

# Community Development Alliance

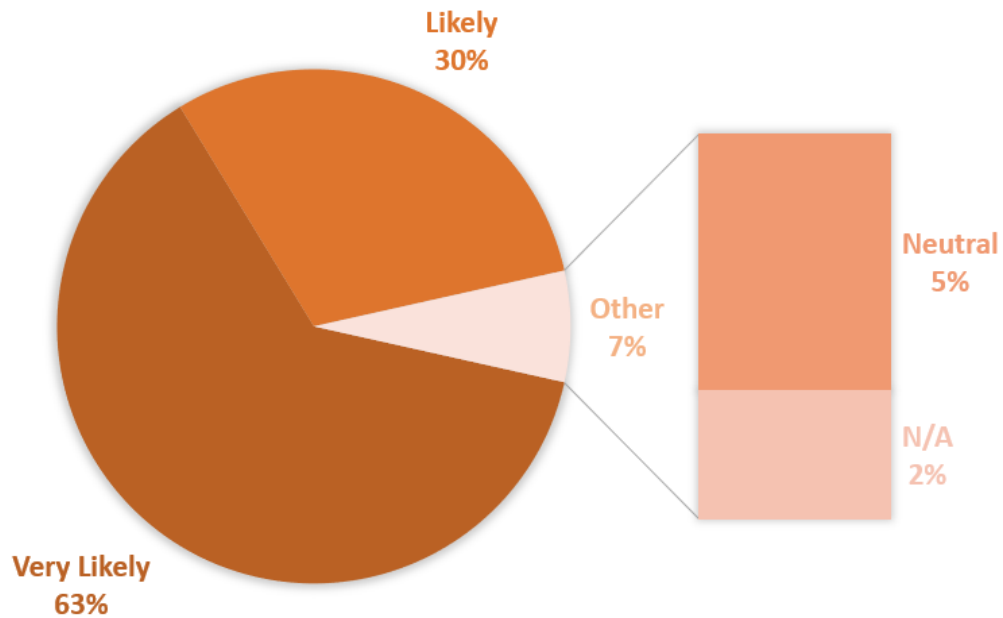
## 3<sup>rd</sup> Quarterly Meeting Minutes 9-20-2022

Meeting Recording: [Click Here](#)

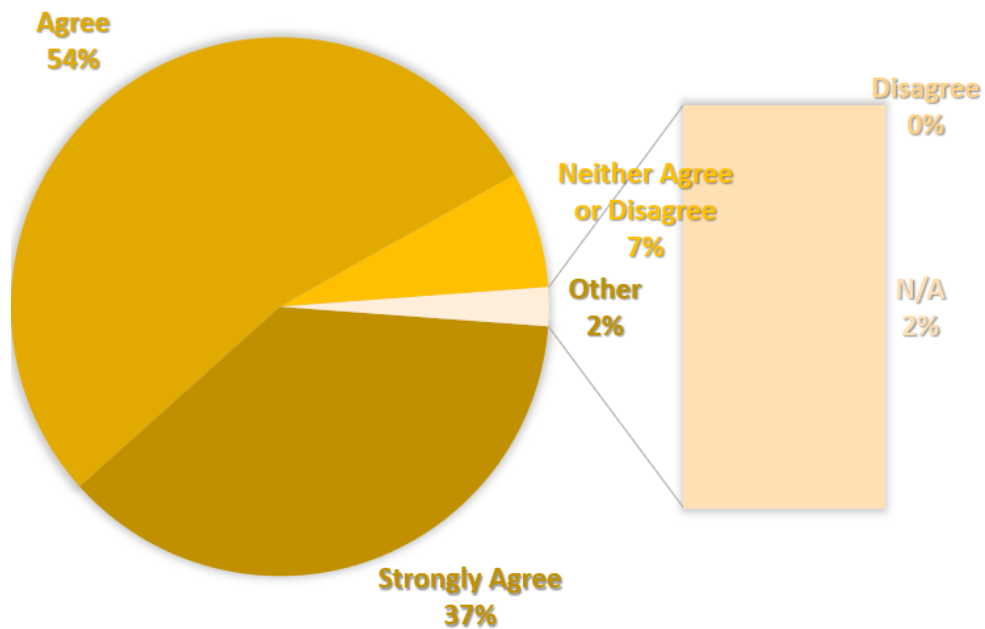
Meeting Chat History: [Click Here](#)

### SUMMARY OF POLL RESULTS BELOW:

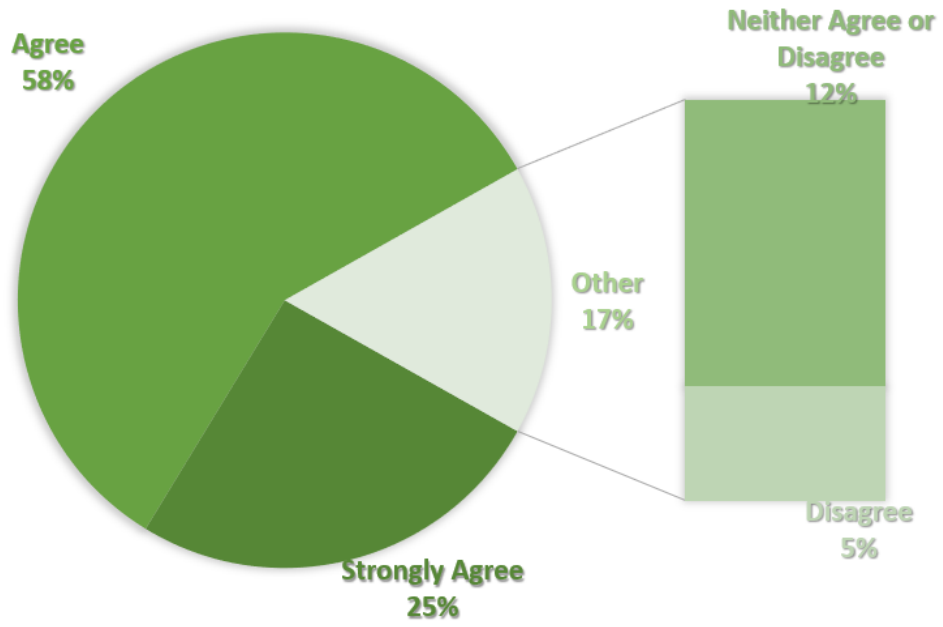
#### HOW LIKELY ARE YOU TO RECOMMEND THAT OTHER HOUSING ALLIES ATTEND THESE QUARTERLY MEETINGS



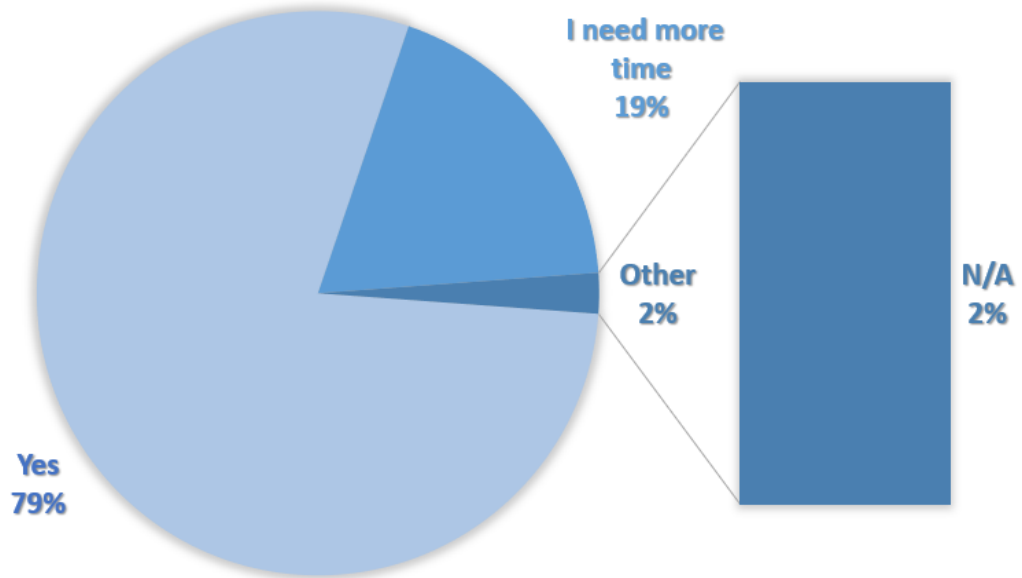
#### THE CONTENT OF TODAY'S MEETING WAS ENGAGING



**THE FORMAT OF TODAY'S MEETING WAS ENGAGING**



**DO YOU SUPPORT THE Q4 RECOMMENDED OKRS**



## What advice, direction, or questions do you have regarding next steps on Down Payment Assistance & Homebuyer Counseling?

### WE HAVE SOME ADDITIONAL INFORMATION ON

- 1) Question:** What percent dedicated funding for down payment assistance? for instance, 5% 10%, more? what will be requirements for those prospective homeowners? how banks can commit for the assistance?

**Answer:** Currently CDA has set a goal to raise \$6 Million for DPA (\$5 Million raised to date) to a growth increase of 10% each year for 5 years. We are actively working potential banks to continue to support these efforts. Such as Wells Fargo and more."
- 2) Question:** how will you get homeowners to sign up for counseling? What are the expectations of the homeowner to participate? What makes a homebuyer eligible for DPA?

**Answer:** Homeowners can continue to sign up for counseling by using this link: [Getting Started - takeroot \(takerootmilwaukee.com\)](https://www.takeroot.com). Each counseling agency can help homebuyers navigate what they may be eligible for and what the requirements are.
- 3) Question:** How much DPA is needed per transaction? What is the target conversion rate at each of the Counseling agencies? What do the agencies need to improve that conversation rate? How much more \$ is needed?

**Answer:** Roughly 7,350 individuals are receiving homebuyer counseling in Milwaukee each year. However, only 850 individuals seeking counseling transitioned into homeownership successfully for a conversion rate of 8.6%. For every one new homeowner the cost to agency is estimated to be \$1,667.<sup>1</sup>
- 4) Question:** Could we embed assistance and counseling with larger employers with lower-income workforces?

**Answer:** Yes! CDA is currently having conversations with several large employers on what strategies could be implemented.
- 5) Question:** Grow DPA: How do we ensure that the capacity to conduct the home counseling is adequate? Housing: How will families be made aware of the 1st time home owner opportunities?

**Answer:** Coordination of outreach efforts will become a critical part to the success of families being able to find and access resources. CDA has been in the strategic planning of each of our housing agencies to assistance in long term capacity building and will continue to convey partners together regularly to support/ address needs. As we finalize Q3 in new collaborations we will share out our implementation team launch and finalize strategy plans.
- 6) Question:** Should there be a communication goal...how do people/organizations know about the DPA fund?

**Answer:** Down payment assistance through several resources are already available. Questions on eligibility should be directed to the homebuyer counselors a homebuyer is working with. Nearly all down payment assistance requires partnering with a homebuyer counselor.

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<sup>1</sup> Milwaukee's Collective Affordable Housing Plan

Homebuyers should continue to use this link to find a homebuyer counselor: [Getting Started - takeroot \(takerootmilwaukee.com\)](https://www.gettingstarted-takeroot.com)

- 7) **Question:** What are financial incentives for homebuyers to participation in either program?  
**Answer:** Down payment assistance through several resources is already available. Questions on eligibility should be directed to the homebuyer counselors a homebuyer is working with. Nearly all down payment assistance requires partnering with a homebuyer counselor. Homebuyers should continue to use this link to find a homebuyer counselor: [Getting Started - takeroot \(takerootmilwaukee.com\)](https://www.gettingstarted-takeroot.com)
- 8) **Question:** Will there be perpetuity built-into this stuff like the land trusts (i.e. ensure that the beneficiaries pay it forward)?  
**Answer:** The restrictions placed on resale are determined by the funding source and usually include a temporary deed restriction that the property cannot be resold within 5 years without repayment. For funding that comes through CDA, our intent is to require a homeownership deed restriction.
- 9) **Question:** I would like more clarification on what does efficiencies and alignment with Take Root MKE look like/mean? I feel 10% growth each year good.  
**Answer:** At this time Take Root and CDA have elevated homebuyer counseling and down payment assist as strategic prioritizes to support and convey housing allies in approaches. Several allies have noted that many, but not all, of the same partners are having the same conversations, but in different circles. Take Root and CDA will be exploring how we can eliminate duplication and make a stronger coalition, which will include a conversation about the potential merger of some programming and governance functions.

#### THINGS WE DON'T KNOW THE ANSWER TO YET

- My recommendation would be to support UEDA/Take Root Milwaukee efforts to align not only reporting but capacity, best practice / product program of its members who are already engaged in/new to work
- We need to increase funds
- To ensure that it is long term. Meaning, how do you walk with someone through the home buying process and beyond. We have to do a better job teaching homeowners how to be a part of their community.
- How can I bring this process to my organization making it MANDATORY that the First-time homebuyers complete their HUD certified counseling with an agency. Obtain the certificate! Education in successful homeownership is critical.
- I am interested in the breakdown between the DPA funds and the funds to support and grow counseling. The counseling is SO important!
- Capacity needs to increase at the counseling level. Quicker access to education. Shorter waiting periods to meet with a one on one counselor.
- Find a way to link the two aspects. This is usually two distinct processes and can be confusing to clients. Help them with coordinated support through both processes.

- How will this be publicized, and will there be enough navigators for applicants
- One-to-one counseling seems to be a gap and a challenge to fund. I'd suggest leveraging support to counseling agencies to ensure some dedicated staff time is going to supporting homebuyers one to one
- TRM's Resource & Oversight Committee is meeting on Thursday, so this may be a bit of surprise to them.
- As a developer, it would be beneficial to create a process/plan to ensure interested buyers that have completed homebuyer counseling to receive information about affordable housing opportunities.
- No questions, current direction and approach seems appropriate. I know the RON partners will be happy to help spread the word about all of these new and/or enhanced mechanisms for assistance.

## What advice, direction, or questions do you have regarding CDA's future governance structure?

### WE HAVE SOME ADDITIONAL INFORMATION ON

1) **Question:** Will this include legal resources?

**Answer:** CDA has budgeted for legal resources to advise CDA.

2) **Question:** What is the decision-making authority for each group, level, etc.?

**Answer:** The vision is that all sub-groups will have two representatives on the CDA Board that will decision making authority over the operations of CDA.

3) **Question:** Where do you see Take Root Milwaukee fit into this new structure? Many of our members would fit into several of the smaller circles on your chart. ?

**Answer:** Several allies have noted that many, but not all, of the same partners are having the same conversations, but in different circles. Take Root and CDA will be exploring how we can eliminate duplication and make a stronger coalition, which will include a conversation about the potential merger of some programming and governance functions.

4) **Question:** How will the 2 members of each subgroup be selected to participate at the board level?

**Answer:** The vision is that each subgroup would select its two representatives.

5) **Question:** Will the new structure maintain some kind of balance between public and private funders/investors?

**Answer:** We haven't gotten this far yet, but this question is helpful in thinking through next steps.

6) **Question:** Going forward will the governing board always be appointed or elected?

**Answer:** The vision is that the sub-groups would elect their representatives.

7) **Question:** What will be the length of time that one can serve on the governing board?

**Answer:** We haven't gotten this far yet, but this question is helpful in thinking through next steps.

8) **Question:** How is CDA lifting up existing collaborative groups like RON, Take Root Milwaukee, NIDS so that their efforts are not lost...

**Answer:** The vision is that the RON Coalition would serve as the "Neighborhood Groups" subgroup. We continue to meet with RON so that we can coordinate our efforts. Take Root and CDA will be exploring how we can eliminate duplication and make a stronger coalition, which will include a conversation about the potential merger of some programming and governance functions. CDA also intends to expand its resident collaboration to include NIDs in 2023.

9) **Question:** How can organizations/individuals be a part and support this effort

**Answer:** We welcome all groups and individuals to join our efforts as allies. Please use this link for more information [www.housingplan.org/allies](http://www.housingplan.org/allies)

10) **Question:** Where would someone advocating for the impact of good design fit into the governance structure.

**Answer:** The vision is that design professionals would be part of the Implementors Sub-Group.

## THINGS WE DON'T KNOW THE ANSWER TO YET

- The overall structure looks good, I'll like to add education or academic institutions as partners (either continue as part of the 'core' team.. or as an additional 'arm').
- start with the most impacted groups, those who historically lacked access to housing & ensure their voices are heard. maybe think about using a linear structure first - like a foundation of a home.
- Please make sure there is representation from young people who are considered to be "Opportunity Youth".
- Be clear about terms of service and disclose that structure may change as organization evolves.
- I like where you are headed. Very smart and inclusive.
- This is a classic collective impact structure, I appreciate that residents will contribute to this process. I would recommend that residents are brought in from several different neighborhoods.
- I am in support of the proposal. I am wondering how I can directly ensure that I can participate in one of the governing entities. So far, I have not been invited to do so.
- Communications - clear and concise communications Example: Information Only, Update, Action Required
- Volume of communications should be clear and concise
- Please keep the allies updated as things move along. We can provide input as to the direction as it is proposed.
- It sounds like you are headed this direction, but strong representation of Black and Latino residents and organization leaders is imperative. Also, geographic diversity in city (north/south/west side)
- Provide focused clarity on the makeup of each group. This will ensure that two circles don't end up with the same "type" of representation on the Governance Group. Especially protecting resident seats
- I like the rebalance of power and inclusive approach. I'm not sure where health care fits into this model, but I'm open to your feedback and guidance.
- Might be worth considering putting together a criteria for who is selected from the councils to participate in CDA governance to help with any sensitivities around who/how selections are made
- Really important to include adequate stipend/compensation support for the resident participants and neighborhood partners, & to ensure that their feedback is recognized, valued and adopted as possible

## What advice, direction, or questions do you have regarding next steps on 1st Generation Homes?

### WE HAVE SOME ADDITIONAL INFORMATION ON

- 1) **Question:** Is the cost including the land/property? Maybe you mentioned that... comparison with re-development/re-vamp of existing homes? comparison with habitat for humanity homes?

**Answer:** For our King Park vacant lots to entry level homes unit costs for a 1,000 sq. ft. are projected to be \$187K that includes the land acquisition for \$100. "

- 2) **Question:** i might have missed it but are these new homes building built on existing city-owned vacant lots?

**Answer:** Correct, new construction on City owned vacant lots

- 3) **Question:** What's the cost of adding a storage unit to the yard vs. developing a basement?

**Answer:** The cost of a storage unit would be minimal. Project partners, however, do not see these as equal substitutes. The basement is needed not just for storage, but also for storing HVAC systems, and future living space.

- 4) **Question:** This is an exciting, innovative idea/plan!! Yes, do find ways to build some demonstration units!! Wouldn't the labor be much more affordable in these homes?

**Answer:** Yes, the projected costs for the lumber package is expected to be lower because of the lower person hours needed to assemble.

- 5) **Question:** A possible partnership with Travaux be a viable option to build the pre-fab homes?

**Answer:** We have connected with Travaux and are exploring potential partnerships.

- 6) **Question:** They need to find a way to make it cheaper all in.. \$243k? seems like it needs to be all in around \$150k to make long term sense...do they have an ability to bring cost down at scale? not cheap enough

**Answer:** We agree. The \$243K price is for the model homes and we expect that once brought to scale the unit price will be closer to \$200K, which is less than a comparable stick built home. The primary benefit of this construction technique, however, is not necessarily cost, but rather that they can be built year round and get us closer to net zero construction. We anticipate needing to raise \$90K per home long term regardless of construction method. In other words, we do not believe that the private sector can simply "build better" to reach a \$100,000 price point. Instead we need to build financial support systems similar to the building boom of the 1950s to support private construction.



7) **Question:** What is the dollar cost saving to having the framing built off site by Lang Brothers. This research will help compare costs between various approaches

**Answer:** We expect that once brought to scale the unit price will be closer to \$200K, which is less than a comparable stick built home. The primary benefit of this construction technique, however, is not necessarily cost, but rather that they can be built year round and get us closer to net zero construction. We anticipate needing to raise \$90K per home long term regardless of construction method. In other words, we do not believe that the private sector can simply “build better” to reach a \$100,000 price point. Instead we need to build financial support systems similar to the building boom of the 1950s to support private construction.

8) **Question:** \$238K per home - next door to a \$40k house? What will resale look like?

**Answer:** The ultimate price point will be \$110,000 which is affordable for 75% of Black and Latino Families making \$12 per hour or more. Each home will need to be subsidized to reach this price point.

## THINGS WE DON'T KNOW THE ANSWER TO YET

- Make sure to engage organizations working directly with homebuyers to get their input. Basements and hardy plank will be good for long-term sustainability.
- It would be great for the models to be in different neighborhoods. This is an awesome opportunity for first-time home owners.
- Love this. VIA wants to build one of the three model homes and is having active conversations with funders to do so!
- Let us homebuyer coaching organizations find the buyers for these homes
- Develop a relationship with a lending partner (financial institution) that will commit to alternative lending. This will help build banking relationships and establishing credit for those in need.
- Very important strategy for Milwaukee and getting the target demographic into affordable homes!
- Love the idea. Please don't forget the suburbs in Milwaukee County that need affordable housing. -Dan Fleischman, Jewish Family Services
- Create interest in the concept of ownership, and emphasize the scope of responsibilities (i.e. there are continual projects).
- Exciting, innovative, and visible to the whole community!
- Awesome progress here. One suggestion: the current model could likely evolve in terms of design. Would suggest getting additional design feedback from designers, architects, etc.
- Whatever can be done to keep the cost as low as possible is key!
- Consider what it's like to 'live' in a basement if you are promoting basement bedrooms.
- Not enough outreach has been done to the elected officials. This is becoming painfully clear.
- As a developer that receives HUD funding, new construction is a way to increase production. Rehabs of existing homes provides many challenges that can slow down production (lead abatement and more).
- Great to see CDA taking a lead role in this area and raising funds to support it. Let's keep piloting different approaches, see what sticks, and learn along the way.

## What advice, direction, or questions do you have regarding next steps on Alternative Lending

### WE HAVE SOME ADDITIONAL INFORMATION ON

- 1) **Question:** Will there be priority to those who are ready to buy a house? Will this process be done in less time than the traditional house buying process?  
**Answer:** The vision is that in order to be eligible you would have to be working with a homebuyer counselor.
- 2) **Question:** Is there a partnership in place with Self Help Credit Union?  
**Answer:** We are meeting with Self-Help Credit Union to explore partnerships.
- 3) **Question:** Consider research/data from academic institutions, municipalities, insurance companies, etc. If a homeowner can pay the mortgage, will they be able to afford escalating taxes, utilities, etc?  
**Answer:** Our goal for is to provide opportunities for \$650-\$800 monthly mortgage payments that will significantly lower than the rising cost of renting a unit.
- 4) **Question:** Is CDA planning on lending directly to homeowners?  
**Answer:** No. CDA will work with implementing partners.

### THINGS WE DON'T KNOW THE ANSWER TO YET

- This is where engaging Take Root and its members would be helpful in guiding discussions for needs. Already supported by Freddie MAC and MGIC
- Just a thought, what about finding help for folks that have a couple thousand dollars in bad debt that is making their credit score lower than what bank want to see.
- the credit report shows the history of payments on ALL credit. Its more than just the rental history. Yes there are families struggling to pay \$1,000-\$1200 in rent but there are factors to consider.
- This is super critical. Let's do it.
- My memory is that the Alternative section of the action items also included supporting alternative models of homeownership, like the Milwaukee Community Land Trust, and cooperatives.
- Creating an alternative lending for this project would be a great idea.
- This is really key to the success of our collective efforts. We have about 5 years of work with designing programs with lenders that are more flexible to low-moderate income homebuyers.
- Land Contracts, Rent-to-Own/Lease-Option should be included here since they tackle the same issue I believe.....not just about getting banks to be looser or new direct lending

- I love this - seems like a great upstream need! I wonder how we could work with large companies who might be willing to take risk on their employees. If their employees are renting and want to own.
- We discussed this earlier, but just wanted to note again that Rocket Community Fund could be a potential partner to invest in this area.

## What advice, direction, or questions do you have regarding next steps on Acquisition Funds and other funding and Technical Assistance for Expanding Developers?

### WE HAVE SOME ADDITIONAL INFORMATION ON

- 1) Question:** is there a map of where the acquisition funds/homes will be applied? Geographic information systems (GIS) technology could help with this.

**Answer:** At this time the ACTS Housing's Acquisition is intended to be inclusive of the entire City of Milwaukee.
- 2) Question:** How can we make sure that development is done in blighted inner-city neighborhoods as well as a mixture of development outside the inner city?

**Answer:** CDA is a big tent that includes partners at each end of the spectrum. The city owned vacant lots strategy, for example, will of course be in the areas where there are vacant lots. Where as, the County, for example, has specifically set aside ARPA funds for developing housing in suburban areas.
- 3) Question:** What is the plan for technical assistance? Who will provide? How will it be delivered- classes, materials, training?

**Answer:** For supporting Expanding Developers, a lot of groups have pieces of the puzzle and perhaps CDA's role is to coordinate the effort.
- 4) Question:** How would ACTS answer this question? What is their confidence level that they can raise the money? Should we focus more on emerging contractors? I think this is a huge issue for us at Habitat.

**Answer:** After early intense support from CDA, the Acquisition Fund is now being managed by ACTS. The \$750,000 set aside in the WORTH grant for Expanding Developers is separate from the \$2 Million for the Acts Acquisition Fund. We have heard loud and clear that we should expand the reach to include expanding contractors as well.
- 5) Question:** What is ACTs doing with their funds? Are they working through their process directly with homeowners and/or engaging other groups who work with potential homeowners like the MCLT?

**Answer:** Acts has hired staff to begin the acquisition of homes and is working with their existing pool of buyers, together with referrals from other agencies, for buyers. They have currently acquired 4 properties. As they consider larger portfolios there may be a role for other organizations outside of working with buyers directly.
- 6) Question:** Will a percentage of the developers or contractors be required to be African American or Latino?

**Answer:** The goal of the CDA is to advance racial equity by providing a quality home for every Milwaukeean. There are, of course, legal limitations on how any program can be structured, but our goal is always to advance racial equity in housing, which includes racial equity in the economic opportunities that housing presents.
- 7) Question:** Would be interested to better understand "emerging developers" definition. Would the MCLT be considered as such or really defined as private developers?

**Answer:** We don't yet have a definition of Expanding Developers, but the vision of this particular project would be to support for-profit expanding developers in a way that promotes racial equity.

### THINGS WE DON'T KNOW THE ANSWER TO YET

- I agree with continuing to fund raise for the acquisition fund and to pivot to working on expanding developers and contractors.
- transparency of who is involved and plans about how the land will be developed once acquired (with estimated timeline for development)
- Include existing developers that are already focused on developing housing in Milwaukee neighborhoods (both affordable and mixed-income), especially if minority owned developer. How is CDA supporting
- Lack of funds for strategic acquisition for larger projects remains critical gap. Can't lose site of this, especially given increasing focus on ensuring affordable housing is created in all n'hoods
- Yes, we should include existing Contractors
- General contractors of color. we have contractors but not a lot who are equipped to take on bids such as 30 new homes.
- Investing in orgs like VIA who act as a developer to increase production.
- Need pooled philanthropy for gap funding on single family / duplex homes.
- NA
- My advice would be sure to expand and add more paid training opportunities.
- Honestly, I am a little concerned about ACTS getting overwhelmed. Please do not limit your focus to ACTS. Please do support others, particularly nonprofits like the Milwaukee Community Land Trust.
- Materials and access to information in the language of preference for the potential developers. Examples: Spanish, Hmong and other preferences.
- Fully support the acquisition fund and funding to emerging developers. Deals with emerging developers would benefit from access to capital and CDA financial partners being willing to support.
- Would supporting emerging developers be more of a workforce development issue? Is there a role for unions in this?
- put in place basic mechanism to be sure the homes being acquired with "most likely" go to investors if not acquired
- happy to help with providing technical assistance for emerging developers
- I appreciate that the pivot is a responsive strategy to emerging/identified needs. In addition, I see that this pivot to TA will help to build overall capacity to all for positioning of fund allocation

- TA good long-term play - maybe leverage an ACRE-like model to create a platform for this. Subsidy to fill the affordability gap on SF development likely to be a perennial issue tho - \$ still needed here
- I will echo the interest in seeing MCLT involved in this effort.
- Also, I can't speak for Kristi Luzar, but perhaps UEDA can assist with some of the TA depending on what type and who will need it.
- You need to have other developers model themselves like Ezekiel CDC. They are turning ex incarcerated persons, to workers into business owners.
- Where on the CDA website can I find the current list of orgs who are partnered such as Contractors, Technical Assistance Orgs, etc.
- I think technical assistance will be needed to support contractors to increase production and efficiency. Additionally, developers/contractors can use support with efficiency such as supply chain
- Continued investment in acquisition funding and pushing City for flexible approaches that allow developers and neighborhood-based agencies to partner together on rehabs & demos/new construction.