

## APPENDIX E: WI SUBSTANTIAL AMENDMENT #2 PUBLIC COMMENTS

### 1. Received on 06/20/16

Via Email: David.Ginger@wheda.com

David Ginger  
Wisconsin Housing and Economic Development Authority  
140 South 1st Street, Suite 200  
Milwaukee, WI 53204

Re: National Housing Trust Fund

Dear Dave:

Movin' Out is very interested in National Housing Trust Funds, in part for our rental housing programs but actually even more for our owner-occupied housing programs. I'm writing to encourage WHEDA to carve out some of the NHTF money for owner-occupied housing programs.

Movin' Out helps low-income households that include a person with permanent disabilities, whether physical disabilities, intellectual disabilities or mental illness.

- For home rehabilitation or first-time home purchase, we arrange subordinate loans of up to about \$8,000 that are noninterest-bearing and are forgiven over 5 years.
- For first-time home purchase in Madison or Dane or Milwaukee Counties, we arrange subordinate loans that are noninterest-bearing and are repayable only when the borrower relocates.
- Movin' Out is a HUD certified housing counseling agency, and our staff provides counseling to all participants in our home rehabilitation and home purchase programs.

Our funding for these programs comes from several sources, but importantly from the Federal Home Loan Bank of Chicago and HUD's HOME program. Recently the FHLBC has changed its requirements for home rehabilitation. While it used to fund 100% of the cost of home rehabilitation projects, now it will only fund 75%. This has left a huge funding gap in one of the most needed of housing programs for low-income people. For Movin' Out, the gap is about \$75,000 per year.

For people with disabilities, home rehabilitation, including accessibility modifications, is crucial to remaining in the family home. There are very few sources of funding for rehabilitation that are affordable and accessible to very low-income people with disabilities, who often have little, if any, money of their own to pay for expensive rehabilitation. Nonetheless, this group of beneficiaries may benefit the most from having long-term stable living situations because it may preclude expensive relocation costs, revising support system arrangements and/or institutionalization. Frankly, it also lessens the likelihood of homelessness due to a lack of appropriate, affordable alternate housing.

Please consider these concerns, and let me know where I can find a copy of the draft Allocation Plan. Also, please let me know the place and time of the public hearing on the Trust Fund that is apparently scheduled for next Monday. Thank you, Dave.

Best regards.

Very truly yours,

**Timothy J. Radelet,  
Executive Director**

## **Dave Porterfield, Movin Out Inc., Oral Testimony, June 20, 2016**

- Range of possible uses for funds, despite limited availability of the funds for this year – new source of funding that is coming with new flexibility and less obligations
  - Range of uses under federal regulations
- WHEDA should consider possible additional uses – high impact in terms of addressing affordable housing issues across the states – may be simpler than the actual proposed use
- 4% program – shallow subsidy available
  - With more money, may be able to get a few more feasible projects
- Resource focused on people at 30% below income level – in order to do so, need more resources (some sort of credit)
  - Concentrate resources on very few deals instead of being more broad
- Suggest an alternative – also include a small amount of money out of resource to provide assistance to low-income homeowners and potential home-buyers
  - Especially homeowners with low income in substandard homes, with small loans can remain in their homes for longer periods of time
  - Homeowners end up in much more expensive housing situations if they cannot maintain their current home situation (institutionalization, group homes, homelessness, etc..)
- Describes mission & operation of Movin' Out
  - Housing programs for households with person with permanent disabilities
    - Home Ownership program
      - Offers a range of services to purchase and rehabilitate rental properties
  - Resources to develop own and operate rental housing
    - Utilize tax credit program
  - Assist number of people in one fashion or another – good % need housing rehabilitation
  - Between \$8-10 thousand per household provided
- Proposal, again – have a small portion of funds set aside to leverage additional housing resources through federal aid, local organizations (approximately 10%, or so)
- Understand administrative costs – one solution would be limiting to smaller number of vendors to provide resource, keep admin. costs down
- Because it is a new program, concern is that once funding is set up in one direction, it will be more difficult to change
  - Other impacts: assist WHEDA in operating their business, reliance on operating charges
  - Potential to work in tandem with WHEDA programs for homeowners – benefit state, individuals and WHEDA
- Brought along letter that was addressed to WHEDA (see above)
- Movin' Out does reach people that are added below 30% in home ownership side of things
  - More of this can be delivered state-wide

## **Nicolle Solheim, Gorman & Company, Oral Testimony, June 20, 2016**

- Question regarding state restrictions on what funds can be used for (based on HUD's guidelines)
  - Can funds be used for capitalizing operating subsidies to support 30% units?
    - These units don't necessarily self-support over life of project
- General question – timing for RFE funding for this year and rolling annually after

## **Katherine Kamp, Executive Director - WI Partnership for Housing Development, Oral Testimony, June 20, 2016**

- Main comment (will also provide written comment): National Housing Trust fund provides opportunity for provision of housing to families below 30% line
  - Make a dent in homeless groups across communities in entire state (not just Madison & Milwaukee)
  - Allocate funds statewide
  - Innovative projects – address need, provide housing for families at extremely low income levels in a unique and innovative way
- Affordable housing provided with CDBG, HOME, etc, but Nat'l Housing Trust Fund provides opportunity for Wisconsin to be innovative
- See new groups of developers, familiar with communities
  - Allocation plan put together in a way that is usable in subsequent years when more money is available
  - Long-term possibilities
- Hope that WHEDA be open to public comment – to seek public comment in a way that is broad and well-advertised (open process necessary)
- Invitation to Home for Everyone Conference in Appleton
  - July 13-14 – hope for someone to come to take public comment
  - Session on Thursday afternoon looking at financing models for affordable housing

## **Jan Dalbec, Town of Superior Supervisor**

This fund information could be delivered to the local municipalities for improvements to blighted and/or clean up efforts inclusion into the plan BEFORE the situation gets out of hand for the local municipality applications. Perhaps this is a Northern WI issue even tho' (sic) I speak for communication farther North than the Eau Claire boundary. Rather than just individuals application, it could be used for TOWN interests in improving the communities in which we live, work and play. Of course, working with our constituents, the taxpayers to implement guidelines of revolving fund levels. Thank you for the opportunity to comment.

## **Fernando Aniban, Housing Authority of the City of Milwaukee**

**From:** Aniban, Fernando <Fernando.Aniban@hacm.org>

**Sent:** Friday, July 08, 2016 9:48 AM

**To:** Ginger, David

**Subject:** NHTF Comments

Good morning,

Comment below: "One point for each one percent of units that have a commitment for Section 8 or Section 515 project-based assistance, project-based vouchers, 811 vouchers, NAHASDA funding for rental assistance, or similar subsidy"

I am not sure what "similar subsidy" means. Suggest to be more specific to include "section 9 or Public Housing Operating Subsidy." This will allow housing authorities not covering their properties to Section 8 (under the Rental Assistance Demonstration Program) to score points when rehabbing existing properties with 4% credit.

Thank you.

Fernando Aniban

CFO

# Philip Schultz, Horizon Development Group

July 20, 2016

Dave Ginger

WHEDA

P.O. Box 1728

Madison, WI 53701-1728

RE: Housing Trust Fund Allocation Plan: Comments and Questions

Dear Dave:

Following are our comments and questions regarding the HTF Allocation Plan.

## 1. Process

a. The Plan states that recipients of 9% LIHTC awards may request HTF resources but not until it has been determined that an insufficient number of non-9% LIHTC properties have applied for available HTF resources. How is "non-9% LIHTC" defined? Could a project seeking 9% LIHTC, but not yet awarded, be considered eligible for HTF resources? Or is it because a project plans to apply for LIHTC that it is considered to be a 9% property?

b. There are a number of asterisks throughout draft document. Please clarify what note this is linked to.

## 2. Selection criteria

a. Geographic diversity (5 pts) – indicates that properties located in "Transform Milwaukee Area" will score points. What are the program goals regarding geographic diversity and what specific area is covered here? Is a map available?

b. High need area – indicates that properties located in high need area as defined in the WHEDA QAP qualify. How many points are available for this scoring item?

- A subcategory indicates that properties in rural areas qualify. Is this intended as an "either/or" category, where you can either be in a high need area or meet the rural definition to score? How many points are available?

c. Ability to obligate HTF funds (5 pts) -no comment

d. Ability to undertake activity in timely manner (5 pts) - no comment

e. Rental assistance (25 pts) - the goal of this section is to reward projects that have rental assistance so rents are affordable to extremely low income families. Are scoring opportunities limited to the specific programs listed? Assuming extremely low income families are defined as those qualifying at 30% CMI, a project that includes those units but uses other funding sources to achieve financial feasibility should have access to similar point scoring opportunities. We feel that ELI families may be included in a development using funding sources that are not listed in the HTF draft allocation plan. In other words, inclusion of additional 30% units will increase the project's funding gap, but if the developer finds a way to close the gap using other funds they should be rewarded with similar point scoring. We suggest similar funding source guidelines as "Financial Participation ", Category 11, of the WHEDA QAP.

i. State's priority housing needs (20 pts) - properties designed to serve the homeless and/or

veterans requiring supportive services. We are assuming further definition will be provided to objectively score each project in this category. We recommend consistency with WHEDA QAP Category 7, Supportive Housing.

ii. Requested HTF resources -Clarify the calculation, does "per unit" mean total units, total affordable units, or total targeted units (extremely low income - 30%).

Thank you and please feel free to call me at 414-588-2221 if you have any questions.

Sincerely,

HORIZON DEVELOPMENT GROUP, INC.



Philip Schultz

Manager

**Brian Peters, Independence First**

July 20, 2016

David Ginger  
Wisconsin Housing and Economic Development Authority  
201 W. Washington Ave. Suite 700 Madison, WI 53703  
Dear Mr. Ginger;

I am submitting this letter on behalf of IndependenceFirst to comment on WHEDA's Allocation Plan for using the National Housing Trust Fund monies. IndependenceFirst is one of eight Independent Living Centers in Wisconsin. We advocate for empowerment of people with disabilities, and believe that people with disabilities should be able to live integrated in the community. Housing is frequently identified in surveys of our callers and consumers as a significant barrier in this goal, both in terms of affordability and accessibility.

I appreciate WHEDA's inclusion of increased accessibility in its requirements and scoring process in the LIHTC program. I am pleased to see that WHEDA notes in the Allocation Plan that applicants have to comply with Section 504 of the Rehabilitation Act, Americans with Disabilities Act, and Fair Housing Act, etc., as well as mandating Universal Design features.

Wisconsin is receiving \$3,004,558 for this funding round, and it is crucial that WHEDA, as the administrator, allocates the funding appropriately and effectively.

As you may be aware, states have a responsibility to ensure that people with disabilities have access to supportive services in the community under the *Olmstead v. L.C.* Supreme Court decision in 1999 which is based on the Americans with Disabilities Act. The decision stated that "unjustified segregation of persons with disabilities constitutes discrimination in violation of Title II of the Americans with Disabilities Act."

I hoped that WHEDA would recognize this, particularly in light of its collaboration with the Department of Human Services in the past. I am disappointed that this has not been a priority in the Allocation Plan. ***I urge WHEDA to incentivize units for people transitioning from nursing facilities, with collaboration with DHS in light of Wisconsin's obligation.***

Since 100% of the National Housing Trust Fund dollars in this round is targeted at people who fit in the Extremely Low Income Category, many households with a member with a disability will qualify. Many people with disabilities live on fixed income which can be as low as 18% of the Annual Median Income. Thus units not using the Brooke Rule (30% of individual's income) can still be a cost burden for the household. ***WHEDA should include a scoring bonus for developments that use the Brooke Rule. To support this, the dollars should be available as grants rather than low-interest loans to support a deeper subsidy.***

WILN is also concerned that WHEDA is prioritizing housing preservation rather than new construction. The National Housing Trust Fund is intended to create a new funding source for the development of units. While preservation can be part of the mission, we believe that for the first round, it is important to be able to show the creation of new units to ensure continued support for the Trust Fund. ***WHEDA should prioritize the creation of new units.***

The National Housing Trust Fund regulations allow states to require or incentivize a longer period of affordability. ***WHEDA should provide additional points to encourage the development of housing that will be affordable for longer than the minimum period required.***

I am also puzzled by the language, "WHEDA has created a scoring priority for properties designed to serve the homeless and/or veterans requiring supportive services." There is no explicit mention of veterans in the State of Wisconsin's Consolidated Plan. The Plan identifies five high priority needs, of which the first three could apply to the National Housing Trust Fund;

Affordable Housing: fund the construction and rehabilitation of affordable housing, and provide rental and down payment assistance to lower income households.

Homelessness: provide funding for emergency shelter, street outreach, prevention, and rapid re-housing.

Special Needs Assistance: assist persons experiencing homelessness, special needs populations, and persons with HIV/AIDS.

Community Development: address community development needs such as the need for public facilities and planning grants.

Economic Development: address economic development needs through economic development loans and job training.

While it is true that veterans could be considered a part of "special needs populations," so could people transitioning out of nursing facilities and institutional care. The Consolidated Plan does not specify, and I don't believe that it's WHEDA's role to arbitrarily change the priorities of the Consolidated Plan it is obligated to follow. ***WHEDA should follow the priorities of the Consolidated Plan as written.***

Sincerely,  
Brian Peters  
Community Access & Policy Specialist

## Kori Schneider-Peragine, Milwaukee Metropolitan Fair Housing Council

July 18, 2016

David Ginger WHEDA

P.O. Box 1728

Madison, WI 53701-1728

Re: WHEDA's National Housing Trust Fund Allocation Plan

Dear Mr. Ginger:

Thank for the opportunity to provide feedback on WHEDA's Allocation Plan for the National Housing Trust Fund (NHTF). The Metropolitan Milwaukee Fair Housing Council is a private nonprofit organization whose mission is to promote fair housing throughout the State of Wisconsin by combating illegal housing discrimination and by creating and maintaining racially and economically integrated housing patterns.

As you are aware, the NHTF is particularly valuable for its focus on providing housing for very low-income families. However, like the LIHTC and other federal housing programs, the NHTF also has the potential to perpetuate and even increase racial and ethnic segregation and concentration of poverty if careful steps are not taken by state officials who implement the program.

Under the Fair Housing Act, the NHTF must comply with statutory directive that all federal housing programs affirmatively further fair housing (AFFH). As a result, states that provide housing units through the HTF program must go beyond simply policing discriminatory activities to ensuring that their project actively advances housing integration and expanded housing choice. The Assessment of Fair Housing (AFH) planning tool for state governments includes an analysis of the state's implementation of the NHTF. Every state will be required to go through the AFFH process sometime over the next six years, on a five-year cycle coinciding with the state's Consolidated Plan (Con Plan) process. When this process takes place, states will be asked to "[d]escribe how the administration of CDBG, HOME, and the National Housing Trust Fund programs may affect patterns of segregation, R/ECAPs, disparities in access to opportunity and disproportionate housing needs." In addition to the AFH review, the NHTF program itself will require states to certify their compliance with the AFFH duty, as a condition of receiving NHTF funds.

When WHEDA selects NHTF projects and designs ranking criteria among eligible projects, states must adhere to the AFFH mandates. For example a proposal that undermines fair housing goals should not necessarily be eligible for state funding.

HUD's April 26, 2016 guidance on NHTF state allocation plans is explicit about geographic diversity in its AFFH obligation, noting that "[t]he State's geographic distribution priorities must be consistent with the State's certification that it will affirmatively further fair housing..." Thus, each state plan should clarify how geographic diversity is to be achieved within the context of AFFH, and also incorporate a strategy for racial/ethnic deconcentration by prioritizing areas that currently have few affordable units.



To advance fair and affordable housing, WHEDA's NHTF allocation plan should incorporate siting standards relating to: (1) racial and/or economic concentration or deconcentration, and (2) siting provisions related to land use factors, such as proximity to high-quality schools, positive or negative neighborhood factors; and accessible transit networks. Based on HUD-sponsored research on state QAPs, these types of fair housing-based threshold requirements actually have the effect of providing more LIHTC housing in high-opportunity communities.

Additionally, WHEDA's NHTF Allocation Plan should require detailed demographic reporting to permit the State of Wisconsin to assess whether the program is being used to further geographic diversity and residential integration over time and whether any internal segregation is developing among the NHTF developments within a metropolitan area. If racial and ethnic integration are not being realized after 3-5 years, WHEDA should adjust the Allocation Plan to increase emphasis on this essential goal.

Again, we thank you for your time and consideration. We look forward to working with you to implement the NHTF in order to provide housing for low-income families in high opportunity communities.

Please do not hesitate to contact me at 414-278-1240 to discuss these issues.

Respectfully yours,

A handwritten signature in cursive script that reads "Kori A. Schneider Peragine". The signature is written in black ink and is positioned above the typed name.

Kori Schneider Peragine  
Senior Administrator, Inclusive Communities Program

## Noel Halverson, NeighborWorks Green Bay

Mr. David Ginger, Commercial Lending  
Project Manager Wisconsin Housing and  
Economic Development Authority 201 W.  
Washington Avenue, Suite 700  
Madison, WI 53703

Re: Housing Trust Fund Allocation Plan

Dear Mr. Ginger,

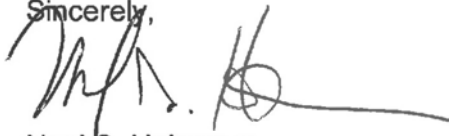
Thank you for the opportunity to comment on the draft plan. Here are our comments:

1. The scoring system seems to specifically favor Milwaukee projects. We need to ensure equitable distribution of Trust Fund dollars across the State. Please develop a mechanism in the plan to ensure this tool is available across all geographies and that resources aren't concentrated in Milwaukee.
2. It seems that the Applicant Capacity scoring strongly favors experienced Low Income Housing Tax Credit developers. Consideration should be given to organizations with the capacity to develop affordable units without using LIHTC and to smaller nonprofits with limited capacity but compelling cases for support.
3. The scoring system favors projects using vouchers or other federal operating subsidies - yet the Trust Funds themselves can be grants, deferred loans, or zero interest loans. WHEDA should consider allowing for application of funds as soft debt or equity as a mechanism to ensure long term affordability.
4. The scoring system gives heavy weight to projects serving veterans and the homeless – a popular approach, yet to be successful, such housing may require related case management and other high cost services not typically funded in the capital stack (nor does it seem to be here). WHEDA's scoring on this point might be more nuanced in terms of how service to the special population is part of an integrated community plan – or offering to fund the needed supportive services that come with some populations.
5. It seems that WHEDA's outreach to the practitioner community for input and involvement in this process has been limited. Despite having a solid network of housing practitioners in the state, including the Housing Collaborative, which just held its statewide conference in Appleton last week, no requests for input, nor communication about the draft and comment period were distributed by WHEDA along these well-used channels. The plan should include an annual cycle of formal listening and input gathering from existing LIHTC operators, WHEDA multifamily

borrowers, WHEDA Foundation grantees, the Wisconsin Collaborative for Housing (annual A Home for Everyone conference}, municipal governments, and others.

I would be happy to discuss these comments with you and would gladly participate in any forum or panel that you might convene and to which you would invite me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Noel S. Halvorsen', followed by a long horizontal line extending to the right.

Noel S. Halvorsen  
Executive Director

## Division of Energy, Housing and Community Resources (DEHCR) Responses to Public Comments

	Committer	WHEDA Response
1	Movin' Out, Timothy J. Radlet	<ul style="list-style-type: none"> <li>• The information regarding the scheduled public hearing was posted in the Wisconsin State Journal. The meeting was held on June 20, 2016 beginning at 10:00 am, concluding at 12:00 pm at the Wisconsin Department of Administration, 101 E. Wilson Street, Pecatonica Room, Madison, WI 53707.</li> <li>• We have forwarded your comments to the Wisconsin Housing &amp; Economic Development Authority (WHEDA), the administrator of the National Housing Trust Fund (HTF) program in Wisconsin.</li> <li>• Due to limitations on HTF funding for home-ownership activities – no more than 10% of funds can be used for ownership programs, with all beneficiaries at/below 30% of CMI – we don't believe that we can efficiently administer a statewide program with the \$300,000 allowable. Future increases in funding levels may allow us to expand the HTF program to include ownership activities.</li> </ul>
2	Movin Out, David Porterfield	<ul style="list-style-type: none"> <li>• The criteria WHEDA has developed to award rental housing includes up to 25 points for projects where rents are affordable to extremely low income families.</li> <li>• More weight is provided to projects including Federal, State or local project-based rental assistance.</li> <li>• Due to limitations on HTF funding for home-ownership activities – no more than 10% of funds can be used for ownership programs, with all beneficiaries at/below 30% of CMI – we don't believe that we can efficiently administer a statewide program with the \$300,000 allowable. Future increases in funding levels may allow us to expand the HTF program to include ownership activities.</li> <li>• We have forwarded your comments to the Wisconsin Housing &amp; Economic Development Authority (WHEDA), the administrator of the National Housing Trust Fund (HTF) program in Wisconsin.</li> </ul>
3	Gorman & Company, Nicolle Solheim	<ul style="list-style-type: none"> <li>• Timing for the Request for Proposals (RFP) process depends largely on HUD's approval of Wisconsin's Substantial Amendment. The RFP process will be officially publicly noticed and will also be posted to the Department's website and WHEDA's website.</li> </ul>
4	WI Partnership for Housing Development, Katherine Kamp	<ul style="list-style-type: none"> <li>• We have forwarded your comments to the Wisconsin Housing &amp; Economic Development Authority (WHEDA), the administrator of the National Housing Trust Fund (HTF) program in Wisconsin.</li> <li>• WHEDA has developed a implementation plan that allows for flexibility in awarding of funds. The Department will work with HUD and WHEDA to successfully implement the goals of the Housing Trust Fund.</li> <li>• We believe the allocation plan will allow nonprofits to compete effectively with for-profit developers, housing authorities and tribal housing authorities, and provides an incentive for developers creating housing for homeless and veterans, along with properties utilizing rental/operating assistance for extremely low income households</li> <li>• To maintain long-term financial feasibility, WHEDA intends to</li> </ul>

		structure the HTF resources as very low-rate, subordinate debt.
5	Jan Dalbec, Town of Superior	<ul style="list-style-type: none"> <li>• We have forwarded your comments to the Wisconsin Housing &amp; Economic Development Authority (WHEDA), the administrator of the National Housing Trust Fund (HTF) program in Wisconsin.</li> <li>• The implementation plan does not call for distributing funds to subgrantees, rather the direct awarding of funds to applicants based on a competitive scoring system.</li> </ul>
6	Fernando Aniban, Housing Authority of the City of Milwaukee	<ul style="list-style-type: none"> <li>• WHEDA will provide additional clarification on the types of rental assistance and operating subsidies that will be eligible for points in the application scoring methodology</li> </ul>
7	Philip Schultz, Horizon Development Group	<ul style="list-style-type: none"> <li>• WHEDA will provide additional clarifications regarding Process and Selection Criteria in the Allocation Plan and the subsequent RFP/application packet.</li> </ul>
8	Brian Peters, Independence First	<ul style="list-style-type: none"> <li>• The plan includes a scoring incentive for properties with rental assistance – which could include existing affordable housing properties, or new properties with a firm commitment for long-term rental assistance.</li> <li>• Given the relatively limited amount of resources available in the initial years of the HTF – an affordability period in excess of 30 years may hinder long term financial viability.</li> <li>• It is expected that the vast majority of units assisted with the HTF will have some form of rental assistance, which will help maintain rents near 30% of a household’s income</li> </ul>
9	Kori Schneider-Peragine, Milwaukee Metropolitan Fair Housing Council	<ul style="list-style-type: none"> <li>• All HTF recipients will be required to comply with the Fair Housing Act</li> <li>• The Geographic Diversity criteria includes a scoring option for WHEDA-defined High Need Areas, The High Need Areas include census tracts with low vacancy rates, and employment levels that significantly exceed the number of units affordable to workers earning a median wage in that tract.</li> </ul>
10	Noel Halverson, NeighborWorks Green Bay	<ul style="list-style-type: none"> <li>• In addition to the Transform Milwaukee area, the Geographic Diversity criteria also includes scoring options for Rural Areas and High Needs Areas (which as scattered throughout the state).</li> <li>• The LIHTC experience points in the draft plan will be broadened to include all multifamily experience.</li> <li>• To maintain long-term financial feasibility, WHEDA intends to structure the HTF resources as very low-rate, subordinate debt.</li> <li>• A copy of the draft plan was posted at the beginning of the 30-day public comment period, which was preceded by a public hearing (posted in the Wisconsin State Journal).</li> </ul>