to prove that it has the ability to assist disabled individuals needing counseling (e.g., the organization offers translation services, materials in Braille, etc.).

10. The Advisory Board shall give weighted consideration to an application for Housing Trust Fund assistance if the proposed project will:

- · Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.

 \cdot Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.

• Encourage more neighborhood diversity and increase housing choices within the neighborhood.

• Use green building principles.

 \cdot Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.

- Facilitate the movement of persons from institutions into the community.
- · Use contractors who pay family-supporting wages.
- Be taxable.

11. The following accessibility standards shall apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- · Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- · Architectural Barriers Act.
- The design principles of any one of the following:
- --"Aging in place".
- --"Universal design".

--Any other accessible and/or adaptable design criteria recommended by the Housing Trust Fund Advisory Board and approved by the Common Council.

 \cdot For new housing units in one- to 3-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:

--One zero-step entrance to the dwelling unit that will permit a visitor using a

wheelchair to enter the main-level floor of the dwelling unit through a

doorway entrance that has a minimum 32" clear passage opening.

--A usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.

--A powder room (half bath) on the main-level floor that has: 1) a doorway entrance with a minimum 32" clear passage opening; 2) sufficient space to close the entrance door while the room is occupied; 3) a minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.

• Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Common Council if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

; and, be it

Further Resolved, That the Common Council's Legislative Reference Bureau and the appropriate City officials are directed to draft legislation necessary for further Common Council action to implement the recommendations endorsed herein, including but not limited to an ordinance establishing a Milwaukee Housing Trust Fund and provisions related to its operation and funding; and, be it

Further Resolved, That the Housing Trust Fund Task Force is dissolved as provided in File Number 060069, adopted May 31, 2006, which provided that the Task Force shall be dissolved upon Common Council final action on Final Number 060071, a resolution relating to the recommendations of the task force for the operation and funding of a housing trust fund.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on September 26, 2006.

Ronald D

Ronald D. Leonhardt

August 29, 2008

Date Certified

City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202 Certified Copy of Ordinance

FILE NO: 070140

Title:

An ordinance relating to the staffing and residency requirements of the housing trust fund advisory board.

Body:

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 316-5-1-b of the code is amended to read:

316-5. Housing Trust Fund Advisory Board.

1. CREATED.

b. The mayor shall designate the [[committee]]>>board<< chair and vice-chair.

Part 2. Section 316-5-1-c of the code is created to read:

c. Members need not be city residents.

Part 3. Section 316-5-3 of the code is amended to read:

3. STAFFING. The community development grants administration division >>and the city clerk's office<< shall provide staff support to the board.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Ordinance Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on May 8, 2007, published on May 24, 2007, effective May 25, 2007.

Ronald S

Ronald D. Leonhardt

August 07, 2008

Date Certified

APPENDIX B

9

SPONSOR: FINANCE AND PI	AMENDMENT 84A		
DEPARTMENT	BUDGET IMPACT	TAX LEVY IMPACT	TAX RATE IMPACT PER \$1,000
Capital Improvements Budget: Housing Trust Fund	\$+2,500,000	\$÷0	\$+0.000

AMENDMENT INTENT

This amendment provides \$2.5 million in general obligation borrowing authority for a Housing Trust Fund. Note: It is assumed that borrowing for this program will not take place until Fall 2007 at the earliest and future debt service is expected to be paid from revenues outlined in the Housing Trust Fund ordinance..

OVERVIEW

One financing recommendation proposed by the Housing Trust fund Task Force and approved by the Common Council provides for the City of Milwaukee to issue up to \$5 million general obligation authority for start up costs.

This amendment provides for the following:

- \$2.5 million in general obligation borrowing authority for a Housing Trust Fund start up costs with a footnote that the funds are to be expended pursuant to an agreement between DOA and DPW.
- Borrowing will not take place until at least Fall 2007.
- Future debt service is expected to be paid from revenues outlined in the Housing Trust Fund ordinance.
- Revises the Subtotal Grants and Aids Projects (3) referenced on page 580.1 in the proposed budget to accommodate the intent of this amendment

IMPACT

By adopting this amendment, the budget increases by \$+2,500,000 but neither the property tax levy nor the tax rate is impacted.

ORIGINAL SPONSOR:	Ald. Murp	hy		
COMMITTEE VOTE (4-0-1):	In Favor:	Ald. Murphy, D'Amato, Donovan, Witkowiak		
	Opposed:	None		
	Excused:	Ald. Davis		
COUNCIL VOTE (12-3):	In Favor:	Ald. Hamilton, D'Amato, Bauman, Bohl, Wade, McGee, Donovan, Puente, Murphy, Witkowiak, Witkowski, Hines		
	Opposed:	Ald. Davis, Dudzik, Zielinski		
		Prepared by: Emma J. Stamps (286-8666) LRB – Research & Analysis Section October 26, 2006 Revised: November 3, 2006		

1

OBJECTIVE, OVERALL BUDGET LEVY EFFECT OF THIS POSSIBLE AMENDMENT TO THE 2007 PROPOSED BUDGET

			Page 1 of 2
By Ald. Murphy		Item	84a
CAPITAL IMPROVEMENTS, PROPOSED BORROWING AUTHORIZATIONS	BUDGET	110(22)5	TAX RATE EFFECT
Provide \$2.5 million in General Obligation borrowing authority for a Housing Trust Fund. It is assumed that borrowing for this program will not	EFFECT	EFFECT	(PER \$1,000 A.V.)

Housing Trust Fund. It is assumed that borrowing for this program take place until the fall of 2007 at the earliest. Future debt service is expected to paid from revenues outlined in the Housing Trust Fund ordinance.

Capital Improvements Budget

apital improvements budget							
		CHANGE IN 2007 POSITIONS OR		CHANGE IN 2007			
BMD-2		UNITS COLUMN		AMOUNT COLUMN			
PAGE	DETAILED AMENDMENT	NUMBER	AMOUNT	AMOUNT	AMOUNT		
AND LINE		TOBE	OF	TO BE	OF		
NUMBER		CHANGED	CHANGE	CHANGED	CHANGE		
	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS						
	SPECIAL CAPITAL PROJECTS OR PURPOSES						
	Immediately following the line:						
450.3-8	"(F) Funds to be expended pursuant to an agreement between DOA and DPW."						
	Insert the following lines and corresponding amounts:	, ,					
	"Housing Trust Fund" "New Borrowing"				\$+2,500,00		
	SECTION I.C.2. SOURCE OF FUNDS FOR CAPITAL IMPROVEMENTS BUDGET						
450.40-13	New Authorizations - City Share	-	-	\$57,501,490	\$+2,500,00		
	SECTION II. PROPOSED BORROWING AUTHORIZATION	5					
	A. Grants and Aids Projects						
	Delete the following line and corresponding amounts:						
580.1	Subtotal Grants and Aids Projects (3)			\$300,000	\$-300,0		

\$+0.000

\$÷0

\$+2,500,000

OBJECTIVE, OVERALL BUDGET LEVY EFFECT OF THIS POSSIBLE AMENDMENT TO THE 2007 PROPOSED BUDGET

By Ald. Murphy

Page 2 of 2 Item 84a

CAPITAL IMPROVEMENTS, PROPOSED BORROWING AUTHORIZATIONS (cont'd)

		CHANC	SE INI 2007	T	
BMD-2		CHANGE IN 2007 POSITIONS OR UNITS COLUMN		CHANGE IN 2007 AMOUNT COLUMN	
PAGE	DETAILED AMENDMENT				
AND LINE		NUMBER	AMOUNT	AMOUNT	the second s
NUMBER		TO BE	OF	TOBE	AMOUNT
		CHANGED	CHANGE	CHANGED	OF CHANGE
	Insert the following lines and corresponding amounts: "Subtotal Grants and Aids Projects (Lines 1 to 6)(3)			\$0	\$+300,000
	 "7. Low-interest mortgage loans under s. 62.237" "8. For blight elimination, slum clearance, redevelopment, community development and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337 and 66.1105." "9. Parking lots or other parking facilities" "10. Housing public purpose under s. 67.12(12)" 				<i></i>
	"Subtotal Grants and Aids Projects (Lines 7 to 10)(3)"			50	\$+2,500,000

APPENDIX C

9



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING FY2007



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING FY2007

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund services that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

FUNDING GUIDELINES

- A <u>minimum</u> of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A <u>minimum</u> of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

HOUSING TRUST FUND ACTIVITIES MUST OCCUR IN THE CITY OF MILWAUKEE

REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF MILWAUKEE WILL BE REJECTED

City of Milwaukee Housing Trust Fund Application Page 2 of 19 Revised September 2007



APPLICATION FOR FUNDING FY2007

Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Funds may not be used as the primary source of funds for any project.

ELIGIBLE APPLICANTS

- 1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.
- 2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

AFFORDABILITY REQUREMENTS

- 1. <u>Rental Housing:</u> Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
- 2. <u>Owner-Occupied Housing and Homeownership:</u> Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.
- 3. <u>Housing and Services for the Homeless:</u> All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.



APPLICATION FOR FUNDING FY2007

INCOME ELIGIBLITY

1. <u>Owner-Occupied Housing</u>: Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are based on the CMI and are subject to change annually.

2. <u>Rental Housing and Housing for the Homeless:</u> Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income.

Please refer to Attachment A for current Housing Trust Fund income limits

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

Please refer to Attachment C for a detailed description of application scoring measures.



APPLICATION FOR FUNDING FY2007

OTHER REQUIREMENMTS

The following accessibility standards apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.
- The design principles of any one of the following:
 - 1. Aging in place
 - 2. Universal design
 - 3. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.
- For new housing units in one- to three-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:
 - 1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
 - 2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
 - 3. Powder room (half bath) on the main-level floor that has:
 - i. A doorway entrance with a minimum 32" clear passage opening;
 - ii. Sufficient space to close the entrance door while the room is occupied;
 - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.
- Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

City of Milwaukee Housing Trust Fund Application



APPLICATION FOR FUNDING FY2007

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding*.

Completed applications and required attachments must be received at the Community Development Grants Administration office <u>no later than 4:00 p.m. on Wednesday, October 10, 2007.</u> No extensions will be granted. Submit the original and fifteen (15) copies to:

> Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647. Your application will begin when your complete application has been received, including all items indicated below:

- A fully completed application. If a question does not apply, indicate this on the application.
- Applicants should include audited financial statements for three years, if in existence for less than three years, all statements received to date (balance sheets, cash flow statements, and profit and loss statements). For special limited purpose corporations, the supporting organization's statements.
- Tax returns for three years (Individual 1040, Corporate 1120, Form 990, and Partnership 1065).
- Project or Business plan
- Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- Market analysis for projects containing twelve or more residential units.
- Resumes and qualifications of the development team.
- Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- A minimum 5-year projected pro-forma
- An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- Post rehabilitation or new construction appraisal



APPLICATION FOR FUNDING FY2007

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding will be notified by mail within 30 days of Common Council action.

In addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

ALL AWARDS ARE SUBJECT TO NEGOTIATION OF FINAL TERMS.

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

Organization Name:			
Organization Address:	City	Zip	
Contact Person:	Title		
Telephone Number:	Fax:		-
E-Mail:	FEIN		

Indicate the amount requested in the appropriate category below. <u>Please submit a separate application</u> for each category being requested.

The use of HTF dollars is currently limited to capital improvement (brick and mortar) activities. Housing Trust Fund dollars may not be used as the primary source of funds for any project.

Activity	2007 Funds Available	Amount Requested
Homelessness	\$750,000	
- Rehabilitation of Existing Facility		\$
- New Construction of Facility		\$
Rental Housing	\$1,000,000	
- Rehabilitation of Existing Structure		\$
- New Construction		\$
Home Ownership	\$750,000	
- Rehabilitation of Existing Structure(s)		\$
- New Construction		\$
- Owner-Occupied Rehabilitation		\$
TOTAL	\$2,500,000	\$
Indicate the percentage and amount of HTF fund be used to fund accessibility improvements or me	s requested that will	% \$

<u>Proposals must be authorized and signed by the Chief Executive Officer -AND- an official of the Board of Directors.</u>

Signature:	Date:	
Printed Name:	 Title:	
Signature:	 Date:	
Printed Name:	Title:	

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

PART I: PROJECT DESCRIPTION

1. <u>Describe the Project</u>: Briefly identify the project location and the specific activity to be completed.

	Photos and/or sketches are attached
	Project does not involve construction or rehabilitation
,	If the project involves the provision of services, briefly describe the specific service to be provided.
	Project does not involve the provision of supportive services
	seholds/Clients Served: Briefly describe the specific population to be served, includinet includinet includinet income level and special needs populations, as applicable.

Indicate the unduplicated number of units/household to be served

2.

3.



APPLICATION FOR FUNDING FY2007

<u>DO NOT WRITE BELOW</u> <u>For City of Milwaukee HTF Use Only</u>	
Reviewer's Comments:	Score:

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

PART II: PROJECT TIMELINE

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

MONTH		EVENT(S)	
	i		
		<u></u>	
			· · · · · · · · · · · · · · · · · · ·
	· · · · · · · · · · · · · · · · · · ·		
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Reviewer's Comments:	Score:

City of Milwaukee Housing Trust Fund Application



Site Control is in the form of:

1.

CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING FY2007

PART III: PROJECT SITE CONTROL, ZONING, & ENVIRONMENTAL ISSUES

	Deed
	Purchase Agreement
	Option (Expiration Date)
	Other
	a. Please Attach Written Documentation of Site Control
•	Site is currently zoned:
	a. Please Attach Written Verification of Zoning Designation
	Is the zoning appropriate for your project?
	Yes No
	If no, is rezoning currently in process and when is it anticipated that this issue will be resolved?
	Date
	Describe what, if any, Environmental Assessment activities have been conducted.

a. Please attach a copy of any environmental findings/reports received.

<u>DO NOT WRITE BELOW</u> For City of Milwaukee HTF Use Only	
Reviewer's Comments:	Score:

1.

CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING FY2007

PART IV: PROJECT FINANCING

Please Attach the Following Items

	 Sources and Uses of all funds Development Budget Project 5-Year Pro-Forma Cash Flow Statement 	
2.	Please describe the specific use of Hou	sing Trust Fund dollars:
3.	Has the project secured a firm commit	ment from a construction lender?
4.		commitment from a construction lender?
	Yes No	
5.	Provide the following information and received. If you do not have any comn working with.	attach written verification of any commitments nitments, provide the name of the lender you are
	Lender Name	Phone number
	Contact Person	
	Address	
	Commitment Amount \$	

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

6. Identify the project total amount of other funds (private and/or public) that would be leveraged by the Housing Trust Fund dollars.

Funding Source	Amount Leveraged
	\$
	\$
	\$
	\$
	\$
	\$
TOTAL FUNDS LEVERAGED	<u> </u>

Reviewer's Comments: Score:	



APPLICATION FOR FUNDING FY2007

PART V: CAPACITY AND EXPERTISE

1. Has your agency previously undertaken this type of project before?

_____ Yes _____ No

a. If yes, identify the three most recent projects completed:

2. Identify the staff responsible to complete the project and indicate any experience specifically related to this project

<u>DO NOT WRITE BELOW</u> For City of Milwaukee HTF Use Only							
Reviewer's Comments:		Score:					
•							

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

PART VI: FURTHERANCE OF HOUSING TRUST FUND GOALS

1. Describe the accessibility improvements or modifications that will be included as a part of this project:

2. Explain how this project serves the lowest-income segment of the population:

Does the project affordability period exceed the minimum period required by the Housing 3. Trust Fund (please refer to page 3)?

____ Yes ____ No

Affordability Period Required by HTF: (years)

Affordability Period Proposed for Project: ______(years)



APPLICATION FOR FUNDING FY2007

	Yes	No	
a.	If yes, please	describe:	
the	neighborhood?		liversity and increase housing choices wit
<u> </u>	_ Yes	No	
a.	If yes, please	describe:	
Will	this project uti	lize green building princ	iples?
• • • •	_ Yes	No	
a.	If yes, please	describe:	
Will	this project coo hborhood, such cies or social se	as employers, business in	ce the work of other entities in the mprovement districts, schools, job traini
agen		No	
agen	Yes		
agen	Yes If yes, please		

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

7.	Will	Will this project facilitate the movement of persons from institutions into the community?						
		_ Yes	No					
	a.	If yes, please	describe:					
8.	Will		contractors who new fem					
0.	proj	ect (family supp	contractors who pay fam porting wages are defined	uy-supporting wages as \$8.25 per hour)?	for all workers on the			
		_ Yes	No					
	a.	If yes, please	describe:					
					······································			
			<u>DONOT WRITH</u> For City of Milwaukee					
₹eview	er's Co	nments:			Score:			
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APPLICATION FOR FUNDING FY2007

PROPOSAL CHECKLIST - YEAR 2007

Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office <u>no later than</u> <u>4:00 p.m. on Wednesday, October 10, 2007.</u> No extensions will be granted.

Submit the original and fifteen (15) copies to:

Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Faxed or electronic applications will not be accepted. <u>All proposals received after the closing date noted</u> above will be returned to the applicant without review.

PLEASE BE CERTAIN TO

- > Complete and submit *1 original and 15 unbound copies* of all documents:
- > Attach all required supporting documentation as requested in the application.
- If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will be discarded.

If your Application is funded, additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.

ATTACHMENT C

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

	Max 100 F	t Scale(a)
	Point	Max
	Range	Points
Leveraged Dollars a fee man and a second	····	15
HTF dollars are less than 3% of total project cost	15	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -
HTF dollars account for 3 - 5% of total project cost	12	
HTF dollars account for 6 - 10% of total project cost	9	A A
HTF dollars account for 11 - 15% of total project cost	6	
HTF dollars are more than 15% of total project cost	3	
Income Targets - Please Use Attached Chart		15
# of units with residents up to 50% of income target	15	1 A 4
# 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	
Affordability Period	9 · · · · · · · · 5	
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	
Use of City of Milwaukee (resident) workers (Total Project)	an ann an a' a'	5
Less Than 18% Milwaukee (resident) workers	-5	
18% Milwaukee (resident) workers	1	
24% Milwaukee (resident) workers	2	
30% Milwaukee (resident) workers	3	en en en e
36% Milwaukee (resident) workers	. 4	
More than 36% Milwaukee (resident) workers	5	
Use of City, County, or State EBE (Total Project)		5
Less Than 18%	-5	
18% EBE	1	
24% EBE	2	
30% EBE	3	
36% EBE	4	
More than 36% EBE	5	
Neighborhood Diversity	· · · ·	5
Project Increase neighborhood diversity in housing choices	5	
Green Building Principles	All the state	
Project Utilizes Green building Principles	5	
Coordination with Community Institutions	::	
Project is Coordinated with Community Institutions	5	and the second
Community Integration		5
Move persons from institutions to community	5	
Family Supporting Wages (applies to entire project)		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	a at a
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	김 지수가
Experience	a san ginn	10
Agency experience with same type/similar project	5	
Staff experience with same type/similar project	5	
Accessibility improvements or modifications		5
Meets Minimum Standards	1	
Exceeds Minimum Standards	5	
Service Partners (b)		5
Provision of services on site w/out use of HTF \$	5	
Construction Financing		5
Construction Loan is Finnly Committed	5	
Construction Loan is Conditionally Committed	2	at a la sa
Construction Loan is not Identified	Ő	
Proposal Meets Community Needs (Subjective)	• • • • •	15
TBD by Reviewer	0-15	
	- 13	100
Total Points	J	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

INCOME TARGETING TABLE

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		100	% CMI	65%	6 CMI	50%	CMI
CMI %	Rating Points	67,200		43,680		33,600	
Up to 50%	15	1.00	33,600	1.00	21,840	1.00_	16,800
51% to 70%	12	33,601	47,040	21,841	30,576	16,801	23,520
71% to 75%	9	47,041	50,400	30,577	32,760	23,521	25,200
76% to 85%	6	50,401	57,120	32,761	37,128	25,201	28,560
86% to 100%	3	57,121	67,200	37,129	43,680	28,561	33,600

UNIT FORMULA TABLE

-												
Up to 50%	of Target	51% to 70%	of Target	71% to	75% o	f Target	76%	to 85%	of Target	At F	ITF Ta	arget
15	В	12	B		9 .	В		6	B		3	B
-	A		Α			Α			Α			A
-												
A = Total Ur	nits											
B = Units m	eeting HTF	Income Targ	jets									

Step 1: Determine which HTF income target your project falls under (100% CMI, 65% CMI or 50% CMI)

Step 2: Using the INCOME TARGETING TABLE, identify the income level which is appropriate for your project

Step 3: Locate the Rating Points associated with the income target for your project (15, 12, 9, etc)

Step 4: Using the Rating Points identified in step 3, locate the appropriate formula set to use in the UNIT FORMULA TABLE

Step 5: Using the UNIT FORMULA TABLE, place the number of units meeting the project income target identified in step 2 as the Numerator (B).

Step 6: Place the <u>Total</u> Number of units as the Denominator (A).

Step 7: Run the calculation to determine the appropriate number of points awarded for this section.

Example:

1. Project is in the 50% CMI category

Project will have 50 units of which 25 are for individuals making at or around \$22,000/yr
 The above two facts results in the project being given 9 rating points.

Calculation: 12 * <u>25</u> 50 = 12 * 0.5 or 6 points.

APPENDIX D

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9

ADMINISTRATIVE POLICIES AND PROCEDURES FOR THE CITY OF MILWAUKEE HOUSING TRUST FUND

DEFINITIONS:

ZND	The City of Milwaukee Zoning, Neighb	orhood & Development Committe	e, or successor body.
-----	--------------------------------------	-------------------------------	-----------------------

HTFAB The City of Milwaukee Housing Trust Advisory Board

HTF As applicable, funds received by the City of Milwaukee from various sources that comprise the financing of the Housing Trust Fund.

CDGA The City of Milwaukee Community Development Grants Administration.

GENERAL CRITERIA

The following criteria will apply to all projects receiving HTF funds through the Community Development Grants Administration.

- 1. Acknowledgment of HTF Funding. Contractor must acknowledge the receipt of grant funds in literature and promotional materials in one of the following manners:
 - a. Use of City of Milwaukee logo (obtainable from the City Clerk).
 - b. Inclusion of specific language as follows: "This project is funded in part through a City of Milwaukee Housing Trust Fund allocation".
- 2. Equal Opportunity. Contractor shall provide equal employment and promotional opportunities to all present and prospective employees without regard to race, religion, color, age, handicap, sex, national origin, sexual orientation, marital status, creed or ancestry. A policy of equal employment opportunity shall apply to all personnel transactions, including, but not limited to, recruitment, hiring, compensation, promotion, transfer, demotion, recall from lay-off and educational opportunity. Grantees shall maintain a positive, continuing affirmative action program to eliminate barriers to employment which have had the effect, although unintentional, of denying equal employment opportunities to the above groups. Contractor shall monitor certain key indicators to measure positive progress in this area such as minority composition of staff and boards of directors.
- 3. Non-English Speaking Clienteles. If Contractor serves a large non-English speaking population, it shall demonstrate how language needs are met, either by having translation capacity available or having multilingual staff.
- 4. Board of Directors Membership. If Contractor is a non-governmental entity, it shall maintain a board of directors of not fewer than five members. The Board of Directors is to be independent and separate from the paid staff (except for the chief executive officer may serve as a board member). Board members may not profit or benefit in any manner from HTF-funding and shall be subject to City of Milwaukee Conflict of Interest regulations.
- 5. **Participation by City Officials.** Contractor must disclose participation of elected or appointed city officials in their organizations.

- 6. Funded agencies must demonstrate that they are "financially viable". In other words, the agency would be able (maintain a minimal level of program activity even without funding administered through the Community Development Grants Administration. The Zoning, Neighborhoods & Development Committee will handle this on a case-by-case basis.
- 7. Continuing projects must meet various programmatic and financial quality standards in order to receive further funding.
- 8. Reporting. The Contractor agrees to submit reports as may be required by the CITY at such times as may be scheduled for submittal as described in the contract hereto. These data-collection instruments will be a part of CDGA's monitoring and evaluation of the Contractor's activities. Reimbursement requests will be held until specific report deadlines are met.
- 9. One Year Fiscal Agency Rule. Projects with fiscal agency arrangements must be able to deal with internal accounting policies and procedures in-house. An alternative to in-house fiscal management is an alternative source of funding to pay for a continued fiscal agency arrangement. If an agency needs to extend the fiscal relationship for more than one year, due to extenuating circumstances, approval must be obtained from the Zoning, Neighborhoods & Development Committee. Evidence of fiscal autonomy shall be provided to the office of the Community Development Grants Administration.
- 10. Applicant's principal organization or business address must be listed. Post office boxes are not acceptable except for legitimate security reasons surrounding the organization and its programs. Also unacceptable are home addresses and organizations or businesses located in residences or domiciles.

FISCAL PROCEDURES

- 1. Ninety-Day Rule. An award of funds remaining 90 days after award shall be subject to revocation by the Zoning, Neighborhoods & Development Committee if the grantee has not, within ninety days of the final approval of the award, provided all documentation necessary for contract execution.
- 2. **Timely Expenditure.** If Contractor has not expended or encumbered at least sixty percent of the contract amount prior to the beginning of the tenth month of the contract term, this Contract shall be subject to full or partial termination by the Zoning, Neighborhoods & Development Committee.
- 3. Final Cost Report. The final cost report for this Contract must be filed no later than 4:00 P.M. on the fifteenth day after the end of the contract term (e.g., for January 1 December 31 contracts).
- 4. **Payment of Accrued Costs.** All accrued costs reported on the final cost report must be paid no later than the forty-fifth-day after the end of the contract term (e.g., for January 1 December 31 contracts, not later than February 15 of the succeeding year). Accrued cost is any cost incurred (goods or services ordered, in transit, or received) but not yet paid and/or recorded as such on the financial records of the project.
- 5. **Fiscal Year Close Out.** Costs submitted to the City for reimbursement after the close out date of the close of the fiscal year, CDGA is authorized to charge the amount in question to the project's current year contract.
- 6. Recovery of Unexpended Funds. All budget balances remaining sixty days after the end of the contract term shall revert to the HTF.

- 7. Method of payment. Requests for Disbursement of Funds. The HTF operates on a reimbursement basis. All claimed costs must be paid before submission of reimbursement requests. Any act(s) of non-compliance will require the entire amount of HTF subsidy to be repaid to the HTF account. The CONTRACTOR may not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs as determined by the HTFAB. Compensation and/or reimbursement for services required under this Contract shall be contingent upon each activity being reviewed for approval by the CDGA approving officer.
- 8. Contract Extensions. The HTFAB may recommend that ZND consider contract extensions based on the following criteria:
 - 1. Groups which received funds out of cycle to finance individual programs as they are approved by Common Council Resolution. An extension will allow the project to operate at a full 12 month period.
 - 2. Groups which have met productivity goals and have extenuating circumstances.
 - 3. All work has been completed but final payment must be made.
 - 4. To pay a specific outstanding commitment or obligation which has been <u>encumbered</u> prior to the end of the fiscal year.

Encumbrances from previous CDBG years not liquidated by the end of the next CDBG year will be subject to review by the HTFAB/ZND.

Extension requests must be submitted to the office of Community Development Grants Administration for approval, before the start of the new program fiscal year.

9. Complaints. The Director of the Community Development Grants Administration has the authority to hear appeals to all complaints involving administrative policies and procedures of all HTF funded programs administered by CDGA. Exceptions to administrative policies and procedures shall be granted only when in the opinion of the Director of the Community Development Grants Administration, extenuating circumstances prevented a project, an individual funded with grant funds, or a citizen from reasonably complying with the letter and intent of Administrative Policies and Procedures.

ADDITIONAL DEFINITIONS AND CRITERIA

Close Out - Expeditious payment of all costs accrued through December 31*, preparation and submittal of final cost report to CDGA, and reconciliation of any variance between budgeted and actual costs. (*Unless an extension has been authorized by ZND, or a project contract specifies a termination date other than December 31.)

3

PROCUREMENT POLICIES

- <u>Procurement Procedures</u>: Proper procurement procedures must be followed in order to secure any goods and services to be purchased (or reimbursed) with City funds, including the selection of contractors, suppliers and related vendors. As such, City of Milwaukee funded housing production agencies must adhere to the following procurement procedures:
 - 1. <u>Contracts and Purchase of Less than \$5,000</u> An agency must document that it has contacted at least three bonafide sources and has selected the source that provides the most appropriate product, at a price most reasonable for the project.
 - 2. <u>Contracts and Purchases From \$5,000 to \$30,000</u> Agencies must request proposals from at least three bonafide sources. Requests for proposals must be in writing and provide all contractors, vendors, and suppliers the same information and opportunity to "walk-through" a project, if appropriate. Additionally, copies of all blds received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contractors, licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and/or materials and services to be provided.
 - <u>Contracts and Purchases Greater than \$30,000</u> All Requests for Proposals greater than \$20,000 must be advertised in either the Milwaukee Journal Sentinel or the Dally Reporter. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contracto licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to the performed, and or materials and services to be provided. Failure to follow these procurement procedures will result in a Finding during a CDGA monitoring visit and will require the agency to "payback" all HTF funds disbursed using non-Federal funds.

Conflict of Interest Regulations Applicable to City of Milwaukee Housing Trust Fund

Persons Covered

Α.

- 1. Employees of the City of Milwaukee
- 2. Employees of the subrecipient organizations (Including Board members)
- 3. Agents of the City

3.

- 4. Consultants of the City
- 5. Officers of the City
- 6. Elected officials of the City
- 7. Appointed officials of the City

No Persons (identified above)

- who exercise any functions or responsibilities with respect to HTF activities, or
- who have exercised any functions or responsibilities with respect to HTF activities, or
- who are in a position to participate in a decision making process, or
- who are in a position to gain inside information with regard to such activities.

4

Prohibition

- may obtain a *financial interest* from a HTF assisted activity, or
- obtain a benefit from a HTF assisted activity, or
- have a *financial interest* in any contract, subcontract, or agreement with respect to a HTF assisted activity, or with respect to the proceeds of the HTF assisted activity
- either for themselves, or
- those with whom they have business or immediate family ties,
- during their tenure or for one year thereafter.

Employees of both the City and Employees of Subrecipient Organizations that receive HTF funds:

Before any employee who exercises or has exercised any functions or responsibilities with respect to HTF activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to HTF activities, is permitted to avail himself or herself of a financial interest or benefit from programs funded with those grants, or is permitted to enter into any contract or agreement relating to such activities, the City, on behalf of the employee, is required to first seek an exception to the conflict of interest regulations.

<u>City Employees & Board members</u>: Any City employee who exercises or has exercised any functions or responsibilities with respect to HTF activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to HTF activities, and who wishes to participate in a program funded with HTF funds, should first seek a confidential advisory opinion from the Ethics Board. In order to seek an exception from the conflict-of-interest regulations, an employee or Board member must provide an opinion of the City Attorney that the relationship at issue does not violate state or local law.

<u>Any other City Employee</u> described above whose position involves activities related to a HTF funded program in which he or she wishes to participate should seek a confidential advisory opinion from the Ethics Board <u>before</u> participating in the program.

APPENDIX E

9

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.

CDK:TOG:11-30-07

APPENDIX F

9

City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202

Certified Copy of Resolution-Immediate Adoption

FILE NO: 071232

Title:

Resolution expressing the City of Milwaukee's support for the establishment of a National Affordable Housing Trust Fund.

Body:

Whereas, The U.S. House of Representatives passed H.R. 2895, the National Affordable Housing Trust Fund Act of 2007, on October 10, 2007 by a strong bi-partisan vote of 264-148; and

Whereas, The National Affordable Housing Trust Fund is designed to:

1. Address the national shortage of housing that is affordable to low-income families by creating a permanently appropriated fund, with dedicated sources of funding, to finance additional housing activities without supplanting existing housing appropriations or existing state and local funding for affordable housing.

2. Enable rental housing to be built for families with the greatest economic need, in mixed income settings and in areas with the greatest economic opportunities.

3. Promote ownership of one-to-four family owner-occupied housing by low-income families. re on PROD1PC65 with BILLS

4. Construct, rehabilitate, and preserve at least 1,500,000 affordable dwelling units over the next decade.

; and

Whereas, The National Affordable Housing Trust Fund will be the largest expansion in federal housing programs in decades, initially allocating between \$800 million and \$1 billion annually directly to states and local communities, without increasing government spending or the federal deficit; and

Whereas, The U.S. Senate will be considering the National Affordable Trust Fund Act of 2007 as proposed under a draft bill by Senator John Kerry; and

Whereas, A summary of the Senate Draft is attached to this resolution; and

Whereas, Supporting the National Housing Trust Fund Act is in the best interest of the City of Milwaukee and its residents, particularly since the City recently established its own Affordable Housing

Trust Fund and related advisory board, and continues to seek new sources of funding for this purpose; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Council expresses its support for the Affordable Housing Trust Fund Act of 2007, approved by the U.S. House of Representatives, and urges its passage by the U.S. Senate as proposed by Senator John Kerry.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution-Immediate Adoption Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on December 11, 2007.

Ronald D

Ronald D. Leonhardt

August 12, 2008

Date Certified



City of Milwaukee

Legislation Details (With Text)

File #:	080090	Version: 0						
Туре:	Communica	tion-Report	Status:	In Committee				
File created:	5/20/2008		In control of:	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE				
On agenda:			Final action:					
Effective date:								
Title:	Communica	tion from the Hous	sing Trust Fund A	dvisory Board relative to its 2008 activities.				
Sponsors:	THE CHAIR							
Indexes:	HOUSING, I	HOUSING TRUS	T FUND, REPORT	S AND STUDIES				
Attachments:	11-6-07 Em	ail from Mr. Werra	re applications zo	oning review				
				committee meeting minutes and Exhibits				
	<u>1-14-08 Ald.</u>	. Murphy news rel	<u>ease</u>					
	Janaury 18	2008 HTFAB mee	ting minutes and	<u>Exhibits</u>				
	2-5-08 Certified Copy of ZND File 071307							
	<u>June 2 2008</u>	B HTFAB Technica	al Review Subcom	mittee meeting minutes and exhibits				
	<u>April 11 200</u>	8 HTFAB meeting	FAB meeting minutes					
	<u>May 9 2008</u>	HTFAB meeting r	<u>minutes and exhib</u>	its				
			<u>e Subcommittee n</u>					
	<u>June 12 200</u>	<u>8 HTFAB meeting</u>	g minutes and exh	<u>ibits</u>				
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		yor Barrett news re						
	August 14 2008 HTFAB meeting minutes							
	September 11 2008 HTFAB minutes							
	9-16-08 Certified Copy of ZND File 080645							
	10-22-08 email from Bethany Sanchez re extension on due date for HTF applications							
	11-7-08 email To All Finance Subcommittee Members re November 13 2008 meeting has been							
				bry Board and Finance Subcommittee Members re;				
			eeting minutes &					
Date	Ver. Action	-	Act					
5/20/2008	0 COMN	ION COUNCIL	AS	SIGNED TO				

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The Chair			
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Communicatio	n from the Housi	ing Trust Fund	d Advisory Board relative to its 2008 activities.
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5/12/08			



Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD TECHNICAL REVIEW SUBCOMMITTEE

CRAIG KAMMHOLZ, CHAIR Cecelia Gore, Cathie Madden, and Bethany Sanchez

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Monday, January 14, 2008	8:30 AM	Port of Milwaukee, Conference Room 2323 S. Lincoln Memorial Dr.

Meeting convened:8:45 A.M.

1. Roll call

Present 4 - Kammholz, Sanchez, Madden and Gore

Also present: Ald. Murphy, Steven Mahan-Director-Department of Administration-Community Block Grant Administration, Mr. Garry Werra-Department of Administration-Community Block Grant Administration, Mario Higgins-Department of Administration-Community Block Grant Administration and Tom Gartner-Assistant City Attorney

Ald. Murphy appeared and thanked all the Housing Trust Fund Advisory Board Technical Review Subcommittee (HTFABTRS) members and city staff for all their energy and time they are putting into this review process. He said there is currently a request for nearly \$85 million of trust fund monies, but unfortunately they only have enough to meet \$2.5 million, plus \$400,000 for this first round. He said it is anticipated that there will be more funding and more opportunities to review more applications later in the year. He than referred the members to a recent news article in the Journal/Sentinel on the percentage of kids living in poverty in the City of Milwaukee.

Ald. Murphy said that a file will be introduced for the recommendations this subcommittee makes today at tomorrow's Common Council meeting.

2. Approval of the minutes of the November 30, 2007 meeting

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

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

Mr. Kammholz said that he went through and scored the subjective criteria for each of the applications and said he will give his scores to the Community Development Grants Admin. (CDGA) staff to be entered on their scoring spreadsheet. (Exhibit 1)

Mr. Kammholz said that the CDGA has developed the scores for the objective criteria for each of the 21 applications received. He asked CDGA staff to give a copy of the scoring spreadsheet (Exhibit 2) that includes the objective scores to each of the

subcommittee members to review. He said the other spreadsheet that the members should also have in front of them, shows the subjective criteria in the shaded areas (Exhibit 1). He then said that the subcommittee members were to bring in their scores for the subjective criteria and those are going to be married with the CDGA objective scores.

Mr. Kammholz said he would like to review the objective scoring first. He said while the subcommittee members are reviewing the objective scoring, the CDGA staff could enter those subcommittee member's subjective scores on the CDGA scoring spreadsheet.

Ms. Gore said she did not score the applications.

Ms. Sanchez said she didn't total her scores, because she had some questions on some of the applications.

Ms. Madden said she didn't do some of the criterion scores for some of the applications, because the applications were too vague.

Mr. Kammholz said that the way he approached the scoring was by looking to see if the criterion was evident in the application and if it was he tried to give it as many points that he possible could and if it was not evident he gave it a zero.

Mr. Kammholz said that in terms of staffing capacity, the City Attorney Tom Gartner will be doing the negotiations and the CDGA will be doing the monitoring. He said he doesn't think they could do more than 3 possible 4 projects at a time. He also said that there are three categories and that they should award one project from each category.

Mr. Kammholz started the review of the objective criteria by explaining the different between "Leveraged funds (1) and (2)." He said "Leveraged (1)" is calculate using just HTF only and "Leverage (2)" is calculated using HTF plus other city dollars. All the members agreed that they would like to use "Leveraged (2)" numbers.

Mr. Kammholz suggested that the members could start by reviewing the objective scores and ask questions if need too. He said the members could hand in what scores they have for the subjective criterion to Mr. Werra so that he can begin entering those scores on his spreadsheet, while the members are reviewing the objective scores. He asked the members if they want to begin by going through the smaller categories first, which are Homelessness or Homeownership and then move on to the rental category?

Ms. Madden said she thought they were going to go through the scoring for each of the criteria for each application.

Ms. Kammholz asked how does the subcommittee members want to approach the scoring of the subjective criteria?

Ms. Sanchez suggested that they start by going through the objective criteria first and as they are going through those, some of the projects will fall out and they would not need to go into the subjective criteria on those applications that fall out.

Ms. Gore asked if they could start by going through all the scoring criteria for one project?

Mr. Kammholz replied in the affirmative. He asked if the members would like to review Mercy Housing Lakefront first?

All members replied in the affirmative.

Mr. Kammholz advised the members which criterions are objective. He explained each of the objective criterion scores that CDGA staff gave for Mercy Housing. He then explained each of his subjective criteria scores he gave for the Mercy Housing project.

Ms. Sanchez said she agreed earlier to use the "Leveraged Funds (2)" calculation, but after some review and previous discussion on how the leveraged funds were to be calculated, it was determined that they should be rating the applications by using the total project cost, which would be the "Leveraged Funds (1)" calculation, therefore the "Leveraged Funds (1)" calculation would be the better one to use.

Mr. Werra said that there was some question at the last HTFABTRS meeting on the definition of the some of the criteria. He said the definition that is written in the legislation for the leveraged dollars says that leverage funds should include all funds brought to the project both private and public (Exhibit 3).

Mr. Kammholz replied that they will have to use the "Leveraged (1)" calculation.

Mr. Werra continued by giving the definitions for "Neighborhood Diversity", Coordinator with Institutions and Community Integration, which were also defined in the legislation (Exhibit 3).

Mr. Kammholz then continued with the review of the objective criteria scoring for Mercy Housing.

Mr. Kammholz said that if the members want too they could continue to go through all the objective scores for each of the twenty-one applications. He said they should pay close attention to the scoring for EBE's, use of city residents and the family wages criteria. He said that if there are any questions on the scoring they could review and make modifications. He then said they could start with Intersession, Inc. under the HomeJessness category.

Ms. Gore asked if they are done with Mercy Housing?

Mr. Kammholz replied in the negative and said that they will return to Mercy Housing to review its subjective scores.

The members began reviewing Intersession, Inc. objective scores.

Ms. Sanchez said that for the use of EBE's for Intersession, Inc., that all she found in the application was the following written note: "bidding process is open to every one in the community".

Mr. Mahan said as far as the EBE requirement's, his staff had worked with the EBE Office when developing the scores and if five points were given it was because the application would have had to have supporting documentations connected to it and that would have helped them in making that decision. He said the applicant could also have been register with the EBE office. The subcommittee members moved on to review Community Advocates, Inc. objective scores. The members were all in agreement with the objective scores given.

The subcommittee members moved on to review the last of the Homelessness category, which is Mercy Housing. Some of the members came up with different scores for a couple of the objective criteria, therefore, the following were changes were made: "Use of City Residents" objective scoring was changed from a zero to a one and "Family Wages" was changed from a four to five points. All the members agreed with the objective scores as amended.

All the members agreed that they didn't have to review the other application's objective criteria. They all agreed to move on to the subjective scoring, starting with the three applications in the "Homelessness" category.

Mr. Kammholz explained which criteria are subjective.

The members agreed that they will start reviewing the subjective criteria for Intersession, Inc.

Ms. Sanchez asked Mr. Kammholz how he came up with the number of points he gave for the "Neighborhood Diversity"?

Mr. Kammholz replied that if it was documented in the application he gave it as many points as possible.

Mr. Werra said that each member doesn't have to give the same numbers of points for the subjective criteria. He said they wanted to be consistent with the objective scores, because those are derived numerically.

Mr. Kammholz explained why he gave the number of points for each of the subjective criteria for Intersession, Inc.

Atty. Gartner said to the members that they don't have to agree on the number of points given for the subjective criteria.

The subcommittee members continued with the scoring of the subjective criteria for Intersession, Inc.

Ms. Sanchez explained the intent for the Community Institution criteria. She said that is should have been named Neighborhood Institutions.

Ms. Madden asked if she has to give it 0 points or 5 points or can she give it any number of points between 0-5?

Mr. Kammholz replied that points for Community Institution can be any number within the 0-5 range.

Mr. Kammholz asked if Community Institutions can be re-named to Neighborhood Institutions?

Mr. Werra replied in the affirmative.

Ms. Madden gave the definition for "Community Integration." The members continued with the scoring for Community Integration for Intersession, Inc. Ms. Gore asked for the definition of "Experience"? Mr. Kammholz explained what it is that the raters (subcommittee members) should be looking for when scoring the "Experience" criteria. Ms. Sanchez and Ms. Madden explained why they gave the points they gave for the "Experience" criteria. The members moved on to score "Accessibility Improvements." Each member announced their scores. Discussion took place between the members on why they gave Intersession, Inc. the scores they gave for "Service Partners." Ms. Sanchez suggested that a tutorial be prepared for the applicants for the next round. Mr. Kammholz explained his score he gave for "Construction Financing." Each member announced their scores for "Construction Financing." The members moved on to score "Community Needs." Mr. Kammholz explained how he approached this criterion when determining his score. Ms. Sanchez explained her approach and gave her score. Ms. Gore gave her score and Ms. Madden gave her score and explained why she gave the applicant the score she did. Mr. Kammholz asked each member to work on completing their scores for the rest of the Homelessness projects and once their completed the member can give those to Mr. Werra so that he can enter the scores on his scoring spreadsheet. He said Mr. Werra will then come up with a total. Mr. Werra said that the total scores are as follows: high score is 89 for Mercy Housing, 57 for Intersession, Inc. and the low score is 54 for Community Advocates, Inc. Ms. Gore said that they should look at which projects in the rental category will be ready to go within the next six to twelve months, as a starting point. She asked Mr. Mahan if there is a way to identify, in the rental category, which projects would be ready to go with the next twelve months? Atty. Gartner replied that is something that they would do when finalizing the term sheet. Mr. Kammholz suggested that the subcommittee members moved on to reviewing the objective criteria scores for the Homeownership category projects. Mr. Kammholz asked the members who have their subjective criteria scores completed to give those to Mr. Werra so that he can start entering those on his scoring spreadsheet. Page 5

Discussion took place between the subcommittee members on whether the first two projects listed for Milwaukee Christian Center should even be considered, because they are asking for 100 percent housing trust funds.

After much discussion it was determined that the subcommittee members do not need to discuss and score the first two projects listed under the "Homeownership" category from Milwaukee Christian Center, because both are asking for 100 percentage housing trust fund.

Mr. Mahan said that Harambee Ombudsman does not need to be considered either, because it is asking for 100 percent of housing trust funds to fund their project. He said the only two that need to be scored is the two Milwaukee Christian Center, Youth Build and CHIDO.

Mr. Werra said that the total scores for the "Homeownership" category are as follows: Milwaukee Christian Center-Youth Build is 66.8 and Milwaukee Christian Center-CHIDO is 74.3.

Mr. Mahan suggested that one of the things the members should look at is capacity. He said the fund's received by the city for the projects are going to be capacity dollars. He said that the question that should be asked is would the funds be expended? He replied that yes the funds would be. He said the next question will be whether the funds would be spent in 2008 or would the funds need to be carried over to 2009? He replied that the projects may not be completed in 2008; therefore, the funds would need to be carried over to 2009.

Ms. Sanchez asked how would they balance that potential reality with the ordinance that says that they have to spend x amount of the funds on homeownership?

Mr. Mahan said they are not held to spending all the HTF monies in one round.

Ms. Sanchez asked if they decide not allocate any of the to "Homeownership" category this time around, could they have another round of recommendations for the remaining \$2.5 million?

Mr. Mahan replied in the affirmative.

Mr. Kammholz said that just because a project has the higher score, does not mean they have to recommend that project.

Ms. Madden changed her score for one of the subjective criteria for Milwaukee Christian Center-Youth Build, which changed the total score from 66.8 to 69.3.

Mr. Kammholz said that they will move on to scoring the applications under the "Rental" category and they will use the same process that they used for the "Homeownership" category.

Mr. Kammholz said that he recalls that one of the applications' doesn't need to be considered and asked *Mr.* Werra which one that was.

Mr. Werra replied that the Wisconsin Community Foundation was missing required documentation.

Recess: 11:02 A.M. Reconvened: 11:10 A.M.

Mr. Kammholz asked the members to review the objective scores for the twelve applications under the "Rental" category.

Mr. Kammholz said that scores were made to the Mercy Housing application under the "Homelessness" category to the following objective scores "Use of City Residents" and "Family Wages" and asked that those same changes be reflected to the Mercy Housing scores in the "Rental" category.

Ms. Madden said that she had different objective scores for Family Wages for Communities-Glenbrook Apartments and New Covenant Housing Corp., Inc.

Mr. Werra made the changes suggested by Ms. Madden. There were no objections.

The members completed their scoring for the "Rental" category applications and gave them to Mr. Werra to enter on his scoring spreadsheet.

Ms. Sanchez questioned the definition of the Green Building criteria.

Mr. Kammholz explained what he looked for when scoring the Green Building criteria.

Mr. Werra said the total scores for the "Rental" category are as follows: Sherman Associates-70.3, Commonwealth Development/Vangard Prince Hall Village-75, Bishop's Creek-87.9, Communities/Glenbrook Apartments-87.5, New Covenant Housing Corp., Inc./Boulevard Commons-81.8, United Methodist Children's Services/UMCS Townhomes-87.5, United Methodist Children's Services/UMCS Expansion-92, St. Catherine's Residence, Inc./Expansion-98.2, Heartland Housing/Guest House-96.5, Gorman & Company/Metcalfe Park Homes-70.6, Cardinal Capital Management, Inc./United House Apartments-86.4 and Mercy Housing Lakefront/Johnson Center Residences-89.

Mr. Werra said the two highest are St. Catherine's with 98.2 and Heartland House with 96.5.

Mr. Kammholz said United Methodist Children's Services/Expansion is third with 92 and Mercy is forth with 89.

Ms. Sanchez said that St. Catherine's application was the easiest to follow and read.

Mr. Mahan gave a brief review of St. Catherine's, United Methodist/Expansion and Heartland Housing/Guest House projects.

Mr. Kammholz asked if the members want to recommend one project from each of the categories? He said they should make no more than 3 or 4 recommendations. He said if they decide to choose Mercy Housing in the "Homelessness" category they will be taking a chance that Mercy Housing will be able to close the rest of their financing gap. He also said that if they choose Mercy Housing they will have to put some contingencies in the agreement. He asked the members to consider the monitoring and negotiation purposes when considering the recommendations.

Ms. Gore recommended that they choose one from the "Homelessness" category, the

top three in "Rental" category and one from the "Homeownership" category.

	Mr. Kammholz said that in the "Homelessness" category it would be Mercy Housing Lakefront for \$750,000; in the "Rental" category it would be St. Catherine's at \$264,000, Heartland Housing at \$125,000 and United Methodist Children's Services/Expansion at \$200,000 and in the "Homeownership" category it would be Milwaukee Christian Center- CHIDO at \$68,000. The total amount of funding would be \$1,407,000.
	Ms. Sanchez asked if extra monies could be allocated to an applicant for additional use, beyond what the applicant asked for?
	Mr. Mahan replied that not in this round, but in the next round it could be considered. He said there may also be other funding sources available in the next round.
	Ms. Gore said that teen pregnancy is a pressing issue in the community and asked if there is a way they can help Intersession Inc. to resolve the issues that are holding them back for funding.
	Ms. Madden said that they can come back next year and apply again for housing trust funds and hopefully by then they may have there issues ironed out.
	Mr. Kammholz said once the final committee and the Common Council takes action on the recommendations, a letter should be sent to all of the remaining applicants asked them to reapply.
	A motion was made by Ms. Gore and Ms. Madden seconded that the following recommendations be sent to the full HTF board for final approval. There were no objections.
	1. St. Catherine's Residence, Inc \$264,000
	2. Heartland Housing/Guest House - \$125,000
	3. United Methodist Children's Services/Expansion - \$200,000
	4. Milwaukee Christian Center – CHIDO Project (multiple locations) - \$68,000
	5. Mercy Housing Lakefront – Johnson Center Residence - \$750,000
	Ms. Gore asked how many units would these recommendations provide?
	Mr. Werra replied that the total of units would be 142 units.
4.	Next meeting date, time and agenda
	No furture meeting date set.
	Meeting adjourned: 12:10 P.M.
	Terry J. MacDonald Staff Assistant

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ATTACHMENT C

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4

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

	Max 100 I	Y Scale(a)
	PoInt	Max
	Range	Points
Leveraged Dollars		15
HTF dollars are less than 3% of total project cost	15	
HTF dollars account for 3 - 5% of total project cost HTF dollars account for 6 - 10% of total project cost	12	
HTF dollars account for 11 - 15% of total project cost	9	
HTF dollars are more than 15% of total project cost	0	Contraction of the Contraction of the
Income Targets Please Use Attached Chart		
# of units with residents up to 50% of income target	15	13 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
# of units with residents between 51% and 70% of income target	12	
# of units with residents between 71% and 75% of income target		
# of units with residents between 76% and 85% of income target	6	2. Co
# of units with residents between 86% to 100% of income target	3	
Affordability Period	ALL CALL	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 Use of City of Milwaukee (resident) workers (Total Project)	01	
Less Than 18% Milwaukee (resident) workers		5
18% Milwaukee (resident) workers	्रम्बर 1	
24% Milwaukee (resident) workers	1	Second Second
30% Milwaukee (resident) workers	3	
36% Milwaukee (resident) workers	4	LAND AN IN STORE
More than 36% Milwaukee (resident) workers	5	A
Use of City, County, or State EBF (Total Project)		5 2
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18% EBE	1	No. At all some
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30% EBE 36% EBE	3	Red Street, or Street
More than 36% EBE	4	2.2 A.
NeighborhoodiDiversity	J	
Project Increase neighborhood diversity in housing choices	5	
Green Building Principles		
Project Utilizes Green building Principles	5	0 <u>21</u> 0 2
Coordination with Community Institutions	1.0	
Project is Coordinated with Community Institutions	5	
Community Integrations		
Move persons from institutions to community	5	
Family Supporting Wages (applies to entire project)	Sec. a	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	1. <u>1</u> . 1
Vendor/Contractor pays employees a minimum of \$14.26 to \$16.25 per hour	4	
Vandor/Contractor pays employees a minimum of \$16.26+ per hour	5	- 24
Experience Agency experience with same type/similar project	23 J	<u> 33 10</u>
Staff experience with same type/similar project	5	
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Meets Minimum Standards		C
Exceeds Minimum Standards		19 A
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Provision of services on site w/out use of HTF \$		
Construction Rinancing		
Construction Loan is Firmly Committed		
Construction Loan is Conditionally Committed	2	16.0
Construction Loan is not Identified	0	e 11.7
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TBD by Reviewer	0-15	÷.
Total Points		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

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	Total All Reviewers	3,0	3.0	15.0	0.0	0,0	5.0	5,0	0,0	5.0		1.0		1.0	5.0	0.0	5.0	60.0	. . (
	Mean Score	0,8	0,8	3.8	0.0	0.0	1,3	1.3	0.0	1.3	13	0,3	2.5	دە	13	0.0	1.3	15.0	-
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Community Advocates, Inc.	Scoring (Reviewer # 1)	3	3 N	15	0	0	5	S.	- 0	s s	5	1	10 10	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	E	0 0	5 5	60	選
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	Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4) Total All Reviewers	3.0	3.0	15.0	0.0	0.0	5.0	5.0	0.0		- 5.0	1.0	100	1.0	5.0	0.0	5.0	0.0 0.9 0.0 60.0	
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	Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4) Total All Reviewers	3.0	3.0	15.0	0.0	0.0	5.0	5.0	0.0		- 5.0	1.0	100	1.0	5.0	0.0	5.0	0.0 0.9 0.0 60.0	
amitted)	Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4) Total All Reviewers Mean Score	3.0	3.0 0.8	15.0 3.8	0.0	0.0	5.0	5.0	0.0	5.0	5.0 1.3	1.0 0.3	10.0 23	1.0	<u>5.0</u> 13.	0.0	5.0 1.3	0.0 0.0 0.0 60.0 15.0	
amitted)	Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4) Total All Reviewers Meas Score Scoring (Reviewer # 1)	3.0	3.0	15.0	0.0	0.0	5.0	5.0	0.0		- 5.0	1.0	100	1.0	<u>5.0</u> 13.	0.0	5.0 1.3	e.0 e.0 e.0 15.0 94	
umitted)	Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4) Total All Reviewers Meas Score Scoring (Reviewer # 1) Scoring (Reviewer # 2)	3.0	3.0 0.8	15.0 3.8	0.0	0.0	5.0	5.0	0.0	5.0	5.0 1.3	1.0 0.3	10.0 23	1.0	<u>5.0</u> 13.	0.0	5,0 1.3	€.0 €.0 €.0 15.0 7 € € 94 0.0	·
amitted)	Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4) Total All Reviewer Meas Score Scoring (Reviewer # 1) Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3)	3.0	3.0 0.8	15.0 3.8	0.0	0.0	5.0	5.0	0.0	5.0	5.0 1.3	1.0 0.3	10.0 23	1.0	<u>5.0</u> 13.	0.0	5,0 1.3	€.0 €.0 15.0 94 0.0 0.0	
umitted)	Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4) Total All Reviewers Meas Score Scoring (Reviewer # 1) Scoring (Reviewer # 2)	3.0	3.0 0.8	15.0 3.8	0.0	0.0	5.0	5.0	0.0	5.0	5.0 1.3	1.0 0.3	10.0 23	1.0	<u>5.0</u> 13.	0.0	5,0 1.3	€.0 €.0 €.0 15.0 7 € € 94 0.0	
umitted)	Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4) Total All Reviewers Mean Score Scoring (Reviewer # 4) Scoring (Reviewer # 2) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	3.0 0.8 9	3.0 0.8	15.0 3.3 15	0.0 0.0	0.0	5.0	50 1.3 5	0.0 0.0 5	5.0 1.3	5.0 1.3 5	1.0 0.3	10.0 2.5 10 10	1.0 0.3	5.0 1.3 5	0.0	5.0 1.3 15	€.0 €.0 60.0 15.0 94 0.0 0.0 0.0	
umitted)	Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4) Total All Reviewer Meas Score Scoring (Reviewer # 1) Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3)	3.0 0.8 9 9	3.0 0.8 3 3	15.0 3.8	0.0	0.0	5.0	50 -1.3 -5 -5.0	0.0	5.0 1.3 5 5.0	5.0 1.3 5 5.0	1.0 0.3 (1)4 4 4.0	10.0 2.3 10 10 10	1.0 0.3 1 1	5.0 5.0	0.0	5.0 1.3 15 15.0	€.0 €.0 60.0 15.0 94 0.0 0.0 0.0 94.0	
umitted)	Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4) Total All Reviewers Meas Score Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4) Total All Reviewers	3.0 0.8 9	3.0 0.8 3 3	15.0 3.4 15 15	0.0 0.0 10	0.0	5.0 1.3 5 5	50 1.3 5	0.0 0.0 5 5.0	5.0 1.3	5.0 1.3 5 5.0	1.0 0.3	10.0 2.3 10 10 10	1.0 0.3	5.0 1.3 5	0.0	5.0 1.3 15	€.0 €.0 60.0 15.0 94 0.0 0.0 0.0	

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· · · · · · · · · · · · · · · · · · ·	Project Name/Location	Leveraged Funds (1)	Leveraged Funds (2)	Income Targeting	Affordability Period	Use of City Residents	Use of EBE	Neighborhood Diversity	Green Building	Community Institutions	Community Integration	Family Wages	Experience	Accessibility Improvements	Service Partners	Construction Financing	Community Needs	TOTAL (I)	TOTAL (2)
TEGORY: RENTAL		Z ANGER	K.	145 8 1				- Select		e veko	No.ii K	પેકર્ણવર્શ		69 S.A	- 12:12:53				to sta
erman Associates ighland Park (Callahan Coort) 00 W. Highland	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3). Scoring (Reviewer # 4)	9	9	15	0	5	5	S	5	5	0	1	10	0	0	0 	5	65 0.0 0.0 0.0	65 0.0 0.0 0.0
· · · · · · · · · · · · · · · · · · ·	Total All Reviewers Mean Score	9.0 2.3	9.0 2.3	15,0 3.8	0,0 0,0	5,0 1,3	5,0 1,3	5.0 1.3	5.0 1.3	5.0 1.3	0.0 0.0	1.0 0.3	10.0 2.5	0,0 0,0	0,0 0,0	0.0 0.0	5.0 1.3	65.0 16.3	65.0 16.3
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/Isconsin Community Foundation wigart House 31 W. 15th Street)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Searing (Reviewer # 4)	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3 0.0 0.0 0.0	0 0.0 0.0 0,0
· · · · · · · · · · · · · · · · · · ·	Total All Reviewers Mean Score	3,0 0.8	0,0 0.0	0.0 0.0	0,0 0,0	0,0 0,0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0,0 0,0	0.0 0.0	0.0 0.0	0.0 0.0	3,0 0.8	0.0 0.0
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ommouwealth Development - Vangard rince Hall Village 200 W. North Ayenne)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3] Scoring (Reviewer # 4)	12	12	13.5	0	5	5	5	5	0	0	5	10	1	0	5	0	66.5 0.0 0.0 0.0	66.5 0.0 0,0 0,0
	Total All Reviewers Mean Score	12,0 3,0	12.0 3.0	13.5 3,4	0.0 0.0	5.0 1.3	5.0 1.3	5.0 1.3	5.0 1.3	0.0 0.0	0.0 0.0	5,0 1,3	10.0 2.5	1.0 0,3	0.0 0.0	5.0 1.3	0.0 0.0	66,5 16.6	66,5 16,6
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ishop's Creek 2nd St)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	15	15	12.4	10	5	5	5	5	5	0		10	1		2	5	81.3889 0.0 0.0 0.0	81,388 0,0 0,0 0,0
· · · · · · · · · · · · · · · · · · ·	Total All Reviewers Mean Score	15.0 3.8	15,0 3,8	12,4 3,1	10,0 2,5	5.0 1.3	5.0 1.3	5.0 1.3	5.0 1,3	5.0 1.3	0.0 0.0	1,0 0,3	10.0 2.5	1.0 0,3	0.0 0.0	2.0 0.5	5.0 1.3	81.4 20.3	81.4 20.3
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Communities Senbrook Apartments 9151-9253 N. Jadam Lu)	Seoring (Reviewer # 1) Scoring (Reviewer # 2] Scoring (Reviewer # 3)	12	12	13.5	10	5	5	5	5	5	0	1	10	1	0	0	5	77.5 0.0 0.0	77.5 0.0 0.0
	Scoring (Reviewer # 4) Total All Reviewers	12.0	12,0	13,5	10,0	5,0	5.0	5.0	5.0	5.0	0.0	1.0	10.0	1.0	0.0	0.0	5.0	0.0 77.5	0.0 77.5
	Mean Score	3.0	3.0 1513	3,4	2.5	1.3	<u>1.3</u>	1.3	1.3	1.3	0,0	0.3	2.5 MR45	0.3	0.0	0.0	1.3 0.72	19,4	19.4
New Covenant Housing Corporation, Inc Soulevard Commons 4200 W. North Avenue)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	15	9	12.3	0	5	5	5	5	5	0	4	10	5	0	5	0	76.2609 0.0 0.0 0.0	70,260 0.0 0.0 0.0
	Total All Reviewers Mean Score	15,0 3.8	9,0 2,3	12,3 3,1	0.0 0.0	5.0 1.3	5.0 1.3	5.0 1,3	5.0 1.3	5,0 1,3	0.0 0.0	4,0 1,0	10.0 2.5	5,0 1,3	0.0 0.0	5.0 1.3	0.0 0.0	76.3 19.1	70.3 17.6
				823	5.S		1905 A				n úr				ТŶ.		TXXX 7	15 A 4	
Jnited Methodist Children's Services JMCS Townhomes 1900 N. 39th St.)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	9	9	12	10	5	5	5	5	5	5	3	10	1	5	5	. 0	85 0,0 0.0 0.0	85 0.0 0.0
	Total All Reviewers Mean Score	9.0 2.3	9,0 2,3	12.0 3.0	10.0 2.5	5.0 1.3	5.0 1.3	<u>5.0</u> 1.3	5.0 1.3	5.0 1.3	5.0 1.3	3.0 0.8	10.0 2.5	1.0 0.3	5.0 1.3			85.0 21.3	85.0

United Methodist Children's Services UMCS Expansioo (3940 W. Lisbon)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	12	12	13	10	5	5	5	5	5 (77)	5	2	10	1	5	2	0	85 0.0 0.0 0.0	85 0.0 0.0 0.0
	Total All Reviewers Mean Score	12.0 3.0	12,0 3.0	13.0 3.3	10,0 2.5	5.0 1.3	5,0 1.3	5.0 1.3	5,0 1,3	5,0 1,3	5.0 1.3	2,0 0.5	10,0 2,5	1.0 0.3	5.0 1.3	2.0 0.5	0.0 0.0	85.0 21.3	85.0 21.3
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St. Catherine's Resideore, Inc. St. Catherine's Expansion (1018 E. Knapp St.)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	12	12	12.7	10	5	5	5	5	5	5	. 4	5	1	5	5	0	84.7174 0.0 0.0 0.0	84,7174 0,0 0.0 0.0
	Total All Reviewers Mean Score	12.0 3.0	12.0 3.0	12.7 3.2	10.0 2.5	5,0 1,3	5,0 1,3	5,0 1,3	5.0 1.3	5.0 1.3	5.0 1.3	4.0 1.0	5,0 1,3	1.0 0.3	5,0 1,3	5.0 1.3	0.0 0.0	84.7 21.2	84.7 21.2
			专员	22					in (sea In Sin G			nanaz Marita					nsa 16 Asser		
Heartland Housing / Guest House 1218 W. Highland	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	15	9	14.3	0		5	5	5	5	5	1	10	1	5	5	5	86.25 0.0 0.0 0.0	80.25 0,0 0,0 0,0
	Total All Reviewers Mean Store	15,0 3,8	9,0 2,3	14.3 3,6	0,0 0,0	5.0 1.3	5.0 1.3	5,0 1,3	5,0 1,3	5.0 1.3	5,0 1,3	1.0 0,3	10.0 2.5	1.0 0.3	5.0 1.3	5.0 1.3	5.0 1.3	86.3 21.6	80,3 26.1
		Y ISS						f St		Server -									
Gorman & Company Metcalfe Park Homes (scattered site)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	12	3	13.1	D	5	5	5	5	5	.0		- 10	1	0	5	0	67.1 0.0 0.0 0.0	58.1 0.0 0.0 0.0
	Total All Reviewers Mean Score	12,0 3,0	3,0 0,8	13.1 3.3	0,0 0,0	5.0 1.3	5,0 1,3	5.0 1.3	5.0 1.3	5.0 1.3	0,0 0.0	1.0 0.3	10.0 2.5	1.0 0,3	0.0 0.0	5.0 1.3	0.0 0.0	67,1 16.8	58.1 14.5
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Cardinal Capital Maoggement, Inc United House Apartments (25th & Center)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	12	12	12.9		2	3	5	5	5	5	5	10	5	5	5	5	84.875 0,0 0.0 0.0	84.875 0.0 0.0 0.0
	Total All Reviewers Mean Score	12.0	12.0 3.0		0,0 0.0	2,0 0,5	3,0 0.8	5.0 1.3		5,0 1,3	5,0 1,3	5.0 1.3	10.0	5.0 1.3	5,0 1,3	5.0 1.3	5.0 1.3	·84.9 21.2	84.9 21.2
				F	11233			(5								Spir		8.7	
Mercy Housing Lakefront Johnson Center Residences (1230 W. Grant)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	9	3	15	10	0	5	5	5	5	5	4	10	1	5	0	15	94 0.0 0.0 0.0	88 0.0 0.0 0.0
	Total All Reviewers Mean Score	9.0 2.3			10.0 2.5		5.0 1.3	<u>5,0</u> 1,3			5.0 1.3	4,0 1.0	10,0 2,5		5.0 1.3	0,0 0.0	15.0 3.8		88,0 22.0
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Applicent	Project Name/Location	Leveraged Funds (1)	Leveraged Funds (2)	Income Targeting	Affordability Period	Use of City Residents	Use of EBE	Neighborhood Diversity	Greco Building	Community Institutions	Community Integration	Family Wages	Experience	Accessibility Improvements	Scrvice Partners	Construction Financing	Community Needs	TOTAL (I)	TOTAL (2)
CATEGORY: HOMEOWNERSHIP		(885) (885)	17. AND 18	29-tex	ર્ક સ્ટેટ	in the second	1988 - S	- 6-5		t≻as	Ni i	DA XG	- 	-9	P. S.R.	-2.072	1.58		
Milwaukee Christian Center locations)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3.0 0.0 0.0 0.0	0 0.0 0.0 0.0
	Total All Reviewers Mean Score	3.0 0.8	0.0 0.0	0.0	0.0 0.0	0.0	0,0 0,0	0,0 0,0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0,0 0,0	0.0	0.0 0.0	0.0 0.0	3.0 0.8	0.0 0.0
Milwaukee Christian Center (multiple locations)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	3	<u>0</u>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3.0 0.0 0.0 0.0	0 0.0 0.0 0.0
	Total All Reviewers Mean Score	3.0 0.8	0.0 0.0	0.0 0.0	0.0 0.0	0,0 0.0	0,0 0.0	0.0	0.0 0.0	0.0	0.0	0.0 0.0	0,0 0,0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	3,0 0.8	0.0 0.0
Milwaukee Christian Ceoter Youth Build Project (multiple locations)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	6	3	6	0	5	5	5	5	5	5	1	10	5	0	2	5	65.0 0.0 0.0 0.0	62 0.0 0.0 0.0
	Total All Reviewers Mean Score	6.0 1.5	3,0 0,8	6,0 1,5	0,0 0,0	5.0 1.3	5.0 1.3	5.0 1.3	. 5.0 1.3	5.0 1.3	5.0 1.3	1.0 0,3	10.0 2.5	5.0 1.3	0.0 0.0	2.0 0.5	5.0 1.3	65.0 16.3	62,0 15.5
Milwaukee Christian Ceoler CHDO Project (multiple locations)	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	9	3	6	10	<u>s</u>	5	5	<u>s</u>	5	5	1	10	5	0	2	5	78.0 78.0 0.0 0.0 0.0	72 0.0 0.0 0.0
-	Tatal All Reviewers Mean Score	9.0 2.3	3.0 0.8	6.0 1.5	10,0 2.5	5,0 1,3	5,0 1,3	5,0 1.3	5.0 `I.3	5.0 1.3	5.0 1.3	1.0 0.3	10,0 2.5	5,0 1,3	0.0 0.0	2.0 0.5	5,0 1,3	78.0 19.5	72.0 18.0
Harambee Ombudsman Service Program	Scoring (Reviewer # 1) Scoring (Reviewer # 2) Scoring (Reviewer # 3) Scoring (Reviewer # 4)	3	0	0	D	0	0	0	0	0	0	0	0	0	0	0	0	3.0 0.0 0.0 0.0	0 0.0 0.0 0.0
· · · · · · · · · · · · · · · · · · ·	Total All Reviewers Mean Score	3,0 0,8	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0,0 0,0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0,0	0,0 0,0	0.0 0.0	0.0 0.0	3,0 0.8	0.0
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Werra, Garry

From:	Werra, Garry
Sent:	Wednesday, January 09, 2008 2:03 PM
То: 🦯	Kammholz, Craig
Cc:	Mahan, Steven; Higgins, Mario
Subject:	HTF Scoring Criteria

Hi Craig:

At the last HTF meeting, members expressed a desire to clarify the intent of several of the subjective scoring criteria. I understand that members were going to bring language clarifying these items to the next HTF meeting.

In an effort to assist in facilitating this and to also maintain consistency with the intent of the HTF, I am including the existing definitions/language from the HTF Legislation, adopted 05/09/06. This is not an all-inclusive list, but may be helpful to those members who are preparing definitions for Monday's meeting.

Leverage:

Leverage includes all other funds brought to the project private and/or public. (Does not differentiate between City and/or other public funds)

Neighborhood Diversity:

To encourage more neighborhood diversity and increase housing choices within the neighborhood. (Does not specify whether diversity means racial, economic, or other)

Coordinate with Institutions:

To coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.

Community Integration

Facilitate the movement of persons from institutions into the community. (Institutions are not defined, this could be homeless shelters, prisons, or other)

If you have any questions regarding this matter, please don't hesitate to contact me.

- Garry

Garry Werra, Housing Program Officer City of Milwaukee - CDGA 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Ph: (414) 286-3847
 Fx: (414) 286-5003
 <u>http://www.milwaukee.gov/cdbg</u>

EXHIBIT



FOR INFORMATION CALL

January 14, 2008

FOR IMMEDIATE RELEASE

Ald. Michael Murphy (414) 286-3763

Committee Favors Five Projects For First Round Of Housing Trust Fund Grants

Five projects that would create 142 units of affordable housing for Milwaukee residents are being recommended for approval by the Milwaukee Housing Trust Fund (HTF) Advisory Board, board chair Ald. Michael J. Murphy said today.

This morning the board's Technical Review Subcommittee voted to support the five projects, ranging from \$750,000 to \$68,000, and if the recommendation is approved by the full board later this week, funds totaling \$1.4 million will go to those projects, with the possibility that other trust fund allocations could be approved later this year, Ald. Murphy said.

"When you consider that this first round of trust fund allocations will leverage what amounts to an overall investment of more than \$26.7 million, we are talking about a direct, substantial positive economic impact to the City of Milwaukee in terms of building trade jobs that will be created, and obviously to low-income residents and the homeless who will directly benefit, including many families and children," he said.

"I want to commend the subcommittee for doing its due diligence and carefully examining each affordable housing project proposal," said Ald. Murphy. "The selections it made reflect a desire to go with projects that can be successfully completed right away."

Originally, 21 proposals were received requesting a total of more than \$5.6 million in HTF funds. If fully funded, all 21 projects would have leveraged more than \$85 million, Ald. Murphy said.

-More-

Housing Trust Fund Recommended Projects/ADD ONE

Of the 142 housing units reflected in the five projects, 24 will be rehab housing and 118 will be new housing. The projects include:

- \$750,000 Mercy Housing Lakefront (housing for homeless).
- \$264,000 St. Catherine's Residence (affordable rental housing).
- \$200,000 United Methodist Children's Services (affordable rental housing).
- \$125,000 Heartland Housing/Guest House (affordable rental housing).
- \$68,000 Milwaukee Christian Center (homeownership for low-income).

Ald. Murphy said the advisory board is not in a position to fully fund every project. "That's why we plan to work with applicants and demonstrate a commitment to them and to their project," he said. "For those who want to do more our hope is that we can encourage them to find additional resources to further reduce any funding gap, and they could reapply in the future for additional projects."

The Milwaukee Housing Trust Fund will provide for the construction, rehabilitation and accessibility modification of affordable housing for low- to moderateincome households in the city. On Friday (January 18, 2007) the HTF Advisory Board will review the proposals and forward recommendations to the Common Council's Zoning, Neighborhoods & Development Committee.

-30-



City of Milwaukee

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR Bethany Sanchez, Vice-Chair ALD. BAUMAN, Cecelia Gore, James Hiller, Craig Kammholz, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, Mike Solka, Marcus White

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Friday, January 18, 2008	2:00 PM	Room 301-B, City Hall

Meeting convened: 2:10 P.M.

- 1. Roll call
- Present 10 Murphy, Soika, Kammholz, Bauman, Sanchez, Madden, Peters, Gore, Lyles and White
- Excused 2 Hiller and Schmidt

Also present: Tom Gartner-Assistant City Attorney, Steve Mahan-Community Block Grant Director, Garry Werra-DOA-Community Block Grants Admin. and Jeff Osterman-Legislative Reference Bureau

2. Approval of the minutes of the October 9, 2007 meeting

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

3. Update from the Finance Subcommittee

Mr. Lyles, chair of the Housing Trust Fund Advisory Board Finance Subcommittee said that the subcommittee has reviewed several different financing strategies and one of the strategies it would like to explore further is the possibility of establishing a trust. He said the subcommittee would like the full Housing Trust Fund Advisory Boards approval of this recommendation so that the Finance Subcommittee can proceed with the exploration of a trust.

A motion was made by Mr. Lyles and seconded by Mr. Soika to allow the Finance Subcommittee to move forward with the exploration on creating a trust for the housing trust funds. There were no objections.

Roll call taken at 2:20 P.M.

- Present 11 Murphy, Soika, Kammholz, Bauman, Sanchez, Madden, Peters, Gore, Schmidt, Lyles and White
- Excused 1 Hiller

Roll call taken at 2:32 P.M.

Present 10 - Murphy, Soika, Kammholz, Bauman, Sanchez, Peters, Gore, Schmidt, Lyles and White

Excused 2 - Hiller and Madden

4. Review and approval of the recommendations for the Housing Trust Funds submitted by the Technical Review Subcommittee

Members received the following hand outs: List of five recommendations (Exhibit 1) Scoring Worksheet prepared by Community Development Block Grant Admin. (Exhibit 2)

Ald. Murphy said before the board hears the recommendations he would like to thank all the members of the Housing Trust Fund Advisory Board Technical Review Subcommittee (HTFABTRS) members and the Community Development Grand Administration staff for all their hard work and dedication on getting the recommendations to this board.

Mr. Kammholz, Chair of the Technical Review Subcommittee gave an overview on how the subcommittee came up with the five recommendations. He then said he was there to answer any questions by board members. He also said that the five applicants were also there to answer questions.

Ald. Bauman asked if the housing trust funds requested are outright debt, grants or loans?

Mr. Kammholz replied that after the initial approval, the City Attomey, Community Development Grant Admin. Director and he will start negotiations with the applicants to determine if the awards will be grants or loans.

Ald. Murphy said that once the recommendations have been approved by this board, they will be heard by the Zoning, Neighborhoods & Development Committee and then the full Common Council and then like many contracts they will need to be negotiated.

Mr. Peters said he noticed that Mercy Housing had two applications and said that it seems that both the applications are for the same project. He said one is in the homeless category and one is for rental category. He asked how will it be decided which one would be appropriate for the funds?

Mr. Kammholz replied that they received a letter from Mercy Housing explaining why they submitted two applications for two different categories and the letter said that they did it that way to maximize their potential award from the State of Wiscosin.

Mr. Peters said his second question also has to do with Mercy Housing and asked why was the scoring for community integration for both Mercy Housing applications different if they are both for the same project?

Mr. Kammholz replied that there was some mention in the Mercy Housing application in the homelessness category that involves community Integration. He said the process the Technical Review Subcommittee follow was to award the maximum points if it was documented in the application.

Ald. Murphy said that some of the applicants are here and asked them to come to the table to make comments.

Mr. Barry Mullen, Vice President, real estate development for Mercy Housing - Chicago appeared at the table.

Ald. Murphy said that this board is very excited about this project and is hoping that the project is a success.

Mr. Soika asked Mr. Mullen where are they in term of their tax credit applications?

Mr. Mullen replied that the tax credit applications are due on February 1st and both of their applications are ready to go.

Mr. Lynne Oehlke president of St. Catherine's Residence, Inc. appeared at the table.

Mr. White asked where is the location of the new construction?

Ms. Oehlke replied that it is at 1018 E. Knapp St.

Ald. Murphy asked how many residential units will there be?

Ms. Oehlke replied that there are 46 units and three of those units will be 2 bedrooms.

Ms. Sanchez said that the units will be offered to a mix of people including some with special needs and aksed how will they identify the people with special needs and what does she anticipate the mix to be?

Ms. Oehlke said they have a commitment under their WHEDA Grant that at least 50% of the units would be provided to people with special needs.

Mr. Teig Whaley-Smith consultant, Community development Advocates appeared for Heartland House and Ms. Cindy Krahenbuhl, Executive Director of Guest House, Inc. appeared at the table.

Ald. Murphy asked how many units will this project provide?

Ms. Cindy replied that there will be 24 units.

Mr. Whaley-Smith said there has been a large amount of government support for this project.

Mr. Perry Huyck Executive Director of United Methodist Children's Services and Mr. Teig Whaley-Smith Consultant Community development Advocates appeared at the table.

Ald. Murphy asked how many units will this project provide?

Mr. Huyck replied that the project is for 24 units.

Ald. Murphy said that the Zoning, Neighborhoods and Development Committee will be meeting on January 29, 2008, to review and approve the recommendations and those will than will be forwarded to the February 5, 2008 Common Council meeting for the full Council's approval.

Mr. John Kaye representative for the Milwaukee Christian Center appeared at the table.

Mr. Marcus asked if the funds received will make the homes affordable?

Mr. Kaye replied in the affirmative.

A motion was made by Ald. Bauman and Ms. Sanchez seconded that the following housing trust fund award recommendations submitted by the Technical Review Subcommittee be approved:

HOMELESSNESS: Mercy Housing Lakefront - \$750,000; RENTAL: St. Catherine's Residence, Inc. - \$264,000, Heartland Housing - \$125,000 and United Methodist Children's Services of Wisconsin, Inc. - \$200,000 HOMEOWNERSHIP: Milwaukee Christian Center (CHIDO Project) - \$68,000

Ayes: 10 - Marcus White, Mike Soika, Ray Schmidt, Brian Peters, Vincent Lyles, Craig Kammholz, Cecelia Gore, Ald. Bauman, Bethany Sanchez and Ald. Murphy Noes: 0

Abstained: 1 - Mr. Soika abstained from voting on Mercy Housing Lakefront, St. Catherine's Residence, Inc. and Milwaukee Christian Center (CHIDO Project) Excused: Mr. Hiller and Ms. Madden

The motion prevailed.

5. Set future meeting dates

Future meetings will be held on the second Friday of each month at 11:00 A.M. starting with February 8, 2008.

Meeting adjourned: 2:37 P.M.

Terry J. MacDonald Staff Assistant

JANUARY 14, 2008 TECHNICAL REVIEW SUBCOMMITTEE HOUSING TRUST FUND AWARD RECOMMENDATIONS

CATEGORY: HOMELESSNESS

Barry Mullen Mercy Housing Lakefront - \$750,000 247 S. State St., Suite 810 Chicago, IL 60604

CATEGORY: RENTAL

Lynne J. Oehlke St. Catherine's Residence, Inc. - \$264,000 1032 E. Knapp St. Milwaukee, WI 53202

Kristine Berg Heartland Housing - \$125,000 208 S. LaSalle St, Suite 1818 Chicago, IL 60604

Perry Huyck United Methodist Children's Services of Wisconsin, Inc. - \$200,000 3940 W. Lisbon Ave Milwaukee, WI 53208

CATEGORY: HOMEOWNERSHIP

Michael Van Alstine Milwaukee Christian Center (CHIDO Project) - \$68,000 1223 S. 23rd St. Milwaukee, WI 53204

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Amount Requested	\$5,650,263		Amount Recommended	\$1,407,000
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Totat Leveraged [REQUESTED):	\$85,466,315		Total Leveraged (RECOMMENDED):	\$26,690,145

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Totat Leveraged (RECOMMENDED):

\$85,466,315

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(1) Seoring of Leveraged Funds and Total Calculated as HTF Dollars Divided by Total Project Cost

City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202 Certified Copy of Resolution

FILE NO: 071307

Title:

Substitute resolution relative to the allocation of \$1,407,000 from the Milwaukee Housing Trust Fund to 5 organizations for affordable housing projects.

Body:

Whereas, On November 14, 2006, the City of Milwaukee Common Council adopted File Number 041537, an ordinance relating to the establishment, operation and funding of a City of Milwaukee Housing Trust Fund; and

Whereas, On September 26, 2006, the Common Council adopted File Number 060071, a resolution relating to the recommendations of the Milwaukee Housing Trust Fund Task Force for the operation and funding of a Housing Trust Fund, which included provisions that Housing Trust Fund dollars should be allocated in 3 categories: housing and services for persons who are homeless, development or rehabilitation of affordable rental housing, and creation or maintenance of home ownership activities; and

Whereas, As authorized by the Housing Trust Fund Advisory Board, the Community Development Grants Administration (CDGA) released Request-for-Proposals for the categories of Homelessness (\$750,000), Rental (\$1,000,000) and Homeownership (\$750,000) in September 2007, and received 21 funding requests by the October 10, 2007 deadline; and

Whereas, CDGA staff and the Housing Trust Fund Advisory Board's Technical Review Subcommittee both reviewed the funding applications, and recommended funding 5 projects totaling \$1,407,000 to the Advisory Board, and

Whereas, On January 18, 2008, the Advisory Board approved the recommendation to fund the 5 projects totaling \$1,407,000 as listed in Attachment A; and

Whereas, In accordance with Section 316-5-2-a and b of the Milwaukee Code of Ordinances relating to the duties of the Housing Trust Fund Advisory Board, the Advisory Board is recommending to the Common Council approval of the allocation of \$1,407,000 for the 5 projects listed in Attachment A; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the award of \$1,407,000 from the Housing Trust Fund Account (Capital Improvement Fund Account Number 0339 9990 R999 UR04407000A) to the 5 organizations and projects listed in Attachment A is approved, with a remaining balance of \$1,093,000 in the Housing Trust Fund account; and, be it

Further Resolved, That each organization so awarded shall comply with the Housing Trust Fund

Advisory Board's policies and procedures; and, be it

Further Resolved, That each of these Housing Trust Fund awards are subject to the successful negotiations of the term sheet with the City of Milwaukee; and, be it

Further Resolved, That upon the agreement of the term sheet, CDGA is hereby authorized to execute contracts for the awards as listed on Attachment A.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on February 5, 2008.

Ronald D (

Ronald D. Leonhardt

April 20, 2009

Date Certified



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 Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Monday, June 2, 2008	1:30 PM	Room 301-A, City Hall

Meeting convened: 1:38 P.M.

1. Roll call

Also Present: Steven Mahan Director, Community Development Grants Administration, Garry Werra, Community Development Grants Administration, Assistant City Attorney Tom Gartner and Member Brian Peters

2. Approval of minutes from the January 14, 2008 meeting

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

Roll call taken at 3:20 P.M.

Present 3 - Kammholz, Sanchez and Madden

Excused 1 - Gore

3. Review, discussion and recommendations on revisions to the application form and scoring sheet

Mr. Kammholz said that there are a number of suggestions up for discussion relating to changes to the application form and scoring sheet.

All the subcommittee members agree to review Mr. Peters written suggestions (Exhibit 1) first.

Mr. Peters said the first question in his letter refers to "Universal Design" and said he would like to meet with city staff to see what the criteria the City is using to score that.

Mr. Mahan replied in the affirmative.

Mr. Peters said that he would e-mail Mr. Mahan at a later date to set up a meeting.

Mr. Peters said the second question in his letter refers to "Matching/Leveraged Dollars" and said that he figures the next funding round will be mostly for "Homeownership" and said that a lot of the homeownership applicants that applied in the first round did not

have any matching funding. He said that he reviewed the housing trust fund ordinance and matching funds is a requirement. He said that the Housing Trust Fund Advisory Board (HTRAB) needs to figure out a way to make it easier for organizations to count for matching funds, particularly with the use of CDBG funds, because the last round of funding the board couldn't do that, so maybe this board could discuss that issue for the next round.

Mr. Mahan said that most of the homeownership projects will require a bank loan, because the CDBG funds don't fund at 100%. He said the housing trust fund awards would be in addition to the project's other funding, which may also include other funding such as state dollars.

Ms. Sanchez said she remembers during the first round of housing trust fund awards that the homeownership applications that were rejected didn't have any bank loans and they were asking for 100% funding from the housing trust fund. She asked Mr. Peters is this what he is referring to?

Mr. Peters replied in the affirmative and thanked Ms. Sanchez for the clarification.

Mr. Mahan replied that the housing trust fund awards are supposed to be use as leveraging dollars, there are not supposed to provide 100% of a project's funds.

Mr. Peters said that he understands what *Mr.* Mahan is saying, but that he still is concerned that the requirement of 25% of housing trust fund dollars are suppose to go for homeownership projects and he wants to make sure that goal is met.

Ms. Sanchez asked if there is a way to have some kind of training assistance meeting with this subcommittee, city staff and potential homeownership applicants. She said there were some organizations that took a look at the application and saw the five year pro-forma requirement and didn't bother to apply, because they didn't understand what a five year pro-forma was and didn't understand how it related to their projects.

Mr. Mahan replied that there were only two applicants in the first round that applied for homeownership funding. He said he would have no problem in setting up a training session.

Mr. Mahan asked if it is the will of this subcommittee that a training session is set-up for just homeownership or should it include the other categories.

Mr. Sanchez replied that a training session could include the other categories, but homeownership has the biggest need.

Mr. Mahan said that they could start out with the homeownership category. He said will bring this up at the next full board meeting for approval to proceed with a training session.

Mr. Kammholz said that *Ms.* MacDonald brought up the open meeting law. He said that if there is a quorum of this subcommittee present at the training session it will have to be posted as a meeting. He continued to say that all of the subcommittee members don't have to attend.

Ms. Sanchez said she would like to attend.

Mr. Mahan said that he could schedule the training session to take place about 30 days prior to the application going out. He said he would put together the preliminaries for the training session.

Ms. Gore asked if a reference sheet could be prepared and attached to the application?

Mr. Mahan said that he needs to know what parts of the application will need to be addressed. He said he thought that the application form was pretty clear.

Ms. Gore said that they could also consider doing a survey of the possible applicants on what kind of training they would like to see provided at the training session.

Mr. Mahan replied in the affirmative.

Mr. Peters asked if the next round of applications will be for brick and mortar projects again or will it include the other categories?

Mr. Kammholz replied that this subcommittee's focus should only be on the review and technical changes to the application form and scoring sheet. He said that how the next round of funding is going to be used is something for the full board to decide and to give this subcommittee direction on.

Mr. Kammholz said the two issues this subcommittee needs to work through yet ares the leveraged dollars and the five year pro-forma requirement. He asked *Mr.* Mahan if he thought both of those issues could be worked through with potential applicants in a training session or should there be a change to the application form?

Mr. Kammholz continued to say that he thinks the five year pro-forma requirement should be kept in the application, but maybe they should include a statement that would say that certain proposals or small projects may not need to meet this requirement.

Ms. Werra said that the five year project pro-forma is noted in two areas in the application form (Exhibit 2, pages 6 and 13). He then suggested that he could put in parenthesis "not required for homeownership" where the five year pro-forma is noted in the application form.

Ms. Sanchez asked if there would be a circumstance where a five year pro-forma would be required for a homeownership projects?

Mr. Werra replied that pro-forma is required for rental projects.

Mr. Kammholz said that additional information for more complex projects can be requested of the applicant and that something on those lines could be put in parenthesis also.

Mr. Werra replied that he could put in parenthesis something like "(reserves the right to request additional information that may be necessary)."

Mr. Mahan referred back to *Mr.* Peters' request to meet with city staff to discuss universal design and said he feels this should be discussed by this subcommittee and not privately with just him. *Mr.* Peters said basically he was concerned when he reviewesd the application he found that there were a lot of variables on how applicants were filling out and meeting the accessibility requirements. He said he wants to make sure that all the applicants are meeting the accessibility requirements. He said that he is not sure how it should be scored and what range should be used for accessibility. He continued to say that there is no middle ground, the applicant is either meeting the requirements or its not.

Mr. Peters said that he would like to find out more about the scoring process, such as what are the requirements and what are the applicants are looking at as it relates to accessibility.

Mr. Mahan replied that he know where *Mr.* Peters is going with this and said they need to be on top of those accessibility requirment issues before the project is funded, not retroactively. He said there are a lot of the lawsuits against developers that are taking place right now, 2 years later, because of such things as the doors aren't wide enough or there are no ramps.

Mr. Mahan continued to say that accessibility is part of the grading and that is where this board comes in when it is reviewing the applications. He said during the review process the members need to make sure the accessibility requirements are being met.

In addition, Mr. Mahan said that the applicants that are being funded right now all stated in their applications that they had accessibility factored into their projects.

Mr. Mahan gave an update on the first round of projects that received funding awards. He said that all of those projects have met the accessibility requirements, except for United Methodist project, which still needs to be looked at.

Mr. Mahan said the first round of applicants were pretty straight forward, but the next round may need to have some extensive review of the accessibility requirement to make sure the requirements are being met.

Ms. Sanchez asked for clarification on whether this subcommittee does or doesn't need to establish a standard for accessibility for the next round of awards?

Mr. Mahan suggested that the wording in the application should be changed from accessibility to Universal Design.

Ms. Sanchez said that *Mr.* Peters' letter refers to two versions of a universal design checklist and asked *Mr.* Mahan if he is saying that a standard doesn't need to be set for the next round?

Mr. Peters replied that he wasn't sure if the housing trust fund had criteria for universal design, and if it didn't have criteria developed he provided in his letter two versions of universal design checklists that could possibly be used.

Mr. Mahan replied that the housing trust fund uses the WHEDA's checklist.

Mr. Mahan said that universal design fits the mold for new builds, but wouldn't work for rehab projects, because of the structures and costs. He also said that this board should establish a percentage for new builds and multiple units.

Ms. Sanchez said that they don't want to impose universal design on every structure, it wouldn't be feasible.

Mr. Peters said universal design is for multiple family homes. He said he realized a few months ago when he reviewed the language in the application again that it says every house has to comply with universal design and he didn't think that is what they really wanted it to mean. He said there is something called reasonable accommodation and if it would cost too much to make a home accessible to meet universal design, then of course it could be brought to the HTF board for an exemption. He said this is stated in the housing trust fund ordinance.

Ms. Sanchez said that universal design should be included in the training session.

Mr. Werra referred to page 5 of the application and said that as he reviewed it, he noticed that it has a collection of accessibility requirements for both multi-family projects and single family homes. He suggested that the information on page 5 of the application be separated into two parts, and put the requirements for larger projects in the first half and use the second half for single family homeownership. He said that would make it clearer.

Mr. Peters said that it may make it more clear, but the ordinance language needs to be checked.

Mr. Werra replied in the affirmative.

Mr. Mahan said that as he looked at the language on page 5 of the application some of language should be reworded, because the doorway entrance size requirement looks wrong.

Mr. Kammholz said that if it is agreeable with the subcommittee members, he asked *Mr.* Mahan to draft a strike out and reword version for the pro-forma and universal design in the application form and then bring it back to this subcommittee at its next meeting for review.

Mr. Peters asked if city staff could bring examples of past application scores so that he can review how they were scored. He said that he understands that the scoring for accessibility was scored in the objective category which was scored by city staff.

Mr. Mahan replied that the objective was that accessibility was to be a part of the project package. He said all of the projects fell under the accessibility improvements criteria.

Mr. Werra replied that the scoring for accessibility improvements has a score of 1 point if the project meets the minimum standards and 5 points if it exceeds minimum standards.

Mr. Peters asked who scored that part of the scoring sheet?

Mr. Mahan replied that this Technical Subcommittee scored that part.

Mr. Kammholz said that as far as the percentage of funding for the Homeownership category, he said those percentages are overall funding guidelines to which this

subcommittee trys to adhere and not any one funding round is going to strictly adhere to the 25, 35, 25 percentages. He said they want to give the dollars to strongest proposals. He also said that this subcommittee will want to strive to hit those target percentages, but according to the ordinance it not mandatory.

Ms. Gore said that they should document the percentages used in each category for each round of awards.

Ms. Sanchez said her understanding of the percentages was that for any given year those target percentages would be given to each category. She said the reason this subcommittee felt O.K. not sticking with those percentages in the first round was because the whole pot wasn't being allocated.

Mr. Mahan replied that the ordinance doesn't address the percentage allocation. He said each round starts over. He also said that it is up to the full board to determine the percentage for each category and that there could be additional categories added.

Mr. Peters said if the percentages aren't mandatory then he is confused, because the resolution says it should be.

Mr. Kammholz said that he the percentage for each category was not mandatory. He said this is something that the full board should consider.

Mr. Mahan said that the funding guidelines do state the minimum percentages for each category and says the trust fund must. *Mr.* Mahan said the issue with the first funding round is that the homeownership applicants didn't have leveraged funds and that those funds didn't go to another category.

Mr. Kammholz said that application should be consistent with the resolution and/or direction from the full advisory board, so if the application says must and the resolution says should be, this subcommittee should get direction from the full board on how to approach the second funding round as it relates to the percentage issue.

Mr. Peters said that part of this percentage issue is because the Housing Trust Fund Advisory Board directed that the first round of funding go to only the brick and mortar projects. He said the policy should be more service driven than on brick and mortar projects so that they are able to meet the percentages and have more viable applications for homeownership.

Mr. Kammholz said both those policy questions should be taken up by the full board.

Mr. Kammholz asked Ms. Sanchez to explain her request to include in the scoring sheet a management plan criteria?

Ms. Sanchez explained that for bigger rental projects a management plan would be a relevant thing to consider in the evaluations on whether it's a worthy project, because the success of a project depends on the management plan.

Mr. Kammholz asked Ms. Sanchez if she has came across a management plan that she could share with the subcommittee?

Ms. Sanchez replied in the affirmative.

Mr. Kammholz said instead of having *Mr.* Mahan start from scratch he asked *Ms.* Sanchez if she could forward that example of a management plan to the Community Development Grants Admin. staff and they can fold it into the application.

Mr. Mahan said that he know that when developers are applying for its WHEDA tax credits, they hve to have a management plan in place and he thinks it is 20% of thier score. He said he would talk to Jessie Greenlee with WHEDA about WHEDA's management plan requirement.

Ms. Madden asked what is meant by a management plan?

Ms. Sanchez explained that when she applied for housing trust fund monies in San Diego, she had to provide a management plan, which included the name of who the management plan company was and what the policies and procedures are.

Ms. Madden asked if it is for the development process or how the program is going to be run?

Ms. Sanchez replied that it is the latter and it would include the management plan policies and procedures that are in effect if someone doesn't pay their rent, breaks their lease, etc.

Mr. Mahan said he would ask WHEDA how it scores its management plan. He also said that some applicants lost points with WHEDA who didn't have a management plan in place.

Ms. Sanchez said she doesn't want to rule out a management group.

Mr. Mahan said he would also ask WHEDA how it analyzes a management plan.

Mr. Werra asked for a point of clarification on what Ms. Sanchez's intention is on where this management plan should go, in the application or incorporated into the scoring sheet?

Ms. Sanchez replied that she was looking to have it put into the scoring sheet.

Mr. Kammholz asked if there is a consensus of the members to have this management plan put in the scoring sheet? All members agreed.

Ms. Kammholz said that Ms. Madden has some suggestions for the scoring sheet (*Exhibit 3*).

Mr. Kammholz said the first note that Ms. Madden has is for the "Affordability Period" and she notes that it should receive at least 1 point for 30 years.

Ms. Madden said that under the "Affordability Period" she thought that if an applicant meets the requirement it should at least get 1 point.

Mr. Werra said that since it was a basic requirement all the applicants had to meet it.

Ms. Madden said that her interpretation of this was if you don't meet it you get a zero and if you do meet it you get one point.

Mr. Mahan said that if the applicant is viable they would get one point.

Ms. Gore said that they should not get points if it is a requirement.

Mr. Kammholz asked what does it says in the application on affordability and is it clear?

Mr. Werra said that on page 3 of the application, it explains the "Affordability Requirements".

Ms. Madden said she recalls people who didn't meet the affordability requirement and if they are applying and don't meet the requirements they should get zero points.

Mr. Kammholz suggested that a short paragraph be put in the application on page 3 right under "Affordability Requirements", and word it something like "there will be scale scoring based on affordability requirements and meeting the requirement will get 0 points and if exceeds the requirement one point will be given" or it could say "the applicant doesn't qualify for housing trust funds unless it meet the affordability requirements."

Ms. Sanchez said that both of those statements should be noted in the application.

Mr. Kammholz asked CBGA staff to insert some kind of wording in the application for the affordability requirements.

Mr. Werra replied in the affirmative.

Ms. Madden said that she would be comfortable with leaving the score at 0 point if that extra language is put in the application.

Mr. Werra asked if they should also change the language on page 4 under "Application Scoring", because the third bullet point also relates to affordability requirement.

Mr. Mahan said that the wording on page 4 is correct the way it is.

Mr. Kammholz asked that the word "Extend" be changed to "Exceed" in the third bullet point.

Atty. Gartner said it may make sense to apply that same concept to some of the other scoring categories, for example EBE. He said it might make it easier for the applicants. He said for some of the categories it may be better to say that this is the minimum threshold requirement and then say, using the page 4 concept, if an applicant is willing to commit to a longer affordability period, extra EBE or additional use of city workers the applicant would be awarded extra points.

Mr. Mahan said that this subcommittee has had extensive discussions on the EBE requirement and that the issue with that is that an applicant can say that it will use 25% EBE, but it all come down to the monitoring of the project to find out what the applicant has really complied with.

Mr. Kammholz said it should be presented clearly in the application for the following three categories: Affordability, use of City of Milwaukee workers and use of EBE.

Atty. Gartner said that part of the problem is that this application is a one size fits all application and it is a pretty complicated application that uses complicated procedures.

Atty. Gartner said that he found in dealing with this first round of successful applicants that they tend to be institutions, large, tax credit, multiple funding sources, new construction developers; and that the housing trust fund is giving a modest amount of funding.

Atty. Gartner continued to says that it may make sense for this subcommittee to reconsider how the requirements are going to be enforced, depending upon the amount of the award and the overall size of the project, because if there is a multi-million dollar project, which is only getting \$50,000 in housing trust funds, the time it would take to monitor all the different categories listed in the application probably doesn't warrant the staff time. He said the reality is those project are already meeting other funding requirements, such as WHEDA's and the city staff isn't going to convince those developers to structure their projects to meet the City's housing trust fund requirements. He said that maybe it would be easier to say that if the award is over an x amount it should be fully monitored, but if the award is small, a stream-lined approach for some of the requirements should be considered.

Ms. Madden said that she likes Atty. Gartner suggestion that a certain award amount should be established for when to a full monitoring of a project would be done.

Ms. Madden said that all the scoring requirements were discussed extensively and the full advisory board voted on and approved all of them.

Ms. Sanchez said that it is stated in the ordinance the requirements needed for the scoring sheet.

Mr. Kammholz said that full disclosure should be stated in the application form for the points that Atty. Gartner suggested. He asked if the full advisory board should be the ones to consider Atty. Gartner's suggestions?

Ms. Mahan asked if the percentages were also stated as a requirement in the ordinance?

Ms. Sanchez replied that the percentages were not stated in the ordinance.

Mr. Kammholz said the ordinance could be changed if the full board wants to do that.

Atty. Gartner said the ordinance references the resolution and the Housing Trust Fund Task Force report.

Mr. Kammholz said that if the full advisory board wants this subcommittee to look at it again it can direct this subcommittee do so.

Atty. Gartner said that maybe the full board could basically direct the CBGA to use reasonable efforts to meet all the criteria if the award amount is under \$100,000 and have a higher level of review if the award is in excess of \$100,000.

Ms. Madden said she like Atty. Gartner's suggestion.

Mr. Kammholz said that would be a full advisory board decision.

Mr. Kammholz moved the subcommittee back to Ms. Madden's notes on the scoring sheet. He referred the members to the "Experience" category.

Ms. Madden advised that she didn't have a change for the "Experience" category.

Mr. Mahan said that the "Management Plan" could be placed under "Experience".

Mr. Werra asked that as long as the subcommittee is back to reviewing the scoring sheet, does it want to assign points for a "Management Plan"?

Ms. Madden suggested a scale of 1, 3 and 5 for each item listed under "Experience". *Mr.* Mahan asked if they want to keep the total points at a 100?

Ms. Sanchez replied that keeping the total points at 100 isn't necessary.

Mr. Kammholz said Ms. Madden would like the "Experience" category to have a scale rating.

Mr. Werra suggested giving 2, 2 and 4 point scale.

Mr. Kammholz said Ms. Madden is suggesting that both agency and staff experience be given 1, 3 or 5 points.

Mr. Kammholz asked Ms. Sanchez how many points does she want to award for a "Management Plan"? He explained that they could combine the staff and agency and give a them a total of 5 points and than separate the Management Plan into its own category and give it scaling points of 0 to 5 points.

Ms. Sanchez said that her thought is that under the "Experience" category they should keep "Agency experience...", but add wording to make it more specific, such as "Agency experience developing some kind of project..." and also do the same for "Staff experience..." and maybe reword it to say "staff or outside contractor" and then insert the management plan as the third item and give the score of 2, 4 and 4 points.

Ms. Madden asked if they could backup? She said she recalls when reviewing the "Use of City of Milwaukee Workers" and "Use of City EBE" categories in the applications, that some of applications had no percentages given and/or just put promissory information. She asked if there is a way to strength these categories, such as requiring the applicants to put a percentage?

Mr. Kammholz asked if they could make it clear that what the applicant is proposing by putting it in the term sheet?

Ms. Madden replied that the applicants aren't even proposing a percentage, some of them just put "yes", it will meet the standard.

Atty. Gartner replied that the City's standard EBE agreement contains a whole series of requirements that developers need to meet in implementing a project. He said there is also a whole set of procedure that the EBE agreement contemplates that really has to begin before the project even gets started. He said one of the problems the applicant/developer faces is if the developer has to get a general contractor, and by that time the project is well under way, the general contractor is than told that it has to meet the City's EBE criteria, the resident preference criteria, prevailing wage criteria, etc. He said that at that point the developer is already well into the project and can't go back to meet the detailed City requirements, but the developer can send the contractors information showing that they have try to meet the City's requirements.

Ms. Sanchez asked if there is a way to get the applicants to be more specific about what it is that they are committing so that the subcommittee can compare and know how to score it better?

Mr. Kammholz asked if the members want additional information added into the application?

Ms. Sanchez replied in the affirmative.

Atty. Gartner said that they could attached a copy of the City's EBE agreement to the application and say each successful applicant will be required to enter into this agreement with the City and follow all the requirements in the agreement. He said it should include a box that needs to be marked yes.

Ms. Sanchez replied that would help, but it still doesn't necessary translate into the applicant being more specific on how the applicant is going to comply with the agreement. She said that extra points could be given.

Mr. Mahan said on page 17 and 20 of the application, it asks "Will this project utilize workers from the neighborhood and/or give priority to emerging business enterprise contractors?" Mr. Mahan suggested that they put a more detailed question in the application.

Mr. Werra said that it needs to be broken into two questions.

Ms. Madden moved on to the Diversity category on the scoring sheet and referred to *Mr.* Peters, because he also had questioned this issue.

Mr. Peters said that he was looking through the applications and the applicants were talking about neighborhoods and housing stock at the same time and those are two different things in his eyes and asked if those should be considered as two different categories?

Ms. Gore suggested that it be clarified by changing the language to include "types" of housing stock diversity.

Mr. Peters said that it says in HTF final report and recommendations on page 20, "encourage more neighborhood diversity and increase housing choices with a neighborhood." He said that it is his understanding that that means people and housing type.

Mr. Werra asked how should the language read in the application for diversity?

Mr. Kammholz said that on the rating sheet it should say "project diversity types" and take out neighborhood.

Ms. Sanchez said that in the application on page 17 it says what Mr. Peter read into

the record earlier and that the word neighborhood should be included in the language.

Mr. Gore left at 3:20 P.M.

Mr. Werra asked if the language should read as follows? "Project increases diversity and housing types in the neighborhood' He asked if this wording should be incorporated in the both the application and scoring sheet?

Mr. Kammholz replied in the affirmative.

Ms. Madden moved on to "Coordination with Community Institutions" category and said that there was some misinterpretation of this category by the applicants by the way some of them replied to it.

Ms. Sanchez suggested that an example be given at the training session.

Ms. Madden suggested an example be put in the application to what is meant by "Coordination with Community Institutions."

Mr. Kammholz asked Mr. Madden and Ms. Sanchez if they could both e-mail Mr. Werra some language and examples that they would like seen in the application for "Coordination with Community Institutions."

Ms. Sanchez and Ms. Madden replied in the affirmative.

Mr. Kammholz asked if clarification is needed for "Institution to Community."

Ms. Madden replied that the word Institution needs some clarification, because most thought it meant from prisons to housing.

Mr. Peters replied that that was his suggestion and its intent was to the moving of people from nursing or group homes and also from prisons to housing.

Ms. Sanchez asked if examples should be given for that one as well.

Mr. Mahan said that there are two questions on the bottom of page 17, questions #7 asked if the project would move a person from institution, and he suggested an example be added there.

Ms. Madden replied in the affirmative.

Mr. Werra said he thought it meant transit from a homeless shelter.

Mr. Peters said he could submit some examples.

Mr. Mahan said that institution was not defined and examples would work.

Ms. Sanchez said that on page 9, part 1 question 1b, she suggests adding language that would describe the partners and funding for the services to be provided.

Ms. Sanchez said that on page 11, part 2 question 1, she thinks the time line request should be more specific, because some of the applicants were very specific and some

of them were pretty broad in their answer.

Mr. Peters said that he doesn't know how that would help, because the time line depends on the funding from many different sources.

Ms. Sanchez said the time line plan should be in place.

Mr. Mahan said that a time line is an estimate.

Ms. Sanchez said that the time line would tell her that the applicant knows what steps they are going to be taken.

Ms. Madden agrees with Ms. Sanchez that being more specific would help.

Ms. Madden left at 3:43 P.M.

Roll call taken at 3:43 P.M.

Present 2 - Kammholz and Sanchez

Excused 2 - Madden and Gore

4. Next meeting date, time and agenda

Mr. Kammholz said that Ms. MacDonald will contact the subcommittee members to set the next meeting date.

Meeting adjourned: 3:43 P.M.

Terry J. MacDonald Staff Assistant

April 11, 2008

To: The City of Milwaukee Housing Trust Fund Advisory Board CC: Steven Mahan; City of Milwaukee CBGA Program

Re: Concerns regarding first round of funding.

The Housing Trust Fund Advisory Board has worked hard since its inception to create the structure of future rounds with the new application form and the ranking system. While I am pleased with our overall work, I do have some concerns that I would like addressed before the next round of funding.

Universal Design/Aging in Place Requirement

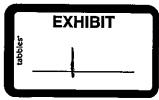
There seems to be some inconsistency in the results with the requirement for design that is more accessible than the minimum requirements of Fair Housing. Currently, applicants are required to have Universal Design, Aging in Place, or another design criteria approved by us, for multi-family units. I propose that the Advisory Board adopt a standard for this. There are two versions of Universal Design checklists being drafted. The first, by Wisconsin Coalition of Independent Living Centers (WCILC) is list of recommendations list that we can adopt wholly or in part. The second one, by Wisconsin's Uniform Dwellings Code commission, will list what is required before a place can market itself as Universal Design. Although UDC applies to single-family housing, many, if not all, of the same requirements can be applied to multi-family housing. Alternatively, we can consider using WHEDA's checklist with a minimum point requirement. Aging in Place already has a certification process that can be used.

Matching/Leveraged Dollars

I am concerned that the leveraging requirements of the application will screen out worthy proposals, particularly in the homeownership category, that may not have the ability to leverage dollars to the extent we would like. I believe we should explore how smaller, but worthy, applications will not be excluded because of a lack of available dollars.

Homeownership

There is a requirement for a specific percentage of dollars allocated toward each of the three categories; 25% for Homelessness, 35% for Rental, and 25% for Homeownership. By my math, \$625,000 of the bonds should be used toward the Homeownership category, in addition to \$100,000 from the budget allocation. There has only been \$68,000 used toward the Homeownership category at this time. That means for the next round, we need to allocate \$657,000 toward Homeownership. In the last round, there were five proposals



totaling \$791,500 requested for Homeownership, of which three had no leveraged dollars. I believe that a) we need to reconsider the leveraged dollar requirement and b) publicize this category for the upcoming round.

Due to the short timeline before the next round of applications, I propose that we create workgroups to focus on those issues to be completed by the meeting next month.

Sincerely,

Brian Peters Housing Policy Advocate



APPLICATION FOR FUNDING FY2007





APPLICATION FOR FUNDING FY2007

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund services that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making fundingallocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

FUNDING GUIDELINES

- A <u>minimum</u> of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A <u>minimum</u> of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

HOUSING TRUST FUND ACTIVITIES MUST OCCUR IN THE CITY OF MILWAUKEE

REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF MILWAUKEE WILL BE REJECTED

City of Milwaukee Housing Trust Fund Application Page 2 of 19 Revised September 2007



APPLICATION FOR FUNDING FY2007

Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Funds may not be used as the primary source of funds for any project.

ELIGIBLE APPLICANTS

- 1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.
- 2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

AFFORDABILITY REQUREMENTS

- 1. <u>Rental Housing:</u> Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
- 2. <u>Owner-Occupied Housing and Homeownership</u>: Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.
 - 3. <u>Housing and Services for the Homeless:</u> All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.

City of Milwaukee Housing Trust Fund Application



APPLICATION FOR FUNDING FY2007

INCOME ELIGIBLITY

1. <u>Owner-Occupied Housing:</u> Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are based on the CMI and are subject to change annually.

2. <u>Rental Housing and Housing for the Homeless:</u> Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income.

Please refer to Attachment A for current Housing Trust Fund income limits

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

Please refer to Attachment C for a detailed description of application scoring measures.



APPLICATION FOR FUNDING FY2007

OTHER REQUIREMENMTS

The following accessibility standards apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.
- The design principles of any one of the following:
 - 1. Aging in place
 - 2. Universal design
 - 3. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.
- For new housing units in one- to three-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:
 - 1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
 - 2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
 - 3. Powder room (half bath) on the main-level floor that has:
 - i. A doorway entrance with a minimum 32" clear passage opening;
 - ii. Sufficient space to close the entrance door while the room is occupied;
 - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.
- Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.



APPLICATION FOR FUNDING FY2007

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding*.

Completed applications and required attachments must be received at the Community Development Grants Administration office <u>no later than 4:00 p.m. on Wednesday, October 10, 2007.</u> No extensions will be granted. Submit the original and fifteen (15) copies to:

> Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647. Your application will begin when your complete application has been received, including all items indicated below:

- A fully completed application. If a question does not apply, indicate this on the application.
- Applicants should include audited financial statements for three years, if in existence for less than three years, all statements received to date (balance sheets, cash flow statements, and profit and loss statements). For special limited purpose corporations, the supporting organization's statements.
- Tax returns for three years (Individual 1040, Corporate 1120, Form 990, and Partnership 1065).
- Project or Business plan

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- Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- Market analysis for projects containing twelve or more residential units.
- Resumes and qualifications of the development team.
- Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- A minimum 5-year projected pro-forma
- An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- Post rehabilitation or new construction appraisal



APPLICATION FOR FUNDING FY2007

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding will be notified by mail within 30 days of Common Council action.

In addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

ALL AWARDS ARE SUBJECT TO NEGOTIATION OF FINAL TERMS.



APPLICATION FOR FUNDING FY2007

Organization Name:		
Organization Address:	City	Zip
Contact Person:	Title	
Telephone Number:	Fax:	
E-Mail:	FEIN	

Indicate the amount requested in the appropriate category below. <u>Please submit a separate application</u> for each category being requested.

The use of HTF dollars is currently limited to capital improvement (brick and mortar) activities. Housing Trust Fund dollars may not be used as the primary source of funds for any project.

Activity	2007 Funds Available	Amount Requested
Homelessness	\$750,000	
- Rehabilitation of Existing Facility		\$
- New Construction of Facility		\$
Rental Housing	\$1,000,000	
- Rehabilitation of Existing Structure		\$
- New Construction		\$
Home Ownership	\$750,000	
- Rehabilitation of Existing Structure(s)		\$
- New Construction	-	\$
- Owner-Occupied Rehabilitation		\$
TOTAL	\$2,500,000	\$
Indicate the percentage and amount of HTF fund	s requested that will	۰/ đ
be used to fund accessibility improvements or m	odifications. 🗲 🛛 🦳 🎽	% \$

<u>Proposals must be authorized and signed by the Chief Executive Officer -AND- an official of the Board of Directors.</u>

Signature:		Date:	
Printed Name:		Title:	
Signature:	· · · · · · · · · · · · · · · · · · ·	Date:	
Printed Name:		Title:	· · · · · · · · · · · · · · · · · · ·

City of Milwaukee Housing Trust Fund Application Page 8 of 19 Revised September 2007



APPLICATION FOR FUNDING FY2007

PART I: PROJECT DESCRIPTION

1. <u>Describe the Project</u>: Briefly identify the project location and the specific activity to be completed.

a.	If project involves construction or rehabilitation, please attach photos of the site and
	sketches or drawings of the proposed project.

_____ Photos and/or sketches are attached

Project does not involve construction or rehabilitation

b. If the project involves the provision of services, briefly describe the specific services to be provided.

Project does not involve the provision of supportive services

- 2. Households/Clients Served: Briefly describe the specific population to be served, including target income level and special needs populations, as applicable.
- 3. Indicate the unduplicated number of units/household to be served



APPLICATION FOR FUNDING FY2007

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City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING FY2007

PART II: PROJECT TIMELINE

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

MONTH U.			IDAVIDINII(S)	
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City of Milwaukee Housing Trust Fund Application



APPLICATION FOR FUNDING FY2007

PART III: PROJECT SITE CONTROL, ZONING, & ENVIRONMENTAL ISSUES

1.	Site Control is in t		
	Dee		
		hase Agreement	`
	Opu	on (Expiration Date #	J
	Our		
	a. Plea	se Attach Written Documentation o	f Site Control
2.	Site is currently zo	oned:	
	a. Plea	se Attach Written Verification of Zo	oning Designation
3.	Is the zoning appr	opriate for your project?	
	Yes	No	
	If no, is rezoning cu	urrently in process and when is it antic	ipated that this issue will be resolved?
		Date	
4.	Describe what, if a	ny, Environmental Assessment acti	vities have been conducted.
	······		
	a. Plea	se attach a copy of any environment	tal findings/reports received.
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Review	ver's Comments:	<u></u>	Score:
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1.

CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING FY2007

PART IV: PROJECT FINANCING

Please Attach the Following Items

• Sources and Uses of all funds	
Development Budget	
Project 5-Year Pro-FormaCash Flow Statement	
• Cash How Statement	
Please describe the specific use of Housin	ig Trust Fund dollars:
	<u> </u>
.č.	
Has the project secured a firm commitm	ent from a construction lender?
Yes No	
Has the project received a conditional co	mmitment from a construction lender?
Yes No	
	ttach written verification of any commitments ments, provide the name of the lender you are
Lender Name	Phone number
Contact Person	
Address	· · · · · · · · · · · · · · · · · · ·
Commitment Amount \$	
f Milwaukee ng Trust Fund Application	Page 13 of 19 Revised September 200



APPLICATION FOR FUNDING FY2007

6. Identify the project total amount of other funds (private and/or public) that would be leveraged by the Housing Trust Fund dollars.

Funding Source	Amount Leveraged
·	\$
	\$
	\$
	\$
	\$
	\$
TOTAL FUNDS LEVERAGED	\$

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APPLICATION FOR FUNDING FY2007

PART V: <u>CAPACITY AND EXPERTISE</u>

1. Has your agency previously undertaken this type of project before?

____ Yes ____ No

a. If yes, identify the three most recent projects completed:

2. Identify the staff responsible to complete the project and indicate any experience specifically related to this project

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City of Milwaukee Housing Trust Fund Application



APPLICATION FOR FUNDING FY2007

PART VI: FURTHERANCE OF HOUSING TRUST FUND GOALS

1. Describe the accessibility improvements or modifications that will be included as a part of this project:

2. Explain how this project serves the lowest-income segment of the population:

3. Does the project affordability period exceed the minimum period required by the Housing Trust Fund (please refer to page 3)?

____ Yes ____ No

Affordability Period Required by HTF: ______(years)

Affordability Period Proposed for Project: ______(years)



APPLICATION FOR FUNDING FY2007

	Yes	No	
a.	If yes, please	describe:	
		· · · · · · · · · · · · · · · · · · ·	
	s this project en neighborhood?	courage neighborhood diversity and increase housing cho	ices withi
	Yes	No	
a.	If yes, please	describe:	
	·		
Will		ize green building principles?	
	l this project uti		
	l this project uti	lize green building principles?	
	l this project uti	lize green building principles?	
	l this project uti	lize green building principles?	
a.	l this project uti	lize green building principles? No describe:	
a. Will neig	l this project uti Yes If yes, please If yes, conservation	ize green building principles? No describe: rdinate with and enhance the work of other entities in the as employers, business improvement districts, schools, jo	
a. Will neig	l this project util Yes If yes, please l this project coo shorhood, such	ize green building principles? No describe: rdinate with and enhance the work of other entities in the as employers, business improvement districts, schools, jo	
a. Will neig	I this project uti	ize green building principles? No describe: rdinate with and enhance the work of other entities in the as employers, business improvement districts, schools, job rvice agencies? No	
a. Will neig ager	I this project util Yes If yes, please It his project coo hborhood, such ncies or social se Yes	ize green building principles? No describe: rdinate with and enhance the work of other entities in the as employers, business improvement districts, schools, job rvice agencies? No	

Revised September 2007



APPLICATION FOR FUNDING FY2007

7.	Will (his project facilitate the movement of	f persons from institutions into the community?
	<u> </u>	Yes No	
	a.	If yes, please describe:	
8.	Will (proje	he project use contractors who pay fa t (family supporting wages are defin	amily-supporting wages for all workers on the ed as \$8.25 per hour)?
		Yes No	
	a.	If yes, please describe:	
			·
	NUT IN AND A DESCRIPTION		
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City of Milwaukee Housing Trust Fund Application



APPLICATION FOR FUNDING FY2007

PROPOSAL CHECKLIST - YEAR 2007

Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office <u>no later than</u> <u>4:00 p.m. on Wednesday, October 10, 2007.</u> No extensions will be granted.

Submit the original and fifteen (15) copies to:

Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Faxed or electronic applications will not be accepted. <u>All proposals received after the closing date noted</u> above will be returned to the applicant without review.

PLEASE BE CERTAIN TO

> Complete and submit 1 original and 15 unbound copies of all documents:

- Attach all required supporting documentation as requested in the application.
- If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will be discarded.

If your Application is funded, additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.

ATTACHMENT A

CITY OF MILWAUKEE HOUSING TRUST FUND INCOME LIMITS - 2008

Trans I amon	A nullarhiliter				Household Size	old Size			
	Application	1	2	3	4	5	9	1	œ
50% of CMI	50% of CMI Rental and/or Homeless Housing Projects (Any Amount of HTF Assistance)	23,700	27,100	30,450	33,850	36,550	39,250	41,950	44,700
65% of CMI	Owner-Occupied Housing - Substantial Projects (HTF Assistance More than \$5,000)	30,794	35,181	39,609	43,997	47,531	51,025	54,559	58,094
100% of CMI	Owner-Occupied Housing - Modest Projects Including Acquisition & Rehabilitation, Acquisition, New Construction or Rehabilitation of Owner-Occupied Housing (HTF Assistance is \$5,000 or less)	47,375	54,125	60,938	67,688	73,125.	47,375 54,125 60,938 67,688 73,125 78,500 83,938 89,375	83,938	89,375

1. Income Limits are based on the HUD HOME Program Limits and are subject to change annually.

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Revised: 04/08

ATTACHMENT B

CITY OF MILWAUKEE HOUSING TRUST FUND RENT LIMITS AND UTILITY ALLOWANCE SCHEDULE - 2007

	6BD	\$1,225		\$95	\$217	\$116	\$22 \$51	\$40	\$40		3 11	\$13	\$36	\$12	\$ 1	\$2	 ;	1	\$10
e Units	<u>5BD</u>	S1,083		\$83	\$190	\$102	\$19 \$46	\$36	\$37	4	\$10	\$12	\$33	\$12	\$1	23	ł	15	\$10
e or Mor	<u>4BD</u>	\$942		\$73	\$164	\$88	\$16 \$40	\$32	\$34	;	£6	\$11	\$31	\$12	\$1	\$2	ł	-	\$10
E: Three	<u> 3BD</u>	\$915	N : : : I Child	\$61	\$139	\$76	\$15 \$34	\$28	\$31	;	88	\$10	\$28	\$12 ·	\$1	\$2		15	\$10
BUILDING TYPE: Three or More Units	<u>2BD</u>	\$726		\$50	\$113	\$62	\$12 \$28	\$23	\$28		\$7	\$9	\$18	\$12	\$ 1	\$2	1	\$7	\$10
BUILD	<u>1BD</u>	\$608	AUTON A	\$31	\$69	\$38	\$10 \$23	\$18	\$22		20 20	\$7	\$16	\$12	\$ 1	\$2		\$7	\$10
	0BD	\$510	at a the second	\$25	\$56	\$31	\$8 \$20	\$14	\$15		\$2	\$5	\$16	\$12	\$1	\$ 3		\$7	\$10
,	6BD	\$1,225	245000400-12	\$103	\$234	\$125	\$22 \$51	\$40.	\$40		\$11	\$13	\$36	\$12	\$1	\$2		\$7	\$10
	SBD 5	\$1,083	Number of the	890	\$206	\$111	\$19 \$46	\$36	\$37		\$10	\$12	\$33	\$12	\$1	\$2		\$7	\$10
Duplex	4BD	\$942		\$79	\$177	\$95	\$16 \$40	\$32	\$34		65	\$11	\$31	\$12	\$1	\$2		\$7	\$10
BUILDING TYPE: Duplex	3BD	\$915	l-sociality.	\$66	\$151	\$82	\$15 \$34	\$28	\$31		%	\$10	\$28	\$12	\$1	\$2		\$7	\$10
BUILDIN	2BD	\$726		\$54	\$122	\$67	\$12 \$28	\$23	\$28		\$7	3 0	\$18	\$12	\$1	\$2		\$7	\$10
	<u>1BD</u>	\$608	104000-1016	\$33	\$74	\$41	\$10 \$23	\$18	\$22		\$6	\$7	\$16	\$12	\$1	\$2		\$7	\$10
ţ	0BD	\$510		\$27	861	\$33	\$8 \$20	\$14	\$15		\$\$	\$\$	\$16	\$12	\$1	\$2		\$7	\$10
	6BD	\$1,225	1. 13. 12 ⁽ 13)	\$110	\$252	\$135	\$22 \$51	\$40	\$40		\$11	\$13	\$36	\$12	\$1	\$2	-	\$7	\$10
	5BD	\$1,083	anca pilo (2	\$97	\$221	\$119	\$19 \$46	\$36	\$37		\$10	\$12	\$33	\$12	1\$	\$2		\$7	\$10
	4BD	\$942	1881 - 11 - 11 - 1891. 	\$85	\$191	\$102	\$16 \$40	\$32	\$34		6	\$11	\$31	\$12	\$I	%		\$7	\$10
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<u>Note:</u> 1. Rent Limits are based on the HUD Low HOME Rent Limits and are subject to change annually. 2. Utility allowances determined by HACM and are subject to change annually

ATTACHMENT C

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

·	Max 100 Pt	Scale(a)
	Point	Max
	Range	Points
		
HTF dollars are less than 3% of total project cost	15	
HTF dollars account for 3 - 5% of total project cost HTF dollars account for 6 - 10% of total project cost	12	5.16
HTF dollars account for 11 - 15% of total project cost	5	
HTF dollars are more than 15% of total project cost	3	
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# of units with residents between 51% and 70% of income target	12	
# of units with residents between 71% and 75% of income target	9	d.
# of units with residents between 76% and 85% of income target	6	
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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	
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Staff experience with same type/similar project	5	20110-04-140
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Exceeds Minimum Standards	5	اللومين وقارية م رتجية. المراجع
Service Partners (b)		
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Proposal Meets Community Needs (Subjective)	1 *	
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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

ATTACHMENT C

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

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	# of units with residents below 130% of income target	12	
	# of units with residents below 125% of income target	9	
	# of units with residents below 115% of income target	6	
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NOTE: All proposals must receive at least fifty (50) points for further consideration

(o) 100 point maximum opplies 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



City of Milwaukee

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR Bethany Sanchez, Vice-Chair ALD. BAUMAN, Cecelia Gore, James HIller, Craig Kammholz, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, Mike Soika, Marcus White

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Meeting convened: 11:16A.M.

1. Roll call

Present 7 - Murphy, Hiller, Kammholz, Bauman, Madden, Peters and White

Excused 5 - Soika, Sanchez, Gore, Schmidt and Lyles

Also present: Tom Gartner-Assistant City Attorney, Mario Higgins-Community Block Grants Administration, Garry Werra-DOA-Community Block GrantsAdministration, Jeff Osterman-Legislative Reference Bureau and Jennifer Gonda-Legislative Fiscal Manager, Department of Administration, Intergovernmental Relations Division

2. Approval of the minutes of the January 18, 2008 meeting

Mr. White moved approval of the minutes, Ald. Bauman seconded. There were no objections.

Mr. Hiller said that at the January 18th meeting *Mr.* Lyles asked for this board's approval to move forward with the exploration of creating a trust for the housing trust fund. He than asked if there is an update at this time from *Mr.* Lyles?

Ald. Murphy replied in the negative.

3. Update from the Community Block Grants Administration Director relative to the award funding process

Mr. Werra said that *Mr.* Mario Higgins will give the update, because he is the person who has been working on the first project, which is the Heartland Housing, Inc., Guest House, located at 1218 W. Highland Ave.

Mr. Higgins appeared and said that he is working on the terms for the Guest House project for both the HOME funds and the housing trust funds. He also said that he is in the preliminary stage of setting the terms.

Ald. Murphy asked if the City Attorney's Office is doing the negotiation of the terms?

Mr. Higgins replied in the affirmative. He said the city attorneys that are doing the

negotiations are Assistant City Attorney Tom Gartner and Assistant City Attorney Kevin Sullivan.

Ald. Murphy asked if they are also working on the details of the terms with the other four projects that received awards?

Mr. Werra replied that the approach has been is to take the most pressing activity first. He continued to say that the 1218 W. Highland Ave project was ready to go the fastest, so they started with that project first. He said the other four are in the negotiation of the term sheet phase.

Ald. Murphy asked how many units will come out of the 1218 Highland Ave. project?

Mr. Higgins replied that there will be 24 units, 12 studio and 12 one bedroom units.

Mr. Hiller asked if there is a timeline on the completion of the agreements for all the projects before the funds will be provided?

Mr. Kammholz replied that in the funding guidelines, there is a timeline set at nine months, and if the funds weren't issued by then, the committee would go back and review and determine if it would proceed with the project or if they would withdraw the award and give it to the next project in line.

4. Discussion relative to state and federal housing trust fund legislation

Ald. Murphy said that he and Ms. Jennifer Gonda went to Madison to testify on legislation that this board and the Council had supported, that would allow Tax Incremental Districts (TID's) to be extended an additional year and that money would then be earmarked for housing trust funds.

Ms. Gonda informed the board that *Mr.* Soika also appeared in Madison for the hearing.

Ms. Gonda said that the bill passed the committee with the exception of one Senator and it passed the full Senate unanimously. She said unfortunately when it got to the Assembly, it got caught up in some political dealings and the Assembly decided not to put it up for a committee hearing. In addition, she said that she and other people have tried everything to get it moved to a committee, but nothing worked. Finally, she said she will work on it again at the next Assembly session.

Ald. Murphy asked when is the next session?

Ms. Gonda replied that it is in February.

Ald. Murphy said that after the election takes place the leadership in the Assembly may change.

Ald. Murphy asked Ms. Gonda to give an update on the legistation on Federal level, called the national housing trust fund.

Ms. Gonda said the national housing trust fund legislation is a mirror image to the bill that is in the Senate. She said it passed the House of Representatives back in November 2007. She said so far it hasn't had a committee hearing yet, but it isn't

because it doesn't have the support, it is because it is caught up in the whole foreclosure issue and the GSC reform. She said Senator Kerry's staff person assured her that they are trying everything to get it heard.

Ms. Gonda suggested that this committee may want to send a letter to Senator Kohl and Senator Feingold to encourage them to sign on as co-sponsors to the national housing trust fund legislation.

Ald. Murphy asked Ms. Gonda to put a letter together from this Board. He also asked that the letter be cc: to Senator Kerry and Senator Dodd.

Meeting adjourned: 11:29 A.M.

Terry J. MacDonald Staff Assistant



City of Milwaukee

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR Bethany Sanchez, Vice-Chair ALD. BAUMAN, Heather Dummer Combs, Cecelia Gore, James Hiller, Craig Kammholz, Vincent

Lyles, Cathie Madden, Brian Peters, Ray Schmidt, and Mike Soika

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Friday, May 9, 2008	11:00 AM	1.0	Room 301-B, City Haii

Meeting convened: 11:08 A.M.

1. Roll call

Present 8 - Murphy, Soika, Kammholz, Bauman, Sanchez, Madden, Schmidt and White

Excused 4 - Hiller, Peters, Gore and Lyles

Also present: Steve Mahan, Director-Community Block Grants Administration, Garry Werra-DOA-Community Block Grants Administration and Jeff Osterman-Legislative Reference Bureau

2. Approval of the minutes of the April 11, 2008 meeting

Ald. Bauman moved approval of the minutes, Mr. Schmidt seconded. There were no objections.

3. Update from the Community Block Grants Administration Director relative to the award funding process

Ald. Murphy asked Mr. Mahan to give an update on the funding process.

Mr. Mahan appeared and said the first term sheet has been completed; it was for the Hartland Housing/Guest House project. He said the Community Block Grants Admin. staff and City Attorney Gartner had over five conference calls with this project's group of attorneys to make this term sheet come together. He further said that it was a good learning process.

Mr. Mahan said he is currently working with City Attorney Gartner on the scheduling of the four remaining projects for the preparation of the term sheets. He said some of those groups have just finished their WHEDA tax credit application process and other layers of funding for their projects. In addition, he said that hopefully within the next two weeks they will meet with those four remaining groups to look at the different ways to wrap up their term sheet. He also said that some of those projects' term sheets will be pretty cut and dried.

Mr. Mahan said that one of the issues that they are dealing with right now is that Mercy Housing project, which received the largest housing trust fund allocation in the

homeless category, did not receive any tax credits from WHEDA.

Mr. Mahan said it will have to come back before this board and this board will need to determine what do with its project award. He advised that board members that the next formal round of WHEDA applications for tax credits will not take place until February of 2009.

Mr. Mahan said that there is a list of other projects that can be considered for a Housing Trust Fund award, in the event the current awardee can not get its tax credits. He said a Housing Trust Fund award can be reallocated.

In addition, Mr. Mahan said that he talked to Mr. Jessie Greeley with the local WHEDA office regarding the amount of tax credits given at this current round.

Mr. Mahan explained that all of the other applicants on the Housing Trust Fund list will be looking for ways to buy time, because the problem that all the applicants are facing right now is that the WHEDA tax credits that the applicants received were \$.81 to \$.85 of the dollar and most of the applicants were expecting to receive \$.93 to \$.95 of the dollar, of the project cost.

Ald. Murphy said he invited Mercy Housing to come to this meeting today to discuss the WHEDA process.

Ald. Murphy said he has had conversations with Ms. Cindy Holler about Mercy Housing's situation and they came up with a couple of options. He said he has also been in contact with City Attorney Gartner regarding Mercy Housing's situation.

Ald. Murphy said this board does have an application process and an appeal process built in if in fact an awardee isn't able to secure its funding. He also said that this board wants to make sure it doesn't hold up Housing Trust Fund dollars that could be used to fund other projects.

Ald. Murphy said that after hearing the proposals by Mercy Housing today, this board will need to take them under consideration and also work with the City Attorney to see what other scenario could assist with this situation.

Ald. Murphy said that one of the scenarios that he mentioned to Mercy Housing is that he is anticipating that this board will consider its second round of awards this fall and Mercy Housing could resubmit its application at that time.

Ald. Murphy informed board members that Mercy Housing is under some pressure right now due to the purchasing of a the property that they were looking to obtain from Milwaukee Public Schools (MPS) for the project. He said he met with the Superintendent of MPS regarding the property.

Ald. Murphy said that it is unfortunate that WHEDA graded Mercy Housing the way they did.

Ald. Murphy said this board wants to work with Mercy housing, but at the same time this board needs to consider the other applicants and to also be consistent.

Ms. Cindy Holler, President of Mercy Housing appeared to address the Board. She gave an overview on how Mercy Housing came to Milwaukee.

Ms. Holler provided some statistics that were done for homeless people in the

Milwaukee Area for one day in January of 2007. She said the total number for that one night was 714 people. She then said that the question they asked themselves is "how do they create an environment for these homeless people?"

Ms. Holler handed out a letter with attachments dated May 7, 2008 (Exhibit 1). She said that this Mercy Housing project is not dead by any means and that they are not giving up on this project.

Ms. Holler explained the WHEDA scoring system for the Mercy Housing project. She said that WHEDA did not count the leveraged dollars that this project received from the Housing Trust Fund award and from HUD. She said that the project also didn't get points for amenities, such as for a washer and dryer in the units.

She said Ald. Murphy alluded to the proposals stated in the letter she submitted and asked that this board consider those proposals and consider holding the funding award for the Mercy Housing project until the next round of WHEDA funding. She said the letter is also asking this board to work with them. She than explained the details of their proposals.

Ald. Murphy said that one of the things Ms. Holler mentioned to him during a previous phone conversation was that they need a change in their scoring with WHEDA, because even if Mercy Housing has site control, WHEDA isn't giving points for the leveraged dollars. He said the concern that all the HTFAB members would have is that if Mercy Housing would go through the process again and still get low score from WHEDA. In addition, he said this would be a substantial risk for this board to put up the funds for the purchase of the MPS property and it is also contrary to what this board's idea is, in that the housing trust fund dollars should be use as the last dollars in.

Ald. Murphy asked Ms. Holler if she has received any assurances from WHEDA that they will be willing to change the scoring process?

Mr. Mahan replied that there is city staff giving testimony today in Madison on the RFP process for tax credits. He said this amenities issue is huge and is new to the state. He said he expects feedback by next week on the recommendations that will be sent to the WHEDA board.

Ms. Holler said that she has models from other states that have this kind of housing and those state housing finance agencies have started looking at asset classes, where a certain number of points are given. For example, senior housing. She said she plans to give these suggestions to the WHEDA board.

Ald. Murphy said that the City does have a lobbyist that could be used to pursue Ms. Holler's suggestions. He said that one of the things that would be helpful, would be that once Ms. Holler has a firm understanding on how she wants the model to look, he could than have the City's lobbyist take that model as the City's position to the WHEDA Board and asked them to consider making those changes to the scoring process. He encouraged Ms. Holler to work with Mr. Mahan and Mr. Mahan will than work with him and the Judiciary & Legislation Committee to make that model a formal city position and they will lobby state legislators to make those changes.

Ald. Murphy said that the appropriate committee to take up the proposals submitted by Mercy Housing would be the HTFAB Technical Review Subcommittee. He said the HTFAB Technical Review Subcommittee should work closely with City Attorney Gartner and should come up with recommendations for a formal city position.

Ald. Murphy asked Ms. Holler if she submitted an offer for the property yet and did MPS accept it?

Ms. Holler replied that MPS did not accept an offer yet. She said she submitted her offer just this past Monday.

Ms. Holler said that MPS has changed its application process so that it can look at who is interested in it and also to get a flavor of the mission behind the offers. She said she did try to make an effort through the Dept. of City Development, Planning and Development, by asking the TID if it could hold the site, but that wasn't ecceptable and was told that the sale of the property needed to go through a competitive process.

Mr. Soika asked Ms. Holler if she could elaborate on her conversation with MPS? He asked if it is the sense that MPS is going to move forward and keep the property on the market or does she feel that MPS is willing to work with the community to move this project forward?

Ms. Holler replied that if it was a community approach it might be looked at differently, but at this time MPS will treat Mercy Housing like any other developer, in a fair process.

Ald. Murphy asked Ms. Holler for the date fo the bid closing?

Ms. Holler replied that MPS was asking \$575,000 and she bid a range of \$420,000 to \$520,000, because they need to get into the building to see what kind of improvements need to be made to make it acceptable. She continued to say that she expects to hear from MPS early next week on whose bid they accepted.

Ald. Murphy said that MPS does have to follow state law as it relates to a bid process and that means they will need to take the highest and best offer. He said he would talk to the facilities manager and express to them that this board is working with Mercy Housing.

Ms. Holler said that she did get the sense from MPS that there is some kind of negotiation process.

A motion was made by Ald. Bauman and seconded by Mr. Marcus to refer the proposals submitted by Ms. Holler (Mercy Housing) to the HTFAB Technical Review Subcommittee for review and recommendation(s). There were no objections.

Roll call taken at 11:45 A.M.

Present 7 - Murphy, Soika, Kammholz, Sanchez, Madden, Schmidt and White

Excused 5 - Hiller, Bauman, Peters, Gore and Lyles

4. Review of the housing trust fund application form and scoring sheet

Ald. Murphy asked Mr. Mahan if there have been any suggested changes received for the application form?

Mr. Mahan said that a written (Exhibit 2) request was submitted by Mr. Peters to review the accessibility portion of the application.

Mr. Mahan referred the members to page 5 of the application form (Exhibit 3) and said that there is language under "OTHER REQUIREMENTS" that says "The following accessibility standards apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:" He said there needs to be a prerequisite requirement within any project for accessibility. He said that would not be hard to benchmark to meet by an applicant. He said that in Mr. Peters' write up, it seems to be asking for universal design for all project units and that seems to be over and beyond the intent of the language that is currently in the application. He further said that the language in the application right now doesn't put a percentage on the requirement and it does have some conflicting pieces of language on page 5 of the application, such as what percentage of money that should go to accessibility.

Ald. Murphy said that this discussion relating to page 5 of the application form regarding *Mr*. Peters request on the use of "Universal Design/Aging in Place Requirement" should be held until *Mr*. Peters can be present to speak on it.

A motion was made by Mr. Soika and seconded by Ald. Bauman to refer Mr. Peters written requests to the HTFAB Technical Review Subcommittee for review. There were no objections.

Ald. Murphy encouraged Mr. Lyles to have a HTFAB Finance Subcommittee meet before the next full HTFAB meets again.

Ald. Murphy informed the board members that he will be introducing a file in the near future relating to the creation of a path for organizations to donate monies to the housing trust fund.

Mr. Mahan asked if that would include approaching United Way for charitable giving?

Ald. Murphy replied in the affirmative, but he noted that he would have to be careful on advocating as an elected official in that capacity. He said they may need to have other people doing that and that he plans to talk to the City Attorney about his involvement.

Ms. Sanchez referred back to the application form and said that when she was reviewing it, she found that there isn't anything in terms of looking at or scoring of an applicant's management plan.

Ms. Sanchez also said that several of the applications received for the Homeownership category didn't know what a five year preforma was and some of the applicants wouldn't have needed a five year proforma, because it would not have fit within their kind of project.

Ald. Murphy said that those points made by Ms. Sanchez should also be taken up by the HTFAB Technical Review Subcommittee.

Mr. Werra said that Ms Madden also submitted some suggestions.

Mr. Soika commented that the City's comment on the WHEDA tax credits given this year went from an anticipated \$.91 down to \$.83 of the dollar, of the project cost, is exactly why this housing trust fund is essential for Milwaukee and that is the message that needs to be given.

Ms. Holler explained that what is happening in the market right now is that all the banks are losing money because of the high rate of foreclosures and since those

banks are not making money right now they don't need the tax credits right now either. This is why a lot of projects are not getting funded by WHEDA.

Mr. Schmidt asked Ms. Holler what was the value of the tax credits for the Mercy Housing project?

Ms. Holler replied that they would have been lucky enough to get \$.87. She than explained the couple reasons why they received the amount they did for their project.

Ald. Murphy said that this may have an impact on some of the other projects that received awards. He further said he wouldn't be surprised if some of those other applicants came back and said that they are short, because they had counted on receiving .93 cent.

Mr. Mahan replied that some of the applicants have already come back and said that.

Mr. Schmidt said that there are a lot of companies in the City of Milwaukee that are making a good profit.

Mr. Lyles said that there is not as many companies out there that are buying tax credits that this board may think.

Ald. Murphy asked if Northwest Mutual has been approached regarding buying tax credits?

Mr. Lyles replied that Northwest Mutual generally looks at projects that are much larger when buying credits, such as in the \$100 million a year range. He further said that they don't usually look at small projects.

Ald. Murphy said it would not hurt to ask. He asked Mr. Lyles to put an item on his HTFAB Financing Subcommittee agenda relating to discussion on how to go about approaching Northwest Mutual and other companies in Milwaukee to sponsor a project. He said that they should also try and get some people to come to a HTFAB Finance Subcommittee meeting that have knowledge on this kind of issue. He said the HTFAB Finance Subcommittee should also work on coming up with some ideas to put in a letter on how to approach companies.

Ald. Murphy said that he is going to be speaking at Northwest Mutual on a presentation on workforce housing at a conference that they are sponsoring. He said he would try and talk to Mr. Ed Sawyer on that issue as well.

Ms. Sanchez said that Mr. Leo Ries had put together a group that is looking at what happen and what didn't happen in the first round of housing trust fund awards and he would be interested in appearing to discuss what they found with this board.

Mr. Soika asked if the Housing Trust Fund Advisory Board meeting dates could be changed?

Ald. Murphy suggested the meetings take place on the second Thursday of the month. There were no objections.

Ms. Sanchez said that Mr. Mahan mentioned that the next round of housing trust fund awards would take place in the fall and asked if that could be done sooner than that? Ald. Murphy replied that city staff time needs to be considered.

Mr. Mahan replied that due to the tax credit issue, the first term sheets would have to be done right before moving on to additional awards.

Ms. Sanchez asked if there is a way that something could be put out in the community that would explain to the community what is going on with the housing trust fund and why the pace is the way it is? She said she would like to be able to explain to people who are asking what the hold is.

Ald. Murphy replied that he would put a memo together as the chair of the Housing Trust Fund that could be put on the website and also mailed out, that would explain the award process. He asked the board members to e-mail him any suggestions for the wording for this memo and he would have something put together by the next board meeting for approval.

Ms. Sanchez said that all of Mr. Peters written suggestions should be discussed.

Ald. Murphy replied that all of Mr. Peters written suggestions will be taken up by the Housing Trust Fund Advisory Baord Technical Review Subcommittee.

Meeting adjourned: 12:08 P.M.

Terry J. MacDonald Staff Assistant

	EXHIBIT	
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Mercy Housing

May 7, 2008

Mr. Steven L. Mahan, Director Community Development Grants Administration City of Milwaukee Milwaukee, WI 53202

Re: Johnston Center Residences

Dear Mr. Mahan:

As you are aware, on February 1, 2008, Mercy Housing Lakefront was generously awarded a \$750,000 allocation of funds from Milwaukee's newly formed Housing Trust Fund for the Johnston Center Residences. This important project proposes to house 89 very low-income formerly homeless and/or mentally ill persons in permanent supportive housing – a housing type which is new to the Milwaukee market. The Johnson Center Residences will provide permanent supportive housing for very-low income (below 30% of the median income) single men and women. This housing type supports semi-independent living through the provision of on-site tenant supportive services.

Finding and securing appropriate sites for this type of housing is often challenging. In partnership with the City of Milwaukee, an appropriate site was selected at 1230 W. Grant Street which involved both a rehab of an existing building and the acquisition and new construction on an adjacent site. The Johnston Center Residences has received the zoning designation necessary for project completion. (Exhibit "C"),

Attached you will find a rendering and the design development drawings for the Johnston Center Residences. (Exhibit "A") The project will include 89 single-room occupancy units, on-site supportive services for the residents, and 24-hour front door security. The project enjoys the support of the City, the County, the Department of Housing and Urban Development, and the local alderman. The County has committed \$750,000 in funding for the project from its own Housing Trust Fund and the Department of Housing and Urban Development awarded the project \$1.2 million in operating subsidies to insure its long term success.

On February 1st, 2008, Mercy Housing Lakefront ("MHL") submitted an application for lowincome housing tax credit financing to the Wisconsin Housing and Economic Development Authority (WHEDA). Unfortunately, there were many competitive projects which were also submitted to WHEDA at the same time and the Johnston Center Residence did not receive an allocation of credits in this funding round. WHEDA has strongly encouraged Mercy Housing Lakefront to resubmit the Johnston Center Residence again in the next funding round in February of '09 and has made two suggestions for how to strengthen the project's application so it could win an allocation of funding to complete the project. The two suggestions are as follows:

- 1) WHEDA encouraged MHL to spell out the terms and conditions of its City and County Trust Fund awards in the application.
- 2) The Johnston Center Residences requires the acquisition of an adjoining parcel to the City owned building is proposes to rehab. The site is now occupied by a non-profit organization that uses the site as warehouse space. MHL proposed to relocate the willing non-profit to an alternate site which had not been identified at the time of the WHEDA application. WHEDA encouraged MHL to firm up its site control by identifying and securing a relocation site for the non-profit prior to resubmission.

Mercy Housing Lakefront has now identified a relocation site for the non-profit corporation occupying the adjacent land. On May 5th, Mercy Housing Lakefront submitted a Letter of Intent to the Milwaukee Public Schools ("MPS") for a warehouse space it has offered for sale about 1 mile away at 2977 South 20th Street which would be a suitable relocation site and acceptable to the non-profit.

The purpose of this letter is to propose, for consideration by the Milwaukee Housing Trust Fund Board, the terms and conditions of its award to Mercy Housing Lakefront's Johnston Center Residences. We strongly believe that if the Milwaukee Trust Fund agrees to support the Johnston Center Residences in this manner, MHL will be able to submit a successful application for WHEDA funding of this important project in February of '09.

Trust Fund Award Amount:

\$750,000

Structure of Award:

30-Year 0% Interest Cash Flow Loan

Drawdown of Trust Fund Award:

During the next 90-120 days, MHL proposes to drawdown up to \$300,000 of the \$750,000 commitment of funds from the City's Housing Trust Fund for the purposes of acquiring the MPS relocation site for the Mexican Fiesta non-profit. The remaining \$450,000 will be used for build out of the relocation site and rehab and construction of the Johnston Center Residences. These remaining funds will be drawn down at the commencement of construction in October of '09 or AFTER the award of tax-credits is made by WHEDA.

Risk Sharing Arrangement between Developer, City of Milwaukee and County of Milwaukee:

The cost of acquiring the land and buildings for the relocation site and the sales related soft costs are estimated to be:

\$550,000 - Maximum estimated acquisition price to Milwaukee Public Schools for Relocation site. This price would be verified by a third-party appraisal.
\$ 30,000 - Broker's Fees
<u>20,000</u> - Appraisals and other sales related costs
\$600,000

Mercy Housing Lakefront proposes that the City of Milwaukee allow the use of \$300,000 for the relocation acquisition from its Housing Trust Fund. In the proposed risk-sharing arrangement, the County of Milwaukee will also allow MHL to use up to \$300,000 of their Trust Fund award for the same purpose. Mercy Housing Lakefront will evidence its existing \$184,000 investment in architectural fees and engineering fees related to the zoning approval for the site.

Recourse: (What happens if project doesn't receive tax-credits and complete?)

Advances made for the relocation site, as outlined above, will be non-recourse to the non-profit housing developer, but will be secured by a note and mortgage on the relocation site. In the event the project does not proceed to construction as scheduled, MHL will be obligated to sell the property acquired for the relocation site and return all proceeds after the cost of the sale to the County and City to repay their advances from their respective housing trust funds. The developer will have no further obligation to repay the HTF loan; however, no proceeds from the sale will be utilized to repay the developer for its \$184,000 pre-development investment.

Timeline

Mercy Housing requests that the Johnston Center Residences project have 36 months from the date of commitment from the Housing Trust to completely draw down funds, though it expects, as noted above, an initial draw in 120 days. Attached as Exhibit 'B' is a revised schedule for the Johnston Center Residences. While we realize that this timeline is a departure from what the committee originally intended, we believe this structure gives the Trust Fund the collateral and risk sharing necessary to protect its funding and insure it is utilized to serve low-income people. It will also allow time for MHL and its partners to advocate for changes in WHEDA's scoring system so the agency can better support permanent supportive housing projects as it relates to project-amenities, project size and the unique kinds of leverage and outside federal resources that a permanent supportive housing brings.

Mercy Housing Lakefront respectfully requests the City of Milwaukee's Housing Trust Fund board to entertain the request as outlined above The Johnston Center Residences were meant to be a demonstration of how permanent supportive housing can help address the needs of very low-income people in the City of Milwaukee.

Sincerely,

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Cindy M. Holler, President Mercy Housing Lakefront

cc: Martha Brown, City of Milwaukee Maria Prioletta, City of Milwaukee Jim Hill, County of Milwaukee

Mexican Fiesta Acquisition/Relocation Program

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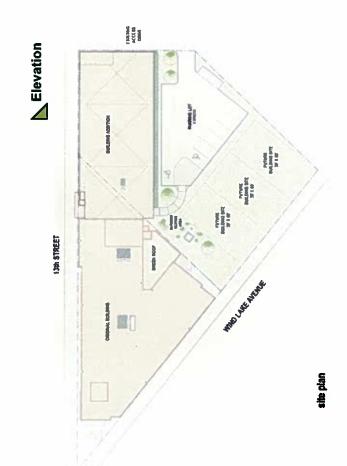
Steps

10/1/2009 Da(C) Mercy Housing Lakefront obtains financing for acquisition of Mexican Fiesta relocation site. Mercy Housing Lakefront assists Mexican Fiesta with building improvements. Mercy Housing Lakefront receives Notice of Acceptance of Offer from MPS. Mercy Housing Lakefront responds to LOI with offer to purchase MPS site. Mercy Housing Lakefront receives Tax Credit allocation from WHEDA. Mercy Housing Lakefront enters into Purchase Agreement with MPS. Mercy Housing Lakefront begins construction on Mexican Fiesta site. Mexican Fiesta moves to new location and gives existing site to MHL Mercy Housing Lakefront reapplies for Tax Credits with WHEDA Mercy Housing Lakefront closes on Johnston Center financing. Mercy Housing closes on MPS relocation site

(90 days) 4/15/2009 7/15/2009 5/26/2008 8/25/2008 9/30/2009 5/5/2008 9/15/2008 9/18/2008 2/2/2009 8/1/2009

Updates Johnston Center Residences - Milwaukee The Johnston Center Residences received the necessary zoning change in December for the existing building and the adjacent development site. The project was awarded \$750,000 from the Milwaukee Housing Trust Fund in February.





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	EXHIBIT	
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April 11, 2008

To: The City of Milwaukee Housing Trust Fund Advisory Board CC: Steven Mahan; City of Milwaukee CBGA Program

Re: Concerns regarding first round of funding.

The Housing Trust Fund Advisory Board has worked hard since its inception to create the structure of future rounds with the new application form and the ranking system. While I am pleased with our overall work, I do have some concerns that I would like addressed before the next round of funding.

Universal Design/Aging in Place Requirement

There seems to be some inconsistency in the results with the requirement for design that is more accessible than the minimum requirements of Fair Housing. Currently, applicants are required to have Universal Design, Aging in Place, or another design criteria approved by us, for multi-family units. I propose that the Advisory Board adopt a standard for this. There are two versions of Universal Design checklists being drafted. The first, by Wisconsin Coalition of Independent Living Centers (WCILC) is list of recommendations list that we can adopt wholly or in part. The second one, by Wisconsin's Uniform Dwellings Code commission, will list what is required before a place can market itself as Universal Design. Although UDC applies to single-family housing, many, if not all, of the same requirements can be applied to multi-family housing. Alternatively, we can consider using WHEDA's checklist with a minimum point requirement. Aging in Place already has a certification process that can be used.

Matching/Leveraged Dollars

I am concerned that the leveraging requirements of the application will screen out worthy proposals, particularly in the homeownership category, that may not have the ability to leverage dollars to the extent we would like. I believe we should explore how smaller, but worthy, applications will not be excluded because of a lack of available dollars.

Homeownership

There is a requirement for a specific percentage of dollars allocated toward each of the three categories; 25% for Homelessness, 35% for Rental, and 25% for Homeownership. By my math, \$625,000 of the bonds should be used toward the Homeownership category, in addition to \$100,000 from the budget allocation. There has only been \$68,000 used toward the Homeownership category at this time. That means for the next round, we need to allocate \$657,000 toward Homeownership. In the last round, there were five proposals

totaling \$791,500 requested for Homeownership, of which three had no leveraged dollars. I believe that a) we need to reconsider the leveraged dollar requirement and b) publicize this category for the upcoming round.

Due to the short timeline before the next round of applications, I propose that we create workgroups to focus on those issues to be completed by the meeting next month.

Sincerely,

Brian Peters Housing Policy Advocate

	EXHIBIT
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APPLICATION FOR FUNDING FY2007



APPLICATION FOR FUNDING FY2007

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund services that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

FUNDING GUIDELINES

- A <u>minimum</u> of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A minimum of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

HOUSING TRUST FUND ACTIVITIES MUST OCCUR IN THE CITY OF MILWAUKEE

REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF MILWAUKEE WILL BE REJECTED



APPLICATION FOR FUNDING FY2007

Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Funds may not be used as the primary source of funds for any project.

ELIGIBLE APPLICANTS

- 1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.
- 2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

AFFORDABILITY REQUREMENTS

- 1. <u>Rental Housing:</u> Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
- 2. Owner-Occupied Housing and Homeownership: Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.
- 3. <u>Housing and Services for the Homeless:</u> All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.



APPLICATION FOR FUNDING FY2007

INCOME ELIGIBLITY

1. <u>Owner-Occupied Housing:</u> Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are based on the CMI and are subject to change annually.

2. <u>Rental Housing and Housing for the Homeless:</u> Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income.

Please refer to Attachment A for current Housing Trust Fund income limits

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Extend the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

Please refer to Attachment C for a detailed description of application scoring measures.



APPLICATION FOR FUNDING FY2007

OTHER REOUIREMENMTS

The following accessibility standards apply to all new construction or substantial rehabilitation of housing supported by Housing Trust Fund dollars:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.
- The design principles of any one of the following:
 - 1. Aging in place
 - 2. Universal design
 - 3. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.
- For new housing units in one- to three-unit structures, each ground-floor unit shall be constructed to the following "visitability" standards:
 - 1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
 - 2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
 - 3. Powder room (half bath) on the main-level floor that has:
 - i. A doorway entrance with a minimum 32" clear passage opening;
 - ii. Sufficient space to close the entrance door while the room is occupied;
 - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.
- Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.



APPLICATION FOR FUNDING FY2007

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding*.

Completed applications and required attachments must be received at the Community Development Grants Administration office <u>no later than 4:00 p.m. on Wednesday, October 10, 2007.</u> No extensions will be granted. Submit the original and fifteen (15) copies to:

> Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647. Your application will begin when your complete application has been received, including all items indicated below:

- A fully completed application. If a question does not apply, indicate this on the application.
- Applicants should include audited financial statements for three years, if in existence for less than three years, all statements received to date (balance sheets, cash flow statements, and profit and loss statements). For special limited purpose corporations, the supporting organization's statements.
- Tax returns for three years (Individual 1040, Corporate 1120, Form 990, and Partnership 1065).
- Project or Business plan
- Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- Market analysis for projects containing twelve or more residential units.
- Resumes and qualifications of the development team.
- Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- A minimum 5-year projected pro-forma
- An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- Post rehabilitation or new construction appraisal



APPLICATION FOR FUNDING FY2007

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding will be notified by mail within 30 days of Common Council action.

In addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

ALL AWARDS ARE SUBJECT TO NEGOTIATION OF FINAL TERMS.



APPLICATION FOR FUNDING FY2007

Organization Name:		
Organization Address:	City	Zip
Contact Person:	Title	
Telephone Number:	Fax:	
E-Mail:	FEIN	

Indicate the amount requested in the appropriate category below. <u>*Please submit a separate application</u>* for each category being requested.</u>

> The use of HTF dollars is currently limited to capital improvement (brick and mortar) activities. Housing Trust Fund dollars may not be used as the primary source of funds for any project.

Activity	2007 Funds Available	Amount Requested
Homelessness	\$750,000	
- Rehabilitation of Existing Facility		\$
- New Construction of Facility		\$
Rental Housing	\$1,000,000	
- Rehabilitation of Existing Structure		\$
- New Construction		\$
Home Ownership	\$750,000	
- Rehabilitation of Existing Structure(s)		\$
- New Construction		\$
- Owner-Occupied Rehabilitation		\$
TOTAL	\$2,500,000	\$
Indicate the percentage and amount of HTF fund be used to fund accessibility improvements or m	•	% \$

<u>Proposals must be authorized and signed by the Chief Executive Officer -AND- an official of the Board of Directors.</u>

Signature:	Date:	
Printed Name:	 Title:	
Signature:	 Date:	
Printed Name:	 Title:	

City of Milwaukee Housing Trust Fund Application Page 8 of 19 Revised September 2007



APPLICATION FOR FUNDING FY2007

PART I: PROJECT DESCRIPTION

1. <u>Describe the Project</u>: Briefly identify the project location and the specific activity to be completed.

- a. If project involves construction or rehabilitation, please attach photos of the site and sketches or drawings of the proposed project.
 - _____ Photos and/or sketches are attached
 - Project does not involve construction or rehabilitation
- b. If the project involves the provision of services, briefly describe the specific services to be provided.

Project does not involve the provision of supportive services

- 2. Households/Clients Served: Briefly describe the specific population to be served, including target income level and special needs populations, as applicable.
- 3. Indicate the unduplicated number of units/household to be served



APPLICATION FOR FUNDING FY2007

DO NOT WRITE	
For City of Milwaukee I	<u>HTF Use Only</u>
Reviewer's Comments:	Score:



APPLICATION FOR FUNDING FY2007

PART II: PROJECT TIMELINE

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

MONTH	EVENT(S)

For City of Milwaukee HTF Use On. Reviewer's Comments:	Score:



APPLICATION FOR FUNDING FY2007

PART III: PROJECT SITE CONTROL, ZONING, & ENVIRONMENTAL ISSUES

1.	Site Control is in the form of:
	Deed
	Purchase Agreement
	Option (Expiration Date)
	Other
	a. Please Attach Written Documentation of Site Control
2.	Site is currently zoned:
	a. Please Attach Written Verification of Zoning Designation
3.	Is the zoning appropriate for your project?
	Yes No
	If no, is rezoning currently in process and when is it anticipated that this issue will be resolved?
	Date
4.	Describe what, if any, Environmental Assessment activities have been conducted.

a. Please attach a copy of any environmental findings/reports received.

DO NOT WRITE BELOW For City of Milwaukee HTF Use Only		
Reviewer's Comments:	Score:	



APPLICATION FOR FUNDING FY2007

PART IV: PROJECT FINANCING

1.	Please Attac	h the	Following	Items
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- Sources and Uses of all funds
- Development Budget
- Project 5-Year Pro-Forma
- Cash Flow Statement

2. Please describe the specific use of Housing Trust Fund dollars:

3. Has the project secured a firm commitment from a construction lender?

Yes No

4. Has the project received a conditional commitment from a construction lender?

_____ Yes _____ No

5. Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with.

Lender Name	Phone number
Contact Person	
Address	
Commitment Amount \$	Rate/Term
f Milwaukee	Page 13 of 19

City of Milwaukee Housing Trust Fund Application Page 13 of 19 Revised September 2007



APPLICATION FOR FUNDING FY2007

6. Identify the project total amount of other funds (private and/or public) that would be leveraged by the Housing Trust Fund dollars.

Funding Source	Amount Leveraged
	¢
	\$
	\$
	\$
	\$
	\$
TOTAL FUNDS LEVERAGED	\$

For City of Milwa	ukee HTF Use Only
Reviewer's Comments:	Score:



APPLICATION FOR FUNDING FY2007

PART V: CAPACITY AND EXPERTISE

1. Has your agency previously undertaken this type of project before?

_____ Yes _____ No

a. If yes, identify the three most recent projects completed:

2. Identify the staff responsible to complete the project and indicate any experience specifically related to this project

For City of Milwaukee	e HTF Use Only
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APPLICATION FOR FUNDING FY2007

PART VI: FURTHERANCE OF HOUSING TRUST FUND GOALS

1. Describe the accessibility improvements or modifications that will be included as a part of this project:

2. Explain how this project serves the lowest-income segment of the population:

3. Does the project affordability period exceed the minimum period required by the Housing Trust Fund (please refer to page 3)?

Yes No

Affordability Period Required by HTF: (years)

Affordability Period Proposed for Project: ______ (years)



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. . . .

CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING FY2007

	Yes	No	
a.	If yes, please	e describe:	
	s this project en neighborhood?	ncourage neighborhood diversity and increase housing cl	noices withi
	Yes	No	
a.	If yes, please	e describe:	
	<u></u>		
 a.	Yes If yes, please	No	
neig	hborhood, such	ordinate with and enhance the work of other entities in t a as employers, business improvement districts, schools, j ervice agencies?	
	Yes	No	
a.	If yes, please	e describe:	



APPLICATION FOR FUNDING FY2007

- 7. Will this project facilitate the movement of persons from institutions into the community?
 - Yes No
 - a. If yes, please describe:
- 8. Will the project use contractors who pay family-supporting wages for all workers on the project (family supporting wages are defined as \$8.25 per hour)?
 - ____ Yes ____ No
 - a. If yes, please describe:

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Reviewer's Comments:				Score:	
				-	



APPLICATION FOR FUNDING FY2007

PROPOSAL CHECKLIST - YEAR 2007

Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office <u>no later than</u> <u>4:00 p.m. on Wednesday, October 10, 2007.</u> No extensions will be granted.

Submit the original and fifteen (15) copies to:

Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Faxed or electronic applications will not be accepted. <u>All proposals received after the closing date noted</u> above will be returned to the applicant without review.

PLEASE BE CERTAIN TO

- > Complete and submit 1 original and 15 unbound copies of all documents:
- > Attach all required supporting documentation as requested in the application.
- If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will be discarded.

If your Application is funded, additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.

ATTACHMENT A

CITY OF MILWAUKEE HOUSING TRUST FUND INCOME LIMITS - 2008

					Household Size	ld Size			
Income Level	Application	1	2	3	4	5	6	7	8
50% of CMI	Rental and/or Homeless Housing Projects (Any Amount of HTF Assistance)	23,700	27,100		30,450 33,850 36,550 39,250	36,550	39,250	41,950	44,700
	Owner-Occupied Housing - Substantial Projects (HTF Assistance More than \$5,000)	30,794	35,181	35,181 39,609	43,997	47,531	43,997 47,531 51,025 54,559	54,559	58,094
100% of CMI	Owner-Occupied Honsing - Modest Projects Including Acquisition & Rehabilitation, Acquisition, New Construction or Rehabilitation of Owner-Occupied Housing (HTF Assistance is \$5,000 or less)	47,375	54,125	60,938	67,688	73,125	47,375 54,125 60,938 67,688 73,125 78,500 83,938 89,375	83,938	89,375

1. Income Limits are based on the HUD HOME Program Limits and are subject to change annually.

Revised 04/08

ATTACHMENT B

CITY OF MILWAUKEE HOUSING TRUST FUND RENT LIMITS AND UTILITY ALLOWANCE SCHEDULE - 2007

	BUILDI	NG TYPE	BUILDING TYPE: Detached Single	ed Single		- - - -				BUILDIN	BUILDING TYPE: Duplex	Duplex		0		BUILDI	BUILDING TYPE: Three or More Units	: Three	or More	Units	
BEDROOM SIZE:	<u>0BD</u>	IBD	2BD	3BD	4BD	5BD	6BD	<u>0BD</u>	1BD	2BD	3BD	4 BD	5BD	6BD	0BD	IBD	2BD	3BD	4BD	5BD	6BD
Maximum allowable rent if all following utilities are paid by Landlord	\$51 0	809\$	\$726	\$ 915	\$ 942	\$1,083	\$1,225	\$510	\$608	\$726	\$16\$	\$942	\$1,083	\$1,225	\$510	\$608	\$726	\$ 915	\$942	\$1,083	\$1,225
1. <u>HEATING</u> Gas	\$29	\$ 36	\$58	\$71	\$85	\$97	\$110	\$27	\$33	\$54	\$66	£19	06\$	\$103	\$25	\$31	\$50	\$61	\$73	\$83	\$ 95
Oil	\$66	\$80	\$131	\$162	1618	\$ 221	\$252	\$ 61	\$74	\$122	\$151	\$177	\$206	\$234	\$56	\$69	\$113	\$139	\$164	\$190	\$217
Electric	\$36	\$ 44	\$72	\$88	\$102	\$119	\$135	\$33	\$41	\$67	\$82	\$95	\$111	\$125	\$31	\$38	\$62	\$76	\$88	\$102	\$116
2. WATER HEATING Gas Oci	\$\$ \$10	\$10 \$10	\$12 \$12	\$15 \$15	\$16 \$16	\$19 \$19	\$22 \$22	20 28	\$10 \$10	\$12 \$12	\$15 \$15	\$16 \$10	\$19 \$46	\$ 22	\$8 \$20	\$10 \$73	\$12 \$78	\$15 \$15	\$16 \$40	\$19 \$46	\$22 \$51
Electric	314 \$14	\$18	\$23	\$28	5 32	\$ 36	\$40	\$14	\$18	\$23	\$28	\$ 32	\$36	\$40	514	\$18	\$23	\$28	\$32	\$36	\$40
3. LIGHTING/ REFRIGERATION	\$15	\$22	\$28	\$31	\$34	\$37	\$40	\$15	\$22	\$28	\$31	\$34	\$37	\$40	\$15	\$22	\$28	\$ 31	\$34	\$37	\$40
4. COOKING																					
Gas	\$5	\$ 6	\$7	\$\$	6 \$	\$10	\$11	\$5	\$6	\$7	S 8	\$	\$10	\$11	3 2	\$6	\$7	\$8	89	\$10	S 11
Electric	\$5	\$7	83	\$10	\$11	\$12	\$13	\$5	\$7	\$9	\$10	\$11	\$12	\$13	\$2	\$7	\$9	\$10	\$11	\$12	\$13
5. WATER & SEWER	\$16	\$16	\$18	\$28	\$31	\$33	\$36	\$16	\$16	\$18	\$28	\$31	\$33	\$36	\$16	\$16	\$18	\$28	\$31	\$33	\$36
<u>TRASH</u> /SNOW&ICE	\$12	\$12	\$12	\$12	\$12	\$12	\$ 12	\$12	\$12	\$12	\$12	\$12	\$12	\$ 12	\$ 12	\$12	\$ 12	\$12	\$12	\$12	\$12
6. STOVE	\$1	\$1	\$1	\$1	1\$	15	\$1	1\$	S 1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	15	\$1	31	\$I	\$1
7. REFRIGERATOR	\$2	\$2	\$2	\$2	\$ 2	\$2	\$2	\$2	\$2	\$ 2	\$2	\$2	\$2	\$ 2	\$2	\$2	\$ 2	\$2	\$2	\$ 2	\$2
8. FIXED CHARGES								 													
Electric	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	51	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Gas	\$10	\$10	\$ 10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$1 0

<u>Note:</u> 1. Rent Limits are based on the HUD Low HOME Rent Limits and are subject to change annually. 2. Utility allowances determined by HACM and are subject to change annually

ATTACHMENT C

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

	Max 100 Pt	Scale(a)
	Point	Max
	Range	Points
Leveraged Dollars		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	
Income Targets - Please Use Attached Chart	44411010442444	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[
Affordability Period	5	10
Meets HTF Affordability Period (Required - Zero Points)	0	
Exceeds HTF Affordability Period by 25%	2	
Exceeds HTF Affordability Period by 50%	5	
Execeds HTF Affordability Period by 75%	8	
Exceeds HTF Affordability Period by 100% or more	10	
Use of City of Milwaukee (resident) workers (Total Project)	-	5
Less Than 18% Milwaukee (resident) workers	State State St	
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	
Use of City, County, or State EBE (Total Project)	1 22222	
Less Than 18%	-5	
18% EBE	L	
24% EBE	2	
30% EBE	3	
36% EBE	4	
More than 36% EBE	5	
Neighborhood Diversity		5
Project Increase neighborhood diversity in housing choices	5	
Green Building Principles	= _ ~ -=	5
Project Utilizes Green building Principles	5	and - million
Coordination with Community Institutions		- 5
Project is Coordinated with Community Institutions	5	High Service
Community Integration		
Move persons from institutions to community	5	
Family Supporting Wages (applies to entire project)	·····	
Vendor/Contractor pays employees a minimum of \$8.25 to \$10.25 per hour	l I	anni II-
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	
Experience		10
Agency experience with same type/similar project	5	
Staff experience with same type/similar project	5	
Accessibility improvements or modifications	111 H.H. ((1112) (1112)	
Meets Minimum Standards	14	S. Date:
Exceeds Minimum Standards	5	
Service Partners (b)	or cos = 000 min	
Provision of services on site w/out use of HTF \$	5	- Margar
Construction Financing	st press need of the	1
Construction Loan is Firmly Committed	5	
Construction Loan is Conditionally Committed	2	
Construction Loan is not Identified	ō	
Proposal Meets Community Needs (Subjective)	tel tel transmittanten a	15
TBD by Reviewer	0-15	
Total Points		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



Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD FINANCE SUBCOMMITTEE

Fhursday, June 12, 2008	10:00 AM	Room 301-B, City Hall

Meeting convened: 10:06 A.M.

1. Roll call

Present 3 - Peters, Schmidt and Lyles

Excused 2 - Sanchez and Madden

Also present: Tom Gartner, Assistant City Attorney Mr. Leo Ries, Executive Director of Local Initiatives Support Corp. (LISC)

2. Approval of the minutes of the December 3, 2007 meeting

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

3. Discussion on creating an overall Trust for future housing trust fund monies, e.g.,

Mr. Lyles said that they will begin the discussion today on the idea of creating a trust, such as how it would look and what are the next steps that will need to be taken to create a trust. He advised the members that he has invited Attorney Brent Gregory with the law firm to join this subcommittee today to talk about the details of his background on trusts. He also said they will discuss Ald. Murphy's suggestion on how to approach organizations for money donation to the housing trust fund.

Attorney Brent Gregory appeared and thanked Mr. Lyles for inviting him to appear today. He explained that he is a trust attorney and has been in practice for about 33 years. He said he was also the past President of the Village of Whitefish Bay's Library Board and was in that capacity when the Village made plans to build a new library. He said the building of that new library was a public and private partnership, where the Village committed some monies and the Library Board was committed to raising money through private sources.

Atty. Gregory said that he thinks that what this subcommittee may be looking for is a fund in the form of an endowment. He suggested that one of the things the housing trust fund board should look at is finding some kind of seed grant or channeling some money from say a foundation, corporation or a wealthy individual that could be set aside to start an endowment. He said that money would then provide a stream of funds to be use in the future.

Atty. Gregory said there would be some concerns about setting aside some or all of the current monies already set aside by the city to start a trust, because there is the need right now for affordable housing due to the high number of foreclosures and homeless people.

Atty. Gregory continued to say that in his review of the housing trust fund resolution (060071) he found that it does says that there is a provision that specifies how monies committed to the fund should be used. He said the ordinance indicates specific rules for at least 85% of trust funds, but it also says that the remaining 50% or less shall be set aside for flexible use to respond to whatever housing needs the advisory board identifies. He said that may be a basis to channel those remaining funds into a trust or endowment.

In addition, he said that a typical trust would include a trustee, a beneficiary and the grantor (The person who is donating the assets to the trust). He said this trust or endowment would be somewhat different from a private trust fund, because there is a already a specified public purpose and the beneficiary is already specified. he said the details on how the funds would be managed, such as the period of time this trust would be in existence and whether it would except private funds or would just use public funds are things that the advisory board would need to determine.

Mr. Peters asked how could they prevent the city from taking the money out of the trust or endowment and use it for another purpose?

Atty. Gregory replied that is something that would have to be specified in an ordinance or resolution when creating the endowment. He said he agrees that the funds would need to be protected.

Atty. Gartner offered some examples on how that type of situation has been addressed in other cases. He said the advisory board would have two primary objectives, the first would be to create a mechanism that would allow it to segregate the housing fund outside the city's budget process so that the funds could be carried over year to year and that could also serve as a repository for repayment if the program started to make more loans that would generate repayment revenues; the second objective would be to set up a mechanism so that private donors making contribution could make tax exempt contributions.

Atty. Gartner said some examples on ways similar things have been done in the past, would include the situation with the Milwaukee Economic Development Corp. or the Neighborhood Improvement Development Corp (NIDC), which are private 501c3 corporations that were created with City participation and are considered separate entities. He said both of those operate pursuant to a corporation agreement with the city, with city staff providing services, but both have complete control over thier own accounts and assets. He said that in the case of NIDC, a lot its assets were created through cooperative arrangements with the Redevelopment Authority where loans were made and when repayment came in those repayment were segregated into NIDC. He said another example might be the Milwaukee Tech High School situation, where the Milwaukee Public Schools, UWM, MATC and Milwaukee County created a Tech Commission and that body took the steps to create its own foundation, which is basically a 501c3 corporation. He said it then was able to go out and raise funds and enter into contracts, etc.

Mr. Ries appeared at the table and said that he and Ms. Madden have been looking at ways to engage the private sector in funding the housing trust fund. He said in the course of those conversations they had included Mr. Robert Henken the new President of the Public Policy Forum and he made them aware of an initiative he would like to take and that is to encourage greater cooperation between the city and county. He said he is also working with Mr. Henken on doing a study on what other cities have done in terms of creating a structure to accommodate private sector contribution. He said they are looking at how to create a new entity that could represent the interest of the city and county and also a vehicle for private sector investment. He said the City Attorney's example of Milwaukee Tech is a great example, because the City and County contributed to it and yet they were also able to attracted significant other investors.

Mr. Ries continued to say that he has already met with the Mayor, Aldermen and Mr. Henken and at this time he is in the process of building support for this funding concept and hopefully taking this concept to the next level, which is the study and then the creation of a structure. He said this would accommodate the goals of this subcommittee.

Mr. Gregory said that creating a 501c3 organization would be a good way to protect the funds and would attract private donors. He said that is the structure that the Village of Whitefish Bay Library Board used to attract donors.

Mr. Lyles asked *Mr.* Gregory how was the Library structured to meet its goal, such as did they set a timeline, was there a dollar amount goal and did the City match the dollars donated?

Mr. Gregory replied that the library did set a timeline for the building of and the actual construction of the library. He said before they got the underway the Library Board did a feasibility study for what they could likely raise from private sources and what the village could commit. The Library Board went back to the village with a proposal based on the feasibility study. The village board did advise the Library Board that it would need to raise more monies then what it proposed. He said the project eventually was completed and under budget.

Mr. Lyles asked if the Library Board's 501c3 organization was then terminated or did it have a sunset provision?

Mr. Gregory replied that the 501c3 organization was in existence as long as the Library Board was collecting donations, but it wasn't seen as a perpetual endowment and it continued for about 5 years from the onset. He said that the Housing Trust Fund's needs would be on going.

Atty. Gartner said that the NIDC doesn't have any specific rule on how its funds are administered, but it does have a board and guidelines and it does have the ability to make changes to its policy.

Mr. Schmidt said that this subcommittee had discussed some investment options at past meetings and asked if those could still be considered? One of those investments options that was discussed was a contribution from the Milwaukee pension fund.

Mr. Ries replied that this structure that is being considered could accommodate public investment options that were discussed previously. *Mr.* Reis also mentioned that the work he is doing with *Mr.* Henken will be to revisit those dedicated public funds, including the real estate transfer tax.

Mr. Lyles said that his hope is that this trust fund would be the icing on the cake that will go along with what the City and County commits. He said he doesn't envision today or even tomorrow that there will be enough money spinning off from a trust to support the true needs, but some of the needs could be met from the earnings, along with what is committed by the city on an annual basis.

Mr. Schmidt asked *Mr.* Ries if there is a time table on when the study that he and *Mr.* Henken are doing is going to be done?

Mr. Ries replied that it could happen pretty quickly. He said he is meeting with Ald. Murphy and County Supervisor Dimitrijevic to get their blessing on it, before they proceed.

Mr. Schmidt asked what are the elements of study going be?

Mr. Ries replied by that he has a draft copy of the proposal, but he doesn't want it to be a public record yet. He said some of the research questions will be: What are potential funding sources that might exist to supplement existing funding provided by the City and County? Should the city and county formally combine their efforts? How should the funds be housed?

Mr. Lyles thanked *Mr.* Gregory for appearing before this subcommittee today and sharing his insight.

Mr. Lyles asked *Mr.* Gregory if the Village of Whitefish Bay library project had a private sector trustee?

Mr. Gregory replied in the negative. He said the Village Clerk keep track of the funding.

Mr. Lyles thanked Mr. Ries and Atty. Gartner for appearing today.

4. Next meeting date, time and agenda

Mr. Lyles said that it is convenient to have the Finance Subcommittee meeting on the same day as the full advisory board meeting.

Mr. Lyles said that future meeting will take place at 10:00 A.M. on the second Thursday of every month. There were no objections.

Meeting adjourned: 10:40 A.M.

Terry J. MacDonald Staff Assistant



City of Milwaukee

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR Bethany Sanchez, Vice-Chair ALD. BAUMAN, Heather Dummer Combs, Cecelia Gore, James Hiller, Craig Kammholz, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, and Mike Soika

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Meeting convened: 11:08 A.M.

1. Roll call

- Present 10 Murphy, Soika, Hiller, Kammholz, Sanchez, Peters, Dummer Combs, Gore, Schmidt and Lyles
- Excused 2 Bauman and Madden

Also present: Garry Werra, Dept. of Admin., Community Development Grants Administration, Assistant City Attorney Tom Gartner, and Jeff Osterman, Legislative Reference Bureau

2. Approval of the minutes of the May 9, 2008 meeting

Mr. Lyles asked that the minutes be amended as follows: On page 6, in the middle of the page in the paragraph that starts out "Mr. Lyles replied..." change the \$1 million to \$100 million.

Ms. Gore moved approval of the minutes as amended, *Mr.* Lyles seconded. There were no objections.

3. Discussion relating to the WHEDA Qualified Allocation Plan for 2009

Ald. Murphy introduced Mr. Leo Ries, the Executive Director of the Local Initiatives Support Corporation (LISC). He said he thought it would be important to hear about the WHEDA process, because a number of the housing trust fund applicants rely upon funding from WHEDA.

Mr. Ries appeared and said that it was disappointing how the WHEDA allocations played out this year. He said that every two years WHEDA revises its Qualified Allocation Plan (QAP). He said there are several steps in the QAP process. The first is to meet with developers, which took place in May. The second step was to create an advisory board, which he was a member of, and that board has been created and has had two meetings already. The third step is that the WHEDA staff prepares a draft proposal, and that has been done and has been posted on WHEDA's website. The proposal is than reviewed by the governor's office and then the WHEDA board will meet in August to approve the revised QAP. He said now is the time for groups, officials, etc. to weight in on the new QAP proposal.

Mr. Ries said that in early May, LISC convened a meeting with various developers from the community and his memo (Exhibit 1) that he provided to the board members provides a summary of what came out of that meeting. He said most of the people who showed up at the meeting were mainly city-based developers. He said that representative for some of the bigger non-profit developers, such as Hartland and Mercy Housing, etc., were not at the meeting, because they couldn't make it. He said he would be interested in those bigger non-profit developers' reactions to some of the points listed in the summary.

Mr. Ries said the second document he gave to the board members is called "Major Changes" (Exhibit 2) and that is the list of proposed changes that WHEDA provided to the advisory board for review.

In addition, Mr. Reis provided a copy of a draft of a letter (Exhibit 3) that the LISC board has approved to send to the Governor. He said the letter focuses on a few points that his organization is advocating for the proposed changes to the 2009 QAP.

Mr. Ries than explained each of the major changes, listed in the "Major Changes" document.

Ald. Murphy asked Mr. Ries if he knows how much money WHEDA is thinking about setting aside for 2009?

Mr. Ries replied that it is 10% of the total allocation, which could easily be sufficient to support two major housing projects per year.

Mr. Ries than went on to elaborate on each of the three major issues that are noted in the draft letter from LISC to the governor. Those issues are as follows:

- 1. A trend toward rewarding projects that utilize fewer tax credits;
- 2. Decreasing support for small developments; and
- 3. Continue over emphasis on "Preservation projects".

Ms. Sanchez said that she was wondering about the recommendation to reduce the mix income projects and said that it seem to be a desirable way to include affordable housing in neighborhoods and to increase integration.

Mr. Ries replied that it is desirable, but under the reasons stated for urban environments, in LISC memo, it isn't that significant, because the market rents are so close to affordable rents.

Ms. Sanchez replied in the affirmative if the developers are not using other deep subsidys, but they can combine with housing trust funds to bring those rents down then that's not necessarily the case.

Mr. Ries replied that under smaller deals it is more difficult to have mixed income, because you have to come up with deeper subsidies to compensate for the market. He said he wasn't tracking that issue very closely, because it wasn't the two or three issues that he was working on. He said he can't really give a thoughtful response to Ms. Sanchez's points.

Mr. Hiller asked *Mr.* Ries to elaborate on the definition that is written in *Mr.* Reis memo under "Transparency Issues, Awarding points section", that says "The manner in which points are awarded for developer/management team give too much discretion to WHEDA".

Mr. Ries replied that the advisory board didn't have a chance to discuss that issue, but WHEDA is actually proposing a scoring matrix for the developer and management team. He said he has a copy of WEHDA's proposed scoring changes, (Exhibit 4) if Mr. Hiller would like to see it.

Mr. Hiller asked is there a concern about competition?

Mr. Ries replied in the affirmative. He said that some of the same developers received four or five project awards. He said that If the same developers get the awards each year it is a disincentive for other developers to come in.

Ald. Murphy asked Mr. Werra if the city's Community Development Grants Admin. (CDGA) or the Housing Authority has taken a formal position on the proposed WHEDA's 2009 QAP?

Mr. Werra replied that CDGA hasn't, but the Dept. of City Development (DCD) has been working closely on the proposed 2009 QAP with LISC and other the agencies involved.

Ald. Murphy asked if a letter has been sent by DCD regarding this the proposed 2009 QAP?

Mr. Ries replied that he has been working closely with Maria Prioletta, but doesn't know if DCD has prepared a letter.

Ald. Murphy said that he will invite Ms. Maria Prioletta with the DCD to appear at July's Housing Trust Fund Advisory Board meeting to discuss what the DCD's plans are regarding a formal position on WHEDA's proposed 2009 QAP. He said this board could also draft a letter.

Mr. Soika commented on Ms. Sanchez's comment earlier on the mixed income projects and said that tax credits typically fund projects that run 50-60% CMI and the whole point of the housing trust fund is to drive those projects down to something less than 50% CMI. He said that if this board is saying that it doesn't matter, that could hurt.

Ald. Murphy said that Ms. Sanchez should put together a memo that would elaborate on the mixed income issue for this board to review and at its next meeting.

Mr. Ries replied that WHEDA did make some changes to the mixed income issue, for example, it increased points if it served large families, from 12 to 18 points, and it increased the number of points for those projects that serve the lowest income residents, from 50 to 70. He said that there is other changes as well.

Ald. Murphy asked Mr. Ries for a copy of WHEDA's 2009 QAP proposed changes.

Mr. Ries said he will leave a copy of the WHEDA's proposed changes (Exhibit 4) for the board members.

4. Communication from Ms. Cindy Holler, President of Mercy Housing Lakefront requesting an extension on the use of Housing Trust Fund award

Ald. Murphy said that Mercy Housing Lakefront submitted a letter to this board and came before this board at its last meeting to elaborate on the fact that the Mercy Housing project did not receive its tax credits from WHEDA. He said today the discussion will be on the written request (Exhibit 5) received from Mercy Housing Lakefront to grant them an extension of its housing trust fund award.

Ald. Murphy asked Atty. Gartner if there is any legal issue that would prevent this board from granting an extension of the housing trust fund award given to Mercy Housing Lakefront?

Atty. Gartner replied in the negative.

Mr. Lyles said that he has concerns that this could be setting a precedent for this board. He explained that WHEDA changes its application every two years and because it is such a fluid process, he worries that this board will be held up by a process that it has no control over.

Atty. Gartner said that historically this board has had a number of discussions about timing and setting fairly stringent parameters on projects, but the primary concern was maintaining the ability at the board level to reallocate funds to projects in the event that a particulate project that received an award was unable to proceed. The focus was primarily on retaining some discretion at the board level to deal with those types of circumstances.

Ald. Murphy said he will address both those issues brought up by Mr. Lyles and Atty. Gartner.

Ald. Murphy said that when this board was created it recognized that a project's financing is based on layers and if one doesn't work it will fall apart. He said the intent was to give this board the flexibility to deal with these types of issues. He also said that this is an advisory board and the final decision is up to the full Council.

Ald. Murphy said he is not concerned that this will set a precedent, because at this point in time the extension will only be for eight months. He said this project was given the biggest award and that it scored the highest, therefore, this request is worth consideration by this board.

Mr. Hiller asked does the applicants who were not successful in the first round have aright to challenge this extension request and if an extension is given will there be a deadline on it or is it open ended?

Atty. Gartner replied that any one can attend these HTFAB meetings and be heard, but there isn't an appeal process. He replied that as far as the extension request there is no requirement or set limitation for an extension.

Mr. Soika said he isn't worried about setting a precedent and that this board reserves the right to make decisions on a case- by-case basis.

Mr. Schmidt asked if any one knows what the situation is regarding the non-response by the Milwaukee Public Schools regarding the MPS property for sale?

Ald. Murphy replied that the MPS brokers will probably try to negotiate the quick sale of the property, because they are looking for their commission. He further said that he had advised Mercy Housing this morning that he and/or the Mayor will be willing to contact the MPS Superintendent to ask for an extension for the purchasing of the property in question.

Mr. Ries said that he would be very surprised if Mercy Housing didn't get a WHEDA allocation next year.

Mr. Lyles said that the points raised by *Mr.* Soika and *Mr.* Reis are important to recognize as it relates to WHEDA's focus, but not only will Mercy Housing be submitting a WHEDA application for tax credits in the next round, but there will also be several other developers submitting WHEDA applications for tax credits as well.

Ms. Gore replied that there is the second round.

Mr. Lyles replied that there wouldn't be as much money available, now that the tax credit pricing is such that there will always be additional subsidy going forward. He said the tax credit market was \$.96 on the dollar last year and this year it is at \$.82 on the dollar.

Mr. Ries said that for informational purposes, the WHEDA tax credit application is not an easy application to complete, there are a number of threshold tests that the applicants have to meet and it's not something that can be put together in 6 months. He said that if there are other applicants out there they would have heard about them by now.

Ald. Murphy asked someone from Mercy Housing to come to the table.

Mr. Barry Mullen, Vice President of Real Estate Development for Mercy Housing Lakefront appeared at the table.

Ald. Murphy asked Mr. Mullen to elaborate on the status of the MPS property.

Mr. Mullen said that he heard back from the MPS brokers and they want to move forward and work with Mercy Housing. He said the Mercy Housing's letter of interest on the property outlines a series of steps that will need to be dealt with to make sure the property is suitable for its needs. He said he thinks the best option right now is to simply take an option and that it would also depend on if Mercy Housing receives an allocation from WHEDA next year.

Ald. Murphy said that the option route is probably the best route to take right now and that the city will assist Mercy Housing in this effort.

Ms. Sanchez asked what is WHEDA's time line, as far as when are the WHEDA applications due and when does the award announcement take place?

Mr. Mullen replied that the next round of WHEDA applications are due in February of 2009 and the award announcement will take place in April 2009. He continue to say that there is also a due date of July 15th for projects that received awards, to submit their second series of information and at that time some of the awardees may fall out.

Ald. Murphy said that since the market for tax credits has changed due to the credit crunch, he asked if Mercy Housing's initial application to WHEDA will change, by asking for a higher contribution?

Mr. Mullen replied that Mercy Housing's current application had an estimated tax credit

pricing of \$.87 on the dollar and that the projects Mercy Housing are doing in Chicago have a pricing in the same area or higher. He said because Mercy housing is a national organization it is in the position to negotiate.

Ald. Murphy said that Mercy Housing's initial award was \$750,000 and asked if they would be looking for a greater subsidy?

Mr. Mullen replied in the negative and said they may see a slight increase in construction cost.

Mr. Lyles asked if it is possible to use a portion of HTFAB monies to buy the MPS property?

Ald. Murphy replied that that suggestion did come up, but based on the HTFAB guidelines that can not be done. He said that the view of the HTFAB has been that the HTFAB monies should be the last monies that go into the project.

A motion was made by Mr. Soika, seconded by Ms. Gore that the housing trust fund award to Mercy Housing Lakefront be extended until April 2009. Mr. Lyles, Schmidt and Kammholz voting no. (7-3) The motion prevailed.

5. Update from Mr. Vincent Lyles, Chair fo the HTFAB Finance Subcommittee

Mr. Lyles said that this morning the Finance Subcommittee met and had Atty. Brent Gregory with the law firm of Wille, Gregory & Lundeen, who is a trust and estates attorney, appear to talk about setting up a trust. Atty. Gregory said that a mechanism is already in place for this Board to set up a trust. He said according to its enabling resolution there is 15% of the housing trust fund monies that could be used to start a trust. Mr. Lyles said that Atty. Gregory said that in order to create a trust it would need a large seed grant, because the trust wouldn't kick off a lot of monies in the initial years. This seed grant could come from a large private or corporate donation. He said that this would function like an endowment, where funds or property is put aside for a period of time and then the interest and/or earnings that it bears over its life would go to a specific purpose.

Mr. Lyles said that Atty. Gartner was also present at that HTFAB Finance Subcommittee meeting and he pointed out that this Board will want to create a mechanism that is out side the City's budget process to protect the funds. Atty. Gartner used the NIDC and Milwaukee Tech Foundation as examples.

In addition, Mr. Lyles said that Mr. Leo Ries appeared and told the HTFAB Finance Subcommittee that there is already work being done behind the scenes, where a study is being contemplated by the Public Policy Forum. He said as part of the study it will include the creation of a trust idea that could be look at as a way to sustain the housing trust fund and it will also include the collaboration of both the City and County.

Ald. Murphy said he recently put in legislation that will give an avenue for the City to accept private donations up to \$250,000.

Ald. Murphy said that he is meeting with Mr. Zilber, his staff and the new individual with the MacArthur Foundation next week to discuss the Housing Trust Fund. He asked Attorney Gartner to attend that meeting with him to explain the idea of creating a trust or endowment.

Ald. Murphy said that it would be helpful if something could be spell out in writing on the idea of creating a trust and have it brought to the next HTFAB meeting for review. He asked that examples be included.

Roll call taken at 11:58 A.M.

- Present 9 Murphy, Soika, Hiller, Kammholz, Bauman, Sanchez, Peters, Dummer Combs and Gore
- **Excused** 3 Madden, Schmidt and Lyles

6. Update from the Community Block Grants Administration relative to the award funding process

Attorney Gartner said that he has been in contact with the attorneys for the St. Catherine's project and that project is under way. He said he is waiting to hear from them about the grant agreements.

Atty. Gartner also said that the Milwaukee Christian Center will be the next applicant to move though the process.

7. Discussion on the scheduling of the second round of Housing Trust Fund awards

Ald. Murphy asked if there is any feedback regarding when the second round of funding would take place?

Mr. Kammholz said that the Technical Review Subcommittee met a couple of weeks ago to review the application and scoring sheet. He said the subcommittee plans to meet again to review and vote on those changes and will forward those recommendations to this board for final approval at its July 10th meeting.

Mr. Kammholz said that he thinks they should be able to start the second round of applications at the end of the third, beginning of the forth quarter of this year.

Meeting adjourned: 12:02 A.M.

Terry J. MacDonald Staff Assistant



To: Interested Parties

From: Leo J. Ries, Executive Director LISC – Milwaukee

Date: May 8, 2008

Re: WHEDA's 2009 QAP

On May 6, 2008 a number of individuals, who work on affordable housing in Milwaukee, met to consider the tax credit allocation process in the State of Wisconsin. The following is a summary of that discussion.

Key recommendations:

- 1. Encourage high quality, low density developments by increasing points for smaller projects
- 2. Decrease emphasis on Preservation projects
- 3. Create a new category for supportive housing projects
- 4. Increase the set aside for nonprofit developers
- 5. Give greater consideration to local preferences and priorities
- 6. Change the way in which market studies are handled
- 7. Encourage expanded developer involvement by limiting the number of awards to a single developer in any given year
- 8. Implement procedural changes to increase the transparency of the process

Specific recommendations:

- 1. Add 12 points to the 24 units or less category and get back to 24 points
- 2. Add 20 points back for locations near jobs and mass transit
- 3. Raise or eliminate the cost cap.
- 4. Eliminate points for RCAC.
- 5. Instead, create a new set aside for supportive housing, and in the scoring give extra points for the strength of the service provider
- 6. Significantly reduce target and percentage set aside for preservation projects.
- 7. Use different scoring for Preservation projects to encourage competition.
- 8. Reduce points for mixed income in QCT areas due to the significant drop in tax credit sales price
- 9. Increase the nonprofit set-aside to 20%
- 10. Limit the number of projects that can be awarded to a single developer each year – two (2) seems like a reasonable number; 64% of the credits

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awarded this year went to just 6 firms (some states even limit the number of applications that can be submitted each year)

11. Give consideration to priority projects as ranked by the local municipality

Summary of concerns/issues with the current QAP and allocation process:

- Current scoring decreases support for smaller, "neighborhood-friendly" projects
 - Emphasis on larger developments tends to concentrate LI residents in large developments and reduce the likelihood for projects that address economic development.
 - Emphasis on larger developments runs against national trends that tent to favor "sustainable" development linked to and leveraged by other public investments – e.g. transit-oriented development
 - Typically smaller developments are within the financial capacity of nonprofit development corporations and emerging, minority developers.
 - Smaller developments lease up faster, spur economic development activities in many neighborhoods and lead to a disciplined and incremental development approach.
 - Higher quality, lower density developments are desirable for the following reasons:
 - 1. These projects create a "design standard" in blighted neighborhoods for other projects that follow
 - 2. These projects generate more economic development projects in LI neighborhoods
 - 3. These projects result in higher quality and safer environments for residents
 - 4. These projects create a more positive perception of affordable housing
 - 5. Smaller projects encourage more competition and enables more developers to enter the field
 - 6. These projects generate property tax revenue for municipalities
 - 7. These projects generate more investor/ equity interest
 - 8. These projects are less likely to distort local markets through over-building
- Current scoring strongly favors Preservation projects
 - Basically no competition for preservation projects currently funded on a 1:1 basis – even non-deserving projects were approved
 - ✓ Many preservation deals could work with 4% credits, so why use the more precious 9% credits?
 - ✓ There are not many opportunities for preservation in Milwaukee, but we do have vacant lots that need developing
 - ✓ If the preservation category stays at 40%, then the category should be broadened to include adaptive re-use
 - ✓ Generally, Preservation projects do not add tax base for local municipalities due to the "fix up, paint up" nature of an <u>existing</u> development as opposed to a new development that adds value to the tax base.

- Some "preservation" projects were initially poorly designed and/or maintained over the years. In some cases tax credits provided a higher than market acquisition price effectively bailing out poor design and/or management.
- ✓ Preservation developments also tend to cluster low income residents in a concentrated area.
- Consideration of local priorities & local knowledge:
 - ✓ The City of Milwaukee provides WHEDA with a ranking of preferred projects – how is this ranking treated by WHEDA? In some cases the City and / or the County have made financial commitments, yet these priorities seem to be disregarded
- Developer qualifications
 - ✓ In evaluating developer experience, developers should be given credit for local knowledge and local involvement – often "outside" developers may have impressive credentials, but have no understanding of local conditions
 - ✓ A big problem seems to be that projects are being designed to maximize the score for tax credits rather than the needs of the community or appropriateness – e.g. some sites are inappropriate even if the site "scores" well; projects are designed with a RCAC component, but the developer has no expertise in that area
 - Consequently, greater consideration needs to be given to local preferences
- Market studies and market issues:
 - Although market studies are required, the results are often disregarded by staff – proposals are thrown out on the basis that there is "no market" regardless of what the market study says
 - Every neighborhood is different you can't base a market study for a project in one Milwaukee neighborhood based on an assessment of the market in the entire city
 - ✓ Since market studies seem to discounted by WHEDA, perhaps market studies should be a "post submission" item – i.e. after the initial allocation decision
 - Some states allow an early submission of the market study, so the developer has a sense of how the HFA views the location of the proposed development
 - Applications for tax credits are getting very expensive up to \$40,000 – and this pricing some developers out of the market
 - Perhaps studies from the previous year should be accepted rather than requiring new studies
 - ✓ WHEDA needs to expand the list of approved market study providers (perhaps encourage minority providers, like WHEDA is doing with developers and contractors)
- Cost cap:
 - Urban projects (especially in QCT) are more expensive due to
 Contamination /environmental issues

- 2. Soil compaction issues due to non structural fill placed in most vacant properties;
- 3. The higher use of DBE firms;
- 4. Storm water management plans;
- 5. Design requirements and Municipal reviews (brick and first floor commercial)
- 6. The need for secure indoor parking in urban areas.
- 7. Higher operational costs
- For example, a developer could theoretically use modular construction, but then it would more difficult to reach DBE / MBE goals
- Mixed-income points are hard to achieve in LI urban markets due to market rent levels not being substantially different than tax credit units. This leads to a larger financial gap for QCT developments that you find in most large cities. Housing development in urban areas are primarily a revitalization tool rather than an affordable housing development tool.
- Why are there no points for mixed use?
 - ✓ it would seem that in urban environments, you would want to encourage linkages and integration into the streetscape

Transparency Issues:

- Awarding points
 - The manner in which points are awarded for developer / management team give too much discretion to WHEDA
 - ✓ Applicants should be told up front how they "score"
 - Developer / management agent "scores" should be shared, so that developers can assemble teams with the greatest likelihood for approval
 - ✓ Other states are more transparent team is scored according to specific criteria i.e. successfully completed X projects, etc.
 - Developers should be told prior to April 15th why points are being rejected so that supplemental information can be provided – sometimes evaluators take off points based on a misunderstanding only to learn, after the fact, that a mistake was made
- Showing the scores of applicants
 - Scores should be shown for all groups on the waiting list, so that everyone knows how the waiting list is ranked
 - ✓ Some states show all scores above the threshold requirements
- Returned credits & "left-over" credits
 - ✓ How is the use of returned credits prioritized?
 - ✓ When credits are not completely utilized in a set aside (e.g. the nonprofit set aside), they are allocated to a project "next in line" and then that project receives the first priority for credits in the next round – this is problematic, because in the next round there

may be a more deserving projects then the one that is left over from the previous year

- Timing of the QAP
 - ✓ It is hard to plan for a strong proposal if the QAP comes out in November / December and an application is due in early February – developers need to know WHEDA's priorities sooner so that they can plan accordingly

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WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY 2009-2010 Wisconsin Qualified Allocation Plan <u>Preliminary-For Discussion Only</u> MAJOR CHANGES

Scoring Changes:

- Category 1 Lower-Income Areas. Decrease from 15 to 10 points.
- Category 2 Location. Change name to "Location and Energy Efficiency". Increase from 20 points to 30.
- Category 3 Local Support. No major changes.
 Category 4 Mixed-Income Incentive. Decrease from 25 to 15 points.
- Category 5 Serves Large Families. Increase from 12 to 18 points.
- Category 6 Serves Lowest-Income Residents. Increase from 50 points to 70 points.
- Category 7a. Resident Populations with Special Needs. Change name to "Supportive Housing". Add project based voucher requirement.
- Category 7b. Create sub-category for Elderly Assisted Living/RCACs. Decrease points from 25 to 15 or 20.
- Category 8 Small Developments. Decrease points from 12 to 6. Increase development size from a maximum of 24 to 30 units.
- Category 9 Market Appeal. No major changes.
- Category 10 Accessible Design. No major changes.
- Category 11 Financial Participation. Expand local/municipal financial participation options. Decrease points from 40 to 25.
- Category 12 Ownership Characteristics. No major changes.
- Category 13 (new category) Eventual Residential Ownership For 6 points
- Category 14 Development Team. Decrease from 60 to 45-50 points. Add ability to reduce score up to 15 points for failure to deliver on previous deals (i.e. Amenities, accessibility, etc.)
- Category 15 Readiness to Proceed. No major changes.
- Category 16- Credit per Unit. Increased points from 15 points to 35.

QAP/Process Changes:

- 1. **Set-Asides:** Reduce preservation set-Aside from 40% to 30%. Create Supportive Housing Set-Aside.
- 2. Developer Fee Policy: Eliminate 15% fee for 24 units or less and for HUD/RD deals. All will be 12%. Only exception: 4% LIHTC deals in which 25% or more is deferred.
- 3. **Process:** Revise allocation schedule to issue Reservation Agreements at award, rather than wait 90 days.
- 4. Process: Added site inspection at 8609 issuance.
- 5. **Revised Appendix M to the application:** Changed name from Energy Efficiency" to "Design Requirements". Added "universal design" elements and some additional energy efficiency requirements.
- Fees: Fees for document re-issuance (i.e. Reservation, Carryover, 8609 etc.) doubled from \$250 to \$500. Re-issuance fees for 8609s shall be \$250 per 8609 document.

EXHIBIT

June 5, 2008

Honorable Jim Doyle, Governor State of Wisconsin P.O. Box 7863 Madison, WI 53707-7863

DRAFT

Dear Governor Doyle,

I am writing in my capacity as a business leader and as Chairman of the Advisory Board for LISC – Milwaukee. Specifically, I'm writing to discuss with you some proposed changes to the 2009 QAP (Qualified Allocation Plan) for the Low Income Housing Tax Credit Program which is administered by WHEDA.

As you know, LISC (Local Initiatives Support Corporation) is a national nonprofit intermediary that provides financial and technical assistance to community-based organizations, public agencies and private (for-profit) entities focused on the redevelopment of urban neighborhoods and rural communities. Founded in 1979, LISC works in 30 metropolitan areas throughout the nation to assist its various partners in the development of affordable multi-family and senior housing, homeownership opportunities, commercial enterprises, community facilities and various communitybuilding programs such as employment, day care, health care and open space. Since LISC began working in Milwaukee in 1995, over \$20 million has been invested in the form of grants, loans and loan guarantees; nearly \$35 million has been invested as equity through Low Income Housing Tax Credits and New Market Tax Credits. These local investments have leveraged \$202,372,633 in additional investments in Milwaukee neighborhoods.

All of us who serve in a voluntary capacity with LISC are motivated by our deep concern for the well-being of Milwaukee's central city neighborhoods which, we believe, is critical to the long-term, economic well-being of the entire state of Wisconsin.

We want to acknowledge and commend, unequivocally, the great work that is being done by WHEDA's executive director, Antonio Riley. Under his leadership, we've seen an infusion of energy and creativity that has benefited Milwaukee and the entire state of Wisconsin greatly.

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We are aware that WHEDA is currently considering changes to the 2009 QAP. The QAP is the policy document that will guide WHEDA's allocation of Housing Tax Credits for the next two years. We are very encouraged by some of the changes being proposed including a reduction to the setaside for "preservation housing" from 40% to 30% and creation of a new 10% set-aside for special needs housing.

Having said that, there are a few areas of concern that we would like to bring to your attention. One of the stated objectives for the State's QAP is to "support community-initiated and neighborhood-supported affordable housing plans". We strongly support that objective, however, some of the proposed changes to the QAP run contrary to that stated goal. There are three specific issues that we would like to bring to your attention:

- 1. A trend toward rewarding projects that utilize fewer credits for housing units produced
- 2. Decreasing support for small developments (i.e., projects with 24 or fewer units).
- 3. Continued over-emphasis on "Preservation projects"

Although, we're sure it is not intended, each of these trends implies a certain anti-urban bias, since development in an urban environment is more expensive and more complicated than "green field" development. Some of the reasons for this disparity are the following:

- There is less vacant land in urban environments and site assembly is more complicated.
- There is often sub-surface soil conditions due to non-structural fill used when previous structures were demolished.
- There is generally a higher use of MBE/DBE firms.
- There is a requirement to incorporate storm water management plans and often more demanding design requirements and municipal reviews.
- There is often the need for secure indoor parking and higher operational costs.

Trying to produce more units for the same amount of money may on the surface appear to be an admirable goal; however, it is really a short-sighted strategy. I think most people would prefer to have fewer units of high quality, rather than concentrating low income individuals in large complexes that will not stand the test of time. For these reasons, we strongly encourage you and the WHEDA Board not to change the scoring for "Credit per Unit" category.

Similarly, relative to small developments, while we recognize that these projects may be more expensive on a per unit basis, these projects bring

numerous secondary benefits in distressed urban neighborhoods like we have in Milwaukee. These smaller, "neighborhood-friendly" projects are desirable for many reasons, including:

- They blend into the neighborhood context and act as a stimulus for complementary development, especially in neighborhoods that have not seen new development in decades.
- They lease up faster and are less likely to distort local markets through over-building.
- Typically, smaller developments are within the financial capacity of nonprofit development corporations and emerging, minority developers. Hence, these projects encourage more competition and enable more developers to enter the field.
- Smaller developments are more in line with national trends that favor "sustainable" development linked to and leveraged by other public investments – e.g. transit-oriented development.
- These projects result in higher quality and safer environments for residents and reduce the concentration of low income residents in large "project-like" facilities.

For all these reasons, we hope that you and the WHEDA Board will return the scoring for "Small Developments" to level it was at in during the 2005/2006 QAP, i.e. 24 points.

Although we're pleased that WHEDA is proposing to reduce the set-aside for "Preservation projects" from 40% to 30%, we believe this is still in excess of what is necessary. During the last round of allocations, there was a dearth of competitive preservation projects. Clearly, even a 30% setaside is more than what is needed at this time. Because of the set-aside, some preservation projects secured an allocation with fewer than half the points of projects that were denied credits in other categories. While we agree that it is critical that the State preserve federally subsidized units, perhaps a better way to do this would be to eliminate the set aside completely and instead provide a large allocation of points (30 – 50 points) for preservation projects. Using this approach, preservation projects would receive a significant advantage in scoring, but in other respects would compete with other worthy projects.

We would welcome the opportunity to discuss these issues in greater depth at your convenience.

Thank you for your consideration.

Sincerely,

Michael Weiss, President General Capital Group LLP Chair, LISC – Milwaukee Advisory Board

C: WHEDA Board Members

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20098 -Self Scoring Exhibit

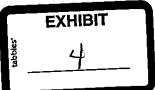
DRAFT 2009- Version 5 15 08

Calculate Applicant Scores for your development on this Exhibit. You must proactively choose or decline participation in each scoring category. Points will not be awarded if not requested, or if the required documentation for a category is not submitted, is insufficient, or is in an unacceptable form. Applicants must commit via written agreements to actions supporting points awarded in scoring categories. Once a development has executed a Reservation of Credit, no changes to the development score will be allowed.

WHEDA will determine final point scores after reviewing information provided by applicant. If two or more applicants receive the same score, the application with the highest percentage of units set aside at 30% and 40% of county median income will be ranked the highest. A secondary tiebreaker, if needed, will rank

All developments must score at least 12000 points to be eligible for Credit. Points ending in a fraction will be rounded down. WHEDA reserves the right to change this threshold as it deems appropriate.

	2008 Maximum Points	
1. Lower-Income Areas	1015	
2. Location/Energy Efficiency	3020	1
3. Local Support	27	<u> </u>
4. Mixed-Income Incentive	1525	
5. Serves Large Families (Three-bedroom or larger units)	1842	
b. Serves Lowest-Income Residents	7050	
7. a Resident Populations with Special Needs/Supp Hsg OR	2525	
7. b. Elderly Assisted Living-RCACs	1542	
8. Small Developments	6	
9. Market Appeal	20	······
10. AccessibleUniversal Design	230	~~ <u>~</u>
11. Financial Participation	2540	· · · · · · · · · · · · · · · · · · ·
12. Ownership Characteristics	6	
13. Eventual Tenant Ownership		
43. Project Team	5060	
54. Readiness to Proceed	15	
65. Credit per Unit	3545	
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coring Total	VVV000	
-	XXX362 38196	



2. Location and Energy Efficiency - Maximum Score -(3020 Points)

Points will be awarded to developments in which location and design promote long term energy conservation, in which indoor air quality is maximized and in which recycled materials are incorporated.

In scattered site developments, two-thirds of the sites must meet criteria to receive points in any of the subcategories

	Points	Description	٦
		Infill Location (New construction and adaptive reuse only)	-
	1045	The following. criteria will be considered by WHEDA in determining whether a site is infill or not:	
		Select all that you believe apply to the project:	+
Ø		Site has had water, electric, gas, and sewer service for at least 15 years	İ
riac	suce	Site platted and subdivided for at least 15 years	-
·	- N	Site directly bounded on at least three sides by existing developments	
Mara .	fugart	Site is in downtown, urban, or central city area	1-
that Tot	and with	Provide corroborating information with this application (i.e., site map, land use plan, dated plat map, dated aerial or other photos, certified survey map, fact letter from local planner or zoning official, etc.). WHEDA, in its sole discretion, will determine whether the corroborating information satisfies infill requirements.	
outor	5	Public Transportation Points will be awarded to dDevelopments located no more than two tenths (0.2) of a mile (2) city blocks from a regularly scheduled bus stop OR developments served by government-supported transportation services (service must be door-to-door and be offered at a clearly subsidized rate). Provide corroborating information with this application.	
	1	Indoor Air Quality (1 point)	-
	1 1	Check box next to all that apply:	
	i –	Developments using Energy Star-labeled bathroom fans (exhausted to the outdoors a	1
		equipped with a humidistal sensor or timer). AND using Energy Star-labeled power ve	<u>100</u>
			<u>inie</u>
	¦L	fans or range hoods (exhausted to the outdoors)	<u> </u>
		Resource Conservation (3 points for each item below)	1.
	36	Check box next to all that apply:	┢──
		3 Minimum of 20% recycled content material – excluding mechanical equipment and	<u> </u>
		electrical equipment. Architect Certification required	
			<u> </u>
		3 Minimum of 35% of wood products that are (A) salvaged wood, (B) engineered material	<u>ais</u>
		and/or Forest Stewardship Council certified wood products and materials. Architect	Í
		Certification required.	<u> </u>
		National Green Standards	ŀ
	10	Points will be awarded to developments certifying they will be thave been built according to one of the	
	(martine	following national green building standards: LEED, Green Communities Program, or NAHB. The	İ.
	<u> </u>	architect must certify the building will be/has been built to the standard. It is not necessary to provide	
		the actual certification from the national standard.	
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	[Focus on Energy Consultation	1
		Submit a letter from Focus on Energy, stating that the applicant has met in person with Focus on	
	3 1	A STATE AND A STAT	[
	3	Energy staff to review this proposed development for possible energy savings ideas. (website	
	ž	Energy staff to review this proposed development for possible energy savings ideas. (website http://www.focusonenergy.com)	

Points	Description
<u>15</u>	Municipal Support Support is indicated on the attached Local Notification Form Support = 15 No position or opposed = 0
· · · · · · · · · · · · · · · · · · ·	Maximum 15 polnts
6	Community Support. Check box Two (2) points for each letter of support from local non-elected municipal officials, local elected public officials other than individuals signing Local Notification Form, local housing-related neighborhood
· · · · · · · · · · · · · · · · · · ·	groups, or local housing authorities. The letter(s) must not be neutral and must clearly demonstrate favorable support. The letter(s) must not be from multiple individuals from the same entity/organization.
	The letter(s) must not be from an official from a different jurisdiction. The letter(s) must be received by WHEDA no later than the apolication deadline date. Maximum 6 points
<u>6</u>	Financial Support. Check box Evidence of 1) government OR non-government-funded offsite improvements that benefit the development. Must total a minimum of 5% of the total development budget to be eligible for points.
	The offsite improvements must have occurred within the previous twelve months or are to be completed within the next twelve-month period (budget commitments or documented expanditures must be
	provided). Types of improvements normally considered include, but are not itmited to: New or upgraded access road, parks, schools, walkways, community facilities or utility extensions, (Routine maintenance)
	or service items are not included.). Improvement or TIF/TID boundary shall be no more than 2/10ths of a mile distant from the development.
· ·	
	Maximum 6 points

4. Mixed Income Incentive (1525 Points)

Percentage of market-rate units in development. Score 1.0026 (one & one-quarter) points for every percentage point of market-rate units in the development as a whole, up to 1525 points.

Number of Market Rate Units]	
Total Units		= XX %	
Multiplied by 1.0025	X 1.0025	= XX Points	

Note: Applicants with scattered site developments should consult with their tax or legal counsel before selecting points in this category. See IRS Code Section 42(g) (7).

Developments electing points in Category 4 (Mixed Income) may be subject to a reduction in Credit by the equity gap calculation. In order to encourage and essist developments in providing both market rate units and very low rent units, epplicants are allowed an "override" of the equity gap model if the application provides for at least as many 30% CMI units as market rate units proposed.

Applications scoring points for Supportive Housing are prohibited from scoring points in this category. Applications in the Preservation Set-Aside are prohibited from scoring points in this category unless specifically designed to accommodate an 'over-income' person. Provide documentation,

5. Serves Large Families (1842 Points)

Divide the number of three-bedroom (or larger) <u>low-income low-income</u> units by total number of low-income units. The market study must support the need for three-bedroom units.

All units (including Preservation units) New construction or adaptive rouse units must have ground floor individual (private) entrances and washer/dryer hookups for three bedroom units to claim points. Only townhouse, single family and duplex style construction are acceptable. New construction units must be 50% CMI or below to claim points.

Applicant must provide architect's certification with initial application showing <u>washer/drver hookups</u> these features and construction styles will be incorporated into the development.

Three-Bedroom (or Larger) Low Income Low-	······································	
Income Units		
Total low-income units	1	= XX%

Percentage	Points
10-15%	106
16-20%	128
21-25%	1440
26%+	1812

6. Serves Lowest Income Residents (7050 Points)

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WHEDA will award points to developments with a minimum percentage of units reserved for households with incomes at 50% or less of county median income, and having gross rents based upon 50% or less of county-median income. The market study must show there is a sufficient market for the target population.

Points will not be awarded in this category for developments applying in the Preservation Set-aside, or for developments with federal operating or rental subsidies, or developments with federal financing unless they clearly result in the creation of new low-income units. In addition, points are not awarded for units with dedicated, <u>project-based</u> vouchers or certificates*. Tax-exempt bond-financed developments are allowed to score points. Projects using HOME funds that result in the addition of new low-income units are also allowed to score points.

Developments scoring points in Category 7, Supportive Housing, may use committed dedicated vouchers as 50% CMI equivalents for the below calculation.

	Calculate	appropriate percentages	and points	
Total Units for Development		**	······································	
CMI Set-Aside Percentage	Number of Units @ CMI	Percentage of Total (Must equal or exceed 5%)	Multiply Percent by Factor	Total Points
50%		%	X 1.00 =	· · · · · · · · · · · · · · · · · · ·
40%	·	%	X 1.25 =	
30% or lower		%	X 1.50 =	

Note to Applicants: The unit mix stated in the Application, and the unit mix for which points are taken above, will be reflected in the eventual Land Use Restriction Agreement for the property.

Bill added this 2/11/08 7.a. Supportive Housing (25 Points)

Revised next page

Points will be awarded to developments intending to <u>provide supportive services</u> in <u>at least 50% of the</u> units to those with special needs. Following are examples of populations for which supportive housing might be targeted: Persons with alcohol and substance abuse problems, ex-offenders, persons with a severe and persistent mental illness, persons with a permanent physical and/or sensory disability that limit major life activities, persons with a developmental disability, persons with AIDS, homeless individuals or families.

Please describe primary target population you intend to serve in the Project section of the application.

In order to score points in this category the applicant must demonstrate to WHEDA's satisfaction the following:

1. Support Service Provider - Provide to WHEDA documentation indicating experience, mission and capacity of Service Provider(s) for the target population. Complete and attach a *Relevant Experience and Certification Service Provider* sheet. (see <u>www.wheda.com</u> for form). <u>Note: All Service Providers described must be a 501©(3) non profit or tax exempt organization with a minimum of five years experience in the field.</u>

2. Service Plan-Provide to WHEDA a <u>Memorandum of Understanding</u>Service-Plan executed by both the applicant and anticipated Service Provider detailing:

- hHow the services will enhance independent living success and promote the dignity of residents
- the services that will be offered
- how the services will be funded
- a marketing plan to insure the target population can be attracted to the development.
- how residents will be connected with a sep/ice provider if services are not provided by the owner

3. Design Fastares The development design plust include features necessary for the population being served, if the population is physically disabled...

3. Market Demand – The market study submitted must specifically support a sufficient market for and demand by the target population.

4. County agency and/or Care Management Organization Support-Provide to WHEDA a letter of support from the appropriate county agency or Care Management Organization (in Family Care counties) where the development will be located indicating that:

- the proposed development and the Service Plan has been reviewed;
- the agency or organization feels there is a need is for the supportive housing, and that the housing and service plan is consistent with State or local plans and policies;
- the agency or organization currently provides or will provide funding for services to residents that meet its eligibility criteria;
- the agency or organization does (or does not) have experience with the proposed service provider and, if it does have experience with the service provider, a description of that experience.

5. Project Based Rental Assistance. Provide evidence the applicant has a commitment of Project-based Section 8 vouchers or similar other rental subsidy assistance for a minimum of 50% of the units targeted for supportive housing.

POINTS (check only one)

_____20 points Check the box if the development and application meets all of the above criteria, and intends to offer, supportive services to <u>400%</u> of the total development units.

25 points Check the box if development and application meets all of the above criteria and intende to offer supportive services to 100% of the total development units AND includes a firm commitment of Projectbased Section 8 or similar other rental subsidy assistance for 100% the units.

Note: Supportive Housing developments intending to offer services to more than 10% of the total development units /en not score points in Category 4, Mixed Income.

7.a. Supportive Housing (25 Points) May 28 version

Points will be awarded to developments intending to provide supportive services to those with special needs. Following are examples of populations for which supportive housing might be targeted: individuals and families who are homeless, at risk of homelessness and/or have disabilities, ex-offenders, persons with a severe and persistent mental illness, persons with a permanent physical and/or sensory disability that limit major life activities, persons with a developmental disability, persons with AIDS, and who require access to supportive services to maintain housing.

POINTS (check only one)

5 points Check the box if the development and application meets all of the below criteria AND intends to offer supportive services to a minimum of 5% of the development units.

25 points Check the box if the development and application meets all of the below criteria AND intends to offer supportive services to a minimum of 50% of the development units. <u>Developments</u> seeking these points must apply in the Supportive Housing Set-Aside.

Please describe primary target population you intend to serve below.

In order to score points in this category the applicant must demonstrate to WHEDA's satisfaction the following:

1. Rental Assistance. Provide documentation the applicant has a <u>firm commitment</u> of rental subsidy assistance for the targeted number of units. Example: A 24 unit development with 50% targeted units must demonstrate rental assistance commitments for 12 units. Examples of allowable rental assistance include: Project-based Section 8 vouchers, operating subsidy, or capitalized operating fund or similar rental subsidy assistance provided by a public housing authority or other government entity.

2. Support Service Provider - Provide documentation indicating experience, mission and capacity of Service Provider(s) for the target population. Documentation examples include financial reports, annual reports, brochures, resumes, letters of recommendation, etc. Also, complete and attach a *Relevant Experience and Certification Service Provider* sheet. (see <u>www.wheda.com</u> for form). <u>Note: All Service Providers described must be a 501©(3) non profit or tax exempt organization with a minimum of five years experience in the field.</u>

3. Service Plan-Provide to WHEDA a Memorandum of Understanding executed by both the applicant and anticipated Service Provider detailing:

- how the services will enhance independent living success and promote the dignity of residents
- the services that will be offered
- how the services will be funded
- a marketing plan to insure the target population can be attracted to the development
- a draft tenant selection plan
- how residents will be connected with a service provider if services are not provided by the owner

4. Market **Demand** – The market study submitted must specifically support a sufficient market for and demand by the target population.

5. County agency and/or Care Management Organization Support-Provide to WHEDA <u>a letter of</u> <u>support</u> from the appropriate county agency (or Care Management Organization in Family Care counties) where the development will be located indicating that:

- the proposed development and the Service Plan has been reviewed;
- the agency or organization feels there is a need is for the supportive housing, and that the housing and service plan is consistent with State or local plans and policies;
- the agency or organization currently provides or will provide funding for services to residents that meet its eligibility criteria;
- the agency or organization does (or does not) have experience with the proposed service provider and, if it does have experience with the service provider, a description of that experience.

7.b. Elderly Assisted Living (15 Points)

Points will be awarded to developments intending to provide supportive services to elderly persons in a <u>certified</u> Residential Care Apartment Complex (RCAC).

In order to score points in this category the applicant must demonstrate to WHEDA's satisfaction the following:

1. Support Service Provider - Provide to WHEDA documentation indicating experience, mission and capacity of Service Provider(s) for the target population. Complete and attach a *Relevant Experience and Certification Service Provider* sheet. (see www.wheda.com for form). Note: All Service Providers must demonstrate a minimum of five years experience in the field.

2. Service Plan-Provide to WHEDA a Service Plan executed by both the applicant and anticipated Service Provider detailing:

- How the services will enhance independent living success and promote the dignity of residents
- the services that will be offered
- how the services will be funded
- a marketing plan to insure the target population can be attracted to the development
- how residents will be connected with a service provider if services are not provided by the owner

3. Design Features <u>—Include architect's certification this building will be built according to the requirements in</u> <u>Wisconsin Statute 50, HFS 89, The application must include a description of the design features necessary for the</u> population being served. <u>Developments requesting points in this category must score the maximum number of</u> points in Category 10, Accessible Design.

4. Market Demand – The market study submitted must specifically support a sufficient market for and demand by the target population. WHEDA's Market Study Guidelines for RCACs must be followed.

5. County agency and/or Care Management Organization Support-Provide to WHEDA a letter of support from the appropriate county agency or Care Management Organization (in Family Care counties) where the development will be located indicating that:

- the proposed development and the Service Plan has been reviewed;
- the agency or organization feels there is a need is for the RCAC, and that the housing and service plan is consistent with State or local plans and policies;
- the agency or organization currently provides or will provide funding for services to residents that meet its eligibility criteria;
- the agency or organization does (or does not) have experience with the proposed service provider and, if it does have experience with the service provider, a description of that experience.
- 6. Licensed CBRFs and Adult Family Homes are not eligible for credit.

POINTS (check boxoniy one)

<u>1520</u> points Check the box if the development and application meets all of the above criteria and intends to offer supportive services to the elderly in a certified (State of Wisconsin Administrative Code HFS 89) RCAC in at least 50% of the total development units.

8. Small Developments (6.42 Points)

 $\underline{642}$ points will be awarded to Applications with $\underline{30}24$ or fewer units. Scattered site developments totaling greater than $\underline{30}24$ units do not qualify for points.

9. Market Appeal (20 Points)

1

WHEDA will award points to Projects in which the owner is providing amenities that enhance market appeal and promote long-term Project viability. This list is all inclusive. Applicants may not add "Other Amenities", <u>Note:</u> <u>Owner-paid items checked below must be included as a line item in the Project operating budget</u>

ied.

Check Box	Points	Amenity
	3	Separate ground floor exterior entries or basement in townhouse, duplex or single- family unit
	3-	Basement in tewnhouse, duplex or single-family-unit-
	3	Washer and dryer (Stacked units or individual washer and dryer units acceptable)
	<u>3</u> 5	Underground parking and/or garage (at least 1 space per 2 units) - no carports/other covered parking
	1	Air conditioning (central only) window unite)
	1	Washer and dryer hookup (in addition to central/common laundry)
	4	Microwava ovan-
	3	Electronic pass keys
	1	Private balconies/patios/porches (minimum 4' X 8' size)
	4	Both-required- Built-in dishwasher and garbage disposal T hold for all 2BR units or larger
	1	Mini-blinds Thold
	3	Owner-paid high-speed internet servicescose (this means free, unrestricted internet service supplied to the resident by the development-not just wired access)

Common Area- Amenities. In scattered site development, amenity must be included in a minimum of twothirds of sites. Check box next to all that apply.

Check		
Box	Points	Amenity
	2	Dedicated community space appropriately furnished & equipped
	2-	Community-dining-room with kitchen serving at least 1-msal/day (not Meals on Wheels)
	2	Elevator installation for existing preservation/accuusition-rehab transactions
	2	Dedicated playground areas with new playground equipment (equipment appropriate to size of development)
	1	Beauty salon/barber shop - plumbed & equipped
	1	Business center with computer and copy machine and/or fax machine
	1	Sports court or fitness center (with equipment appropriate to development size & type)
1	1	Individual storage lockers (no charge) in residents' building

10. Universal Accessible Design (2320 Points)

Developments offering architectural features that increase accessibility will broaden the market for many units. All items must be specified and certified by an architect and attached to the application. Common Area Features. In scattered site developments, feature must be included in a minimum of two-thirds of sites. Check box next to all that apply.

-Comm	on Area	Features
Check Box	Points	Feature
	3	Hand rails on both sides of common hallways
	3	Automatic door openers at main entrances to all buildings
	2	Low-profile thresholds - '4" maximum-vertical height, or '4" maximum beveled at 1:2 are required between ALL interior common areas and in all dwelling unit openings when floor transition height differs
	2	Front-loading washers and standard dryers (mounted on permanent base for accessibility)

Unit Features. Minimum of 20% of units. Check box next to all that apply

Check		
Box	Points	Feature
	3	Five-foot turning diameter or T-turns <u>36" in width</u> in kitchen(s) and bathroom(s). Space shall permit knee-toe clearance per ANSI Chapter 3. Space required to make 180-degree turn is clear space. Floor space below countertop/vanity is initially constructed to self-support and base cabinet is easily removable.
	3	Switches at accessible height for garbage disposal, range hood and electrical receptacles
	3	At minimum, one accessible work counter at a maximum 34" height and minimum 36" wide & 25% of base cabinets with pull-out shelves
	3	Roll-in showers with trench drains or low curb showers. Shower compartment at minimum 36" X 60" with no raised curb over 2" and have, at minimum, a clear-floor space in front of 36" X 48"
	3	Installed non-slip surface grab bars in bathroom(s) (matching or contrasting shower/tub-color- nylon & 1-to-1-1/2 inch diameter)
	3	Exterior doors with delayed closures
	3	Front-controls on-self-cleaning-oven(s)/range(s)-ANID-refrigerator-with-bettom-freezer
	3	Multi-story townhouse units: Accessible bathroom on main level. (362" door clearance, plus clear floor space at least 30" x 48 to allow either forward or parallel approach by wheelchair)
<u>.</u>	2	Lover door bandles within units
	2	Closets shall have with adjustable rods and sheClosets shall have wing. Rods/shelves a maximum of 54" above finished floor for slide approach. Where distance from wheelchair te- rod/shelf exceeds 10" the height shall be 18", depth net to exceed 21". Cclear floor space at leas 30" X 48" to allow either forward or parallel approach by wheelchair.
	2	Sinks in kitchen with offset drain and 30-inch minimum clear open knee space below sinks with either removable or stowaway doors on front
	2	Windows and window locks accessible. Windows requiring less than 5 lbs. of pressure to operate. Handles, pulls, etc. shall have shape easily grasped with one hand. No tight grasping, necessary pinching, OR twisting of wrist required to operate. Locks/latches mounted no more
		than 48" above finished floor. Low-pile carpeting (HUD UM44d standards) - Restricted to single level pile in corridors & exit
	2	ways. Elderly Housing - class 1. Moderate wear in-unit; 2, heavy wear for all levels, but, specifically for public areas such as lobbies & corridors. Family Housing - Type 1, class 1 in-unit; class 2 heavy-wear for use at all levels. Not all textures are recommended for states.
	2	Medicine cabinet and/or permanently-mounted tilt mirror accessible, or 36" mirror mounted on wall with bottom no higher than 40" above floor
<u> </u>	1	
		Items below only available for Acquisition/Rehab and Preservation projects
	<u> </u>	
	2	Bathtub/shower stall with offset controls
	2	All interior doors 36" (minimum 32" clear)
	1	Electrical outlets and cable/datea outputs set to a maximum height 27" above the floor.

1	Thermostats, primary fuse <u>electrical</u> box and light switches set to a maximum height of 48" above the floor.
2	Sinks in bathroom AND kitchen must have single-lever faucets
1	Anti-scald devices on water-supply fixtures
1	All unit light switches shall be Rocker type light switches, in the units.
3	100% visitable units (i.e. Accessible route from vehicle parking, at least one no-step entry with weather-sealed door threshold less than ½* high, all extenor doors 36" wide, and 60" x 60" level maneuvening space on both sides of exterior doors)
2	Toilet space will have a minimum 42" side clear area and be 18" from the wall/tub/cabinet on the opposite side to the center of bowl.
2	Low-profile thresholds - ¼" maximum vertical height, or ½" maximum beveled at 1:2 are required between ALL interior common areas and in all dwelling unit openings when floor transition height differs
2	All walls within 36" of tollet, and in tub/shower area, shall have %" plywood behind drywall to provide sufficient support for grab bars or other assist devices
1	Bathtub/shower stall permanently lined with non-skid surface or pattern covering 75% of floor

Sum of Checked Items	Maximum Total Points
38 and Over	20
30-37	16
22-29	12
14-21	8
6-13	. 4

11. Financial Participation (25 Points)

Points will be awarded for various types of financial participation that is provided to a development. The percentage of development costs or the percentage of rental units covered by a rental or operating subsidy qualify for points in this category.

Funding sources that typically fund a portion of the development costs include: unaffiliated private companies, federal, state or local government loans or subsidies, federal or state Historic tax credits, tax-exempt hond financing (only on 4% tax credit applications) unaffiliated religious, philanthropic, or charitable organizations, unaffiliated nonprofits and unaffiliated public or private foundations, or public housing authonities.

Development operating or rental subsidies also score points as outlined below.

A. Up to 25 points will be awarded by dividing the financial participation amount by the total development costs. Score 1 point for every percentage point of financial participation.

OR

B. Section 8 HAP or RAP or other rental subsidy contracts and all documented contracts providing operating subsidies are eligible to score points. Score 1 point for each 4% of the development units that are covered by the rental or operating subsidy. The point score must be rounded down to the next whole number when completing the point score calculation.

An applicant cannot claim points from a combination of Sections A and B above.

Examples of the types of financial participation include, but are not limited to, the following:

- The local government funds on-site project costs by providing HOME, CDBG funds or other linancial resources in the form of loans, grants, or a combination thereof
- The local government creates a quantifiable reduction of on-site project development costs. Examples of quantifiable reduction of on-site development costs include: waiver of water or sewer fees, waiver of building permit fees or other government development fees, waiver of impact fees, donation or waiver of project specific assessment or infrastructure costs, provides demolition and removal of existing structures at no/reduced cost

USDA RD Section 515 financing, generally in the form of a loan

Federal Home Loan Bank AHP funds, generally in the form of a loan

NAHASDA funding, generally in the form of a loan

A Section 8 HAP or RAP, or other rental subsidy contract

Documented development contract providing an operating subsidy.

TIF financing in the form of a grant or loan.

Permanent amoritzing debt from banks or other financial institutions

Cash donations or grants from any of the above named entities

Loans, grants or cash donations made by area employer(s)

Note: A Payment in Lieu of Taxes (PILOT) agreement with a Local Government does not qualify for points in this category.

Guidelines under which points will be awarded:

A. Funding or project cost reductions must be documented in the form of a written commitment

B. Funding can be in the form of a loan, grant, or cash donation.

C. Only loans which provide permanent financing for a minimum term of ten (10) years will be considered for points in this category. The loan must be at a rate equal to, or less than, the Long Term Applicable Federal

Rate (compounded annually). Origination fees may not exceed 2.5%.

D. All loans, grants or cash donations must be included as a source of funding for the development on the application. If cash donations or grant funding will be paid in multiple years, only the initial year funding will be included in the point scoring.

E. All Local Government contributions which provide a quantifiable reduction of on-site development costs must be identified in the application.

F. "Local government" includes the city, town, village or county where the proposed development will be located.

<u>G. Applicants must provide a letter from the appropriate representative of the Local Government certifying the Local Government's contribution and/or actions that create a quantifiable reduction of on-site development cost. The "appropriate representative" of the Local Government would include the person or person(s) that have the authority to sign such a commitment. That person may include the mayor, common council.</u>

president, or department head, etc. The letter must clearly show the types, amounts, value or terms and

conditions of such contributions and/or quantifiable reductions. All such contributions must be included in the Application. H. Commitments may contain conditions, but only within control or based upon the performance of the borrower, not the local government or other provider.

 To receive points in this category, written, fully executed, conditional funding commitments must be submitted with the application to document any points claimed.

J. If claiming Historic Tax Credit, submit a) written evidence that historic designation (Part I) has been applied for, or that the building is already deemed historic, and b) letter of interest by investor, and c) detailed calculation of the credit amount.

K. All funding commitments must include the type of funding (grant or loan or cash donation), amounts, terms and conditions of all funding. Commitments that include the terms "may" or "intend" will not be acceptable for scoring purposes of this category.

L. Conies of any rental or operating subsidy contracts must be submitted with the application. The contracts must include the amount of the subsidy and/or the number of units covered by the contract. Contracts that do not include the required information will need a separate letter from the provider which provides that information.

Dollar Amount of Qualified Financial Participation Total Development Cost Percentage Points

<u> 0R</u>

<u>....</u>

Maximum 25 Points

12. Ownership Characteristics (Maximum of 6 Points)

Check Box	Points	ltem
DUX	6	Developments where the controlling entity (managing member or general partner) is at least 51% owned and controlled by a member of a minority group as defined by DOC Comm. 105.02(29). Please refer to page 2 of the Minority Business Enterprise Certification Manual. Found at www.commerce.state.wi.us/bd/mt-fax/0910.html. Controlling entity must have acceptable previous expanence in the development and/or operation of housing similar to that proposed in the application. Previous experience must be documented Please name minority:
	6	The controlling entity (managing member or general partner) is at least 51% owned and controlled by a local tax-exempt organization (including local governments and public housing authorities) with acceptable previous experience in the development and/or operation of housing similar to that proposed in the application. Previous experience must be documented.
	6	The development is intended for eventual resident ownership. A plan must be submitted incorporating an exit strategy including how units will be marketed and sold to the eventual resident awner as well as detailing the provision of services including home ownership education, training, and down payment assistance NOTE: Points are limited to developments designated as BOTH (1) "Family". AND (2) townhouse, single family or duplex style-construction

<u>1443. Development Team (50</u>50 Points) THIS NEEDS A RE WRITE - to be completed prior to next meeting

THIS NEEDS A RE_WRITE

Applicants must document Development Team strength and experience. <u>Appendix P</u> details factors that will be considered by WHEDA in evaluating the Development Team. Applicants are encouraged to consult with WHEDA staff regarding documentation in advance of submitting their application.

FOR INFORMATIONAL PURPOSES ONLY - SCORING WILL BE COMPLETED BY WHEDA

"Primary Developer" Quality Scoring	Available Points
Experience	
Years of Multifamily/Section 42 Experience Documented	
	1
	2
	3.
0-4-Years	04
5 or more Years	3
Quality/Success of Projects	
	1
Poet	20
Satiefactory	3
Excellent	45
-Market (Product-type) FamiliarityQuality of Projects	
i e na se in fan in fan in fan de fan in	1
Poor	20
Satisfactory	3
Excellent	45
Market (Geographic) Familiarity	·····
	1
Peor	20
Satisfactory	3
Excellent	45
Inderstanding of Tax Credit Process	
JINEIStanding of Tax Credit Tooode	1
Poor	29
Satisfactory	3.
Excellent	45
Ability to Bring Strong Players Together	
Ability to bring Strong Liayers regener	1
	2
an an an an an an an an an an an an an a	3
Poor	40
Salisfactory	53
Excellent	65
	×~
Site Selection History	0
Satisfactory	3
earstactory Excellent	
Non-Performance Deduction WHEDA reserves the right to deduct up to 15 points for non-compliance with a previous LIHTC award's representation of scope, design, score or certifications.	
Total Developer Quality Points	2633

Management Agent Quality Sco	ning	Available Points
Compliance History		:
		1
**************************************	Peor	20
	Satisfactory	33
	Excellent	45
Vacancy History		
Portfolio mor	re than 10% vacant	10
	tfolio 7-10% vacant	23
	rtfolio 5-7% vacant	35
Portfolio le	ess than 5% vacant	47
Property Condition		······
	:	1
Poor n	naintenance history	20
Satisfactory n	aintenance history	3
	aintenance history	54
Capacity		
		1
	Poor	<u> 92</u>
	Satisfactory	3
	Excellent	45
Experience		
	Roof	Q
	Satisfactory	3
	Excellent	5
Total Management A	agent Quality Points	1627

15. Readiness to Proceed (15 Points)

Zoning Status: Permissive zoning in place, including any conditional use permit or other acceptable zoning. (Final plan approval not required.)

16. Credit Usage (3545 Points maximum)

(Competitive 9% Applications only)

Part 1. Credit Per Low-Income Unit (3040 Points maximum). WHEDA will award points to developments requesting relatively fewer credits per low income unit produced, as calculated in the initial application.

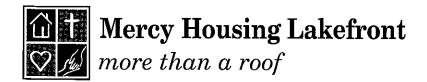
Preservation Set-aside	
Credit per Unit	Points
\$6000 or less	4 <u>0 30</u>
\$7000 to \$6001	5 <u>15</u>
More than \$7000	0

All Other Set-Asides	
Credit per Unit	Points
\$9000 or less	4030
\$11,000 to \$9001	5 <u>15</u>
More than \$11,000	0

Note: Applications requesting points must complete Appendix O in order to: a) adjust the credit per unit calculation to the proposed unit mix (i.e. number of 1 BR units v. 2 BR units), and b) adjust the credit per unit calculation to a "non-QCT estimate" for those developments in a QCT. Developments receiving 130% Credits (based on location-within a QCT) will have the Gredit-per Unit calculation "normalized" to a non-QCT estimate for the purposes of this scoring category.

Part 2. Credit Capped (5 Points)

Check this box to limit annual Credit to the amount specified in the fully executed Reservation Agreement. No increase in annual Credit will be allowed between LIHTC applications One and Two. In addition, the applicant waives the option to request additional Credit in a subsequent application cycle.



June 3, 2008 Alderman Michael Murphy Chair, Housing Trust Fund Advisory Committee City Hall, room 205 200 E. Wells Milwaukee, WI 53202

Re: Request for extension for use of Housing Trust Fund award

Dear Alderman Murphy,

As Chair of the Housing Trust Fund Advisory Board, Mercy Housing Lakefront, on behalf on the Johnston Center Residences, is requesting that you and the Advisory Board grant an extension on the use of Trust Fund award until summer of 2009.

As you know, MHL has been generously awarded \$750,000 from the homeless category of the City of Milwaukee's Housing Trust Fund. This award was granted to the Johnston Center Residences, a project proposing 89 units of permanent supportive housing targeted for use by people who have been homeless, at high risk for homelessness and/or those who have special needs.

At the last Housing Trust Fund Advisory Board meeting, MHL presented a status report on the project, including a revised timeline. The new timeline showed a delay in the project due to the decision of the Wisconsin Housing and Economic Development Authority's (WHEDA) not to allocate tax credits to the project this year.

With this letter MHL is formally requesting an extension on the timeline for the use of the Housing Trust Fund award until after the 2009 WHEDA tax credit allocation announcement in the spring of 2009. This extension will allow MHL to continue work on the project, especially on site control for the property adjacent to the Johnston Center, while we apply for and await WHEDA's decision on the 2009 tax credit allocation.

We strongly believe that by spring of 2009 we will have worked out site control on the adjacent property, owned by Mexican Fiesta; relocating the organization to a site currently owned by the Milwaukee Public Schools. We also believe that the revisions to the 2009 QAP currently being considered by WHEDA will also enhance the project's ability to score well and receive an allocation in the next round.

Our experience shows that it takes 3-5 years from first funding to opening the doors of a permanent supportive housing development. Milwaukee (City, County and community) have come a long way in this project's development in only 18 months. We ask that the Trust Fund Advisory Board grant an extension until summer of 2009 for this critical project.

Sincerely.

Cindy-Holler President www.mercyhousing.org

247 South State Street, Suite 810 • Chicago, Illinois 60604 • 312.447.4500 • Fax: 312.447.4750 Mercy Housing Lakefront is a merger of Lakefront Supportive Housing and Mercy Housing Midwest. Mercy Housing is sponsored by communities of Catholic Sisters.



June 2, 2008

Alderman Michael Murphy Common Council, City of Milwaukee City Hall, room 205 200 E. Wells Milwaukee, WI 53202

Re: Johnston Center and Milwaukee Public Schools— CORRECTED VERSION-06-04-08

Dear Alderman Murphy,

Thank you for your time last Tuesday, May 27th. We have been continuously impressed with Milwaukee's commitment to creating affordable, supportive housing for those who have been homeless or who have special needs.

In our discussion about Mercy Housing Lakefront's proposal for permanent supportive housing, we focused on MHL's work to obtain site control of a suitable site into which we might move Mexican Fiesta so that MHL might gain complete control of the site adjacent to the former Johnston Medical Center now owned by Mexican Fiesta.

In response to your request we have prepared the following summary of our preference for the process of gaining site control of the MPS site at 2977 S. 20th Street, Milwaukee, WI.

- MPS would agree to negotiate with MHL exclusively for the purchase of the site. Utilizing MHL's non-binding offer as a starting point, MPS would grant MHL a 30-60 day due diligence period. During this time MHL would obtain an appraisal and finalize the building improvement plans that would be needed to satisfy Mexican Fiesta.
- 2. When the due diligence period is completed, MHL would negotiate a final price for the project and request an exclusive option agreement which would give MHL the sole right to purchase the property at that price on or before May 30, 2009. This would put the closing date past the WHEDA notification threshold in May 2009.
- 3. Closing on the property would occur after MHL is assured that the property has received an allocation of tax-credits. MHL would use a combination of City and County Trust Fund dollars to purchase the Mexican Fiesta site; Mexican Fiesta would use the proceeds of the sale to purchase the MPS site on the same day.

4. In the event that tax-credits were not awarded to the site, the option would expire and MPS could sell the property to an alternate buyer.

This process would allow that the acquisition process to take place after MHL is assured of the allocation of 2009 Low-Income Housing Tax Credits. It would also make proper use of City Trust Fund dollars and would satisfy Mexican Fiesta with a suitable site for their relocation.

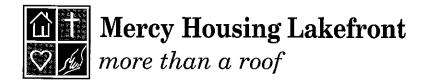
All of this together would allow for Milwaukee to proceed with its objective of creating permanent supportive housing for 89 formerly homeless and/or special needs people. In a separate letter we will request a 9 month extension for the use of City Trust Fund from that proposed in the original proposal.

As of today, we have not yet heard a response from the MPS regarding our bid, submitted on May 1, 2008. It is worth noting that this bid was submitted without mention of the option arrangement described above since it was submitted before our conversations. The terms of this letter would amend this bid. We would be happy to provide you with a copy or a summary of the bid if it would be helpful to you.

Again, thank you for your time in seeking to understand more about the status of this important project. Please feel free to contact me at (312)-972-1274 or our V.P. of Real Estate Development, Barry Mullen, at 312-447-4560.

Sincerely,

Cindy Holler President



June 2, 2008

Alderman Michael Murphy Common Council, City of Milwaukee City Hall, room 205 200 E. Wells Milwaukee, WI 53202

Re: Johnston Center and Milwaukee Public Schools

Dear Alderman Murphy,

Thank you for your time last Tuesday, May 27th. We have been continuously impressed with Milwaukee's commitment to creating affordable, supportive housing for those who have been homeless or who have special needs.

In our discussion about Mercy Housing Lakefront's proposal for permanent supportive housing, we focused on MHL's work to obtain site control of a suitable site into which we might move Mexican Fiesta so that MHL might gain complete control of the site adjacent to the former Johnston Medical Center now owned by Mexican Fiesta.

In response to your request we have prepared the following summary of our preference for the process of gaining site control of the MPS site at 2977 S. 27th Street, Milwaukee, WI.

- MPS would agree to negotiate with MHL exclusively for the purchase of the site. Utilizing MHL's non-binding offer as a starting point, MPS would grant MHL a 30-60 day due diligence period. During this time MHL would obtain an appraisal and finalize the building improvement plans that would be needed to satisfy Mexican Fiesta.
- 2. When the due diligence period is completed, MHL would negotiate a final price for the project and request an exclusive option agreement which would give MHL the sole right to purchase the property at that price on or before May 30, 2009. This would put the closing date past the WHEDA notification threshold in May 2009.
- 3. Closing on the property would occur after MHL is assured that the property has received an allocation of tax-credits. MHL would use a combination of City and County Trust Fund dollars to purchase the Mexican Fiesta site; Mexican Fiesta would use the proceeds of the sale to purchase the MPS site on the same day.

www.mercyhousing.org

247 South State Street, Suite 810 • Chicago, Illinois 60604 • 312.447.4500 • Fax: 312.447.4750 Mercy Housing Lakefront is a merger of Lakefront Supportive Housing and Mercy Housing Midwest. Mercy Housing is sponsored by communities of Catholic Sisters. 4. In the event that tax-credits were not awarded to the site, the option would expire and MPS could sell the property to an alternate buyer.

This process would allow that the acquisition process to take place after MHL is assured of the allocation of 2009 Low-Income Housing Tax Credits. It would also make proper use of City Trust Fund dollars and would satisfy Mexican Fiesta with a suitable site for their relocation.

All of this together would allow for Milwaukee to proceed with its objective of creating permanent supportive housing for 89 formerly homeless and/or special needs people. In a separate letter we will request a 9 month extension for the use of City Trust Fund from that proposed in the original proposal.

As of today, we have not yet heard a response from the MPS regarding our bid, submitted on May 1, 2008. It is worth noting that this bid was submitted without mention of the option arrangement described above since it was submitted before our conversations. The terms of this letter would amend this bid. We would be happy to provide you with a copy or a summary of the bid if it would be helpful to you.

Again, thank you for your time in seeking to understand more about the status of this important project. Please feel free to contact me at (312)-972-1274 or our V.P. of Real Estate Development, Barry Mullen, at 312-447-4560.

Sincerely.



Meeting Minutes

HOUSING TRUST FUND ADVISORY BOARD TECHNICAL REVIEW SUBCOMMITTEE

CRAIG KAMMHOLZ, CHAIR Cecelia Gore, Cathie Madden and Bethany Sanchez

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov

Wednesday, July 9, 2008	2:00 PM	Room 301-B, City Hall
Wednesday, July 9, 2008	2:00 PM	Room 301-B, City Hall

Meeting convened: 2:07 P.M.

1. Roll call

Present 3 - Kammholz, Sanchez and Madden

Excused 1 - Gore

Also Present: Steven Mahan Director, Community Blocks Grant Admin. and Assistant Attorney Tom Gartner

2. Approval of minutes from the June 2, 2008 meeting

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

3. Review, discussion and recommendations on revisions to the application form and scoring sheet

Mr. Kammholz directed the members to the draft application (Exhibit 1) submitted by Mr. Werra, by e-mail, and said that all the changes noted in the draft application, unless otherwise noted, were discussed and approved at the June 2, 2008 Housing Trust Fund Advisory Board Technical Review Subcommittee (HTFABTRS) meeting.

Mr. Kammholz said that he will read each of the changes made to the application and scoring sheet and if further discussion is needed it can be done at the time it is read. He said after all the changes have been considered, including Mr. Peters questions and suggestions he sent by e-mail (Exhibit 2) to this subcommittee for consideration, a member can make a motion to approve and refer all the recommendations to the full advisory board for final approval.

Changes to the Application

- Changed all 2007 references to 2008 (including headers and footers)
 On Page 3 of 20, Inserted the following new language "Projects not meeting the minimum affordability requirements are ineligible. Additional points will be assigned, on a sliding scale, for projects that exceed the minimum period of affordability."
 On Page 4 of 20, Replaced "Extend" with "Exceed".
- 4. On Page 6 of 20, Inserted new language "Not required for Homeownership Category"
- 5. On Page 6 of 20, Inserted new language "The City of Milwaukee reserves the right to

request additional information as deemed necessary by the Housing Trust Fund Advisory Board.

6. On Page 9 of 20, Inserted new language" Also, describes the partners and specific funding source(s) for the services to be provided."

7. On Page 13 of 20, Inserted new language "Not required for Homeownership projects". 8. On Page 13 of 20, insert new language Suggested by Staff: "If the project utilizes Tax Credits, have the Tax Credits been awarded? __Yes __No If Yes, attach notice of Tax Credit award.

9. On Page 15 of 20, inserted new language "Briefly summarize the project management plan. Identify the staff or agency responsible for ongoing project management and any experience specifically related to this project. (Does not apply to Homeownership Programs)."

10. On Page 16 of 20, Insert new language Suggested by Staff: "Please indicate the estimated cost of these accessibility improvements: \$. "

11. On Page 17 of 20, Question 5 broken into two separate questions (5 & 6).12. On Page 17 of 20, replaced prior neighborhood diversity language with the following: "Does this project increase the diversity of housing types in the neighborhood?"

Mr. Kammholz said that discussion for items 10 and 12 will be held until later in the meeting, because they are related to some of Mr. Peters' questions and suggestions. There were no objections.

Mr. Kammholz said that *Mr.* Werra noted in his e-mail that on Page 5 of 20, he attempted to clarify the Accessibility Requirements and that it is currently under review by Independence First.

Changes to Attachment C - Scoring Sheet:

1. Agency experience with same type/similar project: Changed from five points to two points.

2. Staff experience with same type/similar project: Changed from five points to four points.

3. Management Agency Experience: Added new line with maximum four point value.

4. Revised Language: "Project increases diversity of housing types in the neighborhood".

5. Meets HTF Affordability Period - Value increased from zero points to one point.

Ms. Madden suggested that item #4 be held until later in the meeting, because it also relates to one of *Mr.* Peters questions. There were no objections.

Ms. Madden explained item #5 as to why she wanted one point instead of zero points. *Ms.* Madden said that if an applicant doesn't meet the "Affordability Requirement" they shouldn't be applying or if they do apply they will get zero points.

Atty. Gartner said it wouldn't make a different whether the "Affordability Period" gets a zero or one point as far as the final total score of the application.

Mr. Kammholz said that he would be fine with the points for item #5 being zero or one and suggested they leave the points for item #5 as is and bring it up for further discussion at the full advisory board meeting.

Mr. Kammholz suggested that they change the "Affordability Period" category points to

a scale of one to five points and move five points to another category.

Ms. Madden said the "Experience" category would weight more heavily then the "Affordability Period" category. She also said that some of the financial categories would weigh more.

Mr. Kammholz recommended that the extra 5 points taken from the "Affordability Period" category be put into the "Construction Financing" category. He suggested that the scoring for the "Affordability Period" points be changed to one, two, three, four and five points and the "Construction Financing" be changed to: Construction Loan Firmly committed - ten points, Construction Loan is conditional Committed three points - and Construction Loan is not identified - zero points. Mr. Kammholz asked Ms. Madden if she is comfortable with moving five points from the "Affordability Period" category?

Mr. Madden replied in the affirmative.

Mr. Kammholz moved and seconded by Ms. Madden that five points be subtracted from "Affordability Period" category and the remaining five points be a scale of one, two, three, four and five and than add five points to the "Construction Financing" category by changing the five to ten points, two to four points and keeping zero at zero points. There were no objections.

Ms. Sanchez said she agreed at the last HTFAB Tech. Review Subcommittee meeting that she would provide the following clarifications:

1. Will this project coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies?

Example #1 Developers may have an MOU with a job training agency, agreeing to help train and/or employ the agency's clients – either in the construction of the project or in the ongoing management and operations of the project.

Example #2 Developers may have sited their project in a specific location as a result of discussions with neighborhood employers that have identified the lack of suitable affordable housing for their employees as a concern.

2. Will the project increase neighborhood diversity in housing choices? This is not a question about the ethnicity of the potential residents of the development. Responses to this question should describe how the proposed project will provide a new type of housing choice in the neighborhood in which it is situated.

Mr. Kammholz asked Ms. Sanchez if those examples should go into the application?

Ms. Sanchez replied in the affirmative. She said the examples 1 and 2 from question #1 should be put on page 18, under question #7 and question #2 notes should be put on page 17, under item #6.

Mr. Kammholz directed the members to *Mr.* Peters' e-mail (Exhibit 3). He said *Mr.* Peters' question #1 says: "On Page 8 of application: We are still doing brick & mortar activities only? Shouldn't we open this up so, for example, foreclosure assistance programs could apply for money?"

Mr. Kammholz said that this is something the full advisory board should decide.

Mr. Kammholz said Mr. Peters' question #2 says: "On page 16 of the application: The addition on the estimated cost of accessibility improvements; how about: "If you are

seeking additional funding for accessibility improvements that are in excess of what are required by the Fair Housing Act, Section 504, or the Wisconsin Open Housing Act, please provide an estimated cost."

The reasoning for this is:

a) HTF dollars should not be used to fund what is already required by other laws.
b) A developer might have already committed to doing Universal Design, etc. for tax credit applications or another source, and may not be actually seeking funding for those particular costs.

Mr. Kammholz reviewed page 5 and 16 of the application that relates to "Accessibility Requirements."

Mr. Kammholz than reviewed the scoring sheet and said that the rating for "Accessibility Improvements" category on the scoring sheet says, one point is given if an applicant meets the minimum standards and five points are giving if the applicant exceeds the minimum standards. He asked how this subcommittee would know if the applicant meets the minimum standards?

Mr. Mahan said that the zoning review of the application is done by the Dept. of City Development and it is determined at that time if the standards will be met.

Mr. Kammholz said he is fine with replacing the wording on page 16 of application with *Mr.* Peters wording.

Mr. Kammholz said that the wording on page 16, Item #1 says, "Describe the accessibility improvements or modifications that will be included as part of the project:" and that will be replaced with "Describe the accessibility improvements or modifications that are in excess of what are required by the Fair Housing Act, Section 504, or the Wisconsin Open Housing Act, please provide an estimated cost."

Mr. Mahan said he doesn't know what the Wisconsin Open Housing Act entails and he will need to review that language before it is put in the application.

Mr. Kammholz suggested that the wording be changed as follows: "Describe the accessibility improvements or modifications that are in excess of what are required by the Fair Housing Act, Section 504, please provide an estimated cost."

Ms. Madden asked if any of the applicants asked for Housing Trust Funds for accessibility improvements only?

Mr. Mahan replied in affirmative. He said there was one, "The Christian Center."

Mr. Kammholz moved on to *Mr.* Peters' question #3, that says "He still doesn't agree with the diversity application change on page 17. He thinks that the ordinance reads that it should increase housing types diversity and diversity of population, which is two different things."

Ms. Sanchez said she does think that it is two different things and that it wasn't her intention to integrate people.

Mr. Kammholz said they will keep the original recommendation for item #12, page 17 of the application and Item #4 on the Attachment C - scoring sheet as it was originally amended and forego Mr. Peters' suggestion.

Mr. Kammholz moved on to *Mr.* Peters' suggestion #4, that says "On page 18 of the application, item 8 says "Will this project facilitate movement of persons from institutions into community." *Mr.* Peters asked if the wording can be changed to "Will this project proactively facilitate the movement of persons from institutions into the community? If so, how?"

Ms. Sanchez said she would like to have Mr. Peters' language added. There were no objections.

A motion was made by Mrs. Sanchez and seconded by Ms. Madden that the changes submitted by CDGA staff and all the changes approved at the June 2, 2008 HTFAB Tech. Review Subcommittee (Items 1-11 on the application), scoring sheet (Items 1-5), Mr. Peters recommendation #2 (replaces CDGA item #10) and #4 (language add to CDGA item #12), the changes to the scoring for the "Affordability Period" and the "Construction Financing" and Ms. Sanchez's two clarification examples be approved as amended and moved that all be forwarded to the full Housing Trust Fund Advisory Board for final approval. There were no objections.

4. Next meeting date, time and agenda

Mr. Kammholz said that Ms. MacDonald will contact the subcommittee members to set the next meeting date.

Meeting adjourned: 3:05 P.M.

Terry J. MacDonald Staff Assistant

MacDonald, Terry

From:	Werra, Garry
Sent:	Friday, June 27, 2008 3:35 PM
To:	MacDonald, Terry
Cc:	Kammholz, Craig; Mahan, Steven; Murphy, Michael
Subject:	Revised HTF Documents

Good Afternoon Terry:

Attached is a revised HTF Application, Accessibility Requirement Page, and Attachment C for Monday's HTFAB meeting.

I have made the following revisions, consistent with the HTFAB's 06/02/08 directives:

HTF Application

- 1. Changed all 2007 references to 2008 (including headers and footers)
- 2. Inserted new language per 06/02/08 HTF Tech Comm: "Projects not meeting the minimum affordability requirements are ineligible. Additional points will be assigned, on a sliding scale, for projects that exceed the minimum period of affordability."
- 3. Replaced "Extend" with "Exceed" per 06/02/08 HTF Tech Comm
- 4. Inserted new language per 06/02/08 HTF Tech Comm: "Not required for Homeownership Category"
- 5. Inserted new language per 06/02/08 HTF Tech Comm: The City of Milwaukee reserves the right to request additional information as deemed necessary by the Housing Trust Fund Advisory Board
- 6. Inserted new language per 06/02/08 HTF Tech Comm: "Also, describe the partners and specific funding source(s) for the services to be provided."
- 7. Inserted new language per 06/02/08 HTF Tech Comm: "Not required for Homeownership projects"
- 8. Language Suggested by Staff: "If the project utilizes Tax Credits, have the Tax Credits been awarded? Yes No If Yes, attach notice of Tax Credit award.
- 9. Inserted new language per 06/02/08 HTF Tech Comm: "Briefly summarize the project management plan. Identify the staff or agency responsible for ongoing project management and any experience specifically related to this project. (Does not apply to Homeownership Programs)"
- 10. Language Suggested by Staff: "Please indicate the estimated cost of these accessibility improvements: <u>\$</u>"
- 11. Per 06/02/08 HTF Tech Comm: Question 5 broken into two separate questions (5 & 6).
- 12. Per 06/02/08 HTF Tech Comm: Replaced prior neighborhood diversity language with the following: "Does this project increase the diversity of housing types in the neighborhood?"

<u>Please Note</u>: I have attempted to clarify the Accessibility Requirements (also attached) and they are currently under review by Independence First.

<u>Attachment C</u>

	EXHIBIT
tabbies'	/

- 1. Agency experience with same type/similar project: Changed from five points to two points
- 2. Staff experience with same type/similar project: Changed from five points to four points
- 3. Management Agency Experience: Added new line with maximum four point value
- 4. Revised Language: "Project increases diversity of housing types in the neighborhood"
- 5. Meets HTF Affordability Period Value increased from zero points to one point

Additionally, Ms. Sanchez is going to bring new language clarifying the intent of the following questions:

- 1. Will this project coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies?
- 2. Will this project facilitate the movement of persons from institutions into the community?

If you have any questions, please do not hesitate to contact me.

Regards - Garry

Garry Werra, Housing Program Officer City of Milwaukee - CDGA 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Ph: (414) 286-3847
 Fx: (414) 286-5003
 <u>http://www.milwaukee.gov/cdbg</u>



APPLICATION FOR FUNDING 2008

Comment [GMW1]: Changed all 2007references to 2008 (including headers and footers)





APPLICATION FOR FUNDING 2008

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund services that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

FUNDING GUIDELINES

- A <u>minimum</u> of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A minimum of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

HOUSING TRUST FUND ACTIVITIES MUST OCCUR IN THE CITY OF MILWAUKEE

REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF MILWAUKEE WILL BE REJECTED

City of Milwaukee Housing Trust Fund Application Page 2 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Funds may not be used as the primary source of funds for any project.

ELIGIBLE APPLICANTS

- 1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.
- 2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

AFFORDABILITY REQUREMENTS

- 1. <u>Rental Housing</u>: Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
- 2. Owner-Occupied Housing and Homeownership: Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

Housing Trust Fund dollars are available for home-buying counseling. Homebuyer counseling agencies must demonstrate that they serve low- and moderate-income clients. In addition, any organization that receives Housing Trust Fund money for this purpose must demonstrate that it has the ability to assist disabled individuals (e.g., the location is accessible and the organization offers translation services, materials in Braille, etc.).

- 3. <u>Housing and Services for the Homeless</u>: All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.
- <u>NOTES:</u> Projects not meeting the minimum affordability requirements are ineligible.
 Additional points will be assigned, on a sliding scale, for projects that exceed the minimum period of affordability.

City of Milwaukee Housing Trust Fund Application

Page 3 of 20 Revised June 2008 **Comment [GMW2]:** Inserted new language per 06/02/08 HTF Tech Comm: "Projects not meeting the minimum affordability requirements are incligible. Additional points will be assigned, on a sliding scale, for projects that exceed the minioum period of affordability."



APPLICATION FOR FUNDING 2008

INCOME ELIGIBLITY

1. <u>Owner-Occupied Housing</u>: Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are based on the CMI and are subject to change annually.

2. <u>Rental Housing and Housing for the Homeless:</u> Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income.

Please refer to Attachment A for current Housing Trust Fund income limits

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Exceed the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

Please refer to Attachment C for a detailed description of application scoring measures.

City of Milwaukee Housing Trust Fund Application Page 4 of 20 Revised June 2008 Comment [GMW3]: Replaced "Extend" with "Exceed" per 06/02/08 HTF Tech Comm



APPLICATION FOR FUNDING 2008

ACCESIBILTY REQUIREMENTS

SECTION CURRENTLY UNDER REVIEW

1. HOMELESSNESS & RENTAL PROJECTS

All new construction or substantial rehabilitation projects receiving Housing Trust Funding must comply with the following standards:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing-office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.

Additionally, these projects must meet at least one of the following design principles:

- I. Aging in place
- 2. Universal design
- 3. Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.

2. HOMEOWNERSHIP PROJECTS (New housing units in one- to three-unit structures)

Each ground-floor unit shall be constructed to the following "visitability" standards):

- 1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
- 2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
- 3. Powder room (half bath) on the main-level floor that has:
 - i. A doorway entrance with a minimum 32" clear passage opening;
 - ii. Sufficient space to close the entrance door while the room is occupied;
 - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.
- 3. Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

City of Milwaukee Housing Trust Fund Application Page 5 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding*.

Completed applications and required attachments must be received at the Community Development Grants Administration office <u>no later than 4:00 p.m. on DAY, DATE 2008</u>. No extensions will be granted. Submit the original and fifteen (15) copies to:

> Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647. Your application will begin when your complete application has been received, including all items indicated below:

- 4. A fully completed application. If a question does not apply, indicate this on the application.
- 5. Applicants should include audited financial statements for three years, if in existence for less than three years, all statements received to date (balance sheets, cash flow statements, and profit and loss statements). For special limited purpose corporations, the supporting organization's statements.
- 6. Tax returns for three years (Individual 1040, Corporate 1120, Form 990, and Partnership 1065).
- 7. Project or Business plan
- 8. Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- 9. Market analysis for projects containing twelve or more residential units.
- 10. Resumes and qualifications of the development team.
- 11. Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- 12. Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- 13. A minimum 5-year projected pro-forma (Not required for Homeownership Category)
- 14. An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- 15. Post rehabilitation or new construction appraisal

The City of Milwaukee reserves the right to request additional information as deemed necessary by the Housing Trust Fund Advisory Board

City of Milwaukee Housing Trust Fund Application Page 6 of 20 Revised June 2008 **Comment [GMW4]:** Inserted new language per 06/02/08 HTF Tech Comm: "Not required for Homeownership Category"

Comment [GMW5]: Inserted new language per 06/02/08 HTF Tech Comm: The City of Milwauke reserves the right to request additional information as deemed necessary by the Housing Trust Fund Advisory Board



APPLICATION FOR FUNDING 2008

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding will be notified by mail within 30 days of Common Council action.

In addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

ALL AWARDS ARE SUBJECT TO NEGOTIATION OF FINAL TERMS.

City of Milwaukee Housing Trust Fund Application Page 7 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

Organization Name:		
Organization Address:	City	Zip
Contact Person:	Title	
Telephone Number:	Fax:	
E-Mail:	FEIN	

Indicate the amount requested in the appropriate category below. <u>Please submit a separate application</u> for each category being requested.

Activity	2008 Funds Available	Amount Requested
Homelessness	\$750,000	
- Rehabilitation of Existing Facility		\$
- New Construction of Facility	ning the second state of the second states and	\$
- Provide Supportive Services	a daalaad dari kara tara tara tara kara yaa a	
Rental Housing	\$1,000,000	
- Rehabilitation of Existing Structure		\$
- New Construction		\$
Home Ownership	\$750,000	
- Rehabilitation of Existing Structure(s)		\$
- New Construction		\$
- Owner-Occupied Rehabilitation	$W_{\rm eff}^{\rm eff} = U_{\rm eff}^{\rm eff} + U_{e$	\$
- Homebuyer Counseling Services The use of HTF dollars is currently limited to capital improvement		ntly limited to capital improvement
- Post-Purchase Counseling Services	(brick and mortar) activities. Housing Trust Fitnd dollars may not be used	
Other Needs as Identified as the primary source of funds for any project.		of funds for any project.
TOTAL \$2,500,000 \$		\$
Indicate the percentage and amount of HTF funds requested that will be used to fund accessibility improvements or modifications. → % \$%		

<u>Proposals must be authorized and signed by the Chief Executive Officer -AND- an official of the Board of Directors.</u>

Signature:	Date: Title:	_
Signature: Printed Name:	Date: Title:	_
City of Milwaukee Housing Trust Fund Application	Page 8 of 20 Revised June 2008	

<u>ير</u>،



APPLICATION FOR FUNDING 2008

PART I: PROJECT DESCRIPTION

1. <u>Describe the Project</u>: Briefly identify the project location and the specific activity to be completed.

a. If project involves construction or rehabilitation, please attach photos of the site and sketches or drawings of the proposed project.

Photos and/or sketches are attached

Project does not involve construction or rehabilitation

b. If the project involves the provision of services, briefly describe the specific services to be provided. Also, describe the partners and specific funding source(s) for the services to be provided.

Comment [GMW6]: Inserted new language per 06/02/08 HTF Tech Comm: "Also, describe the partners and specific funding source(s) for the services to be provided."

Project does not involve the provision of supportive services

- 2. Households/Clients Served: Briefly describe the specific population to he served, including target income level and special needs populations, as applicable.
- 3. Indicate the unduplicated number of units/household to be served

City of Milwaukee Housing Trust Fund Application Page 9 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

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Reviewer's Comments:	Score:	

City of Milwaukee Housing Trust Fund Application Page 10 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

PART II: PROJECT TIMELINE

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

MONTH	EVENT(S)
	·
	· · · · · · · · · · · · · · · · · · ·
	·

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Reviewer's Comments:	Score:		

City of Milwaukee Housing Trust Fund Application Page 11 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

PART III: PROJECT SITE CONTROL, ZONING, & ENVIRONMENTAL ISSUES

1.	Site Control is in the form of:
	Deed

Purchase Agreement

Option (Expiration Date_____)

Other

a. Please Attach Written Documentation of Site Control

2. Site is currently zoned:

- a. Please Attach Written Verification of Zoning Designation
- 3. Is the zoning appropriate for your project?

____ Yes

If no, is rezoning currently in process and when is it anticipated that this issue will be resolved?

Date___

____ No

4. Describe what, if any, Environmental Assessment activities have been conducted.

a. Please attach a copy of any environmental findings/reports received.

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Reviewer's Comments:	Score:		

City of Milwaukee Housing Trust Fund Application Page 12 of 20 Revised June 2008



1.

2.

3.

4.

5.

6.

CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2008

PART IV: PROJECT FINANCING

Please Attach the Following Items	
 Sources and Uses of all funds Development Budget Project 5-Year Pro-Forma (Not required for H Cash Flow Statement 	omeownership projects)
Please describe the specific use of Housing Tru	st Fund dollars (i.e.:
If the project utilizes Tax Credits, have the Tax	x Credits been awarded?
Yes No	
If Yes, attach notice of Tax Credit award.	
Has the project secured a firm commitment fro	om a construction lender?
Yes No	
Has the project received a conditional commitm	nent from a construction lender?
Yes No	
Provide the following information and attach v received. If you do not have any commitments working with.	
Lender Name	Phone number

City of Milwaukee Housing Trust Fund Application Page 13 of 20 Revised June 2008 **Comment [GMW7]:** Insened new language per 06/02/08 HTF Tech Comm: "Not required for Homeownership

Comment [GMW8]: Language Suggested by Staff: "If the project utilizes Tax Credits, have the Tax Credits been awarded? __Yes __No If Yes, attach notice of Tax Credit award.

projects"



APPLICATION FOR FUNDING 2008

Contact Person	
Address	<u></u>
Commitment Amount \$	Rate/Term

7. Identify the project total amount of other funds (private and/or public) that would be leveraged by the Housing Trust Fund dollars?

Funding Source	Amount Leveraged		
· · · · · · · · · · · · · · · · · · ·	\$ \$ \$ \$ \$ \$		
TOTAL FUNDS LEVERAGED	\$		

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Reviewer's Comments:	Score:

City of Milwaukee Housing Trust Fund Application Page 14 of 20 Revised June 2008

.



APPLICATION FOR FUNDING 2008

PART V: CAPACITY AND EXPERTISE

1. Has your agency previously undertaken this type of project before?

_____ Yes _____ No

a. If yes, identify the three most recent projects completed:

2. Identify the staff responsible to complete the project and indicate any experience specifically related to this project

16. Briefly summarize the project management plan. Identify the staff or agency responsible for ongoing project management and any experience specifically related to this project. (Does not apply to Homeownership Programs)

Comment [GMW9]: Inserted new language per 06/02/08 HTF Tech Comm: "Briefly summarize the project management plan. Identify the staff or agency responsible for ongoing project management and any experience specifically related to this project. (Does oot apply to Homeownership Programs)"

Attach copy of Management Plan.

City of Milwaukee Housing Trust Fund Application Page 15 of 20 Revised June 2008

.



APPLICATION FOR FUNDING 2008

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Reviewer's Comments:	Score:

PART VI: FURTHERANCE OF HOUSING TRUST FUND GOALS

1. Describe the accessibility improvements or modifications that will be included as a part of this project:

Please indicate the estimated cost of these accessibility improvements:

٠

2. Explain how this project serves the lowest-income segment of the population:

.

Suggested by Staff: "Please indicate the estimated cost of these accessibility improvements: <u>\$___</u>"

Comment [GMW10]: Language

3. Does the project affordability period exceed the minimum period required by the Housing Trust Fund (please refer to page 3)?

Yes No City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING 2008

	Affor	rdability Peric	od Required by HTF:		(years)	
	Affor	rdability Peric	d Proposed for Project		(years)	
4.	Will	this project u	ıtilize workers from t	he neighhorhood?		
		_ Yes	No			
	a.	If yes, plea	se describe:			
						_
						_
						_
5.	Will	this project g	give priority to emerg	ing business enterprise	e contractors?	Comment [GMW11]: Per 06/02/08 HTF Tech Comm: Question 5 broken into
		Yes	No			two separate questions (5 & 6).
	a,	If yes, plea	se describe:			
				<u>, </u>		_
						_
6.	Does	this project	increase the diversity	of housing types in th	e neighborhood?	Comment [GMW12]: Per 06/02/08 HTF Tech Comm: Replaced prir
		_ Yes	No	.¢		neighborhood diversity language with the following: "Does this project increase the diversity of housing types in the
	a.	If yes, plea	se describe:			neighborhood?"
						_
						_
	of Milwau ing Trust I	kee Fund Applicatio	n		Page 17 of 20 Revised June 2008	



APPLICATION FOR FUNDING 2008

Wil	ill this project utilize green building principles?	
	Yes No	
a.	If yes, please describe:	
	·	
	<u> </u>	
nei	(ill this project coordinate with and enhance the work of other entities in the sighborhood, such as employers, business improvement districts, schools, job trencies or social service agencies? ($\begin{cases} \\ \times \end{cases}$	raining
	Yes No	
a.	If yes, please describe:	
Wil	ill this project facilitate the movement of persons from institutions into the co	mmunity?
	'ill this project facilitate the movement of persons from institutions into the con Yes No	mmunity?
		mmunity?
	Yes No	mmunity?
	Yes No	mmunity?
	Yes No	mmunity?
a.	Yes No	



APPLICATION FOR FUNDING 2008

9. Will the project use contractors who pay family-supporting wages for all workers on the project (family supporting wages are defined as \$8.25 per hour)?

____ Yes ____ No

a. If yes, please describe:

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 Reviewer's Comments:

 Score:

City of Milwaukee Housing Trust Fund Application Page 19 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

PROPOSAL CHECKLIST - YEAR 2008

Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office <u>no later than</u> <u>4:00 p.m. on DAY, DATE 2008</u>. No extensions will be granted.

Submit the original and fifteen (15) copies to:

Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Faxed or electronic applications will not be accepted. <u>All proposals received after the closing date noted</u> above will be returned to the applicant without review.

PLEASE BE CERTAIN TO

- > Complete and submit 1 original and 15 unbound copies of all documents:
- > Attach all required supporting documentation as requested in the application.
- If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will be discarded.

If your Application is funded, some additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.

City of Milwaukee Housing Trust Fund Application Page 20 of 20 Revised June 2008

ATTACHMENT C

Draft 6/2/08

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

	Max 100 Pt Scale(a)	
	Point Max	
	Range	Points
Leveraged Dollars		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	
Income Targets - Please Use Attached Chart	· · · · ·	
# 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	
Affordability Period	5	10
Meets HTF Affordability Period	1 1	
Exceeds HTF Affordability Period by 25%	2	
Exceeds HTF Affordability Period by 50%		
Exceeds HTF Affordability Period by 75%	3	· ·
Exceeds HTF Affordability Period by 100% or more		
Use of City of Milwaukee (resident) workers (Total Project)		
Less Than 18% Milwankee (resident) workers	9789771272 8 8	
18% Milwaukee (resident) workers		متاركين بيعيدي
24% Milwaukee (resident) workers	2	
30% Milwaukee (resident) workers	4	
36% Milwaukee (resident) workers		
	4	
More than 36% Milwankee (resident) workers	21	
Use of City, County, or State EBE (Total Project)	an a sain an	5
Less Than 18%	<u></u>	and the second second
18% EBE	1	
24% EBE	2	
30% EBE	3	
36% EBE	4	
More than 36% EBE	5	
Neighborhood Diversity		5
Project Increases diversity of housing types in the neighborhood	5	
Green Building Principles		5
Project Utilizes Green building Principles	5	
Coordination with Community Institutions		5
Project is Coordinated with Community Institutions	5	
Community Integration		5
Move persons from institutions to community	5	
Family Supporting Wages (applies to entire project)		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	
Experience		10
Agency experience with same type/similar project	2	· ·
Staff experience with same type/similar project	4	
Management Agacy Experience	4	
Accessibility improvements or modifications		5
Meets Minimum Standards	1	
Exceeds Minimum Standards	5	
Service Partners (b)		5
Provision of services on site w/out use of HTF \$. 5	
	100	4
Construction Financing		
Construction Loan is Firmly Committed		
Construction Loan is Firmly Committed Construction Loan is Conditionally Committed		
Construction Loan is Firmly Committed Construction Loan is Conditionally Committed Construction Loan is not Identified	U 0	
Construction Loan is Firmly Committed Construction Loan is Conditionally Committed	0-15	15

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

<.

MacDonald, Terry

From: Bethany Sanchez [bethany_sanchez@hotmail.com]

Sent: Thursday, July 03, 2008 1:45 PM

To: MacDonald, Terry

Cc: Werra, Garry; Mahan, Steven; Kammholz, Craig

Subject: clarifications, RE: 2008 Housing Trust Fund Application

Terry, will you please forward this to the members of the Technical Committee of the HTF Advisory Board? I beleive that these are the questions that I agreed to clarify.

Will this project coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies?

Example #1 Developers may have an MOU with a job training agency, agreeing to help train and/or employ the agency's clients – either in the construction of the project or in the ongoing management and operations of the project. Example #2 Developers may have sited their project in a specific location as a result of

Example #2 Developers may have sited their project in a specific location as a result of discussions with neighborhood employers that have identified the lack of suitable affordable housing for their employees as a concern.

Will the project increase neighborhood diversity in housing choices?

This is not a question about the ethnicity of the potential residents of the development. Responses to this question should describe how the proposed project will provide a new type of housing choice in the neighborhood in which it is situated.

Bethany Sanchez Vice-President, Community and Economic Development Metropolitan Milwaukee Fair Housing Council 600 E. Mason, Suite 200 Milwaukee, WI 53202 414/278-1240, x22 www.fairhousingwisconsin.com Board member, National Community Reinvestment Coalition <u>www.ncrc.org</u> Board member, Urban Economic Development Association www.uedawi.org

From: bethany_sanchez@hotmail.com To: cgmadden@aol.com; bpeters@independencefirst.org CC: garry.werra@milwaukee.gov; steven.mahan@milwaukee.gov; ckammh@milwaukee.gov Subject: FW: 2008 Housing Trust Fund Application Date: Thu, 3 Jul 2008 13:30:11 -0500

Cathy and Brian:

It was my recollection that one or both of you were going to work on the language for Garry's question #2, below. I just let Garry know that I'm sending you this message.



Bethany Sanchez Vice-President, Community and Economic Development Metropolitan Milwaukee Fair Housing Council 600 E. Mason, Suite 200 Milwaukee, WI 53202 414/278-1240, x22 www.fairhousingwisconsin.com Board member, National Community Reinvestment Coalition <u>www.ncrc.org</u> Board member, Urban Economic Development Association <u>www.uedawi.org</u>

Subject: 2008 Housing Trust Fund Application Date: Thu, 5 Jun 2008 13:39:50 -0500 From: Garry.Werra@milwaukee.gov To: bethany_sanchez@hotmail.com CC: Steven.Mahan@milwaukee.gov; ckammh@milwaukee.gov

Good Afternoon Bethany:

I am writing as follow-up to Monday's HTFAB Tech Committee meeting regarding revisions to the 2008 HTF Application. Thank you for volunteering to provide additional language to clarify the intent of the following questions:

Vill this project coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies?

Vill this project facilitate the movement of persons from institutions into the community?

At your convenience, would you kindly email the desired language to me? I will then incorporate into the application for our next Tech Committee meeting.

Thank you - Garry

Garry Werra, Housing Program Officer City of Milwaukee - CDGA 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Ph: (414) 286-3847
 Fx: (414) 286-5003
 <u>http://www.milwaukee.gov/cdbg</u>

EXHIBIT

MacDonald, Terry

From: Brian Peters [BPeters@independencefirst.org]

Sent: Tuesday, July 08, 2008 1:40 PM

To: MacDonald, Terry

Subject: RE: July 9, 2008 HTFAB Technical Review Subcommittee meeting agenda

Terry, I will not be at the next technical review meeting, so here are some thoughts. I didn't want to inadvertently violate open meeting law by e-mailing the below to everyone, so please either forward it to the group if it's okay, and if not, share this with the members of the committee when appropriate.

1) Page 8 of application: We are still doing brick & mortar activities only? Shouldn't we open this up so, for example, foreclosure assistance programs could apply for money?

2) Page 16: The addition on the estimated cost of accessibility improvements; how about:

"If you are seeking additional funding for accessibility improvements that are in excess of what are required by the Fair Housing Act, Section 504, or the Wisconsin Open Housing Act, please provide an estimated cost."

The reasoning for this are:

- a) HTF dollars should not be used to fund what is already required by other laws
- b) A developer might have already committed to doing Universal Design, etc. for tax credit applications or another source, and may not be actually seeking funding for those particular costs

3) I still don't agree with the diversity (Comment GMW12 on page 17). I still think that the ordinance reads that it should increase housing types diversity AND diversity of population-two different things.

4) Page 18, movement of persons from institutions into community. Will this project proactively facilitate the movement of persons from institutions into the community? If so, how?

----Original Message----From: MacDonald, Terry [mailto:tmacdo@milwaukee.gov] Sent: Wednesday, July 02, 2008 10:01 AM To: Albert Franitza; Bethany Sanchez; Cathie Madden; Cecelia Gore; Gartner, Thomas; Higgins, Mario; Hooper, Joe'Mar; Kammholz, Craig; Mahan, Steven; Osterman, Jeffrey; Sign language interpreter; Werra, Garry Cc: Bauman, Robert; Brian Peters; Heather Dummer Combs; James A Hiller; Leo Ries; Marcus White; Mike Soika; Murphy, Michael; Ray Schmidt; Vincent Lyles; Zalben, Barry Subject: July 9, 2008 HTFAB Technical Review Subcommittee meeting agenda

To All Housing Trust Fund Advisory Board Technical Review Subcommittee Members, Staff and Interested Persons:

Attached is the July 9, 2008 HTFAB Technical Review Subcommittee meeting agenda, the email from Garry Werra-CDGA, that has the list of the

revisions for the application and scoring sheet and a copy of the revised application form, Accessibility Requirements and the revised scoring sheet.

If you have any questions, please feel free to contact me.

Sincerely,

Terry J. MacDonald, Staff Assistant City of Milwaukee, City Clerk's Office 200 East Wells St., Room 205 Milwaukee, WI 53202 414-286-2233 Fax: 414-286-3456 Terry.Macdonald@milwaukee.gov

<<MeetingAgenda02-Jul-2008-09-36-55.pdf>>



City of Milwaukee

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR Bethany Sanchez, Vice-Chair ALD. BAUMAN, Heather Dummer Combs, Cecelia Gore, James Hiller, Craig Kammholz, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, and Mike Soika

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Thursday, July 10, 200811:00 AMRoom 301-A, City Ha	Thursday, July 10, 2008	11:00 AM	Room 301-A, City Hall
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Meeting convened: 11:10 A.M.

1. Roll call

- Present 7 Soika, Hiller, Kammholz, Bauman, Sanchez, Peters and Dummer Combs
- Excused 3 Madden, Schmidt and Lyles

Ms. Sanchez as chair.

Also present: Steven Mahan, Director, Dept. of Admin., Community Development Grants Administration, Assistant City Attorney Tom Gartner, and Jeff Osterman, Legislative Reference Bureau

2. Approval of the minutes of the June 12, 2008 meeting

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

3. Appearance by Ms. Maria Prioletta with the Department of City Development to discuss the city's position on WHEDA's proposed 2009 Qualified Allocation Plan

Ms. Sanchez invited Mr. Maria Prioletta to come to the table and give her presentation.

Ms. Prioletta appeared and said that at the June 2, 2008 Housing Trust Fund Advisory Board (HTFAB) meeting, Mr. Leo Ries Executive Director of LISC appeared to explain and comment on the WHEDA's Proposed 2009 Qualified Allocation Plan (QAP), which is what brought her here today, so that she could explain to this board what the city's position is going to be on the Proposed 2009 QAP.

Ms. Prioletta handed-out two documents, one called "Affordable Housing Tax Credits" (Exhibit 1) and the second called "Tax Credit Allocations - Qualified Allocation Plan" (Exhibit 2) and said this background information will be helpful in framing this discussion. She said the affordable housing tax credit has been an extremely valuable tool in terms of the creation of affordable housing in the City of Milwaukee rental housing. She referred to page one of her hand-outs and said that she started with the year 2003, because years prior to 2003 were pretty consistent in term of the level of WHEDA tax credit dollars that were coming into Milwaukee. She said that from 2003 to

2008 there had been a steady increase in tax credit applications and a variety of changes in the number of projects that received tax credit awards.

Ald. Bauman referred to Ms. Prioletta's hand-out and asked if the years listed are the state's fiscal years or are they calendar years?

Ms. Prioletta replied that those are calendar years.

Mr. Prioletta continued by explaining the allocations process noted on page two of her hand-out. She said there are two ways that projects compete, the first is called set asides, where within the qualified allocation plan a pool of credits for the state is divided up into different set asides. She said the general set aside is a common set aside and any project can apply, there is a preservation set aside which is for projects that have federal rent assistance contracts attached to them, there is a non-profit set aside and a rural set aside and for the first time, starting next year there will be a supportive housing set aside. She said that the other way that projects compete is in the scoring category. She referred board members to page two of her hand-outs that lists the scoring categories WHEDA is proposing for 2009.

Ms. Prioletta said that she had talked to WHEDA and they said that the draft 2009 Qualified Allocation Plan (QAP) will be available on its website next week. She also said that the WHEDA Board will have two public hearings to hear comments on the proposed 2009 QAP in mid August 2008, one in Madison and one in Milwaukee.

Ms. Sanchez asked if the set asides and scoring categories proposed for 2009 on page two of *Ms.* Prioletta's hand-out is what WHEDA is proposing?

Ms. Prioletta replied in the affirmative.

Ms. Prioletta said some of the things that the Department of City Development thinks could be improved upon are as follows:

Ms. Proletta said there is a reduction in the preservation set aside from 2008 to 2009 and that is something the Department of City Development (DCD) has been advocating for some time now. She said DCD will advise WHEDA that the Clty is in favor of the reduction of the preservation set aside and will also suggest to WHEDA that there is the need for a more equitable way of getting the best projects in the presevation category though and that could be done by a further reduction in the set aside or by increasing the minimum threshold in that catagory.

Ms. Prioletta said that credit usage is a concern for DCD. She said there is a category in the QAP, where an applicant can get more points for fewer credits that are used per unit. She said that it cost more in Milwaukee to construct affordable housing. She further said that we should encourage developers to construct affordable housing to a standard that will stand the test of time.

Ms. Prioletta said that there is a small project category in the QAP, where points are given for projects that are 24 units or less. She said in the 2009 proposed QAP the unit number is being increase by 30 but the points are being lowered for that scoring category. She said DCD is going to oppose that change, because the City of Milwaukee doesn't have acres of land available for building.

Ms. Prioletta said that there was a recommendation by a developer at one of the WEHDA's advisory meeting to create a set aside for innovative projects and said DCD

is going to support that proposed change.

Ms. Prioletta said that another proposed change to the 2009 QAP is that a \$550,000 cap is being put on any one application for tax credits and said DCD is oppose to that cap and will suggest that WHEDA lift that cap.

Finally, Ms. Prioletta said those are all the proposed changes that the DCD will be weighing in on and said she would be happy to entertain and questions or thoughts.

Ms. Sanchez said that at the last HTFAB meeting Mr. Leo Ries presented WHEDA's Proposed 2009 QAP and it sounded like LISC and other advocates were asking the City to propose few points for mixed income projects and asked Ms. Prioletta if the City is taking a position on that?

Ms. Prioletta replied that WHEDA is proposing a reduction of points for mixed income projects. She said she thinks there should be points for mixed income projects, but it doesn't need to be as high as it is. She said DCD agrees with the reduction of points for mixed income projects.

Mr. Soika asked what is the reduction number of points for mixed income?

Ms. Prioletta replied that she thinks it is being reduced by 10 points.

Ms. Sanchez said that materials given at the last HTFAB meeting referred to concerns about transparencies and asked Ms. Prioletta if she has any thoughts on the current transparency issue?

Ms. Prioletta replied that there is a concern when one developer gets two or three awards. She said the DCD is going to meet with WHEDA to discuss several issues, including transparency.

Ms. Sanchez said it would be beneficial if an applicant would know going in what is going to count or not count on the application, as far as the scoring.

Mr. Hillier asked if there would be an opportunity for a two step process where an applicant can have a chance to come back?

Ms. Prioletta replied that WHEDA said that they are looking for way to do that and the City will reinforce that idea.

Ms. Sanchez address the memo (Exhibit 3) she submitted that was request of her at the last HTFAB meeting that addresses her concerns on the proposed reduction in the 2009 QAP points for mixed income.

Ms. Sanchez said that she understood from the last HTFAB meeting that this board is being asked to send a letter to WHEDA and asked Ms. Prioletta when would be a good time for this board to send the letter?

Ms. Prioletta replied that the 2009 Proposed QAP was presented to the WHEDA Executive Committee yesterday and should be posted on WHEDA's website next week, so this board should wait until after next week in case something has changed.

4. Review and approval of recommendations submitted by the Technical Review Subcommittee on the revisions to the application form and scoring sheet

Ms. Sanchez asked *Mr.* Kammholz the Chair of the HTFAB Technical Review Subcommittee to explain the revisions to the application and scoring sheet.

Mr. Kammholz asked the members if they want him to explain each change or just the most significant ones?

Mr. Soika said he would prefer if *Mr.* Kammholz just review the most significant changes.

Mr. Kammholz replied in the affirmative.

Mr. Kammholz read through the following list of changes (Exhibit 4): Changes to the Application

1. Changed all 2007 references to 2008 (including headers and footers)

2. On Page 3 of 20, Inserted the following new language "Projects not meeting the minimum affordability requirements are ineligible. Additional points will be assigned, on a sliding scale, for projects that exceed the minimum period of affordability."

3. On Page 4 of 20, Replaced "Extend" with "Exceed".

4. On Page 5 of 20, Mr. Werra attempted to clarify the Accessibility Requirements and that they are currently under review by Independence First.

5. On Page 6 of 20, Inserted new language "Not required for Homeownership Category"

6. On Page 6 of 20, Inserted new language "The City of Milwaukee reserves the right to request additional information as deemed necessary by the Housing Trust Fund Advisory Board.

7. On Page 9 of 20, Inserted new language "Also, describes the partners and specific funding source(s) for the services to be provided."

8. On Page 13 of 20, Inserted new language "Not required for Homeownership projects".

9. On Page 13 of 20, insert new language Suggested by Staff: "If the project utilizes Tax Credits, have the Tax Credits been awarded? __Yes __No If Yes, attach notice of Tax Credit award.

10. On Page 15 of 20, inserted new language "Briefly summarize the project management plan. Identify the staff or agency responsible for ongoing project management and any experience specifically related to this project. (Does not apply to Homeownership Programs)".

11. On Page 16 of 20, Insert new language Suggested by Mr. Peters (e-mail) and revised by HTF Tech. Subcommittee on 7/09/08: "Describe the accessibility improvements or modifications that are in excess of what are required by the Fair Housing Act, Section 504, please provide an estimated cost."

Ms. Gore asked if "in excess" could be bolded?

Ms. Sanchez replied in the affirmative.

12. On Page 17 of 20, Question 5 broken into two separate questions (5 & 6).

Mr. Hiller asked if the there is any Aldermanic or local Business Improvement Dist. (BID), etc. input on the project?

Ms. Sanchez replied in the negative.

Mr. Peters said that IndependanceFirst has criticized WHEDA for asking for letters of support from the neighborhood and leaders during the application process and he doesn't support adding something like that in the application.

Mr. Hiller said that it doesn't have to be included in the application, but it should be part of the review process.

13. On Page 17 of 20, replaced prior neighborhood diversity language with the following: "Does this project increase the diversity of housing types in the neighborhood?"

14. On page 17, under item #6. Inserted language, "Responses to this question should describe how the proposed project will provide a new type of housing choice in the neighborhood in which it is situated."

15. On page 18, under question #7, Inserted examples, "(e.g. Example #1 Developers may have an MOU with a job training agency, agreeing to help train and/or employ the agency's clients – either in the construction of the project or in the ongoing management and operations of the project.

Example #2 Developers may have sited their project in a specific location as a result of discussions with neighborhood employers that have identified the lack of suitable affordable housing for their employees as a concern.)

16. On page 18 of the application, item 8, Insert additional language per Mr. Peters e-mail and approved HTF Tech. Subcommittee on 7/09/08, "Will this project proactively facilitate the movement of persons from institutions into the community? If so, how?"

Changes to Attachment C - Scoring Sheet:

1. Agency experience with same type/similar project: Changed from five points to two points.

2. Staff experience with same type/similar project: Changed from five points to four points.

3. Management Agency Experience: Added new line with maximum four point value.

4. Revised Language: "Project increases diversity of housing types in the neighborhood".

Meets HTF Affordability Period - Value increased from zero points to one point.
 Subtracted 5 points from the "Affordability Period" category and the remaining 5 points are set at 1, 2, 3, 4, and 5 points. Added those 5 points to the "Construction Financing" category and changed the 5 to 10 points, 2 to 4 points and keep zero at zero points.

Mr. Kammholz finished explaining the changes and asked if there were any questions?

Mr. Peters' said that on page 5, he just realized that one could have a rental project that is all single family or a homeownership project that is multi-family. He said the first paragraph is for multi-family and the second is for single family and he wants to try to avoid labeling and he is afraid that might mislead people.

Mr. Kammholz asked Mr. Peters what he would like it change to?

Mr. Peters said that he would like the first paragraph labeled Multi-Family and in parentheses put three or more units and for Homeownership it should say in parentheses, one to three units.

Ms. Dummer Combs said that there could be Homeownership projects that are

multi-family.

Ms. Sanchez replied that the rule goes with the number of units not with the structure.

Mr. Kammholz said that *Mr.* Peters proposed changes will be made to the application as a technical change.

Ms. Sanchez referred to the scoring sheet under "Management Agency Experience" and said that she is concerned that the applicants will not understand that what is being asked for and suggested it be changed to "Property Management".

Mr. Kammholz replied that that is a good suggestion.

A motion was made by Mr. Kammholz and Ald. Bauman seconded that all the changes to the application and scoring sheet are approved as amended. There were no objections.

Meeting adjourned: 12:02 P.M.

Terry J. MacDonald Staff Assistant

Affordable Housing Tax Credits

₹ -0) 40 •

Year	Tax Credits Available Statewide	Number of Tax Credit Applications from Milwaukee	Tax Credits Awarded to Milwaukee Projects	% of Statewide Allocation Awarded to Milwaukee
2003	\$10.3 million	6	\$1.8 million 5 projects	18%
2004	\$10.2 million	7	\$4.9 million 7 projects	48%
2005	\$10.2 million	11	\$4.4 million 8 projects	44%
2006	\$10.5 million	14	\$4.7 million 8 projects	45%
2007	\$10.6 million	18	\$5.1 million 11 projects	48%
2008	\$10.7 million	25	\$4 million 7 projects	38%

Milwaukee Projects 2003-2008:

Total Number of Projects	46
New Construction	29
Rehabilitation	11
Adaptive Reuse	6
Total Units	2,700
Total Affordable Units	2,645
Estimated Subsidy	•
From Low Income Tax Credit:	\$224 million

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Tax Credit Allocations – Qualified Allocation Plan

<u>Set asides</u>

Year	General	Preservation	Non- Profit	Rural	Supportive Housing
2008	35%	40%	10%	10%	none
2009 (proposed)	35%	30%	10%	10%	10%

Scoring Categories Proposed for 2009

- Lower Income Areas
- Location and Energy Efficiency (Infill locations, access to public transportation, green building techniques, energy conservation standards)
- Community Support (Municipal, community and financial support)
- Mixed Income Incentive (Inclusion of market rate units)
- Serves Large Families
- Serves Lowest Income Residents
- Supportive Housing or Elderly Assisted Living (Services must be provided)
- Small Developments (Less than 30 units)
- Market Appeal
- Universal Design
- Financial Participation (Low interest loans and grants, property donations, etc.)
- Ownership Characteristics (MBE or Non-profit developer, including Housing Authorities)
- Eventual Resident Ownership
- Development Team
- Readiness to Proceed (Permissive Zoning)
- Credit Usage (More points awarded for lower credits/unit)



METROPOLITAN MILWAUKEE FAIR HOUSING COUNCIL

> BETHANY SANCHEZ, DIRECTOR Community and Economic Development

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

MEMO

Date: July 10, 2008 To: Members of the HTF Advisory Board From: Bethany Sanchez

Re: The request for the HTFAB's support for reducing QAP points for mixed-income LIHTC properties

I am writing to state my concern about removing incentives for developers to propose mixedincome housing developments. The Housing Trust Fund Advisory Board has been asked to support a recommendation to WHEDA, to change its Qualified Allocation Plan (QAP) for allocating Low Income Housing Tax Credits (LIHTC) in the State of Wisconsin so that mixedincome housing developments receive fewer points.

Mixed-income housing offers great benefits to residents, neighborhoods and owners. It increases housing choice and assists in the economic integration of communities. It helps alleviate the NIMBY responses typically generated by larger low-income developments by mixing individuals and families of varying income levels in the same building or set of buildings, blurring the distinctions between them. It provides decent, safe and affordable units for lower-wage workers who are important to businesses in higher income neighborhoods. Financially and socially, mixed-income properties may prove to be a more sustainable approach to multifamily housing.

Developers need tools such as the LIHTC and the Housing Trust Fund (HTF) to address the challenge of how to reach households with lower incomes, particularly incomes under 30 percent of the area median. The HTF can bring the rents of LIHTC units down low enough to make it feasible to offer rents to very low income households.

The scoring of the QAP should reward developers who take on the challenge of developing mixed-income housing. Removing points for mixed-income will be a deterrent, not an incentive, to increasing our supply of mixed-income units.

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HOUSING TRUST FUND ADVISORY BOARD TECHNICAL REVIEW SUBCOMMITTEE

<u>Recommended revisions to the application and scoring sheet</u> (as of July 9, 2008)

Changes to the Application

- 1. Changed all 2007 references to 2008 (including headers and footers)
- 2. On Page 3 of 20, Inserted the following new language "Projects not meeting the minimum affordability requirements are ineligible. Additional points will be assigned, on a sliding scale, for projects that exceed the minimum period of affordability."
- 3. On Page 4 of 20, Replaced "Extend" with "Exceed".
- 4. On Page 5 of 20, Mr. Werra attempted to clarify the Accessibility Requirements and that is currently under review by Independence First.
- 5. On Page 6 of 20, Inserted new language "Not required for Homeownership Category"
- 6. On Page 6 of 20, Inserted new language "The City of Milwaukee reserves the right to request additional information as deemed necessary by the Housing Trust Fund Advisory Board.
- 7. On Page 9 of 20, Inserted new language "Also, describes the partners and specific funding source(s) for the services to be provided."
- 8. On Page 13 of 20, Inserted new language "Not required for Homeownership projects".
- On Page 13 of 20, insert new language Suggested by Staff: "If the project utilizes Tax Credits, have the Tax Credits been awarded? __Yes __No If Yes, attach notice of Tax Credit award.
- 10. On Page 15 of 20, inserted new language "Briefly summarize the project management plan. Identify the staff or agency responsible for ongoing project management and any experience specifically related to this project. (Does not apply to Homeownership Programs)".
- 11. On Page 16 of 20, Insert new language Suggested by Mr. Peters (e-mail) and revised by HTF Tech. Subcomm. on 7/09/08: "Describe the accessibility improvements or modifications that are in excess of what are required by the Fair Housing Act, Section 504, please provide an estimated cost."
- 12. On Page 17 of 20, Question 5 broken into two separate questions (5 & 6).
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- 14. On page 17, under item #6. Inserted language, "Responses to this question should describe how the proposed project will provide a new type of housing choice in the neighborhood in which it is situated."

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Example #2 Developers may have sited their project in a specific location as a result of discussions with neighborhood employers that have identified the lack of suitable affordable housing for their employees as a concern.)

16. On page 18 of the application, item 8", Insert additional language per Mr. Peters e-mail and approved HTF Tech. SubComm. on 7/09/08, "Will this project **proactively** facilitate the movement of persons from institutions into the community? **If so, how?**"

Changes to Attachment C - Scoring Sheet:

- 1. Agency experience with same type/similar project: Changed from five points to two points.
- 2. Staff experience with same type/similar project: Changed from five points to four points.
- 3. Management Agency Experience: Added new line with maximum four point value.
- 4. Revised Language: "Project increases diversity of housing types in the neighborhood".
- 5. Meets HTF Affordability Period Value increased from zero points to one point.

6. Subtracted 5 points from the "Affordability Period" category and the remaining 5 points are set at 1, 2, 3, 4, and 5 points. Added those 5 points to the "Construction Financing" category and changed the 5 to 10 points, 2 to 4 points and keep zero at zero points.

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ADDITIONAL INFORMATION:

Mr. Kammholz Referred to Mr. Peters e-mail dated 7/8/09. He said question #1 says: 1) On Page 8 of application: We are still doing brick & mortar activities only? Shouldn't we open this up so, for example, foreclosure assistance programs could apply for money?

Mr. Kammholz said that this is something the full advisory board should decide.

Mr. Kammholz referred to *Mr.* Peters comment #3 and said that they will keep the original recommendation for item #12, page 17 of the application and Item #4 on the Attachment C - scoring sheet at original the amend and forego *Mr.* Peters suggestion.



APPLICATION FOR FUNDING 2008

INCOME ELIGIBLITY

1. <u>Owner-Occupied Housing:</u> Financial assistance from the Housing Trust Fund for the acquisition, new construction or rehabilitation of owner-occupied housing is limited to households with incomes at or below 100% of the County Median Income, where "income" is calculated using the Census Bureau Long Form method.

The maximum income for homeowners seeking financial assistance for rehabilitation projects is limited to 65% of County Median Income for substantial work (e.g., work valued at more than \$5,000) and 100% of County Median Income for more modest projects (e.g., work valued at \$5,000 or less). Income limits are based on the CMI and are subject to change annually.

2. <u>Rental Housing and Housing for the Homeless:</u> Financial assistance from the Housing Trust Fund for rental housing and projects for the homeless (acquisition, new construction or rehabilitation) is limited to projects that serve households/individuals at or below 50% of the County Median Income.

Please refer to Attachment A for current Housing Trust Fund income limits

APPLICATION SCORING

The advisory board will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Exceed the term of affordability beyond the minimum required by the Housing Trust Fund.
- Use workers from the neighborhood and/or give priority to emerging business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.
- Facilitate the movement of persons from institutions into the community.
- Use contractors who pay family-supporting wages.

Please refer to Attachment C for a detailed description of application scoring measures.

City of Milwaukee Housing Trust Fund Application Page 4 of 20 Revised June 2008 Comment [GMW3]: Replaced "Extend" with "Exceed" per 06/02/08 HTF Tech Comm



APPLICATION FOR FUNDING 2008

Trust Fund dollars must always be used to leverage and complement other sources of financing and to close funding gaps. Housing Trust Funds may not be used as the primary source of funds for any project.

ELIGIBLE APPLICANTS

- 1. A nonprofit organization organized under Chapter 181 of the Wisconsin Statutes, qualified as a Section 501(c)(3) organization, at the time of grant application submission.
- 2. A for-profit organization organized and licensed to do business in the State of Wisconsin at the time of grant application submission.

Individuals may not apply for direct assistance from the Housing Trust Fund.

AFFORDABILITY REQUREMENTS

- <u>Rental Housing</u>: Rental Housing funded with Housing Trust Fund dollars shall remain affordable for a minimum of 30 years, with a review of the affordability requirement at 15 years. The advisory board shall have discretion to remove a particular housing development from the Housing Trust Fund program at the time of the 15-year review.
- 2. Owner-Occupied Housing and Homeownership: Housing Trust Fund dollars used for the acquisition, new construction or rehabilitation of an owner-occupied dwelling, will be forgiven if the owner lives in the home for at least 5 years. The requirement to live in the home for at least 5 years will be enforced through a deed restriction or other comparable security instrument approved by the Board. If the owner sells the home before the end of the 5-year period, the owner will be required to reimburse the Housing Trust Fund the entire loan amount unless the property is sold to another income-eligible household.

Housing Trust Fund dollars are available for home-buying counseling. Homebuyer counseling agencies must demonstrate that they serve low- and moderate-income clients. In addition, any organization that receives Housing Trust Fund money for this purpose must demonstrate that it has the ability to assist disabled individuals (e.g., the location is accessible and the organization offers translation services, materials in Braille, etc.).

- 3. <u>Housing and Services for the Homeless:</u> All Housing developed for the Homeless must remain as homeless housing for a minimum of 50 years.
- NOTES: Projects not meeting the minimum affordability requirements are ineligible.
 Additional points will be assigned, on a sliding scale, for projects that exceed the minimum period of affordability.

Comment [GMW2]: Inserted new language per 06/02/08 HTF Tech Comm; "Projects not meeting the minimum affordability requirements are ineligible. Additional points will be assigned, on a sliding scale, for projects that exceed the minimum period of affordability."

City of Milwaukee Housing Trust Fund Application Page 3 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

BACKGROUND:

The City of Milwaukee Housing Trust Fund was created by the Common Council on September 9, 2006 for the purpose of improving housing conditions for low-income persons in the City and to provide support for non-profit and for-profit developers and governmental entities in the acquisition, construction, rehabilitation and accessibility modification of affordable housing for low-income households in Milwaukee. The Housing Trust Fund was also created to fund services that assist low-income households in obtaining and maintaining affordable housing.

A diverse 13-member advisory board, serving staggered, 2-year terms, provides oversight of the Housing Trust Fund, as well as final funding recommendations to the City of Milwaukee Common Council. The Community Development Grants Administration (CDGA) Division of the City's Department of Administration administers the Housing Trust Fund.

The Housing Trust Fund Board is responsible for evaluating requests for funding from the Housing Trust Fund after those requests have been submitted to and reviewed by CDGA. In making funding-allocation decisions, the Board will also consider a report on Milwaukee's housing needs that is prepared annually by the Department of City Development.

FUNDING GUIDELINES

- A <u>minimum</u> of 25% of Housing Trust Fund dollars must be used to develop housing and provide services for people who are homeless.
- A minimum of 35% must be used to develop or rehabilitate rental housing.
- A minimum of 25% must be used to create and maintain home ownership opportunities.
- The remainder of the Fund (15% or less) is available for "flexible" use to respond to any other housing needs identified by the advisory board, subject to the requirements of the Housing Trust Fund.
- In any of these categories, Housing Trust Fund dollars may be used to fund accessibility or visitability improvements or modifications. However, at least 2% of available Housing Trust Fund dollars or \$100,000, whichever is less, must be used to fund accessibility improvements or modifications in any of the 3 funding categories (homeless, rental and home ownership) annually.

HOUSING TRUST FUND ACTIVITIES MUST OCCUR IN THE CITY OF MILWAUKEE

REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF MILWAUKEE WILL BE REJECTED

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING
2008

Comment [GMW1]: Changed all 2007references to 2008 (including headers and footers)



APPLICATION FOR FUNDING 2008

ACCESIBILTY REQUIREMENTS

SECTION CURRENTLY UNDER REVIEW

HOMELESSNESS & RENTAL PROJECTS

All new construction or substantial rehabilitation projects receiving Housing Trust Funding must comply with the following standards:

- Section 504 of the Rehabilitation Act of 1973.
- Fair Housing Act as amended.
- Americans with Disabilities Act (with respect to marketing office and common areas).
- Wisconsin Open Housing Act.
- Architectural Barriers Act.

Additionally, these projects must meet at least one of the following design principles:

- 1. Aging in place
- 2. Universal design

 Any other accessible and/or adaptable design criteria approved by the Housing Trust Fund Advisory Board.

2. HOMEOWNERSHIP PROJECTS (New housing units in one- to three-unit structures)

Each ground-floor unit shall be constructed to the following "visitability" standards):

- 1. One zero-step entrance to the dwelling unit that will permit a visitor using a wheelchair to enter the main-level floor of the dwelling unit through a doorway entrance that has a minimum 32" clear passage opening.
- 2. Usable path of travel throughout the interior main-level floor of the dwelling unit that is no narrower than 36" at any point except for interior doorway openings with a minimum 32" clear passage opening.
- 3. Powder room (half bath) on the main-level floor that has:
 - i. A doorway entrance with a minimum 32" clear passage opening;
 - ii. Sufficient space to close the entrance door while the room is occupied;
 - iii. A minimum 30" by 48" floor space clearance; 4) reinforced walls for future installation of grab bars to provide access to the toilet if necessary.

Any of these standards (except standards imposed by federal or state law) may be waived or reduced by the Housing Trust Fund's advisory board, upon consultation with appropriate City staff, if project site conditions are unsuitable, but any such waiver does not exempt the project from all other applicable requirements regarding accessibility and visitability.

Comment [tjm4]: Mr. Werra attempted to clarify the Accessibility Requirements and that is currently under review by Independence First.

City of Milwaukee Housing Trust Fund Application

Page 5 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Submission of an application does not guarantee funding. For all projects financed by the Housing Trust Fund, Trust Fund dollars must be used to leverage and complement other sources of financing and to close funding gaps. *Housing Trust fund dollars may not be used as the sole source of funding.*

Completed applications and required attachments must be received at the Community Development Grants Administration office <u>no later than 4:00 p.m. on DAY, DATE 2008</u>. No extensions will be granted. Submit the original and fifteen (15) copies to:

> Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Questions may be directed to the office of Community Development Grants Administration at (414) 286-3647. Your application will begin when your complete application has been received, including all items indicated below:

- 4. A fully completed application. If a question does not apply, indicate this on the application.
- 5. Applicants should include audited financial statements for three years, if in existence for less than three years, all statements received to date (balance sheets, cash flow statements, and profit and loss statements). For special limited purpose corporations, the supporting organization's statements.
- 6. Tax returns for three years (Individual 1040, Corporate 1120, Form 990, and Partnership 1065).
- 7. Project or Business plan
- 8. Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
- 9. Market analysis for projects containing twelve or more residential units.
- 10. Resumes and qualifications of the development team.
- 11. Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
- 12. Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
- 13. A minimum 5-year projected pro-forma (Not required for Homeownership Category)
- 14. An affordability analysis indicating the income level household that can afford the proposed housing at current interest rates or rent levels.
- 15. Post rehabilitation or new construction appraisal

The City of Milwaukee reserves the right to request additional information as deemed necessary by the Housing Trust Fund Advisory Board

City of Milwaukee Housing Trust Fund Application Page 6 of 20 Revised June 2008 Comment [GMW5]: Inserted new language per 06/02/08 HTF Tech Comm: "Not required for Homeownership Category"

Comment [GMW6]: Inserted new language per 06/02/08 HTF Tech Comm: The City of Milwaukee reserves the right to request additional information as deemed necessary by the Housing Trust Fund Advisory Board



APPLICATION FOR FUNDING 2008

NOTICES

The City of Milwaukee reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient Housing Trust Funds. Should the availability of Housing Trust Funds be reduced, the City of Milwaukee Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Milwaukee, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If Applicant makes a false statement or misrepresentation in this Application to obtain Housing Trust Funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

FUNDING DECISION

The actual decision to award funds is considered first by the City of Milwaukee Housing Trust Fund Advisory Board and forwarded to the Common Council for final review and approval. Funding recommendations by CDGA staff are advisory to the Housing Trust Fund Board. Applicants that are not recommended for funding will be notified by mail within 30 days of Common Council action.

In addition, the Housing Trust Fund Board may designate an agency to act as a subrecipient in any manner it deems appropriate to carry out an eligible activity, per the Housing Trust Fund regulations.

ALL AWARDS ARE SUBJECT TO NEGOTIATION OF FINAL TERMS.

City of Milwaukee Housing Trust Fund Application

Page 7 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

Organization Name:	
Organization Address:	CityZip
Contact Person:	Title
Telephone Number:	Fax:
E-Mail:	FEIN

Indicate the amount requested in the appropriate category below. Please submit a separate application for each category being requested.

Activity	2008 Funds Available Amount Requested			
Homelessness	\$750,000			
- Rehabilitation of Existing Facility	\$			
- New Construction of Facility	\$			
- Provide Supportive Services				
Rental Housing	\$1,000,000			
- Rehabilitation of Existing Structure	\$			
- New Construction	\$			
Home Ownership	\$750,000			
- Rehabilitation of Existing Structure(s)	\$			
- New Construction	\$			
- Owner-Occupied Rehabilitation	\$			
- Homebuyer Counseling Services	The use of HTF dollars is currently limited to capital improvement			
- Post-Purchase Counseling Services	(brick and mortar) activities. Housing Trust Fund dollars may not be used			
Other Needs as Identified	as the primary source of funds for any project.			
TOTAL \$2,500,000 \$				
Indicate the percentage and amount of HTF funds requested that will % \$				
be used to fund accessibility improvements or	modifications. \rightarrow $()^{70}$			

Proposals must be authorized and signed by the Chief Executive Officer -AND- an official of the Board of Directors.

Signature:	Date: Title:
Signature:	Date:
Printed Name:	Title:
City of Milwaukee	Page 8 of 20
Housing Trust Fund Application	Revised June 2008

Housing Trust Fund Application



APPLICATION FOR FUNDING 2008

PART I: PROJECT DESCRIPTION

1. <u>Describe the Project</u>: Briefly identify the project location and the specific activity to be completed.

a. If project involves construction or rehabilitation, please attach photos of the site and sketches or drawings of the proposed project.

Photos and/or sketches are attached

Project does not involve construction or rehabilitation

b. If the project involves the provision of services, briefly describe the specific services to be provided. Also, describe the partners and specific funding source(s) for the services to be provided.

Comment [GMW7]: Inserted new language per 07/09/08 HTF Tech Comm: "Also, describe the partners and specific funding source(s) for the services to be provided."

Project does not involve the provision of supportive services

- 2. Households/Clients Served: Briefly describe the specific population to be served, including target income level and special needs populations, as applicable.
- 3. Indicate the unduplicated number of units/household to be served

City of Milwaukee Housing Trust Fund Application

Page 9 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

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Reviewer's Comments:	Score:

City of Milwaukee Housing Trust Fund Application Page 10 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

PART II: PROJECT TIMELINE

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

MONTH		EXEN		
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Reviewer's Comments:		Christian (Christian (Score:
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City of Milwaukee Housing Trust Fund Application

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CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2008

1.	Site Control	is in the form	n of:				
		Deed		· · ·			
	<u> </u>	Purchase Ag	greement				
		Option (Exp	piration Date		12.1		
		Other		· · ·	:		
	8.	Please Atta	ch Written Document	ation of Site	Control		
2.	Site is cnrre	ntly zoned:					
	8.	Please Atta	ch Written Verificatio	on of Zoning	Designa	tion	
3.	Is the zoning	appropriate	for your project?		۰.		
		Yes	No				
			in process and when is	it anticipated	that this	issue will be r	esolved
			in process and when is				esolved
4.	If no, is rezon	ning currently					esolved
4.	If no, is rezon	ning currently	in process and when is Date				esolved
4.	If no, is rezon	ning currently	in process and when is Date				esolvec
4.	If no, is rezon	aing currently at, if any, En	in process and when is Date	ent activities	nave be	en conducted.	
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City of Milwaukee Housing Trust Fund Application Page 12 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

PART IV: PROJECT FINANCING

1.	Please	Attach	the	Following	Items
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- Sources and Uses of all funds
- Development Budget
- Project 5-Year Pro-Forma (Not required for Homeownership projects)
- Cash Flow Statement

2. Please describe the specific use of Housing Trust Fund dollars (i.e.:

Comment [GMW8]: Inserted new language per 07/09/08 HTF Tech Comm: "Not required for Homeownership projects"

Comment [GMW9]: Language Suggested by Staff: "If the project utilizes Tax Credits, have the Tax Credits been

awarded? _Yes_No If Yes, attach notice of Tax Credit award

3. If the project utilizes Tax Credits, have the Tax Credits been awarded?

Yes No

If Yes, attach notice of Tax Credit award.

4. Has the project secured a firm commitment from a construction lender?

Yes No

5. Has the project received a conditional commitment from a construction lender?

Yes No

6. Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with.

Lender Name _____ Phone number

City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING 2008

Contact Person	
Address	
Commitment Amount \$	Rate/Term

7. Identify the project total amount of other funds (private and/or public) that would be leveraged by the Housing Trust Fund dollars?

Funding Source	Amount Leveraged
	\$
	\$
	\$
	\$
	\$
· · · · · · · · · · · · · · · · · · ·	\$
	· .
TOTAL FUNDS LEVERAGED	\$

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Reviewer's Comments:	Score:
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APPLICATION FOR FUNDING 2008

PART V: CAPACITY AND EXPERTISE

1. Has your agency previously undertaken this type of project hefore?

____ Yes ____ No

a. If yes, identify the three most recent projects completed:

2. Identify the staff responsible to complete the project and indicate any experience specifically related to this project

16. Briefly summarize the project management plan. Identify the staff or agency responsible for ongoing project management and any experience specifically related to this project. (Does not apply to Homeownership Programs)

.

Comment [GMW10]: Inserted new language per 07/09/08 HTF Tech Comm: "Birelly summarize the project management plan. Identify the staff or agency responsible for ongoing project management and any experience specifically related to this project. (Does not apply to Homeownership Programs)"

Attach copy of Management Plan.

City of Milwaukee Housing Trust Fund Application Page 15 of 20 Revised June 2008



APPLICATION FOR FUNDING 2008

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Reviewer's Comments:	Score:
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PART VI: FURTHERANCE OF HOUSING TRUST FUND GOALS

1. Describe the accessibility improvements or modifications that are in excess of what are required by the Fair Housing Act, Section 504, please provide an estimated cost.

Comment [tjm11]: Insert new Ianguage Suggested by Mr. Poters' e-mail, and revised by the HTF Tech. Comm. On 7/9/08

2. Explain how this project serves the lowest-income segment of the population:

3. Does the project affordability period exceed the minimum period required by the Housing Trust Fund (please refer to page 3)?

_____ Yes _____ No

Affordability Period Required by HTF: (years) City of Milwaukee Housing Trust Fund Application

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f yes, please d	escribe:				• · ·
	· · · · · · · · · · · · · · · · · · ·	<u> </u>			
·					
project give j	oriority to emerging busi	ness enterprise (contractors?		Comment [GMW12]: Per 0 HTF Tech Comm: Question 5 b
'es _	No				two separate questions (5 & 6).
f yes, please de	escribe:			· · · · · ·	
<u> </u>					
				na stading badyon mana sponnen ana	Comment [GMW13]: Per 0 HTF Tech Comm: Replaced pr
choice in the n	eighborhood in which it is	situated.	ct will provide a ne	w type of	neighborhood diversity languag following: "Does this project in the diversity of housing types in neighhorhood?"
				. ``	Comment [tjm14]: Per 07/ HTF Tech Comm : Inserted lan, "Responses to this question sho describe how the proposed proj provide a new type of housing or the neighborhood in which it is
	es yes, please de project incre es to this quest choice in the n	es No yes, please describe: project increase the diversity of housi es to this question should describe how the choice in the neighborhood in which it is	es No yes, please describe: project increase the diversity of housing types in the r sto this question should describe how the proposed proje choice in the neighborhood in which it is situated.] es No	yes, please describe: project increase the diversity of housing types in the neighborhood? esito this question should describe how the proposed project will provide a neighborhood in which it is situated.] es No	es No yes, please describe: project increase the diversity of housing types in the neighborhood? solve this question should describe how the proposed project will provide a new type of choice in the neighborhood in which it is situated. es No



APPLICATION FOR FUNDING 2008

6.	Will t	his project u	tilize green buildin	g principles?			
		Yes	No				
	a.	If yes, pleas	se describe:				
			· · · · · · · · · · · · · · · · · · ·	<u> </u>	· · · · · · · · · · · · · · · · · · ·		
7.	neigh	borhood, suc	oordinate with and th as employers, bu service agencies?	l enhance the wor isiness improvem	rk of other entiti ent districts, sch	es in the lools, job training	
	train a	and/or employ	evelopers may have / the agency's client ent and operation s of	ts-either in the co	ob training agence Instruction of the	y, agreeing to help project or in the	
	discus	sions with ne	pers may have sited ighborhood employe iployees as a concer	ers that have ident	specific location ified th e l ack of .	as a result of suitable aff ordable	Comment [tjm15]: Per 7/9/08 HTI Fech. Comm: Inserted examples
		Yes	No				
	a.	If yes, pleas	se describe:			•	
						· ·	
8.	Ŵ	ill this proje	ct facilitate the mov	voment of norser	s from institutio	na into tha	
0.		mmunity?	et facilitate the mov	vement of persons	s from insututie	ns into the	
		Yes	No				
City of I Housing	a. Milwauko 7 Trust Fu	If yes, pleas tee und Application	· .			Page 18 of 20 Revised June 2008	

CITY	OF	MIL	WA]	UKEE
HOU	SIN	G TRU	JST F	UND

APPLICATION FOR FUNDING 2008

Xan enuado e	b. V <u>t</u> l	Vill this project proactively facilitate the movement of persons from institutions into the community? If so, how?"	-
			<u> </u>
9.	Will proje	the project use contractors who pay family-supporting wages for all workers on the ect (family supporting wages are defined as \$8.25 per hour)?	Comment [tjm16]: Inset additional language per Mr. Peters e-mail and approved HTF Tech. SubComm. on 7/09/08; "Will this project proactively facilitate the movement of persons from institutions into the community? If so, how?"
		Yes No	
	а.	If yes, please describe:	
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Review	er's Cor	Eor City of Milwaukee-HTF-Use Only nments: Score:	
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City of Milwaukee Housing Trust Fund Application

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APPLICATION FOR FUNDING 2008

PROPOSAL CHECKLIST - YEAR 2008

Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office <u>no later than</u> <u>4:00 p.m. on DAY, DATE 2008</u>. No extensions will be granted.

Submit the original and fifteen (15) copies to:

Mr. Steven L. Mahan, Director Community Development Grants Administration 200 East Wells Street, Room 606 Milwaukee, Wisconsin 53202

Faxed or electronic applications will not be accepted. <u>All proposals received after the closing date noted</u> above will be returned to the applicant without review.

PLEASE BE CERTAIN TO

- > Complete and submit 1 original and 15 unbound copies of all documents:
- > Attach all required supporting documentation as requested in the application.
- If you are applying for more than one activity, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects with the original Housing Trust Fund Application
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will be discarded.

If your Application is funded, some additional documentation will be required prior to executing a contract between the City of Milwaukee and your organization.

City of Milwaukee Housing Trust Fund Application Page 20 of 20 Revised June 2008

ATTACHMENT C

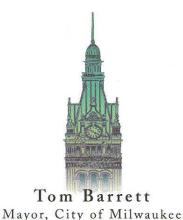
Revised 7/9/08

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

HTF dollars are less than 3% of total project cost 15 HTF dollars account for 5 · 10% of total project cost 12 HTF dollars account for 6 · 10% of total project cost 6 HTF dollars account for 1 · 15% of total project cost 6 HTF dollars account for 1 · 15% of total project cost 3 Income Targets - Please Use Attached Chart 11 if of units with residents between 51% and 70% of income target 12 if of units with residents between 71% and 73% of income target 6 if of units with residents between 86% to 100% of income target 6 if of units with residents between 86% to 100% of income target 3 Mortability Period 1 Exceeds HTF Affordability Period by 50% 2 Exceeds HTF Affordability Period by 50% 3 Exceeds HTF Affordability Period by 50% 2 Less Than 18% Milvaukee (resident) workers 1 24% Milvaukee (resident) workers 2 30% Milvaukee (resident) workers 2 30% Milvaukee (resident) workers 2 24% Milvaukee (resident) workers 2 30% Milvaukee (resident) workers 2 30% Milvaukee (resident) workers 2		Max 100 Pt Scale(a)		
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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



For Immediate Release: June 17, 2008 Media contact: Eileen Force 414-286-8504

BARRETT DETAILS PROGRESS ON ACTIVITY TO PROMOTE AFFORDABLE HOUSING IN MILWAUKEE Mayor thanks Council for partnership on Housing Trust Fund

Mayor Tom Barrett today highlighted gains the City of Milwaukee has made over the past two years to address affordable housing needs in our community. Since 2007, \$2.9 million has been provided to the Milwaukee Housing Trust Fund by the Mayor and the Common Council.

"We are making significant progress," said Mayor Barrett. "The trust fund is one of many tools that we are utilizing to address housing needs," said Mayor Tom Barrett. "In 2007, the City used \$62 million in various sources of federal funding to support the improvement, development and operation of affordable housing."

In addition, Tax Incremental Financing districts created an additional \$1.8 million of resources for affordable housing in city neighborhoods and low income housing tax credits were awarded to 11 Milwaukee housing projects that represent over \$70 million worth of additional investment in affordable housing.

Barrett noted that only a portion of the \$2.9 million provided to the Housing Trust Fund has been allocated to affordable housing projects because many of the applications that have been submitted were not ready to proceed. Several of the projects that have sought money from the Fund had not secured financing from primary sources.

Barrett continued, "We can appreciate the challenges of assembling the layers of resources that are necessary to advance an affordable housing project. We are hopeful that in the future, some of these projects will be able to move forward, and that the city will be able to assist."

Barrett/add one June 18, 2008

Barrett continues to work to increase the quality and supply of affordable housing in Milwaukee, particularly in light of the mortgage foreclosure crisis that is having a serious impact on many of Milwaukee's central city neighborhoods.

The Mayor is working closely with Common Council members and others to utilize City resources to deal with problems related to foreclosures including high rates of code violations and crime in vacant properties.

The Mayor's office is available to help link homeowners who are behind in their payments with appropriate counseling assistance before it's too late to keep their homes. For more information, visit the City's website at <u>www.milwaukee.gov</u>

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Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR Bethany Sanchez, Vice-Chair Ald. Robert Bauman, Heather Dummer Combs, Cecelia Gore, James Hiller, Craig Kammholz, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, and Mike Soika

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Thursday, August 14, 2008	11:00 AM	Room 301-B, City Hall

Meeting convened: 11:13 A.M.

1. Roll call

Present 6 - Murphy, Kammholz, Bauman, Sanchez, Madden and Dummer Combs

Excused 5 - Soika, Hiller, Peters, Schmidt and Lyles

Also present: Steven Mahan, Director, Dept. of Admin., Community Development Grants Administration, Garry Werra, Community Development Grants Administration, Assistant ' City Attorney Tom Gartner, and Jeff Osterman, Legislative Reference Bureau

2. Approval of the minutes of the July 10, 2008 meeting

Ald. Bauman moved approval of the minutes, Ms. Gore seconded. There were no objections.

3. Communication from Mr. Leo Ries, Executive Director, Local Initiatives Support Corporation (LISC) regarding a request for funding for a study being done by LISC and the Public Policy Forum

Ald. Murphy said that Mr. Leo Ries, Executive Director of Local Initiatives Support Corp. (LISC) submitted a letter (Exhibit 1) to this board requesting funding for a study being conducted by LISC and the Public Policy Forum. He said Mr. Ries is not present, but Mr. Madden is also on the LISC Board and is able to address any questions.

Ms. Sanchez asked If *Mr.* Ries is requesting the money from housing trust fund or from some other city funding source?

Ald. Murphy replied that it would come from the Housing Trust Fund.

Ms. Madden replied that there was \$25,000 set aside to do projects such as this and as of today none of that money has been used. She said where the money comes from is at the discretion of the City.

Ald. Murphy said that Mr. Ries is requesting \$5,000 to \$10,000.

Ald. Murphy replied that this request would come out of the \$400,000 that was budgeted in 2008 for the Housing Trust Fund.

Mr. Mahan said that there is some language in the study summary that refers to a third party administering the HOME funds and Section 8 voucher programs and advised the members that that far exceeds what was approved by the Mayor and that information wasn't provided at the time the study was presented to the Mayor. He said the City isn't interested in moving those entitlement funds to a third party. He asked that all the language in the study summary that refers to a third party administering the HOME funds and Section 8 voucher programs be stricken.

Ms. Madden replied that Mr. Mahan is correct, that when the study was brought to the Mayor for review the full scope of the summary was not presented. She said that when looking at funding models from city to city, all the funding entities need to be taken into consideration. She said they can't ignore HOME and Section 8 funds because these are monies that go into housing. She said they aren't trying to come up with recommendations on how to redo the entire City housing function.

Mr. Mahan referred the members to the "Project Overview" section of the study summary, under bullet point one where it says "potential pros and cons associated with merging these (HOME and Section 8) programs and/or locating them outside of city and county government" and said he agrees that all the funding sources and usage should be considered, but a transfer of those programs to a third party should not be part of the study.

Ms. Madden asked that instead of striking the language, could language be added, such as under "Project Overview", in the first bullet point, in the sentence that starts with "This will include" add "This will include review of"?

Mr. Kammholz asked if this board could have *Mr.* Rob Henken with the Public Policy Forum appear and explain what this study is going to provide for the City? He said this board may use the recommendations from this study.

Ms. Gore asked if they could approve the funding with a caveat that the study summary language will be further defined.

Ald. Murphy asked if it is even necessary to have that language in the study summary and project overview?

Ms. Madden replied that they don't need that language, but would like to have it in and would be willing to modify it.

Ms. Madden said that inviting Mr. Henken may be a good idea, because he could explain the study better than she can.

Ms. Madden asked if this board would consider isolating some of the language in the study summary and move ahead with the funding request at this time?

Ald. Murphy said that the wording that Mr. Mahan is requesting to be stricken could be stricken and between now and September the language could be clarified and than reviewed by this board at its next meeting. He said from there it would go on to the Zoning, Neighborhoods and Development Committee for consideration. He asked if there is a motion?

Ald. Bauman asked if the County is putting up funding for this study?

Ald. Murphy replied that he and Ms. Madden met with the County Supervisor Marina Dimitrijevic and the County Policy Advisory Committee and they said they would be willing to fund the study, but the board hasn't met yet to consider the request.

Mr. Kammholz moved to approve a \$10,000 grant for the study being done by LISC and the Public Policy Forum with the caveat that the scope of the language will be redefined, Ald. Bauman seconded. There were no objections.

Meeting adjourned: 11:40 A.M.

Terry J. MacDonald Staff Assistant



June 23, 2008

Mr. Michael Murphy, Alderman City of Milwaukee 200 E. Wells St., Rm. 205 Milwaukee, WI 53202

Dear Mr. Murphy, Mutte

LISC is working with the Public Policy Forum to explore policy options for creating a sound and sustainable public infrastructure that will support the development of affordable housing in Milwaukee County and insure the effective administration of affordable housing programs. The project will consist of two primary components:

- Review and analyze the existing housing programs in the City of Milwaukee and Milwaukee County and outline strengths and challenges. This review will include both operational programs such as Section 8 and HOME as well as housing development programs such as the Housing Trust Fund, established by the City, and the Inclusive Housing Fund, established by the County. Consideration also will be given to potential pros and cons associated with merging these programs and/or locating them outside of city and county government.
- Review a selected group of housing trust fund and program administration models in other metropolitan areas, with a discussion of potential barriers and benefits associated with replication in Milwaukee. A particular research emphasis will be analysis of whether and how other housing trust fund efforts have been able to attract private sector participation and support.

Included with this letter is a copy of the full research proposal from the Public Policy Forum. The projected cost for this study is approximately \$30,000. I'm writing to ask if the City of Milwaukee would consider providing support for this project with a grant of \$5 - 10,000.

As you know, the lack of decent, safe and affordable housing for low-income residents in Milwaukee County has been well documented, and the sub-prime mortgage crisis and the tightening credit markets promises only to make the problem worse. The study as outlined above will lay the groundwork for a constructive conversation on how we can leverage local resources for the best possible advantage.

Thank you for your consideration of this request. Please feel free to call me if you have questions.

Sincerely,

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Leo J. Ries, Executive Director LISC - Milwaukee

A Sustainable Approach to Creating and Administering Low-Income and Special Needs Housing in Milwaukee County

A Project Proposal to the Local Initiatives Support Corporation Submitted by the Public Policy Forum June 2008

Summary

This proposal is in response to the Local Initiatives Support Corporation's request for research assistance that would inform policymakers of strategies that could lead to a more coordinated and efficient use of public resources (at both the city and county level) relative to affordable housing development. The research conducted under this proposal also will yield information on models utilized in other metropolitan areas that have been successful in encouraging greater private investment in this area.

The lack of a sufficient supply of decent, safe and affordable housing for low-income residents in Milwaukee County has been well documented. For example, a recent report by the UWM Employment and Training Institute found that since 2000, there has been a 48% increase in the number of Milwaukee renters spending greater than 50% of their income on housing. In addition, a report by the Milwaukee Housing Trust Fund Coalition found that there are 4,250 individuals on the waiting list for public housing or Section 8 vouchers, and that the average amount of time the waiting lists remain closed is 24 months. The sub-prime mortgage crisis and the tightening credit markets promise only to make these numbers worse.

More recently, there also has been considerable attention paid to the lack of decent and affordable housing for persons with mental illness and other special needs. A 2006 investigative series by the <u>Milwaukee Journal Sentinel</u> shed light on deplorable housing conditions experienced by low-income persons with mental illness and spurred action by the Milwaukee county executive and mayor to work jointly to address the problem.

Increased public attention to both the affordable housing problem in general, and the special needs housing problem in particular, has yielded some impressive public policy developments. The City of Milwaukee created a Housing Trust Fund in September 2006 to provide assistance for both the rehabilitation and construction of housing for low- and moderate-income citizens. Meanwhile, Milwaukee County has created two funds for development of low-income housing: one to address the needs of low-income persons with mental illness, and a separate "inclusive housing" fund for general low-income housing development.

While commendable and significant, most housing experts agree that the efforts undertaken by both governments still are likely to fall far short of meeting the need for affordable housing. Furthermore, the fiscal challenges facing both governments call into question whether their recent efforts can be sustained. Specific challenges already experienced by the city and county include the following:

- For its first round of funding, the city's Housing Trust Fund received requests totaling \$5.6 million and approved \$1.4 million worth of projects. While some of the requests were not approved because they did not meet the scoring criteria this year, it was clear in this initial round that viable requests exceeded the fiscal capacity of the fund.
- Controversy already has arisen regarding the size and affordability of the city's annual commitment to the fund.
- The county's two housing funds have been financed by borrowing and land sale revenue two sources that are unlikely to be sustainable for the long-term.
- The county has made a strong commitment to three special needs housing projects, which leaves few resources for additional projects for the foreseeable future.
- While both the city and county initiatives address development of housing for persons with special needs, a key issue that has yet to be resolved is ongoing funding for the supportive services that are essential to making such housing work.

In light of these issues and challenges, the Public Policy Forum proposes a research project designed to explore how city and county policymakers might logically build off their recent efforts in order to create a sustainable and sufficient pool of resources to support the rehabilitation and construction of low-income and special needs housing. The project also will look at existing City of Milwaukee and Milwaukee County housing programs, such as Section 8 and HOME, to determine whether a consolidation of those programs might produce administrative savings and other efficiencies that could allow greater numbers of potential clients to be served.

Project Overview

The objective of the housing research project will be to determine potential policy options for creating a sound and sustainable public infrastructure that will support the development of affordable housing in Milwaukee County and the effective administration of affordable housing programs. It is envisioned that the project will consist of two primary components:

- Review and analysis of existing housing programs in the City of Milwaukee (most of which are administered by the Community Development Grants Administration and the Housing Authority of the City of Milwaukee, a separately chartered entity governed by a sevenmember board) and Milwaukee County that will outline strengths and challenges. This will include both operational programs such as Section 8 and HOME as well as housing development programs such as the special fund initiatives described above. Consideration also will be given to potential pros and cons associated with merging these programs and/or locating them outside of city and county government.
- Detailed review of a selected group of housing trust fund and program administration models in other metropolitan areas, including discussion of potential barriers and benefits associated with replication in Milwaukee. A particular research emphasis will be analysis of whether and how other housing trust fund efforts have been able to attract private sector participation and support.

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In conducting our research, we will specifically seek to answer the following questions:

- What potential funding sources (including federal, state, private) might exist to replace or supplement existing funding provided or committed by the city and county to affordable housing development?
- If the city and county were to formally combine their housing fund efforts and criteria, would it result in greater leverage on their investments?
- If there were to be a combined "fund," where might it be housed and how might these options differ?
- What are the pros and cons of having separately administered Section 8 and HOME programs in the city and county? Would administrative savings and efficiencies result from merging the two?

Dissemination of Project Results

We would employ the following strategies to disseminate research results:

- 1. We will reach out to city and county government leaders to request an opportunity to publicly present our findings to relevant legislative committees. We will also offer private briefings to top government officials.
- 2. As with all major Forum research efforts, our final report will be posted on our web site, and we will notify our e-mail list of more than 1,000 Forum members, elected officials and business and community leaders upon posting.
- The Forum has a proven record of success in attracting media coverage for its publications. We will utilize our traditional media dissemination strategies – which include requests for editorial board meetings and focus on non-traditional media (such as public affairs web sites) – to seek widespread coverage of the report.

Our Credentials

The Forum Board of Trustees has committed the organization to playing a key supportive role in monitoring and strengthening local government performance. For the past 95 years, we have served as a citizen's watchdog organization for the city and county of Milwaukee, ensuring our local governments are committed to providing taxpayers with good value. Over the past decade, our mission has expanded to include policy analysis of issues important to all of southeastern Wisconsin.

Since 1913, the Forum has cultivated our reputation for trusted research as a non-profit, nonpartisan organization that helps improve the quality of public policymaking in Southeastern Wisconsin. Our mission is to encourage informed public policy and effective use of public resources. We achieve our mission by conducting high-quality research on civic issues of local, state, and national concern. Fiercely independent and widely respected for unbiased research, the Forum is prized by area leaders seeking to participate effectively in public policy debate.

Key Personnel

The Forum's permanent staff consists of seven people: Rob Henken, president; Anneliese Dickman, J.D., research director; Ryan Horton, senior researcher; Jeffrey Schmidt, researcher; Melissa Kovach, researcher; Jerry Slaske, communications director; and Catherine Crother, administrative support.

Mr. Henken and Ms. Dickman will provide overall project direction and guidance and Mr. Henken will lead the dissemination aspect of this project. Mr. Horton will be assigned part-time to this project to lead the research and writing components. An outside researcher will be retained on a contractual basis to provide research and writing assistance. Other research staff will be called upon as needed to conduct research activities. The project team's extensive experience in policy research in Southeastern Wisconsin makes it ideally suited to conduct the project.

Project Timeline

	2008	2008									
	June	July	August	September	October	November	December				
Assemble Funding			2	·							
Research design											
Research & analysis		が消除を発展する		an an an an an an an an an an an an an a							
Author draft report						pary dec					
Print and release report					10 100 100 100 100 100 100 100	1999 - 1999 - 1999 - 1999 - 1999 - 1999 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 -					
Dissemination											

Project Budget

<u> </u>	
Project component	Cost
	Į
Personnel	
Rob Henken, President	\$ 4,000
Anneliese Dickman, Research Director	\$ 2,500
Ryan Horton, Senior Researcher	\$ 8,000
Contract Researcher	\$ 5,000
Fringe Benefits	
Rob Henken	\$ 1,000
Anneliese Dickman	\$ 250
Ryan Horton	\$ 2,000
Contract Researcher	\$ 0
Personnel subfotal	\$22,750
Non-personnel	
Printing, design, postage	\$5,000
Non-personnel subtotal	\$5,000
	an in die structuur die Sectional Sanderald in giber Sederald estimation in
Total direct costs	\$27,750
Indirect c osts (8%)	\$ 2,250
Total project cost	\$29,970



City of Milwaukee

Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR Bethany Sanchez, Vice-Chair Ald. Robert Bauman, Heather Dummer Combs, Cecelia Gore, James Hiller, Craig Kammholz, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, and Mike Soika

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Thursday, September 11, 2008	11:00 AM	Room 301-A, City Hall

Meeting convened: at 11:08 a.m.

- 1. Roll call
- Present 9 Murphy, Soika, Hiller, Sanchez, Madden, Peters, Dummer Combs, Gore and Schmidt
- Excused 3 Kammholz, Bauman and Lyles

2. Approval of the minutes of the August 14, 2008 meeting.

Mr. Soika moved approval of the minutes, *Ms.* Madden seconded. There were no objections.

3. Discussion relative to the potential federal aid for foreclosure issues and what effect it may have on the Housing Trust Fund.

Ms. Maria Prioletta from the Department of City Development appeared on this matter.

She said Mayor Tom Barrett's Housing Foreclosure Task Force would begin meeting next week.

A key element in its deliberations will be the use of federal Housing and Urban Development funds, the guidelines for the use of which are expected on September 26, 2008.

The current federal legislation in this area included the creation of a federal Housing Trust Fund. A current question is the degree of local control that will be granted as this program is implemented. Ms. Prioletta said the Mayor intended to argue strongly for local control.

The funding source for this federal trust was to be the loan origination fees received by Fannie Mae and Freddie Mac. Given their takeover by the federal government earlier in the week, it is likely that there will have to be lobbying for alternative sources of funding.

Mr. Soika asked who would be administering federal housing foreclosure dollars?

Ms. Prioletta replied that they would be administered through the DCD, but monitored by the Community Development Block Grant Administration.

Mr. Peters asked where the City derived its assumption that the federal government would provide \$10-20 million under the foreclosure abatement program?

Ms. Prioletta said it was based on "guesstimates" further based on conversation with HUD representatives and other officials -- all of whom appear to be giving consistent answers.

Ms. Sanchez asked if the City has contacted WHEDA regarding local control over the federal trust fund?

Ms. Prioletta said the City has not contacted that agency.

Ms. Madden asked whether the City has investigated the Capital Magnet Fund and how it would be funded?

Ms. Prioletta said the City has not investigated this fund, but said it too was to be funded by Fannie Mae and Freddie Mac.

Roll call taken at 11:50 A.M.

- Present 8 Murphy, Soika, Hiller, Sanchez, Madden, Peters, Dummer Combs and Schmidt
- **Excused** 3 Kammholz, Bauman and Lyles
- 4. Discussion relating to the communication from Mr. Leo Ries, Executive Director, Local Initiatives Support Corporation (LISC) regarding the request for funding for a study being done by LISC and the Public Policy Forum.

Appearances: Mr. Leon Ries, Robert Henken (Director of the Public Policy Forum), and Ryan Horton (researcher at the PPF)

Mr. Ries indicated, based on his review of the previous meeting, the greatest concern appeared to be under the "Project Overview" section of the study summary, under bullet point one where it says "potential pros and cons associated with merging these (HOME and Section 8) programs and/or locating them outside of city and county government."

Mr. Ries said the bullet point did not apply to locally-raised funds, rather that the County and the City might consider joint administration of certain programs, notably Section 8 and HOME programs.

Mr. Henken said the primary focus of the study would be bringing back to the Housing Trust Fund examples of metropolitan areas that "do affordable housing well".

Mr. Hiller inquired as to whether or not the information proposed to be derived from the study was not already available through other resources.

Mr. Horton indicated that there are excellent resources available, but there are gaps in the available research particularly pertaining to the leveraging of private dollars and the broadening of resources that are made available to affordable housing initiatives.

Mr. Ries said he hoped the study would create an environment in which the City and the County could better align their housing efforts and perhaps even agree in matters of common interest like funding sources.

Ms. Madden asked what the source of the money for this study would be: the \$400,000 allocated to the Trust Fund or a separate \$75,000 set aside for studies and other uses.

Mr. Mahan said the CDGA received \$25,000 for initial housing trust fund administration.

Mr. Owczarski (clerk) indicated that the \$10,000 is to be allocated from the Housing Trust Fund's special purpose account.

Ms. Sanchez asked if the PPF was still prepared to meet its deadline for this report?

Mr. Horton indicated they were continuing to target a December deadline, but it could slip to January.

Mr. Ries said the PPF and LISC were still working to secure other private donations for the report and has had some success, but had not yet secured its full cost.

Mr. Schmidt asked how this matter was approved outside the Trust Funds usual process, including a lack of Request for Proposals.

Mr. Mahan said the Common Council and its committees had the authority to approve funding of that source without the separate approval of the advisory board. Further, even the housing recommendations of the Advisory Board could be amended by the Common Council at the time such matters are considered. He said the Board could ask that procedures be put in place to insure that future studies of this type be vetted by a procurement process.

Mr. Soika asked if the Board could create policy that no money will be spent without an appropriate RFP?

Ms. Sanchez inquired if this might not cost the Board needed flexibility.

Mr. Soika replied that they can't have it both ways.

Mr. Mahan replied that the funding decision is already set in the legislation. It says "the decision for awards is first set by the HTF Advisory Board and forwarded to the Common Council. He said if the board wants a procurement process it would have to establish one.

Ald. Murphy arrived at 11:50 P.M.

Ald. Murphy replied that this Board could not set a procurement process, because it doesn't have the authority to set law.

Ald. Murphy said that there is nothing that would prevent another Alderman from presenting a funding request from the housing trust fund to the Common Council, without it being heard and approved by the HTF Advisory Board first.

Mr. Werra said that he would like to clarify, for internal purposes, the RFP intent for the

four categories: Homelessness, Rental, Homeownership and other needs. He said his understanding is that for the first three categories there will always be an RFP required and that the fourth category, other needs, could be submitted to this board without a RFP.

Ald. Murphy replied in the affirmative.

5. Update from the Community Block Grants Administration Director relative to the award funding process

Mr. Mahan said that he has some unanswered questions that need to be addressed before the second round of RFP's can be announced.

Mr. Mahan asked what will be the timeline for the release of the second round of *RFP's*? What categories does the board want in this second round of *RFP's*? Will the funding percentage for each category stay the same? Does the board want the remaining funds reshuffled?

Mr. Mahan also indicated that he is still waiting for a response from IndendenceFirst on the wording for the "Accessibility Requirements" section on the application.

Mr. Peters replied that the wording is fine the way it is.

Mr. Mahan explained that, in the beginning, each category had a set percentage of the housing trust funds and during the first round not all of the funds had been allocated, leaving a balance of about \$1,482,000. He asked if the board wants to keep the percentages and remaining funds in each category as is or does the board want to reshuffle the funds and divide the remaining funds by percentage for each category again?

Mr. Werra said that there is only \$100,000 left in the Homelessness category.

Ms. Sanchez replied that if they were to reshuffle the remaining funds, then it would seem like they are ignoring the percentages that were established in the legislation altogether.

Ms. Soika replied that he thought that from the beginning the board was being true to the ordinance by allocating dollars per the percentages established for each category and if the dollars weren't allocated in full in each category in the first round, it would start over and the remaining funds would be based upon the percentages again.

Ald. Murphy asked Mr. Mahan what his recommendation is on how the remaining funds should be handled?

Mr. Mahan replied that he recommends that the funds should be reshuffled.

Mr. Soika asked what would the amounts be for each category if the remaining funds were reshuffled?

Mr. Werra replied that if the remaining funds were reshuffled, according to the original percentages established for each category, it would be as follows: Homelessness - \$370,750, Rental Housing - \$519,050 and Homeownership - \$370,750.

Ms. Sanchez said there is also the 15% minus the \$10,000 that could be used in any

way that this board sees fit.

Mr. Werra said that the 15% was never allocated in the first round and that it was spread among the other categories. He said in this round the 15% would be \$222,000.

Mr. Soika moved that the \$1,483,000 remaining housing trust funds be reallocated based on the original formula stated in the legislation, which is 25% for Homelessness, 35% for Rental Housing, 25% for Homeownership and 15% for Other needs. The motion prevailed. (6-1-1) (*Mr.* Schmidt voting no; *Mr.* Peters abstaining)

Mr. Werra said the first round of funds was limited to only brick and mortar projects. He asked what is the board's intent for this second round of funds? Will it be limited to only brick and mortar project again or does it want to open it up to softer activities, such as home buyer counseling?

Mr. Peters replied that he would like it open up to the softer projects.

Ald. Murphy asked what does Mr. Mahan recommend?

Mr. Mahan replied that there are plenty of brick and mortar projects that could used these housing trust fund dollars and he is leery about opening the housing trust funds up to softer projects, because there are a lot of funds available out there for softer projects, including the federal foreclosure funds that the block grant office will be receiving soon.

Mr. Peters suggested that they go with brick and mortar projects again this year, but make the change next year to include the softer projects.

Mr. Sanchez said that she talked directly to some of the non-profit organizations that were interested in applying for the housing trust funds under the homeownership category, but didn't because of the some of the requirements, such as the five year porforma.

Mr. Hiller said he would like to stick with brick and mortar projects only, because if it was opened up to the softer projects, the CDGA staff would probably receive a flood of applications that wouldn't qualify for housing trust funds.

Mr. Schmidt asked if someone could give a definition of what is meant by brick and mortar projects?

Mr. Mahan replied that any physical changes, including minor home repair is considered a brick and mortar project.

Mr. Mahan said he is willing to setup a training session for applicants.

Mr. Mahan asked how would the board like to see the training session announced?

Ald. Murphy said he would work with CDGA staff to put together a news release for the training session and the RFP.

Ms. Sanchez asked what is the timeline for this second round of RFP's?

Mr. Mahan replied that if the board gives the OK to release, he could get the notification published in the newspapers and on the website by the week of September

22, 2008 and and the RFP due date could be the week of October 20, 2008.

Ms. Dummer Combs asked if the training session could be announced at the same time the RPF is?

Mr. Mahan replied in the affirmative. He said he could setup the training session to take place two weeks after the announcement, which means it would be held two weeks before the RPF due date.

Mr. Peters asked if the due date for the RPF could be the week of Oct. 27, 2008?

Mr. Soika said he would prefer that the due date is set for Oct. 27, 2008.

Ald. Murphy said the due date for the second round of RFP's will be October 27, 2008. There were no objections.

6. Next meeting date and time

Ald. Murphy indicated that the next meeting date is set for October 9, 2008 at 11:00 A.M. and that he and Ald. Bauman will be in budget hearings all that day and will not be able to make that meeting.

Ald. Murphy asked if there are any objections to canceling the October 9th meeting? There were no objections.

Ald. Murphy said the meeting date would be November 13, 2008 at 11:00 A.M.

Meeting adjourned: 12:38 P.M.

Terry MacDonald, Staff Assistant

City of Milwaukee

Office of the City Clerk

200 E. Wells Street Milwaukee, Wisconsin 53202 Certified Copy of Resolution

FILE NO: 080645

Title:

Substitute resolution relating to the appropriation of \$10,000 from the Housing Trust Fund account to the Local Initiatives Support Corporation and the Public Policy Forum to fund a study titled "A Sustainable Approach to Creating and Administering Low-Income and Special Needs Housing in Milwaukee County."

Body:

Whereas, The Local Initiatives Support Corporation ("LISC") and the Public Policy Forum are working together to explore policy options for creating a sustainable public infrastructure for the development of affordable housing in Milwaukee County and for effective administration of affordable housing programs; and

Whereas, In response to a request from LISC for research assistance on this topic, the Public Policy Forum has proposed to conduct a study that would:

1. Review and analyze the existing affordable housing programs in the City of Milwaukee and Milwaukee County, including a summary of the strengths and challenges of these programs.

2. Review a selected group of housing trust fund and housing program administration models in other metropolitan areas, including a discussion of the potential barriers and benefits associated with replicating these models in Milwaukee.

; and

Whereas, The Public Policy Forum has indicated that the total cost of this research project, which will take approximately six months to complete, is \$29,970; and

Whereas, In a June 23, 2008, letter to Ald. Michael Murphy, LISC requested that the City of Milwaukee consider providing up to \$10,000 to support this project; and

Whereas, On August 14, 2008, the Housing Trust Fund Advisory Board approved a motion recommending the appropriation of \$10,000 from the Housing Trust Fund for a grant to fund the study proposed by LISC and the Public Policy Forum; and

Whereas, The appropriation of Housing Trust Fund dollars to support the LISC/Public Policy Forum project is consistent with the established purpose of the Housing Trust Fund, as stated in s. 316-1 of the Milwaukee Code of Ordinances; and

Whereas, It is anticipated that LISC and Milwaukee County will provide the other two-thirds of

the funding needed to undertake this project; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee that the City Comptroller is authorized to transfer \$10,000.00 from the 2008 Housing Trust Fund Special Purpose Account (0001-9990-006300-0001-S216-2008) to a Department of Administration account (0001-1510-006300-0001-S216-2008) for the purpose of expending these funds for the study titled "A Sustainable Approach to Creating and Administering Low-Income and Special Needs Housing in Milwaukee County" to be performed by the Public Policy Forum in cooperation with the Local Initiatives Support Corporation and, be it

Further Resolved, That the Department of Administration-Community Development Grants Administration Division is authorized to expend these funds for the stated purpose and to enter into such contracts and agreements as necessary to accomplish the intent and purpose of this resolution.



I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on September 16, 2008.

Ronald D Ceonhe

Ronald D. Leonhardt

April 20, 2009

Date Certified

file:///H|/Terry/Extension on due date for HTF application ().htm

From: Bethany Sanchez [bethany_sanchez@hotmail.com]
Sent: Wednesday, October 22, 2008 10:22 AM
To: charlotte@lbwn.org; uedaofwi@yahoogroups.com
Cc: nicole; barbara@lbwn.org; rtmilwaukee@hotmail.com;
yglover@nonprofitcentermilwaukee.org; MacDonald, Terry
Subject: Extension on due date for HTF application (??)
I was just informed, by Ald. Murphy's staff person Ben, that due to a number of mostly staffing-related issues, that the HTF application deadline originally announced as Monday, 10/27 would be pushed back by a week.

I have no other confirmation of this extension, but Ben assured me that the deadline was indeed going to be extended by a week. I just checked the Block Grant section of the City's website, <u>http://www.city.milwaukee.gov/CommunityDevelopment310.htm</u> and there is nothing there.

I would strongly suggest that you get confirmation of the deadline extension from Steve Mahan or Mario Higgins before assuming that it is true.

Bethany Sanchez Vice-President, Community and Economic Development Metropolitan Milwaukee Fair Housing Council 600 E. Mason, Suite 200 Milwaukee, WI 53202 414/ 278-1240, x22 www.fairhousingwisconsin.com Board member, National Community Reinvestment Coalition www.ncrc.org

Board member, Urban Economic Development Association <u>www.uedawi.org</u>

From: charlotte@lbwn.org To: bethany_sanchez@hotmail.com CC: nrobben@wi.rr.com; barbara@lbwn.org Subject: extension on HTF app? Date: Tue, 21 Oct 2008 17:30:51 -0500

Hi Bethany,

I had heard that there may be an extension on the deadline for the HTF application since some questions were still pending. Can you please confirm if this is the case? Thanks so much! Charlotte

Charlotte John-Gomez, Executive Director Layton Boulevard West Neighbors, Inc, 1545 S. Layton Boulevard Milwaukee, WI 53215 414-383-9038, ext. 2513 file:///H//Terry/Extension on due date for HTF application ().htm

charlotte@lbwn.org www.lbwn.org file:///H/Terry/The HTFAB Finance Subcommittee meeting scheduled for November 13 2008 at 1000 A.M. has been cancelled..htm

From: MacDonald, Terry
Sent: Friday, November 07, 2008 12:21 PM
To: Cathie Madden; Ray Schmidt; Bethany Sanchez; Vincent Lyles; Brian Peters
Cc: Bauman, Robert; Cecelia Gore; Gartner, Thomas; Heather Dummer Combs; Higgins, Mario; James A Hiller; Kammholz, Craig; Leo Ries; Mahan, Steven; Marcus White; Mike Soika; Murphy, Michael; Osterman, Jeffrey; 'Sign language Interpreter'; Werra, Garry; Zalben, Barry
Subject: The HTFAB Finance Subcommittee meeting scheduled for November 13, 2008 at 10:00 A.M. has been cancelled.

To All HTFAB Finance Subcommittee Members:

The HTFAB Finance Subcommittee meeting scheduled for November 13, 2008 at 10:00 A.M. has been cancelled.

Please note: At this time the full Housing Trust Fund Advisory Board meeting scheduled for November 13, 2008 at 11:00 A.M. is still on.

Terry J. MacDonald, Staff Assistant City of Milwaukee, City Clerk's Office 200 East Wells St., Room 205 Milwaukee, WI 53202 414-286-2233 Fax: 414-286-3456 Terry.Macdonald@milwaukee.gov Blank

From: MacDonald, Terry

Sent: Wednesday, December 03, 2008 11:43 AM

To: Bauman, Robert; Bethany Sanchez; Brian Peters; Cathie Madden; Cecelia Gore; Gartner, Thomas; Heather Dummer Combs; Higgins, Mario; James A Hiller; Kammholz, Craig; Leo Ries; Mahan, Steven; Marcus White; Mike Soika; Murphy, Michael; Osterman, Jeffrey; Ray Schmidt; 'Sign language Interpreter'; Vincent Lyles; Werra, Garry; Zalben, Barry

Subject: Housing Trust Fund Advisory Board and Finance Subcommittee meetings scheduled for December 11, 2008 have been cancelled.

To All Housing Trust Fund Advisory Board Members, Finance Subcommittee Members, Staff and Interested Persons:

The Housing Trust Fund Advisory Board and Finance Subcommittee meetings scheduled for December 11, 2008 have been cancelled.

See you in January 2009.

Sincerely,

Terry J. MacDonald, Staff Assistant City of Milwaukee, City Clerk's Office 200 East Wells St., Room 205 Milwaukee, WI 53202 414-286-2233 Fax: 414-286-3456 Terry.Macdonald@milwaukee.gov



Meeting Minutes HOUSING TRUST FUND ADVISORY BOARD

ALD. MICHAEL MURPHY, CHAIR Bethany Sanchez, Vice-Chair Ald. Robert Bauman, Heather Dummer Combs, Cecelia Gore, James Hiller, Craig Kammholz, Vincent Lyles, Cathie Madden, Brian Peters, Ray Schmidt, and Mike Soika

Staff Assistant, Terry MacDonald Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov

Thursday, November 13, 2008	11:00 AM	Room 301-B, City Hall
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Meeting convened: 11:11 A.M.

- 1. Roll call
- Present 8 Murphy, Soika, Bauman, Sanchez, Madden, Peters, Dummer Combs and Gore

Excused 4 - Hiller, Kammholz, Schmidt and Lyles

Also present: Steven Mahan, Director, Dept. of Admin., Community Development Grants Administration, Mario Higgins, Community Development Grants Administration, Assistant City Attorney Tom Gartner, and Jeff Osterman, Legislative Reference Bureau

2. Approval of the minutes of the September 11, 2008 meeting.

Ald. Bauman moved approval of the minutes, Mr. Soika seconded. There were no objections.

Page 1

3. Update from the Community Block Grants Administration Director relative to the status of the Housing Trust Fund applications

Ald. Murphy indicated that there is \$400,000 allocated in the City's 2009 budget for the Housing Trust Fund.

Mr. Steve Mahan, Director of the the Community Development Grants Admin. (CDGA) appeared to give an update on the application process.

Mr. Mahan referred the board members to his handout titled "Housing Trust Fund -Application Intake Sheet - November 2008" (Exhibit 1) and said that the CDGA received 28 applications.

Mr. Mahan said that WHEDA's current tax credit rate is \$.76 on the dollar.

Mr. Peters said that he heard that WHEDA's tax credits will be going down to \$.68 on the dollar.

Mr. Mahan gave an overview of the applications that were received for each of the four categories.

Mr. Mahan said he thinks a precedent was set with Mercy Housing, because in his brief review of the applications, he noticed that in six of the the applications the projects were not ready to go and they are missing their bank financing. He said those same six applicants are looking at housing trust funds as first funds in.

Mr. Mahan said that the next step will be for the Technical Review Subcommittee members to review the applications.

Ald. Murphy asked if the applicants have to state in the application what they thought they would receive in tax credits?

Mr. Mahan replied in the negative. He said that if the applicant didn't, the tax credit amounts are easy to figure out.

Mr. Mahan further replied that the Technical Review Subcommittee members will need to do a cursory review of the applications to see which applicants already have tax credits.

Ald. Murphy asked when will the applicants know if they will receive tax credits?

Mr. Mahan replied that a lot of the applicants have already received their tax credits. He also said that tax credit award announcements are done in March, but WHEDA has announced that it will begin a rolling application process starting January 1, 2009.

Ald. Murphy asked if Mercy Housing received its tax credits?

Mr. Mahan replied in the negative.

Ald. Murphy asked if this board should be at the point, where Mercy Housing should be notified that its housing trust fund award has been withdrawn? He said those funds could be reallocated.

Mr. Mahan replied that Mercy Housing has an application in for its tax credits and they should know something by February 2009. He said he will be meeting with Mercy Housing representatives next week to get an idea where they're at with their tax credits.

Ms. Dummer Combs asked if this board would be hurting applicants during the scoring process if the applicants were to ask for less funds than what they really need?

Mr. Mahan replied that the applicants were very conservative in their dollar requests.

Ms. Madden asked if a financial summary for each of the applications be completed prior to picking up all the applications?

Ald. Murphy asked Mr. Mahan if he could provide a narrative summary from each of applications for the Technical Review Subcommittee members prior to them picking up all the applications?

Mr. Mahan replied in the affirmative.

Mr. Mahan said that it would be good idea for the Technical Review Subcommittee members to pick up the applications by next week so that they can begin their review.

Ald. Murphy asked how can the applicant's financials be reviewed without knowing what the applicants tax credits will be?

Mr. Mahan replied that he will be meeting with WHEDA staff next week and he will have a clear picture on the tax credits.

Ms. Dummer Combs asked what is the timeline for the review and award for this second round?

Mr. Mahan said that he had talked to *Mr.* Kammholz, the Chair of the Technical Review Subcommittee, and he said that he is looking at a January 2009 meeting for the review and scoring of the applications and the awarding of the funds.

Mr. Peters said that last year he was very surprised that the full Advisory Board didn't review each of the applications and that it was all done by the technical Review Subcommittee. He asked if he could join the Technical Review Subcommittee?

Ald. Murphy replied in the affirmative.

4. Update from the Community Block Grants Administration Director relative to the status of the projects that have been awarded housing trust funds

Mr. Steve Mahan, Director of the Community Development Grants Administration appeared to give the update on the projects that have received a Housing Trust Fund award.

Mr. Mahan referred the board members to his hand out titled "Housing Trust Fund Awards by Organization" (Exhibit 2).

Mr. Mahan gave an overview of the Housing Trust Fund's activities for 2008, as noted in his handout.

Mr. Mahan said that he has been working with Assistant City Attorney Tom Gartner on the preparation of the contracts. He said they have a contract in place with St. Catherine's Place project and that he is just waiting for the final request for funds and a check will be sent out sometime next week.

Mr. Mahan said that the Milwaukee Christian Center is next in line on getting a contract in place. He said that Milwaukee Christian Center has completed its feasibility package and that the reason for the delay with them is because they just secured the parcels that they need for the project.

Mr. Mahan said the board knows where Mercy Housing stands at this time.

Mr. Mahan asked City Attorney Tom Gartner to comment on the Heartland House project.

Atty. Gardner said that they have an agreement in place, but the question that remains is when Heartland House will fulfill its prerequisites.

Ms. Gore said she thought the projects had a deadline of December.

Mr. Higgins replied that he had recently spoken with Christine Burg with Heartland House and she told him she will be ready for him to do a walk though in a couple of weeks.

Mr. Mahan said that United Methodist Children's Services project is not complete yet, but it is moving along. He said that it has been difficult arranging a time to meet with the representatives to work on completely the contract, but he plans to be more aggressive with them.

Meeting adjourned: 11:46 A.M.

Terry J. MacDonald Staff Assistant

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Agency Name	Funding Category	Amount Requested
ACTS Community Development Corp.	Home Ownership - Owner Occupied Rehabilitation	100,000
Bishop's Creek Family Housing Fund	Rental Housing - New Construction	500,000
Community Advocates, Inc.	Homelessness - New Construction of Facility	350,000
Dominican Center for Women, Inc.	Home Ownership - Owner Occupied Rehabilitation	147,000
Elizabeth Gilliam	Home Ownership - Owner Occupied Rehabilitation	10,000
Gorman & Company	Rental Housing - Rehabilitation of Existing Structure	175,000
Gorman & Company	Rental Housing - New Construction	180,000
Intercession, Inc.	Homelessness - New Construction of Facility	150,000
Layton Blvd West Neighbors, Inc.	Rental Housing - New Construction	200,000
Layton Blvd West Neighbors, Inc.	Home Ownership - Rehabilitation of Existing Structure	14,000
Martin Luther King Economic Development Corp.	Rental Housing - New Construction	200,000
Midwest Affordable Housing Corp. (Prince Hall)	Rental Housing - New Cosntruction	500,000
Midwest Affordable Housing Corp. (Prince Hall)	Other Needs	200,000
Milwaukee Christian Center - Handicap Accessibility Project	Home Ownership - New Construction	66,000
Milwaukee Christian Center - NIP	Home Ownership - Owner Occupied Rehabilitation	126,000
Milwaukee Christian Center-Youth, (A WI Fresh Start Initiative)	Home Ownership - New Construction	40,000
Milwaukee Community Service Corps.	Home Ownership - Rehabilitation of Existing Structure	21,800
Miłwaukee Community Service Corps.	Home Ownership - New Construction	11,400
Milwaukee Community Service Corps.	Other Needs	33,750 EXHIBIT
Milwaukee Habitat for Humanity	Home Ownership - New Construction	tabbles*

HOUSING TRUST FUND Application Intake Sheet - November 2008

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Agency Name	Funding Category	Amount Requested
Milwaukee Habitat for Humanity	Home Ownership - Rehabilitation of Existing Structure	100,000
Our Space Inc.	Rental Housing - New Construction	350,000
Rebuilding Together Greater Milwaukee	Home Ownership - Owner Occupied Rehabilitation	75,000
Star United Townhomes, LLC	Home Ownership - New Construction	302,000
United Community Center, Inc.	Homelessness - New Construction of Facility	75,000
Volunteers of America National Services	Rental Housing - New Construction	250,000
William A Passavant RCAC, LLC	Rental Housing - Rehabilitation of Existing Structure	250,000
William A Passavant RCAC, LLC	Rental Housing - New Construction	226,000
	Total	4,852,950

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PROG <u>OFFICER</u>	HW	ßW	МÐ	GW	HW											
Project <u>Description</u>	Rehabilitation of apartments	Permanent supportive living facility for homeless	New Construction housing for homebuyers	Construction of new rental for women	Expansion of UMCS headquarters to include low-income housing							·				EXH EXH Expoles
Project <u>Name</u>	1218 W. Highland	Johnson Center Residences (1230 W. Grant)	CHDO Project (multiple locations)	St. Catherine's Expansion (1018 E. Knapp Street)	UMCS Expansion 3940 W. Lisbon				•							
Funding <u>Category</u>	Rental	Homelessness	Homeownership	Rental	Rental											
Final Award Per Term Sheet															•	
Housing Trust <u>Fund Award</u>	125,000	750,000	68,000	264,000	200,000	1,407,000	0	411,000	682,000 1,093,000	400,000	ר (10,000) 5)	400,000	1,883,000	3,290,000	250,000	25,000
Organization <u>Name</u>	Heartland Housing/Guest House (CC 02/05/08 +\$125,000)	Mercy Housing Lakefront (CC 02/05/08 +\$750,000)	Milwaukee Christian Center (CC 02/05/08 +\$68,000)	St. Catherine's Residence, Inc. (CC 02/05/08 +\$264,000)	United Methodist Children's Services (CC 02/05/08 +\$200,000)		<u>Unallocated Amounts by Category:</u> Homelessness	Rental	Horneownership Unallocated total	2008 Budget Allocation	Special Award to LISC to support a Study with Public Policy Forum (CC 09/16/08 #080645)	2009 Budget Allocation	Available to allocate	Housing Trust Funds Total	File Number: 080216 CC 07/01/08 Allows for private donations to be received & expended up to \$250,000 for the Housing Trust Fund.	File Number: 071212 CC 01/15/08 Administrative Costs
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ACCOUNT NUMBER

As Of: 11/11/2008

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Housing Trust Fund Awards

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