

MKE UNITED ANTI-DISPLACEMENT FUND QUESTIONS AND ANSWERS



PROGRAM INFORMATION

Why was the Anti-Displacement Fund created?

Residents are the strength of our neighborhoods. We want to maintain that strength by supporting homeowners who have been committed to their neighborhoods and wish to remain in their current homes. The Anti-Displacement Fund was established in 2019 to provide grants to help ensure that long-time, low and moderate income homeowners living in near downtown neighborhoods are not displaced due to increasing property taxes associated with rising property values.

Who developed the program and who is providing funding for the Fund?

The Anti-Displacement Fund is being led by MKE United, a cross sector collaborative working to insure that long term residents in near downtown neighborhoods share in the benefits of new development and are not displaced due to increasing property taxes. Funding comes from a variety of generous private and philanthropic donors. No public funds are being used to provide the tax assistance payments available through the Fund.

Were residents involved in development of the program?

The City of Milwaukee released its Anti-Displacement Plan in 2018, which was developed based on significant public input from residents in the Displacement Fund neighborhoods. The Anti-Displacement Plan recommended a number of strategies to prevent displacement, including the creation of the Fund. In outreach with the community, residents indicated the fund was a high-priority.

Why can't the City reduce the taxes of low-income or elderly residents directly?

The Wisconsin Constitution prohibits that. Local governments cannot provide relief to specific groups of homeowners or create rebates or programs to reduce property taxes for groups of property owners.

ELIGIBILITY

What neighborhoods are included in the Fund?

The Fund is available in two areas, directly north and south of Downtown:

- The northern area includes Halyard Park, Brewers Hill, Bronzeville, and the southern portion of the Harambee neighborhood.
- The southern area includes the Walker's Point neighborhood east of I43/I94.
- A map of the Fund area is available online and in the program materials

How were the neighborhoods for the Fund selected?

The neighborhoods were selected for the Fund because they have experienced significant property value increases above the city averages during the past five years and are experiencing the type of market-rate development that can be linked to displacement.

Are there income requirements for the fund?

Yes, property owners must have incomes below the limits in the table below to qualify for the program.

| <i>Family Size</i> | <i>Maximum Income Limit*</i> |
|---------------------------|-------------------------------------|
| 1 | \$36,575 |
| 2 | \$41,180 |
| 3 | \$47,025 |
| 4 | \$52,250 |
| 5 | \$56,430 |
| 6 | \$60,610 |

*Income limits for 2019. Subject to annual adjustment.

Is there any help available if I am over the income limit for the Fund?

Homeowners with incomes up to 125% of City Median Income may be eligible for one-time payments from the program when faced with significant one year property tax increases. Homeowners who meet all of the other eligibility criteria and who have a property tax obligation (not including special assessments/fines/special charges/etc.) that increases at least 15% (and a minimum of \$700) from their 2018 tax bill may be eligible for one-time assistance. Income limits to be eligible for these one-time payments are in the table below:

| <i>Family Size</i> | <i>One Time Exceptions Maximum Income Limit*</i> |
|---------------------------|---|
| 1 | \$45,720 |
| 2 | \$51,475 |
| 3 | \$58,780 |
| 4 | \$63,515 |
| 5 | \$70,540 |
| 6 | \$75,765 |

*Income limits for 2019. Subject to annual adjustment.

Do I have to live in my property to be eligible?

Yes, you must be an owner occupant in the property.

The description of the Fund says it helps long-time homeowners. What does that mean?

You must have owned and occupied your property for at least five years (since January 1, 2015) in order to be eligible to receive assistance under the fund.

What if I inherited my property?

If you inherited the property recently, but the previous owner owned the property since January 1, 2015 or earlier, you may be eligible for the program if you meet the eligibility criteria.

What other eligibility criteria are there?

In order to be eligible for the program, your taxes must be current and if you have a mortgage on the property, it cannot be in foreclosure.

APPLYING FOR THE PROGRAM

How do I apply for the Program?

Applications are available online at www.mkeunited.com/antidisplacementfund or by calling Riveworks at 882-7420. In-person information and application sessions are also planned throughout November and December. A schedule of these sessions is available online and in the application package.

What documents will I need to provide with my application?

To speed up your application, bring or submit your 2018 tax income tax return. If you do not file tax returns, you can provide copies of other income documentation. You will also need a copy of your Wisconsin Driver's License OR Identification Card OR your last utility bill. If your home has multiple owners who file income taxes separately, you will need to bring documentation for each property owner.

Will I need to provide my Social Security number to apply to the Fund?

No, you will not need to provide a Social Security number as part of the application process and the application process will not include a credit check.

What happens after I apply?

Within 3 days of applying, you will receive a verbal confirmation of whether you are eligible or ineligible for the program, or if more information is required. For eligible homeowners, once 2019 property tax bills are finalized, you will receive a letter in the mail from the program confirming your eligibility and the amount of assistance you are eligible to receive this tax year.

What is the application deadline for this year?

Applications must be received by January 3, 2020.

What happens if I miss the deadline, can I apply at a later date?

You must apply by January 3, 2020 in order to receive assistance with your 2019 tax bill. The Fund will accept applications again in the fall of 2020 for future years of the program. However, all eligible homeowners are strongly encouraged to apply this year.

My taxes didn't go up much this year, should I still apply?

Yes, even if you had no property tax increase or a small increase this year, you are still encouraged to apply. Applying this year will confirm your eligibility for assistance in future years and "lock in" your previous year's (2018) property tax rate when determining the amount of assistance you could receive from the Fund in the future as your property taxes may increase.

ASSISTANCE

For how long may I receive assistance through the FUND?

The initial MKE United Anti-Displacement Fund commitment is to operate the Fund for 5 years based on funding available and anticipated at the time of launch. MKE United is also committed to continuing fundraising with a goal of securing enough funding to allow the Fund to operate for 20 years.

How much assistance am I eligible to receive from the Fund?

The Fund will provide grant assistance equal to the increase between your 2018 property tax bill, and your property tax bill in each year the Fund is in operation (not including special assessments, penalties or other

special charges). For example, if the annual tax payment for your home for the year 2018 was \$2,200 and in 2019, your assessment increases and the annual taxes due on your property increase to \$2,400, the program will pay the difference: \$2,400-\$2,200 or \$200. Note that special assessments, specials charges, penalties and late fees are not included in calculating assistance available under the fund.

If I receive assistance from the Fund, do I have to pay it back?

Tax Fund payments are a grant, and do not have to be repaid by program participants.

How will the Fund make tax assistance payments?

The Fund will provide a payment on your property tax account directly to the City of Milwaukee Treasurer's Office during late January 2020 for the amount of assistance you are eligible for from the Fund.

I pay my taxes on the installment plan, how will Fund payments impact what I owe each month?

Even in you are approved for assistance from the Fund, you should still pay the amount listed on your property tax bill that is due for the January installment payment prior to January 31st, 2020. Assistance from the Fund will be paid to the Treasurer's Office and be credited to your account for the next month's installment. You will receive an updated installment bill from the Treasurer's Office after the Fund payment has been received.

My mortgage company escrows for taxes, how will Fund payments impact my escrow?

If the payment received by the Treasurer's Office from the Fund in January of 2020 along with payment from your mortgage escrow results in an overpayment of taxes, you will receive a refund check from the Treasurer's Office. Your mortgage company MAY agree to reduce the amount of your monthly tax escrow for future years based on assistance you are eligible to receive through Fund. You will need to contact your mortgage servicer to request this.

FUTURE YEARS

How will the amount of assistance I am eligible for from the Fund be calculated in future years?

The Fund will continue to provide assistance to eligible homeowners equal to the difference between your 2018 property tax bill, and your property tax bill in each year the Fund is in operation (excluding special assessments or other special charges). Each year the Fund remains in operation, you will remain responsible for paying the portion of your property tax bill equal to the payment you owed for 2018, and the Fund will provide a payment for the balance owed that year.

How long will the Fund provide annual tax assistance payments?

The Fund is committed to operate for 5 years based on funding currently available. MKE United is also committed to continuing fundraising with a goal of allowing the fund to operate for 20 years. Updates will be provided to participants during the fall of 2020 with information about the anticipated length of fund availability.

Will I have to submit a new application or other documents each year?

You will not have to reapply to the Fund each year; however, you will need to submit information each year to verify you remain eligible for the program. Instructions will be mailed to Fund participants during the fall with instructions for re-certification. The Fund reserves the right to adjust program guidelines in future years.