

Every Number Tells a Story...

...and the stories behind the numbers.



introduction

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE (HACM) 2007 ANNUAL REPORT

The HACM Annual Report is never simply a matter of dollars and cents. Because behind every hard financial statistic, there is a human story of lives changed, families uplifted, challenges overcome and opportunities created.

As you read through our 2007 Report, take a moment to look behind the numbers and see the difference a community commitment to affordable housing, educational growth, occupational and economic opportunity, and people helping people can make in our neighborhoods and our city's future.

our mission is 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.

The City of Milwaukee's Housing Authority has a presence in nearly every part of our city, and its impact lends stability to neighborhoods, households and individual lives. In 2007, HACM built nearly 20% of new homes added to the city's tax base, provided nearly 10,000 low-income families with affordable housing, and ensured steady rental income for landlords through the Housing Choice Voucher program. The Housing Authority's impact is seen most dramatically in the ways it touches the lives of individuals. Several of their stories are described in this report. The Housing Authority also approaches its work with sensitivity to its impact on the environment.



With a commitment to green design and sustainable development, HACM has played a key role in making Milwaukee one of the 12 "greenest" major cities in the country. Under the distinguished leadership of Executive Director Antonio M. Pérez and a Board of Commissioners that includes current and former residents of public housing, the Housing Authority attacks complex problems with creativity. In challenging economic times, it has utilized the power of public/private partnerships to ensure that its vital services continue. It is a critical sign of a city's character when it accounts for the needs of its most vulnerable. We can be thankful for the Housing Authority's daily efforts to improve quality of life for so many of our city's residents. **Mayor Tom Barrett**

Once more we have the opportunity to share the story of our struggles, accomplishments, goals and aspirations. We at HACM do not have the "same old, same old" or fait accompli mindset – such attitude strikes us as perfunctory and embracing of the status quo. That ethos is not who we are or who we strive to be. We at HACM endeavor to be an agent of positive change for Milwaukee, its citizens and perhaps, even beyond. As St. Thomas Aquinas asserted, "The state justifies itself in how it achieves the common good." We are of such mind. **Tony Pérez, Executive Director**

1.

HOME OWNERSHIP: GOOD FOR FAMILIES, GOOD FOR MILWAUKEE

In 2007, HACM helped 38 lower income families make the life-changing transition from public housing to home ownership. 14 of these homes were sold by HACM to qualified families, adding more than \$1,372,000 to the city's tax base.

Each year the Housing Authority brings together qualified working families with civic-minded mortgage lenders to improve the quality of our neighborhoods, maintain or increase property values and help support essential city services.



38 NEW HOME OWNERS



\$1,372,000

**ADDED TO THE
MILWAUKEE TAX BASE**

2.

HOUSING CHOICE VOUCHERS: A COMMON SENSE APPROACH

Through the federally funded Housing Choice Voucher (HCV) program, the Housing Authority provides rental assistance for more than 5,500 low income families to help them live in clean, safe, affordable apartments or rental housing while ensuring responsible Milwaukee landlords a steady and secure rental income.

\$26,283,625

**OF RENT
SUBSIDY
PAID TO
LANDLORDS**





5500 FAMILIES

3.

INDIVIDUAL DEVELOPMENT ACCOUNTS: INVESTING IN PEOPLE

Since 2003, HACM has partnered with the Wisconsin Women's Business Initiative Corporation (WWBIC) to provide broadbased classes on a variety of money management skills.

After completing the program, participants are encouraged to open their own Individual Development Account (IDA) at a local bank to build assets so they can further their education, start a new business or purchase a home. For two years, each individual's \$1 IDA contribution is matched with \$2 from WWBIC's federal grant and HACM funds.

So far, 235 residents have opened an IDA, and to date 17 have used them for college or secondary education, 15 now operate their own business and 26 have been able to purchase their first home. Currently, 131 IDA participants have a combined balance of more than \$117,000.

**\$117,000 IN IDA SAVINGS TO
FUND EDUCATION, NEW BUSINESS AND
HOME OWNERSHIP**



4.

FEDERAL FUNDING CUTS IMPACT OUR COMMUNITY

In the past several years, steady reductions in Federal support for public housing have created longer waiting lines for working families most in need of housing assistance. In 2007, Federal contributions met just 83% of the actual funding need. That shortfall combined with recent job losses in Milwaukee has left thousands of struggling families on the brink of homelessness.

To meet this pending crisis, HACM is leveraging new private equity along with state and local resources to continue essential maintenance and services on existing housing while funding much needed new construction.



DECREASES IN FEDERAL FUNDING



2005
88%

2006
86%

2007
83%

5.

GROWING BUSINESS, CREATING OPPORTUNITIES

Through the Emerging Business Enterprise (EBE) program, the Housing Authority is helping scores of disadvantaged minority and women entrepreneurs enter the mainstream marketplace while creating hundreds of new jobs in the local community and helping people on public assistance become productive, self-sufficient wage earners.

In 2007, almost \$2 million in contracts were awarded to help finance, counsel and nurture 50 business enterprises.





**\$2,000,000
TO LOCAL
EMERGING
BUSINESSES**

6.

NEW HOMES, STRONGER NEIGHBORHOODS

Last year, one out of every 5 new homes built in Milwaukee was funded by HACM, using the very latest in design and technology in the manufacture of single family modular housing.

In addition to funding much needed and affordable new home construction, HACM is strengthening the local economy by providing opportunity for minority owned businesses and hundreds of liveable wage jobs for construction workers and equipment operators.





20% OF NEW SINGLE FAMILY CONSTRUCTION

7. GREEN IS GOOD

Since 2003, HACM has been committed to energy conservation and "green roof" construction to reduce costs, expand useable space and improve the environment. To date, we have approximately 39,500 square feet of green roofs on our buildings and plan to add an additional 15,000 square feet.

By using only the most cost-effective design and materials for heating, cooling, lighting, insulation and ventilation, annual energy savings to HACM and our residents is nearly \$200,000 a year.





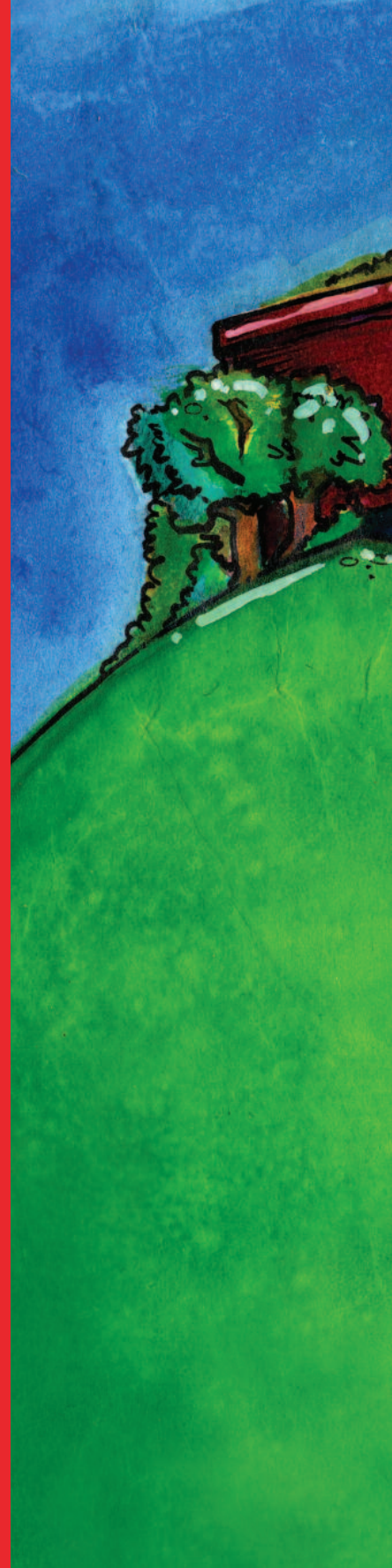
**\$198,000 ANNUAL
ENERGY SAVINGS**

8.

SPECIAL NEEDS, CREATIVE PARTNERSHIPS

In 2007, the Housing Authority allocated \$358,263 in Housing Choice Vouchers to partners that provide supportive housing for elderly and disabled individuals. These vouchers help to make supportive housing financially viable for organizations such as Badger Association for the Blind, St. Catherine's Residence and the Surgeon's Quarters SRO project.

These supportive housing partnerships are designed to promote the dignity and well-being of each resident and to help each of them achieve a positive connection to their neighborhoods and the surrounding community.





\$358,263 INVESTED FOR SUPPORTIVE HOUSING



HARD TIMES DEMAND BRIGHT IDEAS

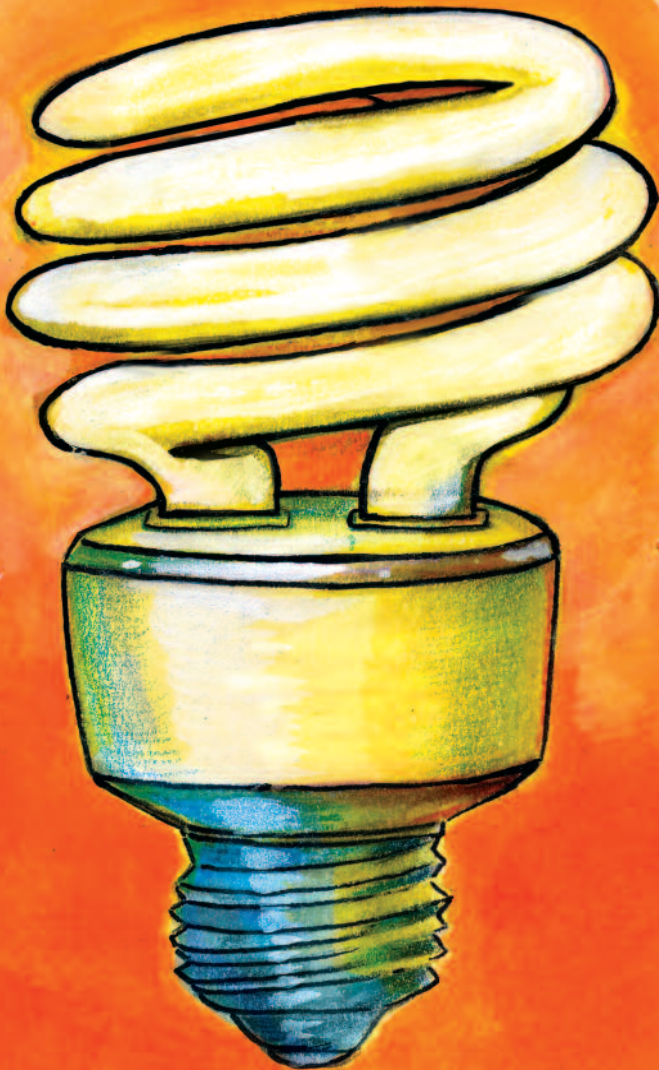
With America's economy in recession, unemployment rising and federal funds decreasing yearly, Housing Authorities across the country are struggling to meet the growing need for public housing and essential services.

Milwaukee's Housing Authority is one of a handful in the nation to have successfully combined HUD Sec. 202 financing for housing the elderly with low-income housing tax credits to build a working partnership with private investors.

HACM sells low-income housing credits to banks and other local or national private investors who use these credits to reduce their federal tax liability while retaining equity in the projects they've helped finance.

The Tax Credit Investment Program is an innovative financial tool that's created a win-win situation for Milwaukee public housing and private investors. More importantly, this creative partnership has helped HACM minimize the effects of drastic funding reductions without sacrificing vital services to the most vulnerable members of our community.

INVESTORS
WHEDA
MILWAUKEE
CITY OF
TAX CREDITS
HOUSING
AUTHORITY
HUD
LENDERS
FANNIE MAE
FEDERAL HOME LOAN
BANK OF CHICAGO



10.

LOOKING AHEAD

In partnership with the Greater Milwaukee Foundation, the HACM Endowment Fund was established in 2005 to ensure the sustainability, future expansion and on-going evaluation of vital community and supportive services for our residents.

Last year we added over \$1,000,000 to the Endowment Fund for a year-end balance of \$2,152,787. Distributions from the fund will enable us to continue to provide services such as homebuyer counseling and down payment assistance, small business development seminars and educational support for pre-schoolers, children and adults.





ADDED TO ENDOWMENT FUND

OUR PROPERTIES

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.
Architecture & Engineering	5125 W. Lisbon Ave.
Rent Assistance office	5011 W. Lisbon Ave.
Community Services	650 W. Reservoir Ave.





3

Glendale

Whitefish Bay

18

Glendale

Shorewood

19

Milwaukee

15

20

1

4

12/13

9/10

6

5

7/8

16

17

2

14

West Milwaukee

21/22



2007 FINANCIALS

Dwelling Rent	\$16,304,781
Tenant Charges	\$ 490,650
Government Grants	\$43,179,242
Investment Income	\$ 2,574,850
Other	\$ 1,306,874
Revenue	\$63,856,397
Housing Assistance Payments	\$26,283,625
Administration & Operations	\$15,898,527
Ordinary Maintenance	\$ 9,725,721
Extraordinary Maintenance	\$ 880,928
Utilities	\$ 6,185,821
Tenant Services	\$ 4,373,861
General Expense	\$ 2,567,994
Depreciation	\$10,848,617
Interest Expense	\$ 1,138,443
Total Expenditures	\$77,903,537
Net Loss Before Capital Contribution	(\$14,047,140)
Capital Contribution	\$ 8,581,541

introduction

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE (HACM) 2007 ANNUAL REPORT

At HACM our success cannot be measured by cold financial numbers alone. Because our mission is to help struggling families and individuals improve their quality of life and become self-sufficient members of our shared community, we measure our success in human terms --- by the lives changed, opportunities created and potential fulfilled. By those measures, 2007 was a year of remarkable achievement in the face of widespread economic adversity.

Here are just a few of the people and stories behind the numbers in our 2007 Annual Report.

Revitalization. It's a powerful word that holds great promise. As Chairman of the Housing Authority, I am honored to work with a Board of Commissioners and dedicated staff who strive to deliver that promise every day. The Housing Authority seeks to meet a critical need for affordable housing for thousands of low-income families, the elderly and those with special needs. Beyond this core mission, the Housing Authority offers a wide range of services to help individuals build better quality of life for themselves and their families. HACM staff work with residents to develop skills and the self-confidence to put those skills into action. We are also developing new ways of working with youth to ensure the blight of poverty does not carry into the next generation.



Our work is done with an eye towards the future. Through our green initiatives, buildings are designed to be energy efficient and provide long-term savings for families and streamlined costs for HACM's operations. Emerging businesses become stronger when HACM uses its power in the marketplace to provide opportunities for them to develop and grow. And, the Housing Authority's endowment fund serves as a powerful tool to ensure future funding streams for critical programs. I invite you to learn more about these and other activities in this year's report, which chronicles two sides of our story: the economics of a successful housing program and the personal impacts of the program on HACM residents. It is remarkable that in challenging economic times, when funding for housing has been cut dramatically, the Housing Authority continues to find innovative ways to accomplish its mission. We are proud of the many ways the Housing Authority continues to revitalize and transform our city. **Willie L. Hines, Jr., Chair**

Willie L. Hines, Jr. - Chair

Michael T. Van Alstine - Vice Chair

Felicia Beamon - Resident Commissioner

Lena Mitchell - Resident Commissioner

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

Filiberto Murguía - Member of HACM Board since 1992

Mark Wagner - Member of HACM Board since 1999

1.

HOME OWNERSHIP: GOOD FOR FAMILIES, GOOD FOR MILWAUKEE

When Jim and Barb Denton talk about owning a "dream home," they're not exaggerating.

Not long ago, the Dentons were struck by tragedy when a car accident left Barb in a wheelchair. She and Jim worried about finding an affordable home that could accommodate Barb's need for easy accessibility and interior mobility without facing the high costs of expensive renovations.

And then they discovered Highland Homes, HACM's subdivision dedicated to the principle that housing be affordable and accessible to everyone in the community. Jim and Barb were able to purchase a beautiful new home without sacrificing design for function. With gently sloping entrances, wide halls and doorways, easily reachable outlets and switches, and an elevator installed with help from IndependenceFirst, Barb enjoys convenient access to the entire house, from the basement and first floor laundry facilities to the master bedroom and luxurious whirlpool bath on the second floor.

Now the Dentons own an elegant, spacious home that reflects their individual tastes and needs in a vibrant neighborhood where innovation and creative choices meet the changing housing needs of a diverse community.





2.

HOUSING CHOICE VOUCHERS (HCV): A COMMON SENSE APPROACH

There's no place like home.

For a lot of people, moving into an HCV program apartment or rental home is a life changing transition. Many are first time renters who've never had a safe, secure place to call their own, or the obligations of paying monthly rent and utility bills.

Mike Ruzicka, President of the Greater Milwaukee Realtors Association, believes in the Housing Choice Voucher program and thinks it has a positive long-term impact on the broader housing market "by teaching important lessons about personal responsibility, budgeting, money management and building a solid credit history for the future, experience that can ultimately lead to home ownership."

For thousands of Milwaukee families, the HCV program is a first step to a brighter future.





3.

INDIVIDUAL DEVELOPMENT ACCOUNTS: INVESTING IN PEOPLE

"I'm the girl who wouldn't give up on my dreams."

So says 36-year old mother of four Teresa Rae Butler --- now a successful author and founder of her own publishing company. Teresa opened her Individual Development Account in 2005 and soon after immersed herself in a variety of business management and credit improvement classes to help make her dream a reality.

Today, Teresa's four novels about inner city life in Milwaukee are popular in libraries, book stores and retail chains around the world. Through her company, Text 4M Publishing, Teresa has reached out to help other talented Milwaukee authors attain wider audiences as well. And, she still contributes to her IDA and plans to buy the HACM rental home in which she's raised her family since 1998.

Teresa embodies the guiding principle behind the IDA program... Give motivated people an opportunity to succeed, and they can make their dreams come true.





4.

FEDERAL FUNDING CUTS IMPACT OUR COMMUNITY

Sometimes waiting is the hardest part.

With dwindling federal support for urgently needed affordable housing, HACM is working harder and more creatively than ever before to help as many struggling families as possible, as quickly as possible. In 2007, more than 290 families and 260 seniors or people with disabilities moved into HACM public housing. We also helped more than 400 other families through the Housing Choice Voucher (HCV) rental assistance program move into apartment buildings or privately-owned rental homes. Now these families live in safe quality housing they can finally afford --- often after spending six months to more than three years on a waiting list.

Since the average income for these households is barely \$11,000 per year, the savings of up to \$2,500 a year in rent compared to the private housing market makes a dramatic impact on their quality of life and ability to provide essential necessities for their children.

Still, the waiting list for elderly or disabled residents averages six months while families who desperately need 4 or 5 bedrooms can wait up to five years. To meet this critical shortage, HACM aggressively seeks out new funding and private investment to replace dilapidated, obsolete housing with new, safe, energy-efficient alternatives.

Whether due to aging, disability or under-employment in a struggling national economy, every HACM applicant deserves an affordable place to call home. Meeting that challenge will be our ongoing mission in the years to come.





5.

GROWING BUSINESS, CREATING OPPORTUNITIES

Back in 1986, Milt Hopwood decided to take a risk.

After years of working for others in masonry and concrete construction, Milt formed Hopwood Masonry, Inc., with little more than his own determination to succeed and two employees. He started out with small projects for private homeowners in his neighborhood. But with persistence and guidance he received through the Emerging Business Enterprise (EBE) program, Milt developed a growth oriented business plan and was soon a certified minority contractor with HACM, Milwaukee County, the State of Wisconsin and the federal Small Business Administration.

Over the past two decades, Hopwood Masonry has contracted for a variety of major HACM projects and expanded its business to include general contracting services for other large construction projects in both the public and private sectors. And as his company grows, Milt Hopwood is also providing valuable work experience and well-paying jobs for many other families in the community as well.





**HOPWOOD
MASONRY**
CHIMNEY, FIRE
BRICKSTONE

6.

NEW HOMES, STRONGER NEIGHBORHOODS

Felicia Beamon used to live in fear.

Like far too many struggling parents, Felicia spent each day trying to protect her family from the devastation of drugs, crime and violence that plague the poorest areas of our city. But that changed dramatically when she was able to move into an affordable, newly built HACM single family unit in a safe, secure, family-oriented neighborhood.

Now her children have a beautiful, energy efficient place to call home, to study, to have friends visit or to play outside without fear. And within this nurturing environment, the family has flourished. Felicia's three oldest daughters are now in college; her younger children are succeeding in quality neighborhood schools; and Felicia herself will soon receive her degree in Business Management.

And today Felicia works through HACM resident groups to help other hardworking families make the same transition she has made to affordable housing in safe neighborhoods. Because Felicia Beamon understands that a good home can make a world of difference.





7. GREEN IS GOOD

Climate change is a fact of life. And it's not going away anytime soon.

To meet this global challenge in our own community, HACM has committed our efforts and resources to incorporating modern energy efficient, eco-friendly design into all of our new or rehab housing projects. As a result, Milwaukee is now ranked among the 12 "greenest" major cities in the country.

Working in consultation with the private non-profit Focus on Energy organization, HACM constructs housing with environmental sustainability and conservation in mind. By using recycled building materials whenever safe and practical, and by installing rain gardens, soy-based insulation, the most energy efficient heating, cooling, ventilation and plumbing technologies along with Energy Star certified appliances, we've slashed energy consumption and lowered costs by 20%. And that can add up to hundreds of dollars in savings each month for families working hard to make ends meet.





8.

SPECIAL NEEDS, CREATIVE PARTNERSHIPS

A Home for Heroes.

America owes a special debt of gratitude to the men and women who have put themselves in harm's way to protect our freedom. The nation's veterans deserve our respect and support as they cope with the sometimes daunting transition to everyday civilian life after years of strict military regimentation.

The Surgeon's Quarters Single Room Occupancy (SRO) Project is a collaborative effort among HACM, the Department of Veterans Affairs and Hope House of Milwaukee to address this critical need. HACM contributed \$550,000 toward the complete restoration of the historically significant Surgeon's Quarters building in the scenic Soldier's Home district of the Zablocki VA medical Center.

Today this beautiful facility combines modern long-term housing accommodations with quality healthcare, essential supportive services and counseling for homeless or disabled men and women to help them achieve the life skills vital to independence and successful self-determination.





9.

HARD TIMES DEMAND BRIGHT IDEAS

Thinking Outside the Box

If anyone knows a solid investment opportunity when he sees it, it's Bryan Kilbane, Vice President of Acquisitions for Red Stone Equity Partners. That's why the Cleveland-based firm has been such a strong advocate of the HACM tax credit program for its investor clients. According to Bryan, "we consider HACM to be one of the premiere developers of affordable housing in the country...strategic and successful in revitalizing communities throughout Milwaukee, creating more stable and vibrant neighborhoods for its residents."

HACM has been a national leader in the implementation of innovative funding sources like tax credit investments to finance desperately needed redevelopment and modernization of 40 and even 50 year-old rehab properties to improve their accessibility and energy efficiency. Tax credits also help offset cutbacks in HUD funding to subsidize much needed new housing and continue the revitalization of central city neighborhoods.

These innovations have earned HACM numerous citations and Certificates of Excellence from HUD and made Milwaukee a model for communities around the nation. More importantly, our synergetic partnership with both local and national investors enables HACM to continue our primary mission of providing safe, affordable housing for struggling families even in the most difficult and challenging economic times.





STOP

CONVENT BEL
100 WEST 100 EAST AVENUE

10.

LOOKING AHEAD

If children are the future, the future starts now.

The HACM Endowment Fund sustains a wide variety of programs that improve thousands of lives each year. One of the most important is the HACM Educational Initiative, a broad-based effort to empower children from pre-school through college to reach their full potential as students and productive members of the community.


As a result, more parents of 3, 4 and 5 year-olds can now participate in HIPPY (Home Instruction for Parents of Pre-school Youngsters), a home-based school-readiness program. Young imaginations are inspired by attending educational tours of the Milwaukee Art and Public Museums as well as special performances of the First Stage Theater.

Book clubs, computer classes, homework-help programs and college tours help young minds aspire to reach their full potential. And, through UW-Milwaukee's "College for Kids" and "College for Teens" summer programs, children from K-5 through high school can acquire essential skills vital to success in the classroom and beyond. High school students with a 2.5 GPA are also eligible to earn HACM-sponsored scholarships to UWM.

Best of all, Educational Initiative programs of the Endowment Fund have a dramatic impact. In 2007, 86% of participating high school seniors graduated --- and half of them were the first in their households to earn a high school diploma. Perhaps most encouraging is the fact that 83% of those 2007 graduates are now enrolled in college.

Already, the future looks brighter.





Housing Authority of the City of Milwaukee
SPELLING BEE!

