

Suggested Changes to Ordinance 4.22

Brian Munson Comments:

3 (b) 2. Amend to include the IZ Special Revenue Fund as a portion of the AHTF (may need additional legislation)

The IZ Special Revenue Fund is a pool of money without a purpose due to the sunset of the IZ ordinance. Bringing this money into the fund may require separate legislation as was discussed at the IZAC meetings.

3 (c) Change the “shall” back to “may”.

While I laud the goal of identifying a permanent revenue stream, today’s economic and current City needs should be factors in the decision and as such I do not support the absolute transfer.

4 (a) Retain 25% limitation

This limitation will allow the fund to impact a greater number of projects.

4 (c) Original Language

The intent of this fund was to facilitate construction of units to increase the overall availability, administration costs should be funded separately.

4 (l) Remove

Applications to the fund should be weighed on the merits of the project, not the proposer.

Additional Comments:

- 1.) Funds should be expended within the City of Madison as they were derived from City of Madison activities.
- 2.) Funds loaned out should be to secure investments with the interest used to grow the fund in the long term. Grants should not be given out until such time as the fund has reached the sustaining level (target level should be discussed). Grants with secured payback (in essence a loan) should be further discussed but could be feasible depending on the circumstances or the project.
- 3.) For the foreseeable future this will be a loan program.

Tim Radelett Comments:

- 1.) Purpose and Intent - In the following sentence take out the word new: The Trust fund is to provide loans and grants to for-profit and non-profit housing developers for the acquisition, capital and soft costs necessary for the creation, maintenance and preservation of new Affordable rental and owner-occupied housing.

In the following sentence change the word longer to longest – Preference shall be given to those projects that ensure that the Assisted Units remain Affordable for the longer period possible.

- 2.) b. 2. Change 50% Area Median Income to 60% Area Median Income.

b. 2. d. Change the sentence to the following: “Assisted Unit” means a housing unit that is Affordable and is assisted by the Trust Fund.

- 4.) b. Change the second sentence to read the following: Recipients may use the funds, directly or through an affiliated entity, to pay for:
Change the last sentence to read the following: Professional service costs funded from the Trust Fund shall not exceed fifteen percent (15%) of total project costs.

- d. Change 50% area median income to 60% area median income.
 - e. Change 50% area median income to 60% area median income.
- 6.) a. In the second sentence change the word longer to longest.
- c. Change the section to read as follows: In those cases where an Assisted Unit is sold or transferred, or where an Assisted Unit is no longer Affordable, the initial Recipient of assistance from the Trust Fund shall be obligated to repay to the City the original loan amount plus interest, if any, by the Commission. If an Assisted Unit has remained Affordable for more than fifty (50) years, the Commission may waive the obligation of the Recipient to pay the interest.

Greg Rosenberg Comments

1) I support the amendments described in the June 19, 2007 draft of the ordinance, with the inclusion of the modifications suggested by attorney Tim Radelet -- with one exception. I think the provision that no more than 25% of funds may go to any one project should be left in place.

2) I support the idea of an additional amendment authorizing the use of grants when the fund amount is less than \$10 million, in the event that (a) there is an identified source of funding to replace the money given out as grants, or (b) there is a "community housing emergency" that warrants the expenditure of grants funds.

3) I suggest that the current proposal to use \$400,000 in Trust Fund money to supplement Section 8 payments in 2009 constitutes a grant under the definition of a "community housing emergency".

4) I support a restriction that the Affordable Housing Trust Fund can only be used to fund projects that take place within the City of Madison, and may not be used for efforts outside of the City of Madison.