

- (16) All tax returns, schedules, exhibits, writings or audit reports relating to such returns, on file with the City Treasurer are deemed to be confidential, except the City Treasurer may divulge their contents to the following, and no others:
- (a) The person who filed the return.
  - (b) Officers, agents, or employees of the Federal Internal Revenue Service or the State Department of Revenue.
  - (c) Officers, employees, or agents of the City Comptroller. (Am. by Ord. 8762, 12-31-85)
  - (d) Such other public officials of the City of Madison, when deemed necessary.
- (17) No person having an administrative duty under this section shall make known in any manner the business affairs, operations or information obtained by an investigation of records of any person on whom a tax is imposed by this section, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof to be seen or examined by any person, except as provided in subsection (16).
- (18) Any person who is subject to the tax imposed by this section who fails to obtain a permit as required in subsection (4), or who fails or refuses to permit the inspection of his records by the City Treasurer after such inspection has been duly requested by the City Treasurer, or who fails to file a return as provided in this section, or who violates any other provisions of this section, shall be subject to a forfeiture not to exceed two hundred fifty dollars (\$250). Each day, or portion thereof, that such violation continues is hereby deemed to constitute a separate offense. The total forfeiture imposed shall not exceed 5% of the tax imposed by this section. (Am. by Ord. 8895, 6-26-86)

#### 4.22 THE MADISON AFFORDABLE HOUSING TRUST FUND

(1) Purpose and Intent.

There is hereby created and established for the City of Madison a fund to be known and denominated as the Madison Affordable Housing Trust Fund. The Trust Fund shall be a permanent endowment and continually renewable source of revenue to meet, in part, the housing needs of the Low Income and Very Low Income households of the City. 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 of new Affordable rental and owner-occupied housing. Preference shall be given to those projects that ensure that the Assisted Units remain Affordable for the longer period possible. Projects funded by the Trust Fund shall be disbursed throughout the City so no single neighborhood experiences a disproportionate concentration of housing units for Low Income and Very Low Income households.

(2) Definitions.

In this section:

- (a) "Affordable" means a housing unit that has an Affordable Housing Cost.
- (b) "Affordable Housing Cost" means an amount satisfied by:
  1. for owner-occupied housing, a housing payment inclusive of loan principal, loan interest, property taxes, property and mortgage insurance, and homeowners association dues which allows a Low Income or Very Low Income household to purchase a home, while paying no more than thirty (30%) of their gross household income, or no more than thirty-three (33%) of their gross household income for homes meeting a performance standard of energy conservation equal to 115% of the performance required by state building codes; and,
  2. for rental or cooperative housing, a housing payment, inclusive of a reasonable allowance for heating, which allows a Very Low Income household to rent a unit, while paying no more than thirty (30%) of their gross household income.
- (c) "Area Median Income" means the median income for the greater Madison area adjusted for family size, as published by the United States Department of Housing and Urban Development.
- (d) "Assisted Unit" means a housing unit that is Affordable because of assistance from the Trust Fund.

- (e) "Committee" means the City of Madison Community Development Block Grant Committee created pursuant to Sec. 33.15, M.G.O.
  - (f) "Contingent Fund" means the fund created pursuant to Sec. 4.03, MGO.
  - (g) "Grants Supervisor" means the City's Community Development Grant Supervisor, or his or her designee.
  - (h) "Low Income" means gross household income adjusted for family size that is at or below eighty percent (80%) of Area Median Income, but more than fifty percent (50%) of Area Median Income.
  - (i) "Recipient" means any for-profit or non-profit housing developer that receives funds in the form of a loan or a grant from the Trust Fund Account. A Recipient may be an individual, partnership, joint venture, limited liability company or partnership, association or corporation.
  - (j) "Tax Incremental Financing Equity Participation Payment" means an equity payment received by the City from a developer pursuant to a TIF Development Agreement in which the tax incremental district has been dissolved.
  - (k) "Trust Fund" means the Madison Affordable Housing Trust Fund.
  - (l) "Very Low Income" means gross household income adjusted for family size that is at or below fifty percent (50%) of Area Median Income.
- (3) Trust Fund Account; Sources of Trust Fund Moneys.
- (a) There is also hereby established a Madison Affordable Housing Trust Fund Account, to be maintained by the City Comptroller. All funds received by the City on behalf of the Trust Fund shall be deposited in the Trust Fund Account. Principal and interest from loan repayments, and all other income from Trust Fund activities, shall be deposited in the Trust Fund Account. All funds in the Trust Fund Account shall earn interest at least at the same rate as pooled investments managed by the City Treasurer. All interest earnings from the Trust Fund Account shall be reinvested and dedicated to the Trust Fund Account.
  - (b) The Trust Fund shall consist of funds derived from the following:
    1. Private cash contributions designated for the Trust Fund;
    2. Payments in lieu of participation in current or future affordable housing programs;
    3. Matching funds from a federal affordable housing trust fund;
    4. Principal and interest from Trust Fund loan repayments and all other income from Trust Fund activities.
  - (c) The Trust Fund may consist of funds derived from, but not limited to the following, subject to appropriation by the Common Council, upon notification from the Comptroller that funds are available.
    1. Residual Contingent Reserve funds;
    2. Amounts from the Operating Budget equivalent to City fees collected from dedicated uses related to housing, such as reinspection fees;
    3. Tax Incremental Financing Equity Participation Payments;
    4. Proceeds from the sale or use of surplus City land;
    5. Any other appropriations as determined from time to time by legislative action of the Common Council.

(4) Trust Fund Distributions.

- (a) The Trust Fund is to function as an endowment fund to fund loans and grants in accordance with this Section. The Trust Fund program shall be administered by the Grants Supervisor. No disbursements may be made from the Trust Fund Account without the prior recommendation of the Committee and authorization by the Common Council. Unless authorized by a vote of the Common Council, for any year that the Trust Fund Account balance is less than \$10 million, the total disbursements from the Trust Fund Account shall be limited to twenty-five percent (25%) of all revenue sources deposited into the Trust Fund Account in the previous fiscal year, except loan repayments. For any year that the Trust Fund Account is greater than \$10 million, the total disbursements from the Trust Fund Account shall be limited to:
1. The total interest accrued on the Trust Fund Account from the previous fiscal year, plus
  2. Any unexpended amount from the allowable disbursements from the previous fiscal year.
- (Am. by ORD-09-00052, Pub. 4-2-09, Eff. 8-1-09)
- (b) Disbursements from the Trust Fund Account shall be made as loans or grants to assist Recipients in the creation of Assisted Units. Recipients may use the funds to pay for: capital costs, including but not limited to the actual costs of rehabilitating or constructing Assisted Units; preserving affordable units; demolishing or converting existing non-residential buildings to create new Assisted Units; real property acquisition costs; and professional service costs, including but not limited to, those costs incurred for architectural, engineering, planning and legal services which are attributable to the creation of Assisted Units.
- (c) Trust Fund moneys may not be used for operating expenses of any program, or supporting services such as childcare or any other social program.
- (d) At least 60% of the funds eligible for disbursement annually shall be used to create Assisted Units for Very Low Income households.
- (e) Rental Assisted Units shall be available only to households whose gross income, adjusted for family size, is at or below fifty percent (50%) of Area Median Income. (Am. by ORD-09-00052, Pub. 4-2-09, Eff. 8-1-09)
- (f) Owner-occupied Assisted Units shall be available only to households who are Low Income or Very Low Income.
- (g) The Committee shall periodically review the terms of assistance, and structure these terms to encourage the longest period of affordability possible. (Am. by ORD-09-00052, Pub. 4-2-09, Eff. 8-1-09)
- (h) Loans or grants from the Trust Fund shall be used to develop Assisted Units within a project. The Trust Fund may assist up to one hundred percent (100%) of the units within a building or development of one (1) to nine (9) total units, up to fifty percent (50%) of the units within a building or development of ten (10) to fifteen (15) units, and up to twenty-five percent (25%) of the units within a building or development of sixteen (16) or more units.
- (i) Assisted Units shall be distributed throughout the building or development so as to avoid a disproportionate concentration in any one area.
- (j) The Committee shall give preference to projects not located in any Tax Incremental District whose project expenditure period has not expired. (Am. by ORD-09-00052, Pub. 4-2-09, Eff. 8-1-09)
- (k) Notwithstanding the stated purpose in subsection (1) herein to create the Fund as a continually renewable source of revenue, the Committee may, in its discretion, recommend that disbursements from the Trust Fund Account may be made as grants at any time that the Trust Fund Account balance exceeds \$10 million. (Am. by ORD-09-00052, Pub. 4-2-09, Eff. 8-1-09)
- (l) At least fifty percent (50%) of funds available in any calendar year shall be reserved for commitments to nonprofit corporations; until October 1<sup>st</sup>, after which these reserved

funds may be disbursed to any Recipient or carried over to the following year. Exceptions to this provision may be approved by the Common Council.

(5) Commission's Powers and Responsibilities.

- (a) The Committee shall have the following powers and duties as regards the Trust Fund:
  1. Recommend policies, goals and objectives for the Trust Fund program to the Mayor and the Common Council;
  2. Review project funding requests and recommend to the Mayor and the Common Council all disbursements from the Trust Fund;
  3. Investigate and recommend to the Mayor and Common Council additional sources of money for deposit to the Trust Fund Account; and
  4. Publish and distribute requests for proposals and notices of funding availability.
- (b) All projects considered for funding will be reviewed prior to Committee action by the CDBG staff, and the Grants Supervisor shall submit to the Committee comments and recommendations.
- (c) The Committee shall within ninety (90) days following the close of each fiscal year prepare and submit an annual report to the Common Council on the activities undertaken with funds from the Trust Fund. The report shall specify the number and types of units assisted, the amount loaned per Assisted Unit, the amount of state, federal and private funds leveraged, the geographic distribution of Assisted Units and a summary of statistical data relative to the incomes of assisted households, including their monthly rent or mortgage payments, and the sales prices of owner-occupied Assisted Units.

(Am. by ORD-09-00052, Pub. 4-2-09, Eff. 8-1-09)

(6) Term of Affordability.

- (a) The minimum term of affordability for any Assisted Unit shall be thirty (30) years. The Committee shall give preference to those projects that ensure that the Assisted Units remain Affordable for the longer period possible.
- (b) Assisted Units shall be deed restricted to ensure long term affordability.
- (c) 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 a pro-rated percentage of the appreciated value of the Assisted Unit as determined by the Commission. If an Assisted Unit has remained Affordable for more than fifty (50) years, the Committee may waive the obligation of the Recipient to pay the pro-rated appreciated value.

(Am. by ORD-09-00052, Pub. 4-2-09, Eff. 8-1-09)

(7) Building Standards.

The Committee shall encourage a set of building standards or initial improvements that lead to lower, long-term utility costs for occupants of Assisted Units. The specific set of these standards and improvements shall include the following:

- (a) Compliance with such health and safety standards such as direct vent hot water units when individual hot water heating units are provided within the Assisted Unit;
- (b) Protection from radon gas;
- (c) A passive solar-slab ventilation system when sub-grade areas are exposed during construction or rehabilitation; and
- (d) Within the Assisted Unit, features that help achieve a performance standard of energy conservation equal to 115% of the performance required by state building codes.

(Am. by ORD-09-00052, Pub. 4-2-09, Eff. 8-1-09)

(8) Accessibility.

The Committee shall establish a program-wide goal of helping to create at least one (1) accessible unit out of every five (5) it assists. An accessible unit shall have accessible features as defined by the applicable sections of Wis. Admin. Code chs. Comm 61-65, and include one curb-less shower and a step-free entry into the Assisted Unit.

(Am. by ORD-09-00052, Pub. 4-2-09, Eff. 8-1-09)

- (9) Section 8 Participants.  
 No Recipient may refuse to lease or otherwise make unavailable any rental Assisted Units solely because an applicant for housing is a direct recipient of a federal, state or local governmental housing subsidy.  
 (Sec. 4.22 Cr. by Ord. 13,476, 12-23-03)

**4.23 PREVAILING WAGE ON BUILDING OR WORK FINANCED IN WHOLE OR IN PART WITH CITY FINANCIAL ASSISTANCE.**

- (1) Purpose and Intent. It is the policy of the City to assure equitable wages for all building or work which is financed in whole or in part with City financial assistance. The Common Council finds that extending prevailing wages to workers employed on such projects preserves and promotes the public health, safety, prosperity, and general welfare of the people of the City of Madison.
- (2) On any projects for which the City contributes financial assistance and which are "public works," "building or work," or "erection, construction, remodeling, repairing" as those terms are defined in Sec. 23.01(1)(a) of these ordinances and such work is performed by "employees working on the project" or "laborers, workers, and mechanics" as those terms are defined in Sec. 23.01(1)(a), all employees shall be compensated at the rates established pursuant to Sec. 23.01(1) of these ordinances, Wis. Stat. § 66.0903, and Wis. Admin. Code § DWD 290 as therein provided. In the event of a difference in the required rates or provisions, the higher wage or more stringent provision established by the City or the State shall be required.
- (3) "City financial assistance" means any grant, cooperative agreement, loan, contract (other than a public works contract, a supply procurement contract, a contract of insurance or guaranty or a collective bargaining agreement) or any other arrangement by which the City provides or otherwise makes available assistance, in the form of
- (a) Funds.
  - (b) Services of City personnel.
  - (c) Real and personal property or any interest in or use of such property, including:
    1. Transfers or leases of such property for less than the fair market value, or for reduced consideration; and
    2. Proceeds from a subsequent transfer or lease of such property if the City's share of its fair market value is not returned to the City.
  - (d) The sale and lease of, and the permission to use (on other than a casual or transient basis) City property or any interest in such property, the furnishing of services without consideration or at a nominal consideration, or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by the sale, lease or furnishing of services to the recipient, and
  - (e) Any City agreement, arrangement or other contract which has as one of its purposes the provision of financial assistance, including purchase of service agreements.
  - (f) "City financial assistance" includes, but is not limited to, redevelopment contracts, economic development agreements, revenue or loan agreements with an eligible participant or authorized developer under Wis. Stat. § 66.1103, contracts with developers or other entities authorized by Wis. Stat. § 66.1333(5) and 66.1105(3), and assistance provided under Wis. Stat. § 66.1109.
- (4) All contracts or agreements for such projects shall include the following provision:  
Prevailing Wages. The Contractor shall pay its employees the wage rates established by Sec. 4.23, Madison General Ordinances, and its referenced sections and shall require in its contracts and subcontracts for work on the project, adherence by those contractors, subcontractors and agents to the wage rates established by this Section 4.23 and its referenced sections. The contractor and its contractors, subcontractors and agents shall also adhere to the requirements of Madison General Ordinances Sec. 23.01(1)(d) "Payrolls and Records," Sec. 23.01(1)(j) "Evidence of Compliance by Contractor," and Sec. 23.01(1)(k) "Evidence of Compliance by Agent and Subcontractor" with the exception that the reference to "City Engineer" and "Department of Public Works" shall be to the City agency administering the project.

# AFFORDABLE HOUSING TRUST FUND

	2008 Actual	2009 Actual	2010 Budget	2010 YTD Through 8/2/2010
Fund Balance, January 1	\$ 3,988,610	\$ 4,113,086	\$ 4,116,920	\$ 4,102,613

## SOURCES

### Dedicated:

Private Contributions	-	-	-	-
Payments in Lieu of Program Participation	-	-	-	-
Matching Funds from Federal Trust	-	-	-	-
Loan Repayment Principal	-	-	-	-
Loan Repayment Interest	-	-	-	-
Investment Revenue	144,486	72,903	80,000	21,400
<b>Discretionary:</b>				
Equity Participation Payments	-	-	-	-
Proceeds from Sale of Surplus Property	-	-	-	-
TID District Closure Proceeds	-	-	-	-
Transfer from General Fund	-	23,825	-	-
<b>TOTAL SOURCES</b>	<b>\$ 144,486</b>	<b>\$ 96,728</b>	<b>\$ 80,000</b>	<b>\$ 21,400</b>

## USES

Loans to Create Affordable Housing	-	107,211	23,456	15,039
Allied Drive Redevelopment	-	-	-	-
<b>TOTAL USES</b>	<b>\$ -</b>	<b>\$ 107,211</b>	<b>\$ 23,456</b>	<b>\$ 15,039</b>
Fund Balance, December 31	\$ 4,113,096	\$ 4,102,613	\$ 4,173,464	\$ 4,108,974

## Portion of Balance Authorized for Distribution:

Total Prior Year Sources Deposited	\$ 1,469,742	\$ 144,486	\$ 93,825	\$ 96,728
Less Loan Repayments	(50,000)	-	-	-
Subtotal	\$ 1,419,742	\$ 144,486	\$ 93,825	\$ 96,728
Distribution Proportion	25%	25%	25%	25%
Authorized for Distribution by Ordinance	\$ 354,936	\$ 36,122	\$ 23,456	\$ 24,182

	Inception To Date Through 8/2/2010
\$	-
50,000	50,000
661,473	661,473
995,832	995,832
1,085,094	1,085,094
1,523,825	1,523,825
\$ 4,316,224	\$ 4,316,224
\$ 207,250	\$ 207,250
\$ 207,250	\$ 207,250
\$ 4,108,974	\$ 4,108,974

08/04/2010  
11:45:06

Loan Status: \*ALL\*  
Prog ID: (AHTF) AFFORDABLE HOUSING TRUST FUND  
Loan Group: \*ALL\*

CITY OF MADISON  
COMMUNITY DEVELOPMENT DEPARTMENT

OBLIGATIONS BY PROGRAM  
All Obligation Dates  
Balance as of 08/04/2010

Report Order: Client Name

Loan ID	Client Name	Obligated Amount	Program Balance	Loan Admin Fee	Obligation Date	Interest Start Date	First Payment	Last Payment	Payment	Int Rate	Loan Stat	
AHTF: AFFORDABLE HOUSING TRUST FUND SO31												
1.	001927D1 COMMON WEALTH	25,000.00	25,000.00	0.00	04/21/2009	04/21/2009				0.000% OPN		
2.	001922D1 COMMON WEALTH	25,000.00	25,000.00	0.00	04/21/2009	04/21/2009				0.000% OPN		
3.	EDJ31D4 HABITAT FOR HUMANITY,	25,000.00	0.00	0.00	11/10/2006	11/10/2006				0.000% CLO		
4.	001950D1 HOUSING AND HOPE LLC,	26,250.00	26,250.00	0.00	09/03/2009	09/03/2009				0.000% OPN		
5.	AG322D1 HOUSING INITIATIVES INC,	10,000.00	10,000.00	0.00	01/24/2007	01/24/2007				0.000% OPN		
6.	001936D1 HOUSING INITIATIVES INC,	42,960.37	40,000.00	0.00	12/30/2009	12/30/2009				0.000% OPN		
7.	AG295D1 MADISON AREA CLT CORP,	50,000.00	0.00	0.00	06/21/2006	06/21/2006		02/12/2007	*	0.000% PDF		
8.	001957D1 NORTH LAWN LLC,	6,000.00	6,000.00	0.00	08/31/2009	08/31/2009				0.000% OPN		
9.	AD046D1 SOLIS, TAMARA	25,000.00	25,000.00	0.00	04/26/2007	04/26/2007				0.000% OPN		
	This Program ->	235,210.37	157,250.00	0.00							0.00	

Total Program Budget	0.00
- Administration Budget	0.00
Remaining Program Budget	0.00
+ Program Income	0.00
- Program Expenditures	0.00
Total Funds	0.00
- Loan Obligations	-235,210.37
- Loan Admin Fees	0.00
Available Funds	-235,210.37

Affordable Housing Trust Fund Ordinance Change Summary

Original Affordable Housing Trust Fund Ordinance	Proposed Affordable Housing Trust Fund Ordinance	Proposed Change
Disbursements may be made as grants if the Trust Fund balance exceeds \$10 million	Grants may be made from loan repayments up to 50% of the interest earned in the Fund as of the previous January 1	Changes when grants may be made
Eligible costs include acquisition, rehab, construction, preserving affordable units, demolishing or converting non-residential buildings to create new affordable units, or soft costs	Eligible costs include acquisition, rehab or constructing units, preserving affordable units, demolishing or converting non-residential buildings to create new affordable units, accessibility modifications, modifications for health, safety and energy conservation purposes, soft costs including professional fees	Further defines eligible costs
Operating expenses not an eligible expense	Operating expenses attributable to an assisted unit, including administration of funds are an eligible expense	Allows operating expenses as an eligible cost
Funds may be used for the creation of new units	Professional fees funded from the Fund limited to 15% of total Fund allocation	Limits professional fees to 15% of the allocation
Funds may be used for the creation, repair and preservation of units	Recipient may use funds directly or through an affiliated entity	Clarifies fund usage can be for repair and preservation of units, not just creation of units
Affordable owner occupied housing = paying no more than 30% of gross income for PITI	Affordable owner occupied housing = PITI can be paid by a household with income $\leq$ 80% CMI	Allows funds to go to an affiliated entity of the recipient Changes the definition of affordable for owner occupied housing



Rental units for households < /= 50% CMI

Increases the household income eligibility for rental projects

Rental units for households < /= 60% CMI  
Housing Cooperatives and Limited Equity Cooperatives for households < /= 60%

Adds Co ops as an eligible project

Affordable Housing Cooperatives and Limited Equity Cooperatives = Housing payment can be paid by a household with income < /= 60% CMI

Adds Co ops as an eligible project

CDBG Commission and CDBG Grants Supervisor

CDBG Committee and Community Development Director

Technical change in titles

If Trust Fund is less than \$10 million, disbursements are limited to 25% of all revenue deposited into the Fund in the previous fiscal year, except loan repayments. If Trust Fund is greater than \$10 million, disbursements limited to interest accrued on the fund from the previous fiscal year plus unexpended amount from the previous years allowable disbursements.

Disbursement from the Fund limited to 25% of the Fund balance as of the previous January 1 for any one project.

Expands the allowable disbursement from the Fund and adds a per project limit

At least 60% of funds eligible for disbursement annually shall be used to create assisted units for households with income < /= 50% CMI

At least 60% of funds eligible for disbursement annually shall be used to create, repair and preserve units for households with income < /= 60% CMI

Increases the household income eligibility for the set aside of 60% of the fund disbursement

Preference shall be given to projects not in a TID whose project expenditure period has not expired

Preference shall be given to projects not eligible for the TIF 10% Set Aside funds

Changes preference from projects not in a TID to projects not eligible for the TIF 10% funds

In cases where an assisted unit is sold, transferred or no longer affordable the recipient shall repay the original loan amount plus a pro-rated percentage of the appreciated value of the unit as determined by the CDBG Commission

In cases where an assisted unit is sold, transferred or no longer affordable the recipient shall repay the original loan amount plus interest, if any, as determined by the CDBG Committee

Changes the terms of repayment when a unit is sold, transferred or is no longer affordable

The Commission shall encourage a set of building standards. The specific set of building standards and improvements shall include the following: health and safety standards, protection from radon gas, passive solar system, energy features

The Committee shall encourage a set of building standards.

Deletes the specific building standards a project must include

The Commission shall establish a goal of creating at least one accessible unit out of every five assisted units. An accessible unit shall have features as defined by State codes.

The Committee will require compliance with existing accessibility standards. Preference will be given to projects that meet the highest accessibility standards.

Broadens the accessibility standards to those that meet code

Section 8 Participants

Rent Assistance

Broadens protections to all households with rent assistance not just Section 8