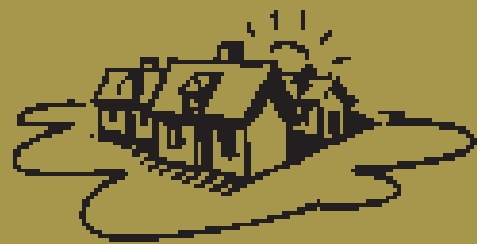


2006 ANNUAL REPORT

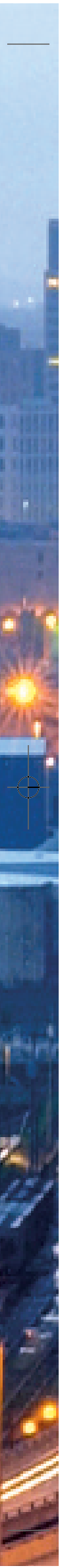
H O U S I N G A U T H O R I T Y
O F T H E C I T Y O F M I L W A U K E E



A WORLD LEADER IN AFFORDABLE HOUSING

MISSION

TO PROVIDE DECENT/QUALITY, SAFE AND AFFORDABLE HOUSING WITH TRANSITION OPTIONS FOR THOSE WHO DESIRE THEM. "TRANSITION OPTION" IS DEFINED AS THE OPPORTUNITY FOR RESIDENTS TO SELF-DETERMINE THEIR INTEREST IN, AND HAVE ACCESS TO, HOUSING OPTIONS THAT SUPPORT LONG-TERM SELF SUFFICIENCY.





From the Mayor

Through the power of partnerships, the City of Milwaukee's Housing Authority continues to transform neighborhoods and transform lives. This annual report highlights our work to provide affordable and supportive housing to seniors, families and those with special needs.



Among this year's highlights:

Leading by example, the Housing Authority used a HOPE VI grant to redevelop Cherry Court into Milwaukee's second green public housing facility. This beautiful 120-unit mid-rise was built to conserve energy and retain stormwater through its green roof. Home to seniors and persons with disabilities, Cherry Court is also designed to provide accessible living and community areas.

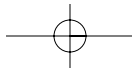
We believe that 'hope' can be built into our public housing. Our Central City Cyberschool at the Parklawn Housing Development serves as a neighborhood catalyst of hope for kindergarten through 8th grade students. This year we celebrated a 90% attendance rate and a 78% reading proficiency among our students at this school.

The Housing Authority also provided support to two initiatives that I believe are important to increasing the chances of a brighter future among our young people. In 2009 Milwaukee will open a federal Job Corps Center on the northwest side, which will provide job training for 250 youth. Housing Authority staff successfully launched Milwaukee's Fatherhood Initiative, designed to increase the number of responsible and committed fathers actively involved in the lives of their children. More than 800 people, primarily African-American men, took part in the workshops at a 2-day summit.

Milwaukee is fortunate to have Antonio M. Perez at the helm of our Housing Authority. The National Child Labor Committee recognized Mr. Perez this year as one of ten individuals across the country that make transforming contributions towards the development of children and youth.

I invite you to read more about our partners in this year's report. We would not be an award-winning Housing Authority without them.

Tom Barrett



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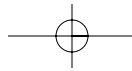
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From the Chair of the Milwaukee Housing Authority

Serving as Chairman of the Housing Authority is one of my most gratifying roles. Many of my formative years were spent in Milwaukee's public housing neighborhoods. These neighborhoods, communities and environments help to shape who I am today.

I am honored to work with an extremely dedicated Board of Commissioners and staff. They are truly committed to the Housing Authority's mission and to improve the quality of life for low income individuals in our community. The inclusion of two residents on the Board of Commissioners helps to ensure that our policies are sensitive to our residents.

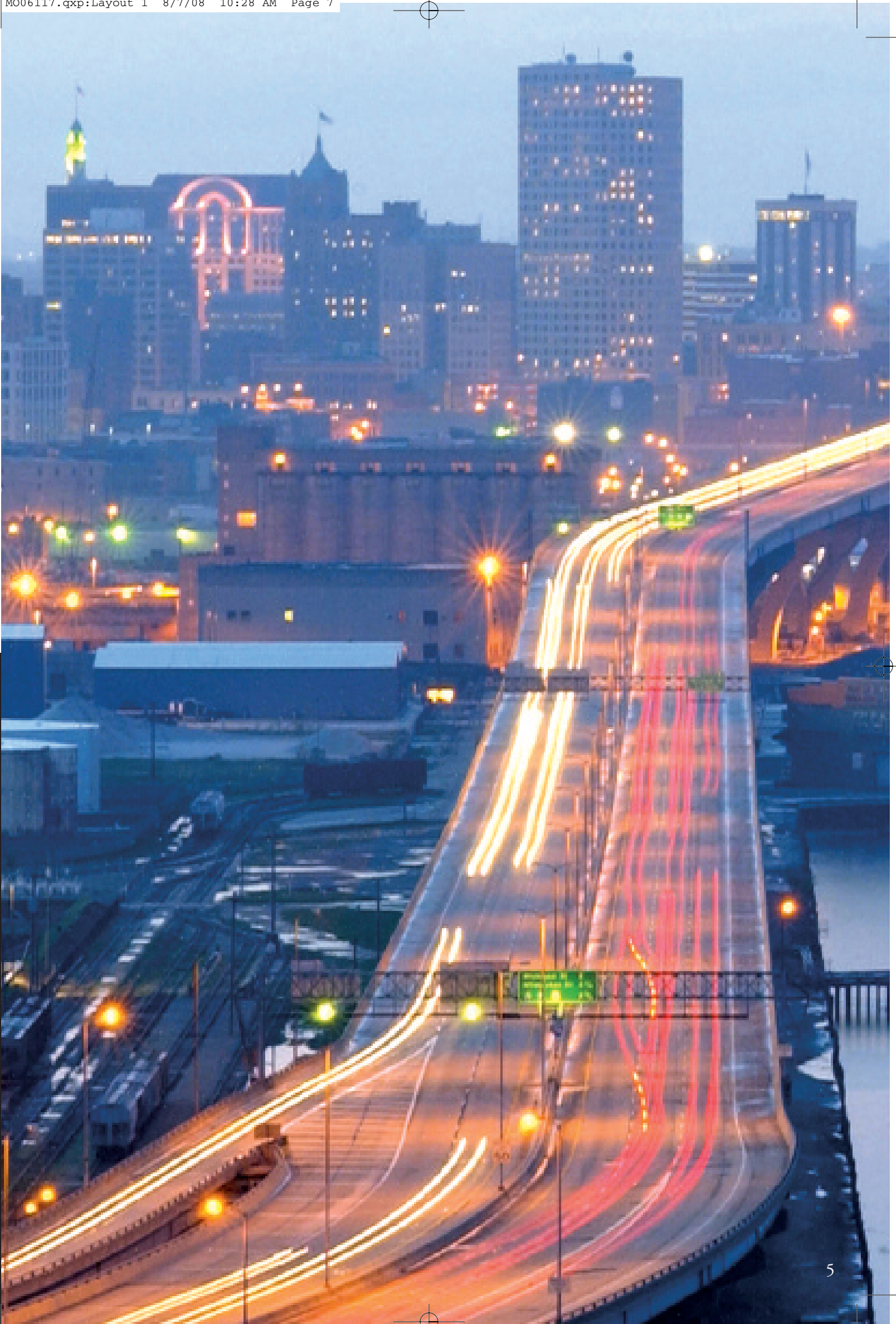


We are in transition because of new guidelines adopted by the U.S. Department of Housing and Urban Development. We must do everything we can to comply with these guidelines, which are significantly changing our business practices. I strongly believe that we will continue to be innovative and creative in meeting these new challenges.

Together we have built a great foundation. I am extremely proud to be part of a team that sets high standards and continues to receive national recognition for its programs and services.

Willie L. Hines, Jr.





From the Executive Director

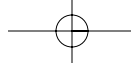


“Now, here you see it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!” Lewis Carroll-Alice in Wonderland. Thus as we reflect on HACM’s near past achievements and challenges it becomes more apparent that our present and future consequences

are borne of the tests we often face; can we inspire, can we innovate, can we prevail, can we (by some set of measures) be successful? It’s not only the within that must be challenged to achieve effective and efficient execution, but also how we collectively act (and react) to federal intent while keeping in focus the “economic forces” that shape the market place.

We are desirous that the interested reader obtain a sense of understanding of who we are and strive to become by scrutinizing this public report, a chronicle of some of our activities and its aftermath. We remain grateful for the drive of our team and the colleagues that assist us with their support. As Booker T. Washington implied over a century ago – “We are casting our bucket where we are.” – Milwaukee.

Tony Pérez



HOUSING AUTHORITY

IMPACT ON

GLOBAL SOLUTIONS 8

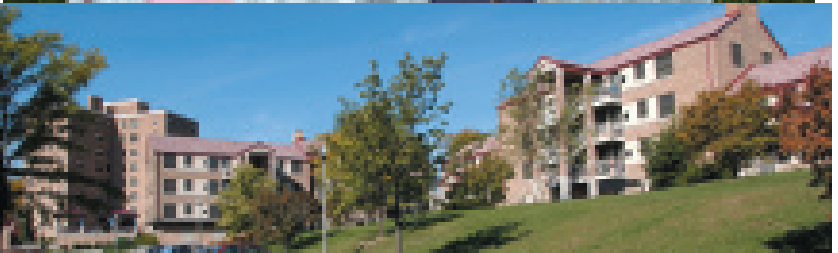
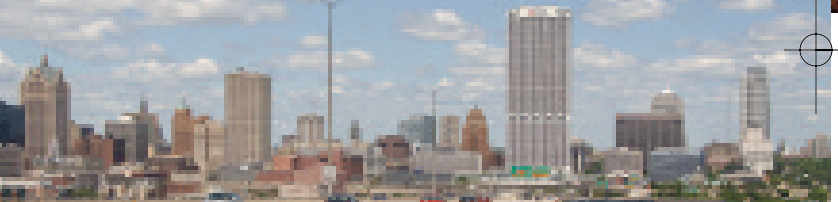
SUSTAINABLE DEVELOPMENTS 10

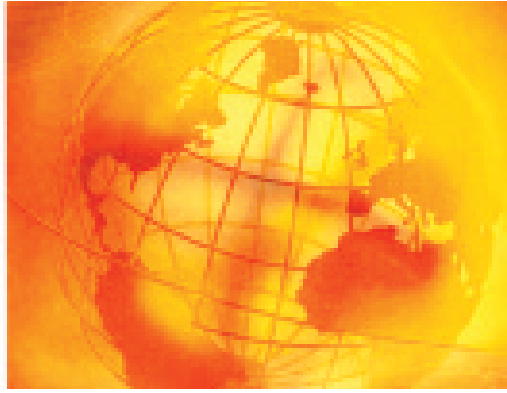
THE CITY 12

THE COMMUNITY 14

OUR NEIGHBORHOODS 16

FAMILIES 18





GLOBAL SOLUTIONS

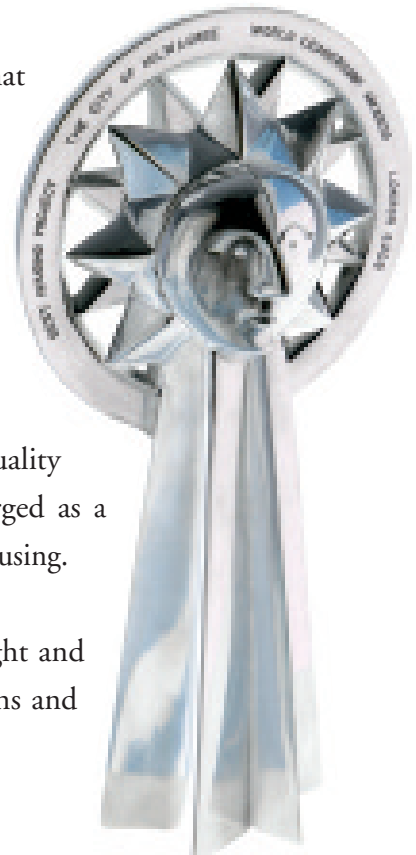
BARCELONA, SPAIN...LIVERPOOL, ENGLAND...LISBON, PORTUGAL...AND MILWAUKEE, WISCONSIN, USA. WHAT DO THEY HAVE IN COMMON?

EACH IS AMONG THE ELITE HANDFUL OF CITIES TO EARN THE PRESTIGIOUS WORLD LEADERSHIP AWARD PRESENTED BY THE WORLD LEADERSHIP FORUM, HEADQUARTERED IN LONDON, ENGLAND. THE HOUSING AUTHORITY OF THE CITY OF MILWAUKEE (HACM) WAS CITED FOR DEVELOPING SOLUTIONS TO HOUSING THAT ARE "INNOVATIVE AND OFFER INSPIRATION TO CITY LEADERS AROUND THE WORLD."

HACM accomplishes our goals through synergistic relationships that include financial and economic partners, community groups, health-care providers, job training and education. Through these collaborations, HACM helps rebuild entire communities by providing affordable housing, safe neighborhoods, expanded job opportunities, self-sufficiency and a brighter future for thousands of Milwaukee families.

With HACM's focus on economic integration, public safety, high quality eco-friendly design and neighborhood unity, Milwaukee has emerged as a national and worldwide model for reforming and improving public housing.

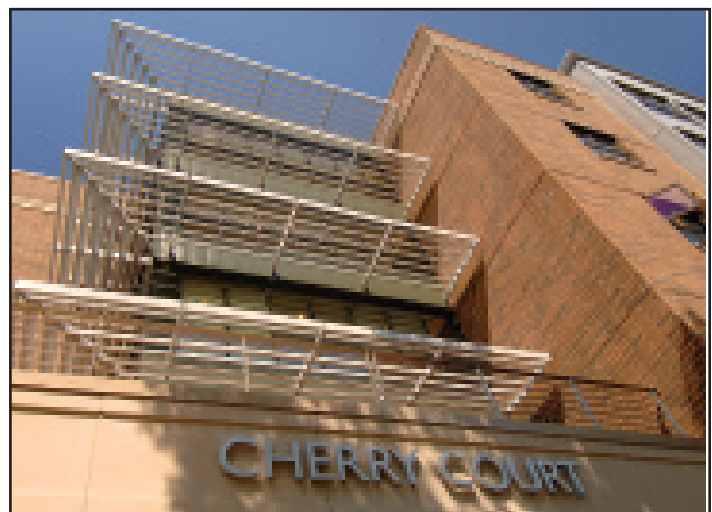
Our mission in the future is to continue using imagination, foresight and compassion to keep Milwaukee at the vanguard of housing solutions and provide hope and inspiration to other cities around the globe.





ON-SITE STORM WATER MANAGEMENT IS A HIGH PRIORITY FOR HACM. CHERRY COURT FEATURES A 20,000 SQUARE FOOT GREEN ROOF WHICH HELPS LOWER ENERGY COSTS, PROLONG ROOF LIFE AND REDUCE STORM WATER RUNOFF DURING SEVERE THUNDERSTORMS.

INNOVATIVE DESIGN SOLUTIONS INCLUDE EXTERIOR SUNSHADES LIKE THESE AT CHERRY COURT. THE EXTERIOR STEEL STRUCTURES ARE BUILT AT A SPECIFIC SIZE, THEN POSITIONED AT A PRECISE ANGLE TO PROVIDE COOL SHADING IN THE SUMMER WHILE ALLOWING SOLAR RAYS TO WARM COMMUNITY SPACES IN THE WINTER FOR YEAR-ROUND ENERGY EFFICIENCY.



SUSTAINABLE DEVELOPMENT



HIGHLAND PARK DEVELOPMENT SHOWCASES HACM'S SAFE, AFFORDABLE, ENERGY-EFFICIENT RESIDENCES AND COMMON SOCIAL AREAS. BUILDING MATERIALS AND DESIGNS ARE CHOSEN TO BE ECO-FRIENDLY AND LAST FOR DECADES TO COME.

In a world of depleting natural resources and soaring energy costs, HACM is dedicated to protecting our environment through energy efficient design in each of our new or rehab housing projects. Highland Gardens, Cherry Court and soon Convent Hill are just three prominent examples of our commitment to making Milwaukee a "greener, cleaner" place to live --- for now, and for decades to come.

HACM embraces the concept of "sustainable design" in all of our new production areas. This entails reinvesting in and refurbishing existing neighborhoods to create more walkable, transit accessible places to live and work while respecting and preserving natural resources.

For example, our on-site storm water management includes rain gardens to help deter runoff; all new single-family homes and duplexes drain to grade and are not connected to the sewer system. At older sites, existing downspout connections are replaced with rain barrels to collect water for lawns and gardens.

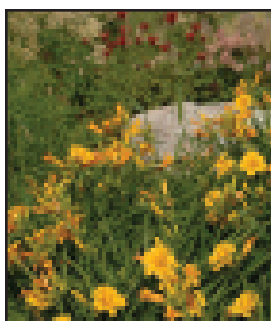
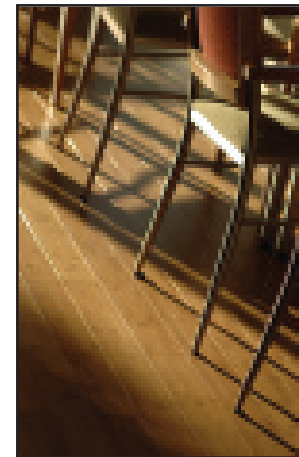
Energy efficiency is also a top priority. By using only the most cost-effective design and materials for heating, cooling, ventilation, windows and insulation, HACM homes are consistently ten percent more efficient than similar-sized new homes built in Wisconsin.



BY EMBRACING CONSERVATION AND GREEN BUILDING TECHNIQUES TO CREATE AFFORDABLE HOUSING, AND BY UTILIZING EXISTING INFRASTRUCTURES WHENEVER POSSIBLE, HACM DEVELOPMENTS IMPROVE OUR COMMUNITIES AND BUILD A PATH TO A

BRIGHTER, MORE SUSTAINABLE FUTURE FOR ALL THE PEOPLE OF MILWAUKEE.

BAMBOO FLOORS – LIKE THESE AT CHERRY COURT – ARE BEAUTIFUL, DURABLE, ECONOMICAL AND EASY TO MAINTAIN. AND BECAUSE BAMBOO IS ABUNDANT AND REPLENISHES RAPIDLY, ITS USE HELPS PRESERVE TREES FROM OUR NATURAL FORESTS.



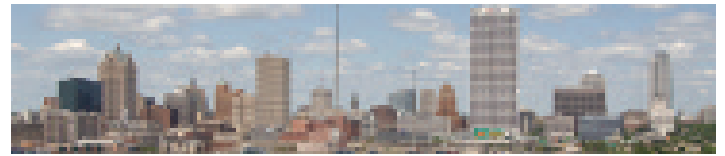
RAIN GARDENS LIKE THIS HELP DETER STORM WATER RUN-OFF, DRAIN TO GRADE AND ARE NOT CONNECTED TO THE CITY SEWER SYSTEM.



THE CITY

INCREASING HOME OWNERSHIP...MAINTAINING AFFORDABLE RENTAL HOUSING...REDUCING THE COST OF PUBLIC SAFETY... CREATING SKILLED WORKERS. THESE ARE JUST SOME OF THE WAYS HACM INITIATIVES CAN BE FELT THROUGHOUT THE CITY OF MILWAUKEE.

For example, the Housing Authority's Public Safety Department operates 24 hours, 365 days a year to help preserve the peace, reduce crime and provide a safe, secure environment for over 14,000 residents. In 2006, the HACM Public Safety Department responded to over 9,000 calls for service resulting in more than \$2 million in savings to Milwaukee's Fire and Police Departments.



HACM also diligently pursues Federal funding and state tax credits for new construction and minority contracting opportunities. This creates jobs and helps hundreds of families become first-time homeowners, adding over \$3 million dollars to the city's tax base. In fact, revitalized HACM neighborhoods show consistently higher growth in assessed property values than the city as a whole.

We also place special emphasis on honoring and caring for our senior citizens. Facilities like Lapham Park enable seniors to live independently, make informed choices about healthcare and participate in social activities within the community.

Other HACM programs support income-transfer policies and social insurance programs that reduce poverty levels in low-income households throughout the city.

By linking physical revitalization with public safety, education, healthcare, job training and employment, HACM provides affordable housing and opportunity for tens of thousands, and contributes substantially to the safety and economy of all Milwaukeeans.



IF NECESSARY OR PRACTICAL, HACM WILL DEMOLISH EXISTING STRUCTURES TO MAKE WAY FOR MORE SUITABLE, AESTHETICALLY PLEASING DEVELOPMENTS.

ALL USEABLE MATERIALS AND BUILDING SYSTEMS FROM DEMOLITION ARE RECYCLED TO CREATE NEW AND AFFORDABLE HOUSING FOR LOW-INCOME RESIDENTS WHILE INCREASING PROPERTY VALUES IN PREVIOUSLY DEPRESSED NEIGHBORHOODS.

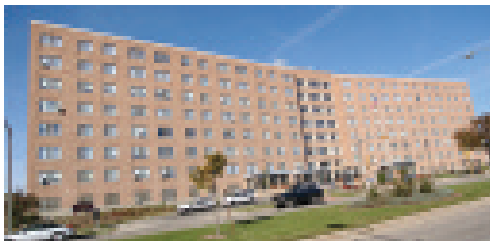


BY REFURBISHING DERELICT HOUSES IN OTHERWISE WELL-MAINTAINED NEIGHBORHOODS, HACM MAINTAINS OR EVEN RAISES PROPERTY VALUES AND PREVENTS THE BLOCK FROM DETERIORATING FURTHER.



THE COMMUNITY

PEOPLE WITH HOPE GIVE A COMMUNITY HOPE. AT HACM, WE'VE DEDICATED OURSELVES TO PROVIDING HOUSING AND SERVICES THAT PROMOTE THE DIGNITY AND WELL-BEING OF RESIDENTS WHILE OFFERING THEM THE TOOLS AND OPPORTUNITIES ESSENTIAL TO ACHIEVE INDEPENDENCE, FINANCIAL STABILITY, HEALTHY RELATIONSHIPS AND A POSITIVE CONNECTION TO THE LARGER COMMUNITY.



In planning our developments, we recognize that different groups often have special needs. To assure accessibility and convenience for our many elderly or disabled residents, we've partnered with IndependenceFirst, a local non-profit agency working with people who have disabilities of all types. Together we've created special needs housing that exceeds all federal and Americans with Disabilities Act standards for accessibility, safety and utility. Features include extra-wide doorways to accommodate wheel chairs, clearances in bathrooms for side transfers, specially placed controls for equipment and electrical outlets, low-pile carpets, accessible kitchen/bathroom fixtures and higher light intensities in common areas. Even two-story units can be adapted for elevators or stair climbers.



We also know that homeownership enhances community pride. Through the HACM partnership with the Wisconsin Women's Business Initiative Corporation (WWBIC), residents are encouraged to join financial literacy classes and establish Individual Development Accounts.



HACM AND ITS PARTNERS ARE IMPROVING OUR COMMUNITIES BY PROVIDING EDUCATION, JOB TRAINING AND EMPLOYMENT OPPORTUNITIES THAT PEOPLE AND FAMILIES NEED TO FLOURISH AS WELL AS SERVICES ENABLING THE ELDERLY AND DISABLED TO LIVE RICHER, FULLER, INTEGRATED LIVES.

THE RESULT CAN BE SEEN THROUGHOUT OUR CITY: WHERE PEOPLE THRIVE, COMMUNITIES THRIVE.



TEENS AND YOUNG ADULTS GAIN A SENSE OF PRIDE AND VALUABLE WORK EXPERIENCE WHILE IMPROVING THE COMMUNITY THROUGH OUR PARTNERSHIP WITH THE MILWAUKEE COMMUNITY SERVICE CORPS.

So successful are these programs that many families each year are able to purchase their first single family home at market rates.

Community youth are served through a variety of projects in conjunction with the Milwaukee Community Service Corps (MCSC). These programs create job opportunities and training for public housing residents ages 18 to 23. Much of the work focuses on community improvement such as infrastructure or redevelopment activities, community clean-up and landscaping.

OUR NEIGHBORHOODS



WE ARE PROUD OF THE NEIGHBORHOODS WE HAVE ESTABLISHED AND THE PEOPLE WE SERVE. IT IS ALWAYS OUR GOAL TO IMPROVE THE QUALITY OF LIFE FOR EACH OF OUR NEIGHBORHOODS. WITHIN EACH, THERE IS A CONCERTED EFFORT TO DELIVER ESSENTIAL SERVICES AND PROGRAMS CLOSE TO HOME FOR THE FAMILIES THAT LIVE THERE.



The goal is to enrich lives by helping families move ahead in the areas of housing, education, job training and employment, health, recreation and self-sufficiency.

HACM and its partner agencies have invested in Neighborhood Network Centers, elementary schools, day-care centers, and job-training/employment assistance programs.



Two of our family housing developments include their own elementary schools providing unique opportunities for school-aged children to receive dawn to dusk educational and extra-curricular experiences with adult supervision and guidance.

The Parklawn Cyberschool is a \$7 million state-of-the-art facility created through a partnership between HUD, Johnson Controls and HACM. Serving more than 350 youngsters in grades K4 through 8, the Cyberschool integrates the "Anytime, Anywhere" approach of laptop learning facilitated by Microsoft with a wireless system for each student and teacher. Head Start programs and Day Care Services are available for pre-schoolers.



Browning Elementary School, at the Westlawn Housing Development, is a partnership with HACM, the Milwaukee Public Schools, and the Silver Spring Neighborhood Center (SSNC) where children in grades K4 through 5 receive a quality education combined with supervised activities before, during and after school, on Saturdays and throughout the summer.

With funding from HUD, our Neighborhood Network Centers provide access to computers and the online world for all age groups. Residents can receive computer training, access job listings, set up e-mail accounts and design web pages.

The Parklawn YMCA branch, the Hillside Terrace Boys and Girls Club, and the Silver Spring Neighborhood Center also focus on education, job readiness, drug prevention/awareness, career planning and just plain fun for kids of all ages.



**H A C M ' S
P U B L I C
S A F E T Y
O F F I C E R S**

HELP THE MILWAUKEE POLICE DEPARTMENT PROTECT AND SERVE BY GETTING TO KNOW OUR NEIGHBORHOOD FAMILIES AND WORKING WITH THEM TO MAINTAIN PUBLIC SAFETY AND REDUCE CRIME.

ABOVE ALL, THE PRIMARY MANDATE FOR HACM IS TO HELP FAMILIES REACH THEIR FULL POTENTIAL AND THRIVE. PROVIDING SAFE, AFFORDABLE QUALITY HOUSING IS JUST ONE PART OF MEETING THAT OBLIGATION.

FAMILIES

EQUALLY IMPORTANT IS THE RANGE OF HACM PROGRAMS DESIGNED TO HELP FAMILIES MOVE AHEAD IN THE AREAS OF EDUCATION, EMPLOYMENT, HEALTH, RECREATION AND GENERALLY TO BECOME MORE HAPPY, PRODUCTIVE AND SELF-SUFFICIENT CITIZENS OF MILWAUKEE.





We offer family services to ensure that all eligible adults have the opportunity to find and retain liveable-wage employment. HACM and our partner agencies have created Neighborhood Network Centers, elementary schools, adult education programs, day care facilities and case management services --- all to assist adults as family wage earners.

Additional support services include financial literacy classes and helping uninsured families access quality healthcare through Badger Care. We also work with senior citizens to expedite prescription drug and healthcare entitlement programs with our team of individual case management specialists.

By helping families achieve their dreams, HACM is helping neighborhoods and communities flourish. And that's good for all of Milwaukee and creates a successful model for other cities throughout the world.

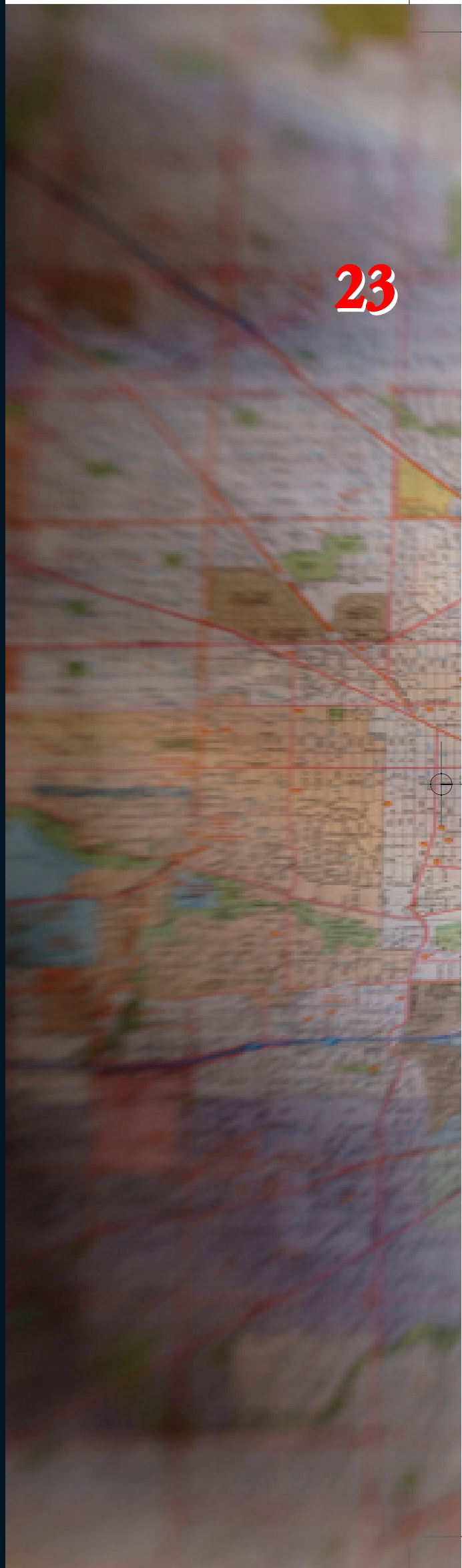


HOME OWNERSHIP INSTILLS A SENSE OF INDIVIDUAL AND NEIGHBORHOOD PRIDE THAT UPLIFTS FAMILY MEMBERS AND ENTIRE COMMUNITIES.

Development	Street Address	# Units	Type
1.	Arlington Court 1633 N. Arlington Place	230	Senior development
2.	Becher Court 1800 W. Becher Street	220	Senior development
3.	Berryland 6089 N. 42nd Street	391	Family development
4.	Cherry Court 1525 N. 24th Street	120	Senior and disabled development
5.	College Court 3334 W. Highland Blvd.	251	Senior development
6.	Convent Hill 1325 N. Jefferson Street	120	Senior development
7.	Highland Gardens 1818 W. Juneau Ave.	114	Senior and disabled development
8.	Highland Homes 1818 W. Juneau Ave.	56	Family development
9.	Hillside Terrace 1419 N. 8th Street	421	Family development
10.	Hillside Terrace Highrise 1545 N. 7th Street	49	Senior and disabled development
11.	Holton Terrace 2825 N. Holton Street	120	Senior and disabled development
12.	Lapham Park 1901 N. 6th Street	198	Senior development
13.	Townhomes at Carver Park 1901 N. 6th Street	122	Family development
14.	Lincoln Court 2325 S. Howell Ave.	110	Senior and disabled development
15.	Locust Court 1350 E. Locust Street	230	Senior and disabled development
16.	Merrill Park 222 N. 33rd Street	120	Senior development
17.	Mitchell Court 2600 W. National Ave.	100	Senior development
18.	Northlawn 5145 N. 20th Street	247	Family development
19.	Parklawn 4434 W. Marion Street	380	Family development
20.	Riverview 1300 E. Kane Place	180	Senior and disabled development
21.	Southlawn 3350 S. 25th Street	330	Family development
22.	Southlawn Park 3350 S. 25th Street	12	Family development
23.	Westlawn 6301 W. Sheridan Ave.	726	Family development

HACM offices:

Scattered Sites-Main office	5003 W. Lisbon Ave.
Modernization and Development	5125 W. Lisbon Ave.
Rent Assistance office	5011 W. Lisbon Ave.
Community Services	650 W. Reservoir Ave.



OUR PROPERTIES



THE FINANCIALS

	2006 (audited)	
Dwelling Rent	\$17,569,159	25%
Tenant Charges	\$ 664,626	1%
Government Grants	\$47,277,120	69%
Investment Income	\$ 2,018,789	3%
Other	\$ 1,411,865	2%
Revenue	\$68,941,559	100%

Housing Assistance Payments	\$24,937,742	31%
Administration & Operations	\$17,438,268	21%
Ordinary Maintenance	\$ 8,882,167	11%
Extraordinary Maintenance	\$ 1,106,196	1%
Utilities	\$ 6,483,534	8%
Tenant Services	\$ 2,369,547	3%
General Expense	\$ 3,038,595	4%
Depreciation	\$15,459,523	19%
Interest Expense	\$ 1,679,039	2%
Total Expenditures	\$81,394,611	100%

Net Loss Before Capital Contribution	\$ (12,453,052)	
Capital Contribution	\$ 9,343,271	

HACM BOARD MEMBERS



Willie L. Hines, Jr.
Chair



Michael T. Van Alstine
Vice Chair



Felicia Beamon
Resident Commissioner



Lena Mitchell
Resident Commissioner



Filiberto Murguía
Member of HACM
Board since 1992



**Alderman
Robert W. Puente**
Member of HACM
Board since 2005



Mark Wagner
Member of HACM
Board since 1999

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A body politic and corporate of the State of Wisconsin