



**HOUSING
TRUST FUND**
CITY OF MILWAUKEE

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HOUSING TRUST FUND**

**APPLICATION RELEASE DATE
August 12, 2019**



CITY OF MILWAUKEE HOUSING TRUST FUND

APPLICATION FOR FUNDING 2019

PROPOSAL CHECKLIST - YEAR 2019

Completed applications and all required attachments must be physically received and time-stamped (postmark not acceptable) at the Community Development Grants Administration office **no later than 2:00 p.m. on Friday, September 6, 2019.** No extensions will be granted.

Submit the original and nine (9) 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. All proposals received after the closing date noted above will be returned to the applicant without review.

PLEASE BE CERTAIN TO

- Complete and submit *1 original and 9 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.

Successful applicants must be able to obtain insurance consistent with the City of Milwaukee Community Development Grants Administration policy.



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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 minimum 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, a goal of at least 2% of available Housing Trust Fund dollars should 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***



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Trust Fund dollars should always be used to leverage and complement other sources of financing and to close funding gaps. Priority will be given to projects that demonstrate substantial leveraging of other funds.

ELIGIBLE APPLICANTS

- 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.
- 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 REQUIREMENTS

1. **Rental Housing:** 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. **Housing and Services for the Homeless:** 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.



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INCOME ELIGIBILITY

1. Owner-Occupied Housing: 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. Rental Housing 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.

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 Minority/Women/Disadvantaged/Emerging/Section 3 business enterprise contractors.
- Encourage more neighborhood diversity and increase housing options 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.
- **Priority will be given to projects that utilize vacant or foreclosed properties for 2019 funding.**



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ACCESSIBILITY 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 - <http://www.epa.gov/civilrights/sec504.htm>.
- Fair Housing Act as amended - <http://www.hud.gov/offices/fheo/disabilities/fhefhag.cfm>.
- Americans with Disabilities Act - <http://www.ada.gov/stdspdf.htm>.
- Wisconsin Open Housing Act - http://dwd.wisconsin.gov/er/discrimination_civil_rights/publication_erd_11057_p.htm.
- Architectural Barriers Act - <http://www.access-board.gov/about/laws/aba.htm>.

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.

• **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.



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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 no later than 2:00 p.m. on Friday, September 6, 2019. No extensions will be granted. Submit the original and nine (9) 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 Jeremy Belot of the Community Development Grants Administration at Jbelot@milwaukee.gov. Your application should be submitted on or before the above indicated date and time and should include all items indicated below:

1. A fully completed application. If a question does not apply, indicate this on the application.
2. Project or Business plan
3. Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs,
4. Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
5. A minimum 5-year projected pro-forma for all rental projects (Not required for Homeownership Category)
6. An affordability analysis indicating the income level of the household that can afford the proposed housing at current interest rates or rent levels.
7. 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.
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. 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



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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.



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Organization Name: _____

Organization Address: _____ City _____ Zip _____

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 | 2019 Funds Available | Amount Requested |
|--|----------------------|------------------|
| Homelessness | \$225,000 | |
| - Rehabilitation of Existing Facility | | \$ |
| - New Construction of Facility | | \$ |
| - Provide Supportive Services | | |
| Rental Housing | \$315,000 | |
| - Rehabilitation of Existing Structure | | \$ |
| - New Construction | | \$ |
| Home Ownership | \$225,000 | |
| - Rehabilitation of Existing Structure(s) | | \$ |
| - New Construction | | \$ |
| - Owner-Occupied Rehabilitation | | \$ |
| - Homebuyer Counseling/Post Purchase | | |
| - Mortgage Credit Counseling Services | | |
| Other Needs as Identified | \$135,000 | |
| TOTAL | \$900,000 | \$ |
| Indicate the percentage and amount of HTF funds requested that will be used to fund accessibility improvements or modifications. → | | ____ % \$ _____ |

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

Signature: _____
Printed Name: _____

Date: _____
Title: _____

Signature: _____
Printed Name: _____

Date: _____
Title: _____



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PART I: PROJECT DESCRIPTION

1. **Describe the Project:** Briefly identify the project location and the specific activity to be completed.

- a. **Please attach photos of the site and sketches or drawings of the proposed project (Not applicable to owner-occupied rehab).**

_____ 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.*

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



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

1. Project must have Site Control in the form of (Not applicable to owner-occupied projects):

- 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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PART IV: PROJECT FINANCING

1. 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:

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

_____ Yes _____ No

a. If yes, attach notice of Tax Credit award.

b. If yes, has the project secured an equity investor and at what price

_____ Yes _____ No Price of Credits - _____ cents.

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

_____ Yes _____ No Amount \$_____.

b. Projects involving owner-occupied rehabilitation, has a line of credit been secured?

_____ Yes _____ No Amount \$_____.

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

_____ Yes _____ No Amount \$_____.



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

| Funding Source | Amount Leveraged | |
|------------------------------|------------------|-----------|
| | Applied | Committed |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| TOTAL FUNDS LEVERAGED | \$ | |



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PART V: CAPACITY AND EXPERTISE

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

_____ Yes _____ No

a. If yes, describe and 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:

- 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.



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PART VI: FURTHERANCE OF HOUSING TRUST FUND GOALS

1. Describe the accessibility *improvements or modifications* (such as Universal design features) *that are in excess* of what are required by the Fair Housing Act and Section 504 (if federally funded), please provide an *estimated cost*.

2. 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)

3. Does this project increase the diversity of housing types in the neighborhood?

Responses to this question should describe how the proposed project will provide a new type of housing opportunity in the neighborhood in which it is situated (i.e. accessible, supportive, senior, new construction).

_____ Yes _____ No

- a. If yes, please describe:



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4. Will this project utilize green design features including, but not limited to, energy efficient windows, Energy Star certified appliances, or use of solar energy?

_____ Yes _____ No

- a. If yes, please describe:

5. 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? Attach letters of support or other documentation supporting the collaborations.

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.

_____ Yes _____ No

- a. If yes, please describe:



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6. Will this project proactively facilitate the movement of persons from institutions such as nursing homes, centers for people with disabilities or correctional institutions? Will the project prevent the placement of persons into an institution?

_____ Yes _____ No

a. If yes, please describe:

In this section please describe all the methods the project will utilize to employ and contract with local residents and businesses:

7. Will this project utilize workers from the neighborhood?

_____ Yes _____ No

a. If yes, please describe method of recruitment:



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8. Will this project provide training opportunities or utilize local training programs to enhance employment opportunities to local residents?

_____ Yes _____ No

a. If yes, please describe:

9. Will this project give priority to local Certified (City, County, or State) Emerging/Disadvantaged/Women/Minority/or Section 3 business enterprise contractors?

_____ Yes _____ No

a. If yes, please describe:

10. Will the project use contractors who pay family-supporting wages for all workers on the project (family supporting wages are defined as \$11.32 per hour)?

_____ Yes _____ No

a. If yes, please describe:



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PART VI: DEFINITION OF TERMS:

- **County Median Income (CMI)** – Median income of Milwaukee, Waukesha, Ozaukee, and Washington Counties as determined by Department of Housing and Urban Development.
- **Small Business Enterprise** – a business that is certified by the City of Milwaukee’s Office of Small Business Development. The business shall be at least 51% owned, operated and controlled by one or more persons who are at an economic disadvantage and who is experiencing substantial difficulty in achieving business-related success as a result of at least 3 of the following: At a disadvantage with respect to (1) business location; (2) education, (3) employment, or (4) social disadvantage.
- **Disadvantage Business Enterprise** – a business that is certified by Milwaukee County’s Community Business Development Partners and (1) That is organized as a for-profit business, that at least 51% owned and controlled by a socially and economically disadvantaged individual(s) (2) Is a U.S. citizen or lawfully admitted permanent resident of the U.S. (3) That meets the Small Business Administration’s (SBA’s) size standard and does not exceed \$20.41 million in gross annual receipts.
- **Minority Owned Business Enterprise** – a business that is certified by the State of Wisconsin Department of Commerce and (1) Member of an ethnic minority group: Native American, Black, Hispanic, Asian Indian, Asian Pacific, Aleut, Eskimo, or Native Hawaiian. (WisDOT does not recognize women as minorities. Therefore, women-owned businesses are not eligible for minority certification); (2) Be at least 51% owned, controlled and actively managed by minority group members; (3) Serve a "useful business function" and have customers other than the State of Wisconsin; and (4) Must be at least one (1) year old under current ownership.
- **Section 3 Business** – (1) a business that is at least 51 percent or more owned by low-income (below 80% CMI) residents of the City of Milwaukee, or (2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents, or (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to a Section 3 business concern. Businesses can be certified by the City of Milwaukee Office of Small Business Development www.city.milwaukee.gov/osbd. For more information visit <http://www.hacm.org/business/section-3-business>.
- **Section 3 Resident** - Public housing residents and low and very-low income persons who live in the City of Milwaukee. Residents can register at www.section3registry.hacm.org.
- **Women Owned Business Enterprise** – a business that is certified by the State of Wisconsin Department of Commerce. It is organized as a for-profit business, it is at least 51% owned, controlled, and actively managed by one or more women who are either U.S. citizens or lawfully admitted to the United States for permanent residence.