Milwaukee’s Collective Affordable Housing Strategic Plan

Community Development Alliance
advancing racial equity by providing quality affordable home for every Milwaukeean
Community Development Alliance

Executive Committee
Joaquin Altoro, WHEDA
Audra Brennan, Northwestern Mutual Foundation
Eric Christophersen, Northwestern Mutual Foundation
Bridget Clementi, Children's Hospital of Wisconsin
Danell Cross, Metcalfe Park Community Bridges
Lafayette Crump, Department of City Development
Frank Cumberbatch, Bader Philanthropies
Janel Hines, Greater Milwaukee Foundation
Willie Hines, HACM
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Jim Mathy, Milwaukee County Housing Division
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Gina Stilp, Zilber Family Foundation
Julia Taylor, GMC

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David Cialdini, Milwaukee County
Kernniath McClendon, GMF
Matt Melendes, LISC-Milwaukee
Tony Panciera, MKE United/GMC
LaQuondra Shaw, Northwestern Mutual Foundation
Greg Stadler, Milwaukee Healthcare Partnership
Jeff Towne, WHEDA
Brandon Wigley, Bader Philanthropies

In collaboration with:
Metcalfe Park Community Bridges
Southside Organizing Center
GARE Racial Equity Policy Process

SEE IT
1. Set Racial Equity Vision

GET READY
2. Collect & Analyze Data
3. Engage Stakeholders
4. Develop Equitable Strategy

DO IT
5. Implement Changes
6. Monitor & Communicate Progress for Accountability
7. Update & Continuously Improve

Detailed Plans
Monitor & Communicate
Continuous Improvement
Vision

Data

Engagement

Strategy

Implement

Detailed Plans

Accountability

Monitor & Communicate

Update

Continuous Improvement

$32/hour

$67,050

Market Strategies
(out of scope)

Milwaukee Affordable Housing Plan

advancing racial equity by providing quality affordable home for every Milwaukeean

$7.25/Hour

$16,763

Continuum of Care Planning & Strategies
(out of scope)
Engagement

Vision

Data

Data Collection Overview

Engagement

Detailed Plans

Strategy

Monitor & Communicate

Implement

Update

Accountability

Continuous Improvement

Homeownership Rates By Race:
Metro Milwaukee: 1970-2018

Systems needed to support 32,000 new Black & Latino Homeowners
Demand and Supply of Affordable Rental Units by Household Income in City of Milwaukee, 2019

<table>
<thead>
<tr>
<th>Demand (Households by Income Range)</th>
<th>Supply (Number of Units, based on Range of Affordability)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$32/hr +</td>
<td>$1,677 + $1,258 - $1,677</td>
</tr>
<tr>
<td>$24-$32/hr</td>
<td>$1,048 - $12,57</td>
</tr>
<tr>
<td>$20-$24/hr</td>
<td>$838-$1,048</td>
</tr>
<tr>
<td>$16-$20/hr</td>
<td>$629 - $838</td>
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<tr>
<td>$12-$16/hr</td>
<td>$419 – 628</td>
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<tr>
<td>$8-$12/hr</td>
<td>$0 - $418</td>
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<td>&lt; $8/hr</td>
<td>$3,900</td>
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<td>12,950</td>
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<td>20,700</td>
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<td>37,700</td>
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<td></td>
<td>33,550</td>
</tr>
<tr>
<td></td>
<td>36,600</td>
</tr>
<tr>
<td></td>
<td>11,200</td>
</tr>
<tr>
<td></td>
<td>11,800</td>
</tr>
</tbody>
</table>

**32,000** rental homes needed to produce

Systems needed to produce

Systems needed to produce rental homes for families making $7.25 - $15/hour
Systems to Increase Black & Latino Homeownership
Proactively change and create systems to close the racial equity gap in homeownership (“Homeowner Offense”)

Systems to Preserve Black & Latino Homeownership
Provide resources and policies that allow homeowners to stay in their home (“Homeowner Defense”)

Systems to Increase Affordability of Housing for Families Making $7.25 - $15 per Hour
Convert higher rent homes, and create new rental homes, to make housing costs affordable to 32,000 Milwaukee families (“Rental Offense”)

Systems to Preserve Affordable Housing for Families Making $7.25 - $15 per Hour
Provide resources and policies that preserve affordable rental homes and minimize displacement of renters (“Rental Defense”)

Pre-Engagement

6 Quality of Life Plans

Dozens of Community Meetings

29 Community Meetings

1,198 Completed Surveys
Homeownership Offense Action Committee
Jennifer Allen, MGIC
Pamela Bell, Self-Help Credit Union
Trena Bond, Housing Resources, Inc.*
Geoff Cooper, MGIC
Jarrett English, Metcalfe Park Community Bridges
Joanna Jimenez, Take Root Milwaukee
Bill Kopka, Associated Bank
Michelle Long, Community First
Kate Madison, DCD
Kermiath McClendon, GMF
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Bethany Sanchez, MMFHC
Ben Sanchez, City of Milwaukee - NIDC
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Adam Turgeon, MGIC
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Wyman Winston, Wealth Concepts
Dorothy York, Acts Housing

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Darlene Russell, GMF
Stephanie Mercado, 16th St. Community Health Center
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Steph O’Connor, City of Milwaukee
Ryan Schone, Journey House
LaQuondra Shaw, Northwestern Mutual Foundation
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Rental Offense Action Committee
Don Bernards, Baker Tilly
Que El-Amin, Scott Crawford, Inc.
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Nadiyah Groves, Office of Governor
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Kaylin Nuss, HACM
Joe Peterangelo, Wisconsin Policy Forum
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Evan Reed, Forward Community Investments
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Jeff Towne, WHEDA
Mikal Wesley, Urban Milwaukee

Rental Defense Action Committee
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Ray Hill, Common Bond*
Joe/Mark Hooper, Safe & Sound
Kristi Luzar, UEDA
Kori Schneider-Peragine, MMFHC
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Amy Turim, DCD
Anna Wierick, Near West Side Partners
Kate Wolf, WHEDA

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Pooja Dhaliwal, Milwaukee County
Brandon DuPont, Eviction Prevention Project
Erin Frederick, Zilber Family Foundation
Brian Peters, Independence First
Katie Pritchard, Data You Can Use
Amy Rohan, Data You Can Use

* Action Committee Chair
Vision

Data

Engagement

Strategy

Implement

Detailed Plans

Accountability

Monitor & Communicate

Update

Continuous Improvement

Families need **more support** before and after buying a home

Existing homeowners can’t afford to **stay in their homes**

Out of state investors are buying homes faster than homeowners can

Families making $7.25 - $15/hour can’t afford a rental home

New homeowners can’t afford to buy a home

Families are getting evicted

Racially discriminatory policies have created wealth gaps

**ROOT CAUSES**

- Eviction assistance and emergency rent
- Requiring minimum standards of landlords

- Create new affordable home opportunities
- Coordinate lenders for more favorable lending terms
- Create an **Acquisition Fund**, a locally controlled pool of money, for acquiring properties
- Increase the number of rental homes at $400 - $650 per month
- Preserve existing subsidized housing

**THE PLAN**
**Systems to Increase Black & Latino Homeownership**

Proactively change and create systems to close the racial equity gap in homeownership.

- **Grow homebuyer counseling & down payment assistance** by 10% each year.
- **Create an Acquisition Fund for homeownership** that can acquire strategic properties and make available to homeowners.
- **Coordinate lenders to provide alternative lending** that creates a local pool of funding that uses rental history underwriting criteria and addresses valuation issues.
- **Maximize existing production models** like the assisted rehab model, seat equity model, and the acquire-rehab-sell or new construction model.
- **Create new production models** that use modern technology and financing to provide alternative ownership and physical structures.
- **WHEDA Black & Latino Homeownership Initiative** using collaborative design process to address racial disparities in homeownership.
Systems to Preserve Black & Latino Homeownership
Provide resources and policies that allow homeowners to stay in their home

- **Foreclosure mitigation** by providing homeowners access to council and emergency payment assistance.
- **Reduce property tax burden** through anti-displacement grants, loans, and other methods.

- **Support innovation in home repair** by reducing barriers, creating a one-stop-shop and economies of scale.
- **Post-purchase homeowner counseling** including budgeting, refining, maintenance, and resource identification.
3 Systems to Increase Affordability of Housing for Families making $7-$15/hour

Convert higher rent homes, and create new rental homes, to make housing costs affordable to 32,000 Milwaukee families

- **Changes in the Qualified Allocation Plan** used to allocate Low Income Housing Tax Credits to favor units that are $400 - $650 per month.

- **Create an Acquisition Fund for rental homes** that can acquire strategic properties and make available to landlords willing to charge $400 - $650 per month.

- **Pathways for residents & small landlords** to provide rental homes that are $400 - $650 per month by providing training, shared service, and a local mentorship program.
Systems to Preserve Affordable Housing for Families making $7-$15/hour

Provide resources and policies that preserve affordable rental homes and minimize displacement of renters

- **Eviction mitigation** by providing families access to council and emergency rent assistance.

- **Capacity for preserving expiring subsidized rental homes** by monitoring expiring units, recruiting new owners and managers, and creating financial structures to facilitate preservation.

- **Fair competition among landlords** by requiring minimum standards and creating tools to identify problem landlords and holding them accountable.
## 10-Year Housing Goals

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Wage</th>
<th>Income</th>
<th>Owner</th>
<th>Rental</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Preserved(^1)</td>
<td>Converted(^1)</td>
<td>New(^1)</td>
</tr>
<tr>
<td>Affordable (30-40% AMI)</td>
<td>$7.25-$15/hour</td>
<td>15K - 31K</td>
<td>15,350</td>
<td>5,200</td>
<td>600</td>
</tr>
<tr>
<td>Affordable (40% AMI)</td>
<td>$16-$32/hour</td>
<td>31K - 67K</td>
<td>5,500</td>
<td>2,200</td>
<td>250</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>20,850</td>
<td>7,400</td>
<td>850</td>
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</tbody>
</table>

\(^1\) Preserved means owners and renters who are able to stay in their homes through anti-displacement and other assistance.

\(^2\) Converted means both homes that have been rehabilitated, and homes that have been converted from higher income rental to homeownership or more affordable rental homes (e.g. Acquisition Fund)

\(^3\) New means newly constructed owner occupied or rental homes

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**In 10 years, we can achieve 8,250 new opportunities for Black & Latino homeowners and 9,750 homes for families making $7.25 to $15/hour with $69 Million in new grants and $66 Million in new loan capital.**

**In 30 years, we can achieve 33,100 new opportunities for Black & Latino homeowners and 35,700 homes for families making $7.25 to $15/hour with $230 Million in new grants and $117 Million in new loan capital.**
# Recommended Grant Resources over the next 10 years

<table>
<thead>
<tr>
<th>Black &amp; Latino Homeownership – Create New Opportunities (Offense Approaches)</th>
<th>Status Quo</th>
<th>New &amp; Expanded Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grow Homebuyer Counseling &amp; Down Payment Assistance</td>
<td>$ 23,800,000</td>
<td>$ 16,400,000</td>
</tr>
<tr>
<td>Create an Acquisition Fund for Homeownership</td>
<td>$ -</td>
<td>$ 1,200,000</td>
</tr>
<tr>
<td>Coordinate lenders to Provide Alternative Lending</td>
<td>$ -</td>
<td>$ 12,400,000</td>
</tr>
<tr>
<td>Maximize existing production models</td>
<td>$ 23,700,000</td>
<td>$ 10,600,000</td>
</tr>
<tr>
<td>Create new production models</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Black &amp; Latino Homeownership – Retain Existing Owners (Defense Approaches)</th>
<th>Status Quo</th>
<th>New &amp; Expanded Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreclosure Mitigation</td>
<td>$ -</td>
<td>$ 8,000,000</td>
</tr>
<tr>
<td>Reduce Property Tax Burden</td>
<td>$ -</td>
<td>$ 2,500,000</td>
</tr>
<tr>
<td>Support innovation in home repair</td>
<td>$ 82,000,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Post-purchase homeowner counseling</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rental Homes for Families making $7.25 - $15 / hour – Create New Rental Homes (Offense Approaches)</th>
<th>Status Quo</th>
<th>New &amp; Expanded Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in Qualified Allocation Plan</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Create and Acquisition Fund for Affordable Rental Homes</td>
<td>$ -</td>
<td>$ 1,200,000</td>
</tr>
<tr>
<td>Pathway for Small Landlords to Provide Affordable Rental Homes</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rental Homes for Families making $7.25 - $15 /hour – Preserve Existing Rental Homes and Support Renters (Defense Approaches)</th>
<th>Status Quo</th>
<th>New &amp; Expanded Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eviction Mitigation</td>
<td>$ 13,200,000</td>
<td>TBD</td>
</tr>
<tr>
<td>Capacity for Preserving Expiring Subsidized rental homes</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Fair competition Among Landlords by Requiring Minimum Standards</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**Total** | $ 142,700,000 | $ 69,300,000 |
### Recommended Loan Capital Resources over the next 10 Years

<table>
<thead>
<tr>
<th>Black &amp; Latino Homeownership – Create New Opportunities (Offense Approaches)</th>
<th>Status Quo</th>
<th>New &amp; Expanded Models</th>
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</thead>
<tbody>
<tr>
<td>Grow Homebuyer Counseling &amp; Down Payment Assistance</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Create an Acquisition Fund for Homeownership</td>
<td>$</td>
<td>$ 2,300,000</td>
</tr>
<tr>
<td>Coordinate lenders to Provide Alternative Lending</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Maximize existing production models</td>
<td>$ 19,900,000</td>
<td>$ 8,200,000</td>
</tr>
<tr>
<td>Create new production models</td>
<td>$ 47,000,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Black &amp; Latino Homeownership – Retain Existing Owners (Defense Approaches)</th>
<th>Status Quo</th>
<th>New &amp; Expanded Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce Property Tax Burden</td>
<td>$</td>
<td>$ 6,400,000</td>
</tr>
<tr>
<td>Support innovation in home repair</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Post-purchase homeowner counseling</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rental Homes for Families making $7.25 - $15 / hour – Create New Rental Homes (Offense Approaches)</th>
<th>Status Quo</th>
<th>New &amp; Expanded Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in Qualified Allocation Plan</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Create an Acquisition Fund for Affordable Rental Homes</td>
<td>$</td>
<td>$ 2,300,000</td>
</tr>
<tr>
<td>Pathway for Small Landlords to provide Affordable Homes</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rental Homes for Families making $7.25 - $15 /hour – Preserve Existing Rental Homes and Support Renters (Defense Approaches)</th>
<th>Status Quo</th>
<th>New &amp; Expanded Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eviction Mitigation</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Capacity for Preserving Expiring Subsidized Rental homes</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Fair competition Among Landlords by Requiring Minimum Standards</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

| Total | $ 19,900,000 | $ 66,200,000 |
advancing racial equity by providing quality affordable home for every Milwaukeean
**Notes**


Slide 7: See "The State of Black Milwaukee in National Perspective: Racial Inequality" by Marc V. Levine

Slide 11: Historical photo available at Milwaukee Open Housing Marches | Milwaukee Neighborhood News Service

Slides 17-19: The recommendations above are illustrative of how 10 years of funding can produce the 10-year housing goals listed on page 7 which are estimated to result in approximately 8,250 new Black & Latino Homeowners, and 9,750 affordable rental homes for families making $7.25 - $15 per hour. To reach the full 32,000 homes in each category would take approximately 30 years, at an estimated cost of $230,600,000 in grants and $117,100,000 in loan capital. Generally, recommended Grant Resources would be fundraised as grants, and delivered as grants to program participants. Recommended Loan Capital would be fundraised as either investments or below market rate loans (0-3% APR) and delivered as low interest loans to program participants. Figures have been rounded to the nearest $100,000 and are estimates from existing research reports, plans, project team experience, and engagement with stakeholders. Items marked “To Be Determined” (TBD) are approaches identified by stakeholders to be designed later and estimates have not yet been produced. As each approach moves into an Implementation Plan there will be additional engagement with stakeholders and residents on design of approach, partnerships to pursue, and financial projections. Recommendations do not calculate the support needed from local resources, such as Tax Incremental Financing, to support LIHTC projects that are consistent with the plan. Both Status Quo and Additional funds account for inflation and present value.

For a full copy of plan, visit: housingplan.org