Milwaukee's Collective Affordable Housing Plan: Process

COMMUNITY DEVELOPMENT ALLIANCE

- **Collective Impact achieved population level change when it focused on data, resources, policies, and systems**
- **Most mature implementation started with backbone support and common agenda**

advancing racial equity by providing quality affordable home for every Milwaukeean

COMMUNITY DEVELOPMENT ALLIANCE

zilber family foundation

GMF Greater Milwaukee FOUNDATION greater together

Northwestern Mutual®

MGIC

BADER PHILANTHROPIES, INC.

MILWAUKEE COUNTY INCORPORATED 1835

City of Milwaukee

HOUSING · AUTHORITY · CITY · OF · MILWAUKEE · Welcome Home

WHEDA

THE GMC LIVE LEARN WORK PLAY

MILWAUKEE HEALTH CARE PARTNERSHIP

LISC MILWAUKEE

In collaboration with:
Metcalfe Community Bridges
Southside Organizing Center

GARE Racial Equity Policy Process

Vision

Data

Engage

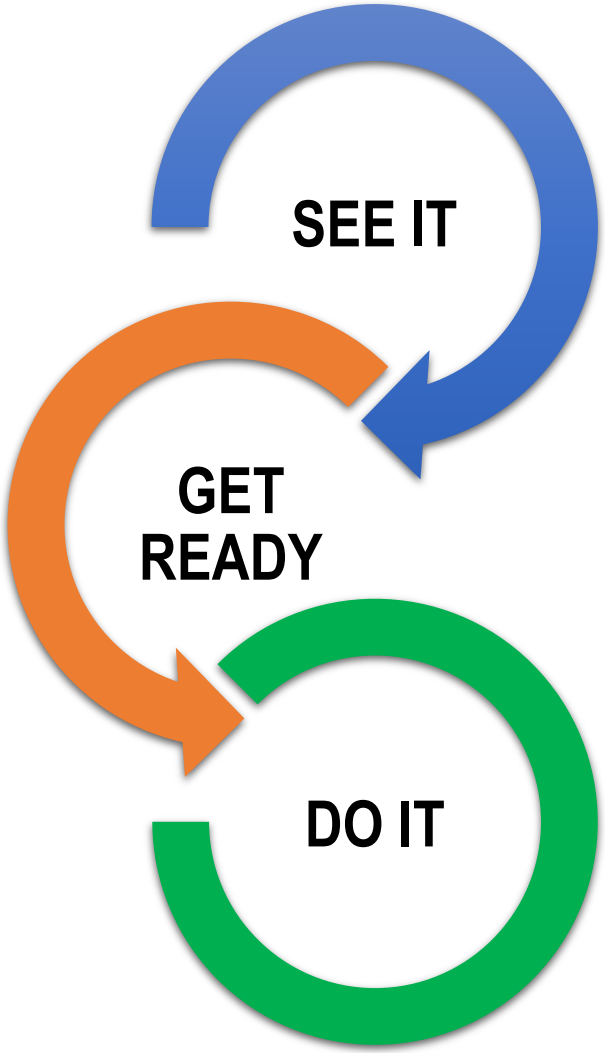
Strategy

Imple-ment — Detailed Plans

Account-ability — Monitor & Communicate

Update — Continuous Improvement

LOCAL AND REGIONAL
GOVERNMENT ALLIANCE ON
RACE & EQUITY



1. Set Racial Equity **Vision**

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

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

Vision

Developing an Affordable Housing Plan

Community Development Alliance

Data

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Imple-ment Detailed Plans

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Update Continuous Improvement

$32/hour

$67,050

$7.25/Hour

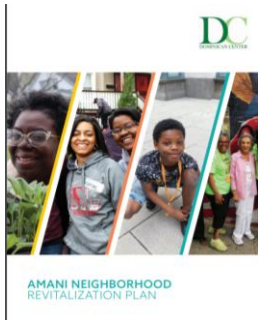
$16,763

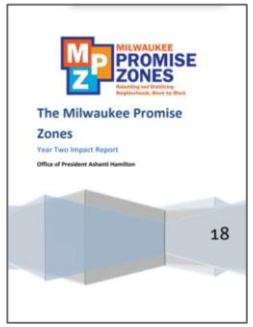
Market Strategies
(out of scope)

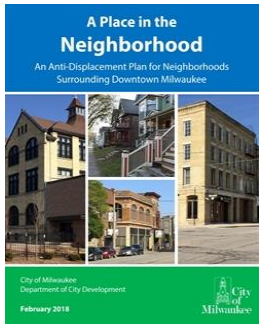
Milwaukee Affordable Housing Plan

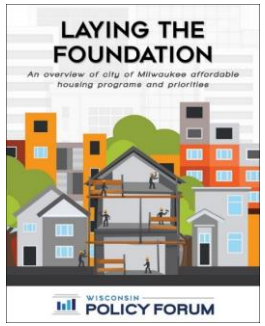
Continuum of Care Planning & Strategies
(out of scope)

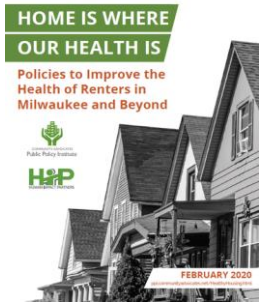
advancing racial equity by providing quality affordable home for every Milwaukeean

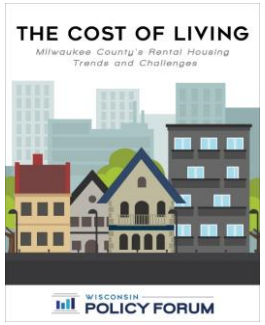


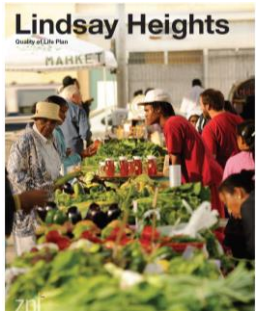


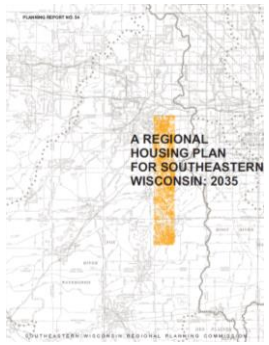


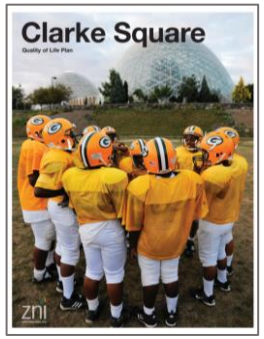


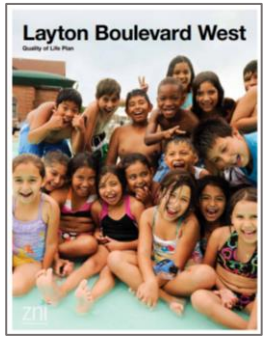












HOMEOWNERSHIP IS AN IMPORTANT STRATEGY TO BOTH STABILIZE OUR NEIGHBORHOOD AND BUILD WEALTH.

GIVEN THE AVERAGE MEDIAN EARNINGS OF $21K FOR WORKING RESIDENTS IN THE NEIGHBORHOOD, [THE AVERAGE RENT OF $900 IS] EXTREMELY HIGH

- Metcalfe Park Community Led Investment Plan

Vision

Data

Data Collection Overview

Community Development Alliance

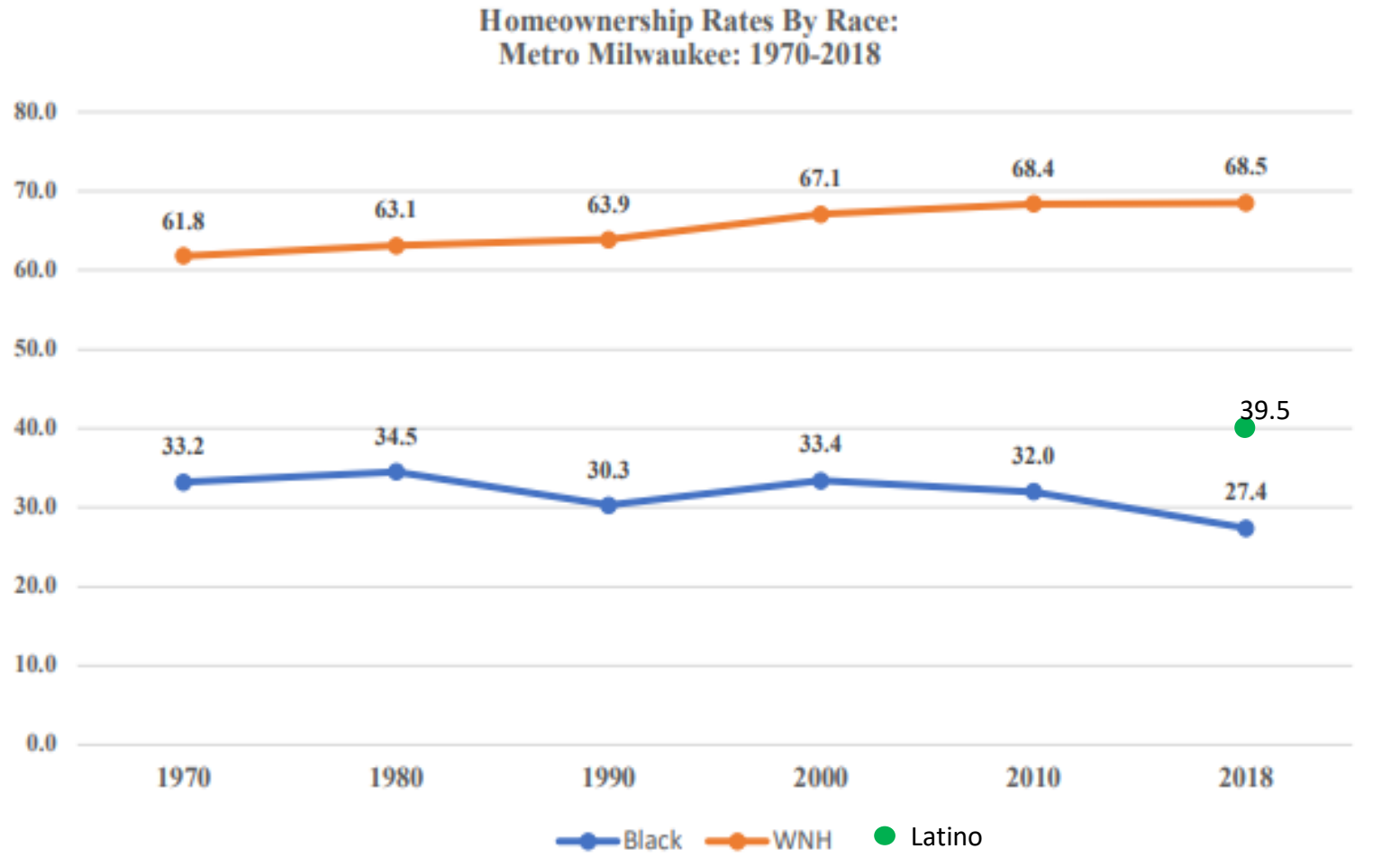
Engage-ment

Strategy

Imple-ment — Detailed Plans

Account-ability — Monitor & Communicate

Update — Continuous Improvement



Systems needed to support **32,000** **new Black & Latino Homeowners**

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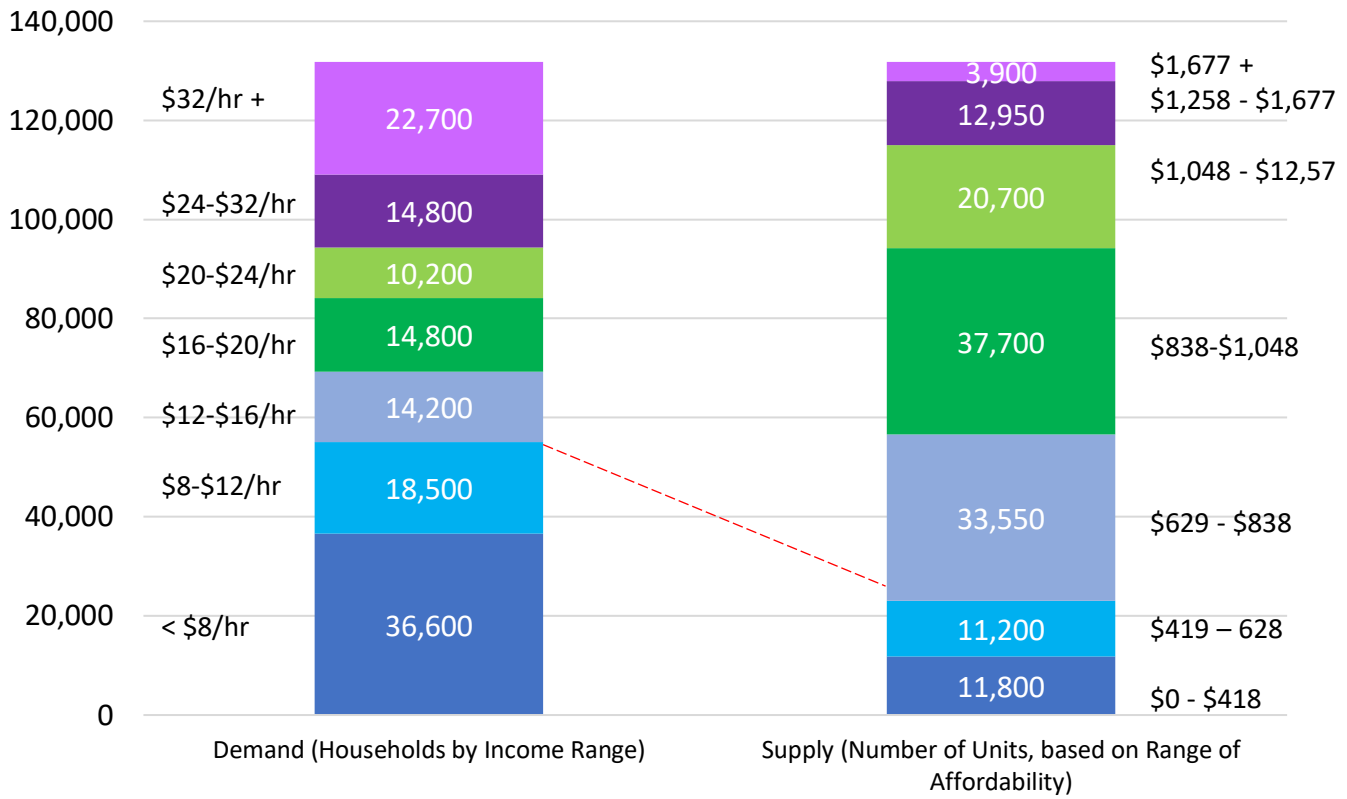
Demand and Supply of Affordable Rental Units by Household Income in City of Milwaukee, 2019



Systems needed to produce **32,000** **rental homes for families making $7.25 -$15/hour**

Strategy Areas

1 **Systems to Increase Black & Latino Homeownership**

Proactively change and create systems to close the racial equity gap in homeownership (“Homeowner Offense”)

2 **Systems to Preserve Black & Latino Homeownership**

Provide resources and policies that allow homeowners to stay in their home (“Homeowner Defense”)

3 **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”)

4 **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”)

Vision

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Engagement

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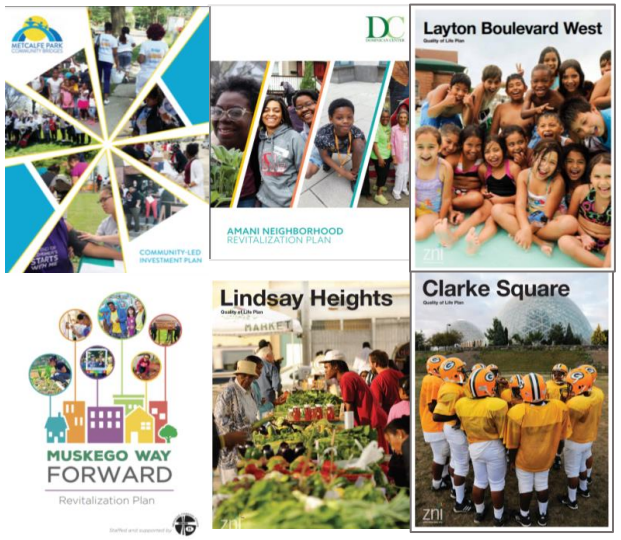
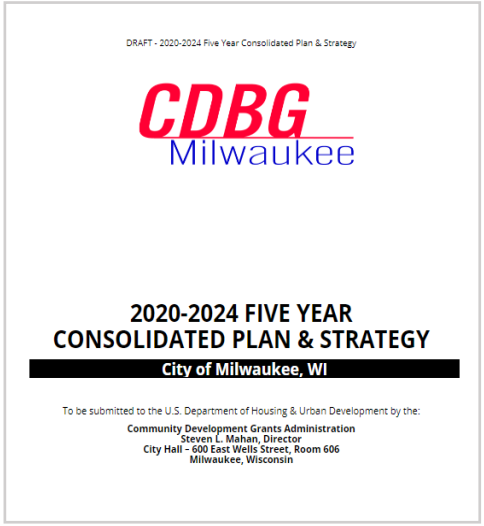
Pre-Engagement




DRAFT - 2020-2024 Five Year Consolidated Plan & Strategy

CDBG Milwaukee

2020-2024 FIVE YEAR CONSOLIDATED PLAN & STRATEGY

City of Milwaukee, WI

To be submitted to the U.S. Department of Housing & Urban Development by the:

Community Development Grants Administration
Steven L. Mahan, Director
City Hall - 600 East Wells Street, Room 606
Milwaukee, Wisconsin

6 Quality of Life Plans

Dozens of Community Meetings

29 Community Meetings

1,198 Completed Surveys

Vision

Developing an Affordable Housing Plan

Community Development Alliance

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Engagement

Overview of Action Committee Recommendations

Community Development Alliance

Strategy

Milwaukee's Collective Affordable Housing Strategic Plan

Community Development Alliance

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Update

Continuous Improvement

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
Tony Panciera, MKE United/GMC
Bethany Sanchez, MMFHC
Ben Sanchez, City of Milwaukee - NIDC
Brian Sonderman, Habitat for Humanity
Denisha Tate, Consultant
Adam Turgeon, MGIC
Maria Watts, WHEDA
Eliana Williams, Wells Fargo
Wyman Winston, Wealth Concepts
Dorothy York, Acts Housing

Homeownership Defense Action Committee

Jermaine Alexander, SPCA
Jason Boothe, City of Milwaukee
Michael Gosman, Acts Housing
Emmett Gross, Housing Resources Inc.
Aaron Helt, City of Milwaukee
Coretta Herring, Riverworks Development Corp.*
Cinthia Hernandez, VIA CDC
Lynnea Katz-Petted, Revitalize Milwaukee
Darlene Russell, GMF
Stephanie Mercado, 16th St. Community Health Center
Alderman José Pérez, City of Milwaukee
Steph O'Connor, City of Milwaukee
Ryan Schone, Journey House
LaQuondra Shaw, Northwestern Mutual Foundation
Amy Sorenson, Revitalize Milwaukee

* Action Committee Chair

Rental Offense Action Committee

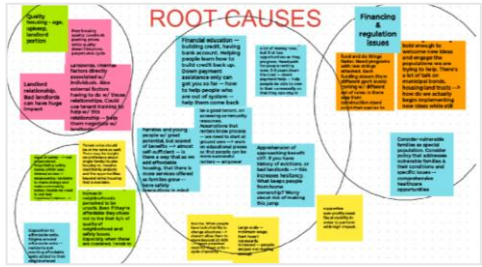
Don Bernards, Baker Tilly
Que El-Amin, Scott Crawford, Inc.
Rafael Garcia, Community First
Nadiyah Groves, Office of Governor
Kailyn Kenney, City of Milwaukee
Matt Melendes, LISC Milwaukee*
Pat Mueller, HW Properties
Kaylin Nuss, HACM
Joe Peterangelo, Wisconsin Policy Forum
Shreedhar Ranabhat, WHEDA
Leah Redding, DCD
Evan Reed, Forward Community Investments
Keith Stanley, Near West Side Partners
Jeff Towne, WHEDA
Mikal Wesley, Urbane Communities

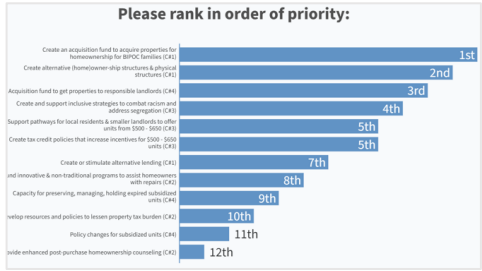
Rental Defense Action Committee

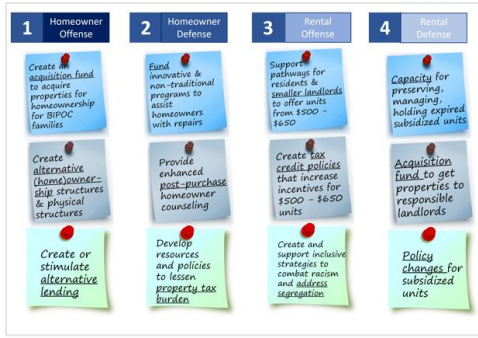
David Cialdini, Milwaukee County
Andi Elliot, Community Advocates
Tonya Fonseca, DCD
Ray Hill, Common Bond*
Joe'Mar Hooper, Safe & Sound
Kristi Luzar, UEDA
Kori Schneider-Peragine, MMFHC
Willie Smith, Northwest Side CDC
Amy Turim, DCD
Anna Wierick, Near West Side Partners
Kate Wolf, WHEDA

Additional Data Support

Paula Butler, Habitat for Humanity
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







Vision

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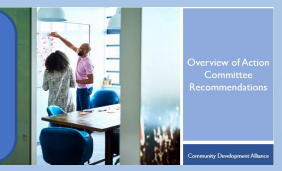

Strategy

You are here!

Imple-ment Detailed Plans

Account-ability Monitor & Communicate

Update Continuous Improvement

ROOT CAUSES

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

Out of state investors are buying homes faster than homeowners can

New homeowners **can't afford** to buy a home

Racially discriminatory policies have created **wealth gaps**

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

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

Families are getting **evicted**

THE PLAN

- **Grow homebuyer** counseling & down Payment Assistance
- Post-Purchase Homeowner **Counseling**
- Create **new affordable** home opportunities
- **Coordinate lenders** for more favorable lending terms
- Create an **Acquisition Fund**, a locally controlled poll of money, for acquiring properties
- **Reduce** property tax burden
- Innovative **home repair** programs
- Increase the number of rental homes at **$400 - $650** per month
- **Preserve** existing subsidized housing
- **Eviction assistance** and emergency rent
- Requiring minimum **standards of landlords**

COMMUNITY DEVELOPMENT ALLIANCE

COLLECTIVE PLAN TO REACH 32,000 NEW BLACK & LATINO HOMEOWNERS

Grow homebuyer counseling & down payment assistance

Maximize existing production models (e.g. sweat equity)

Reduce property tax burden through fund & other methods

Acquisition fund to combat predatory acquisition

Create new production models (e.g. 4% tax credit)

Innovation in homeowner repair programs

Alternative lending based on rental history

Foreclosure mitigation & emergency assistance

Post-purchase homeowner counseling

COMMUNITY DEVELOPMENT ALLIANCE

COLLECTIVE PLAN TO REACH 32,000 HOMES FOR FAMILIES MAKING $15/HOUR

Full housing tax credits for rental homes at $650/month

Pathways for resident landlord with rental homes at $650/month

Eviction mitigation & emergency assistance

Acquisition fund to combat predatory acquisition

Fair competition among landlords

Preserve expiring subsidized rental homes

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10-Year Housing Goals

Housing Type	Wage	Income	Owner			Rental			Total
			Preserved[i]	Converted[ii]	New[iii]	Preserved[i]	Converted[ii]	New[iii]	
Affordable (30-40% AMI)	$7.25-$15/hour	15K - 31K	15,350	5,200	600	10,300	650	3,900	36,000
Affordable (40 - 80% AMI)	$16-$32/hour	31K - 67K	5,500	2,200	250	4,400	300	4,900	17,550
Total			**20,850**	**7,400**	**850**	**14,700**	**950**	**8,800**	**53,550**

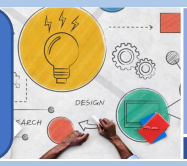
[i] Preserved means owners and renters who are able to stay in their homes through anti-displacement and other assistance.
[ii] Converted means both homes that have been rehabbed, and homes that have been converted from higher income rental to homeownership or more affordable rental homes (e.g. Acquisition Fund)
[iii] New means newly constructed owner occupied or rental homes

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.

Vision

Data



Engage-ment

Strategy

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Continuous Improvement

Recommended Grant Resources over the next 10 years

	Status Quo	*New & Expanded Models*
Black & Latino Homeownership – Create New Opportunities (Offense Approaches)		
Grow Homebuyer Counseling & Down Payment Assistance	$ 23,800,000	$ 16,400,000
Create an Acquisition Fund for Homeownership	$ -	$ 1,200,000
Coordinate lenders to Provide Alternative Lending	$ -	$ 12,400,000
Maximize existing production models	$ 23,700,000	$ 10,600,000
Create new production models	$ -	$ -
Black & Latino Homeownership – Retain Existing Owners (Defense Approaches)		
Foreclosure Mitigation		$ 8,000,000
Reduce Property Tax Burden	$ -	$ 2,500,000
Support innovation in home repair	$ 82,000,000	$ -
Post-purchase homeowner counseling	TBD	TBD
Rental Homes for Families making $7.25 - $15 / hour – Create New Rental Homes (Offense Approaches)		
Changes in Qualified Allocation Plan	$ -	$ -
Create and Acquisition Fund for Affordable Rental Homes	$ -	$ 1,200,000
Pathway for Small Landlords to Provide Affordable Rental Homes	TBD	TBD
Rental Homes for Families making $7.25 - $15 /hour – Preserve Existing Rental Homes and Support Renters (Defense Approaches)		
Eviction Mitigation	$ 13,200,000	$ 17,000,000
Capacity for Preserving Expiring Subsidized rental homes	TBD	TBD
Fair competition Among Landlords by Requiring Minimum Standards	$ -	$ -
Total	**$ 142,700,000**	**$ 69,300,000**

Vision

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Update Continuous Improvement

Recommended Loan Capital Resources over the next 10 Years

	Status Quo	*New & Expanded Models*
Black & Latino Homeownership – Create New Opportunities (Offense Approaches)		
Grow Homebuyer Counseling & Down Payment Assistance	$ -	$ -
Create an Acquisition Fund for Homeownership	$ -	$ 2,300,000
Coordinate lenders to Provide Alternative Lending	$ -	$ -
Maximize existing production models	$ 19,900,000	$ 8,200,000
Create new production models	$ -	$ 47,000,000
Black & Latino Homeownership – Retain Existing Owners (Defense Approaches)		
Reduce Property Tax Burden	$ -	$ 6,400,000
Support innovation in home repair	$ -	$ -
Post-purchase homeowner counseling	TBD	TBD
Rental Homes for Families making $7.25 - $15 / hour – Create New Rental Homes (Offense Approaches)		
Changes in Qualified Allocation Plan	$ -	$ -
Create an Acquisition Fund for Affordable Rental Homes	$ -	$ 2,300,000
Pathway for Small Landlords to provide Affordable Homes	TBD	TBD
Rental Homes for Families making $7.25 - $15 /hour – Preserve Existing Rental Homes and Support Renters (Defense Approaches)		
Eviction Mitigation	$ -	$ -
Capacity for Preserving Expiring Subsidized Rental homes	TBD	TBD
Fair competition Among Landlords by Requiring Minimum Standards	$ -	$ -
Total	**$ 19,900,000**	**$ 66,200,000**

Vision

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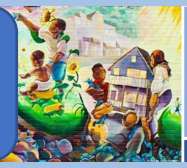
Engage-ment

Strategy



Implementation

Develop Detailed Plans

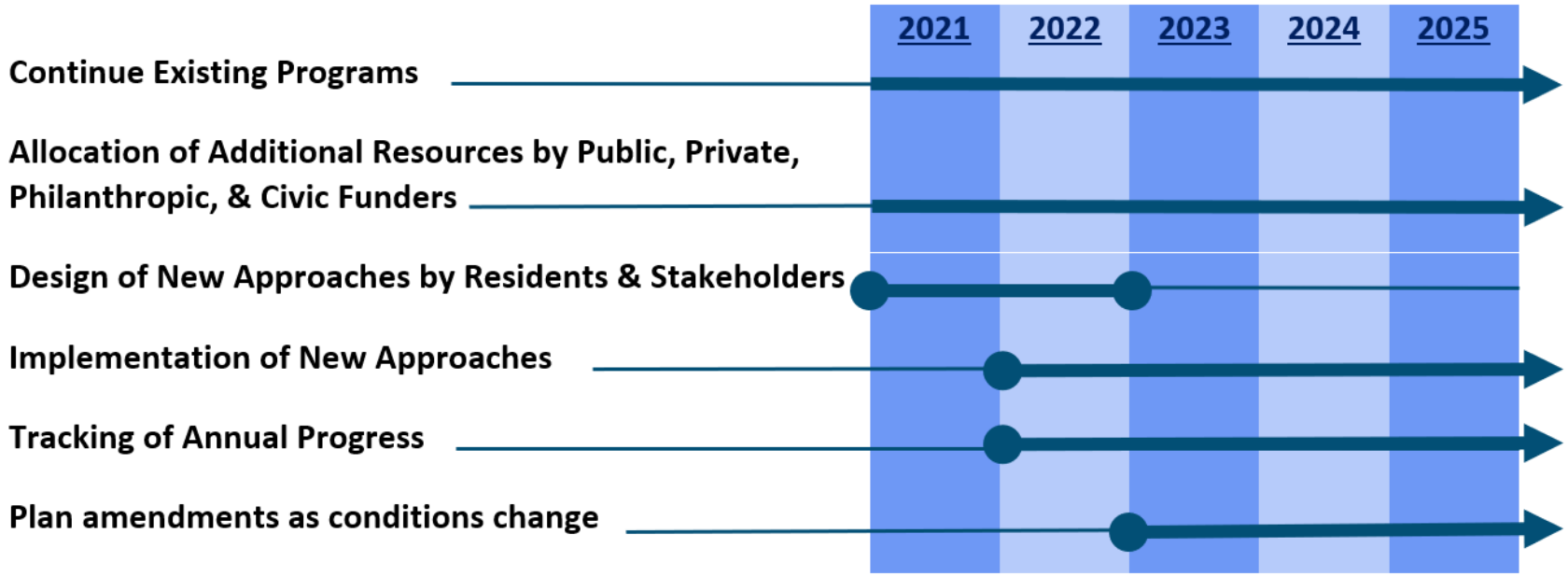
Account-ability

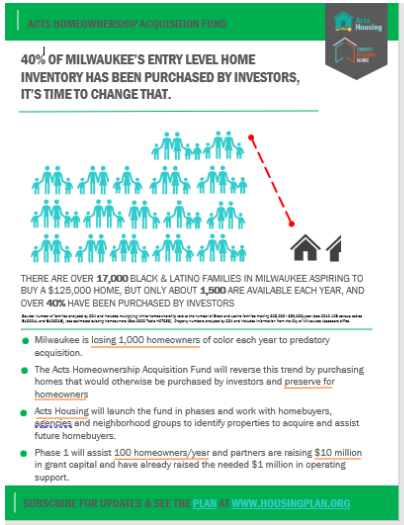
Monitor & Communicate

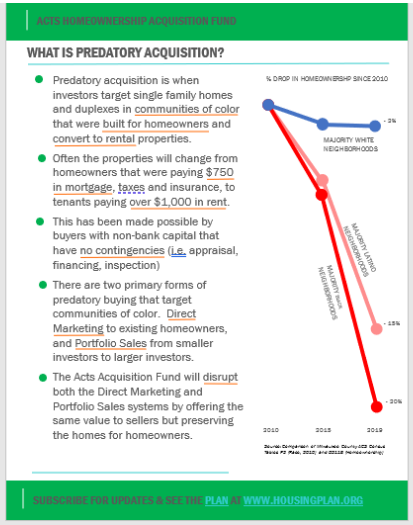
Update

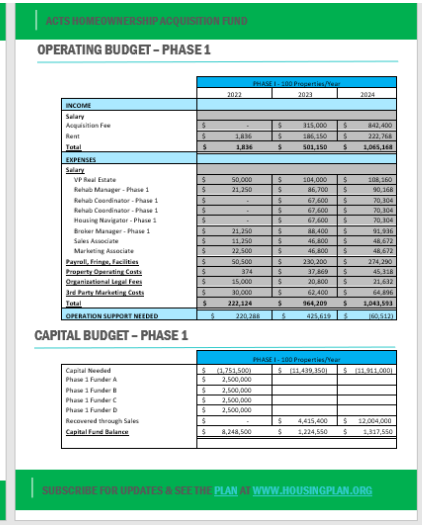
Continuous Improvement

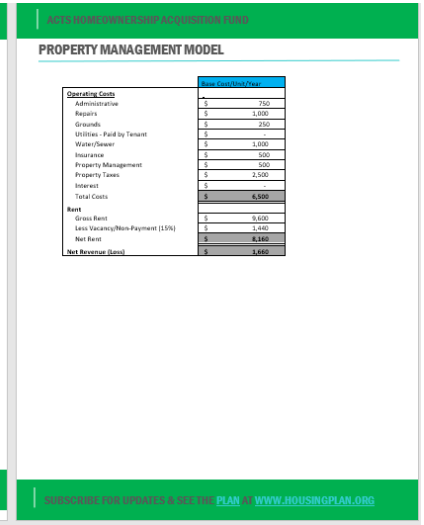
Implementation Timeline







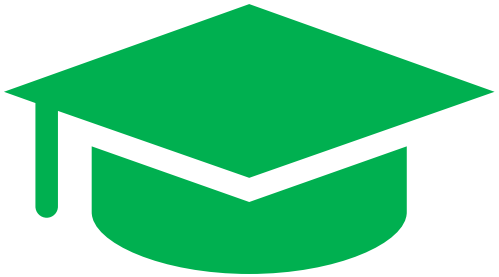




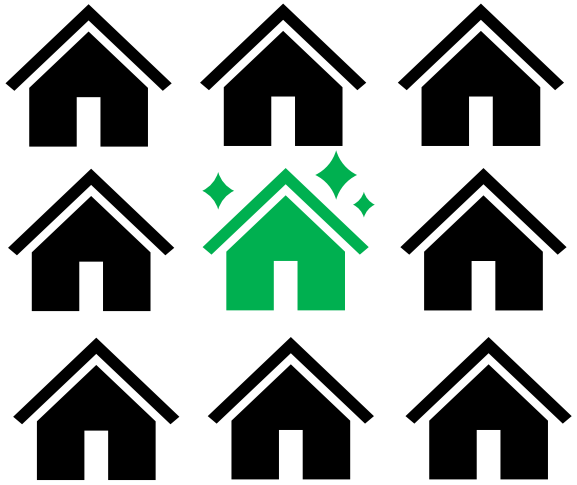
WHAT IS AFFORDABLE HOUSING?

COMMUNITY DEVELOPMENT ALLIANCE

AFFORDABLE HOUSING IS WHEN A HOME IS AVAILABLE FOR 30% OF A FAMILY'S INCOME



FOR FAMILIES LIKE EARLY CHILDHOOD EDUCATORS THAT'S $650/MONTH



WITH GOOD POLICY A QUALITY AFFORDABLE HOME IS AVAILABLE FOR EVERYONE

FOR ADDITIONAL INFORMATION & UPDATES VISIT WWW.HOUSINGPLAN.ORG

WHAT IS AFFORDABLE HOUSING?

COMMUNITY DEVELOPMENT ALLIANCE

Early Childhood Educator, Healthcare Aide, Warehouse Worker

AN EDUCATOR MAKING $12 AN HOUR CAN AFFORD A RENTAL HOME FOR $650/MONTH, OR A $45,000 HOME.

Teacher, Firefighter, Postal Carrier

A TEACHER MAKING $24 AN HOUR CAN AFFORD A RENTAL HOME FOR $1,250/MONTH, OR A $100,000 HOME.

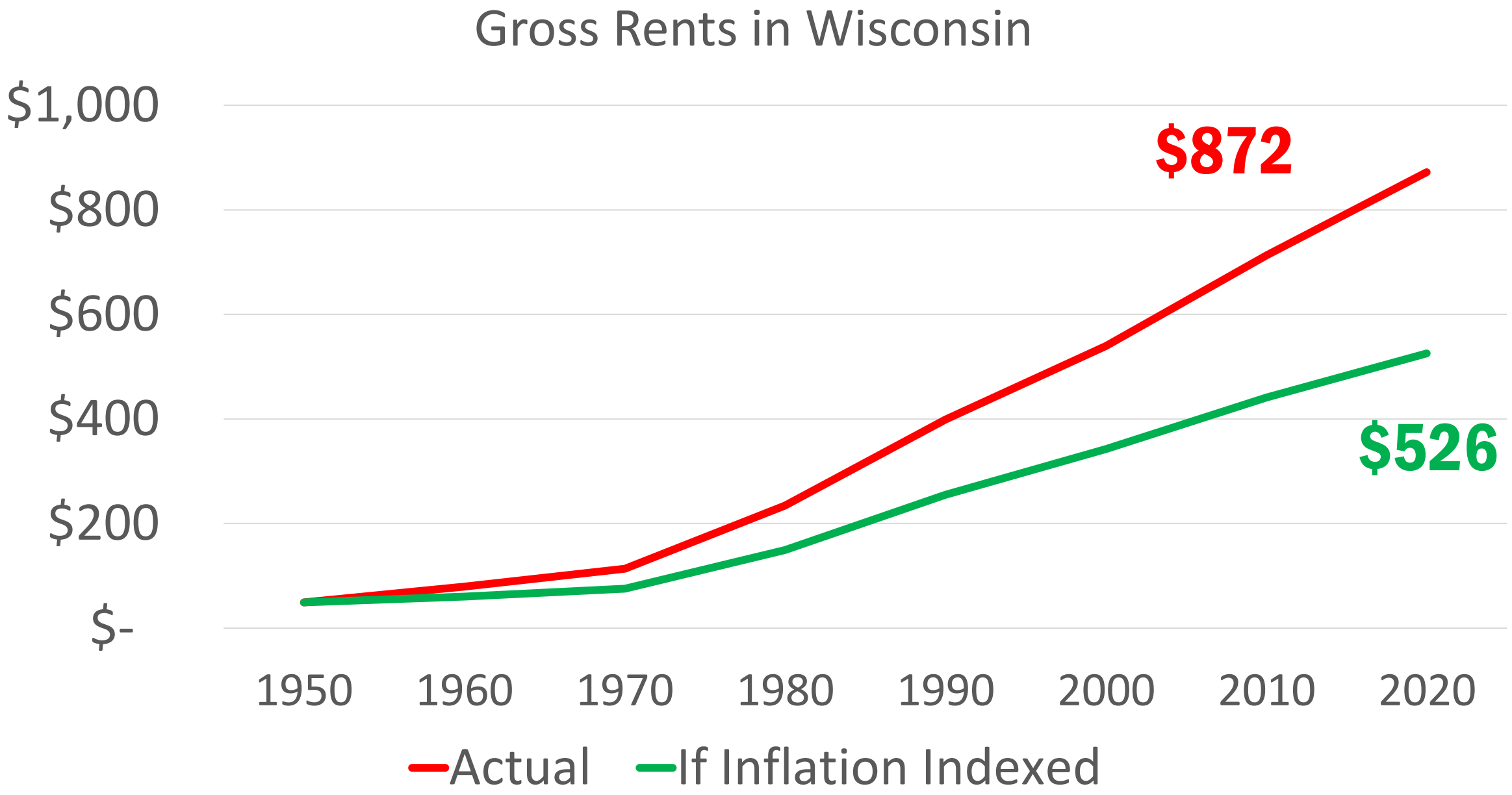
Architect, Professor

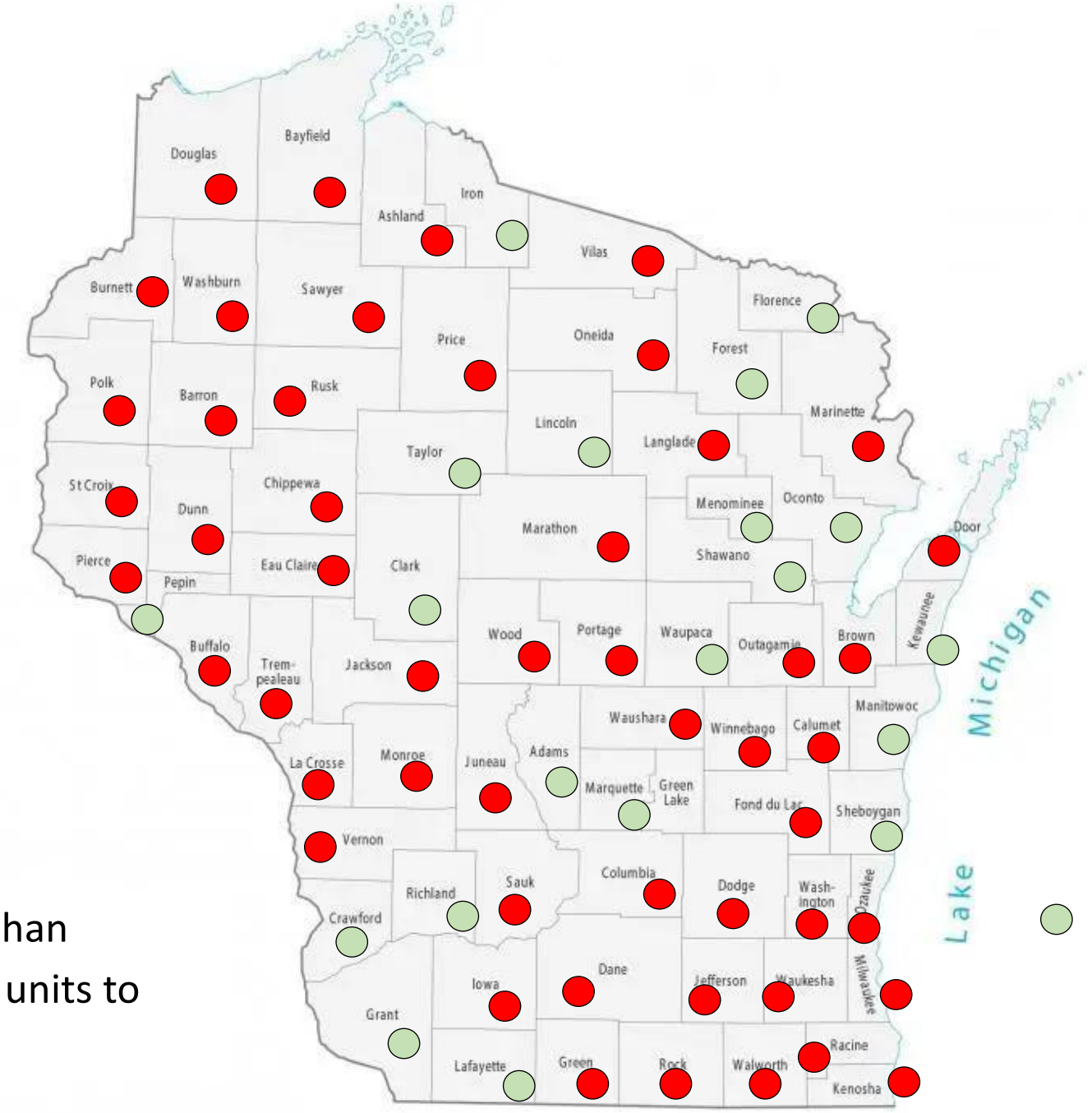
A PROFESSOR MAKING $40 AN HOUR CAN AFFORD A RENTAL HOME FOR $2,500/MONTH, OR A $240,000 HOME.

FOR ADDITIONAL INFORMATION & UPDATES VISIT WWW.HOUSINGPLAN.ORG

THERE ARE OVER 250,000 FAMILIES THROUGHOUT WISCONSIN THAT MAKE $15/HOUR OR LESS

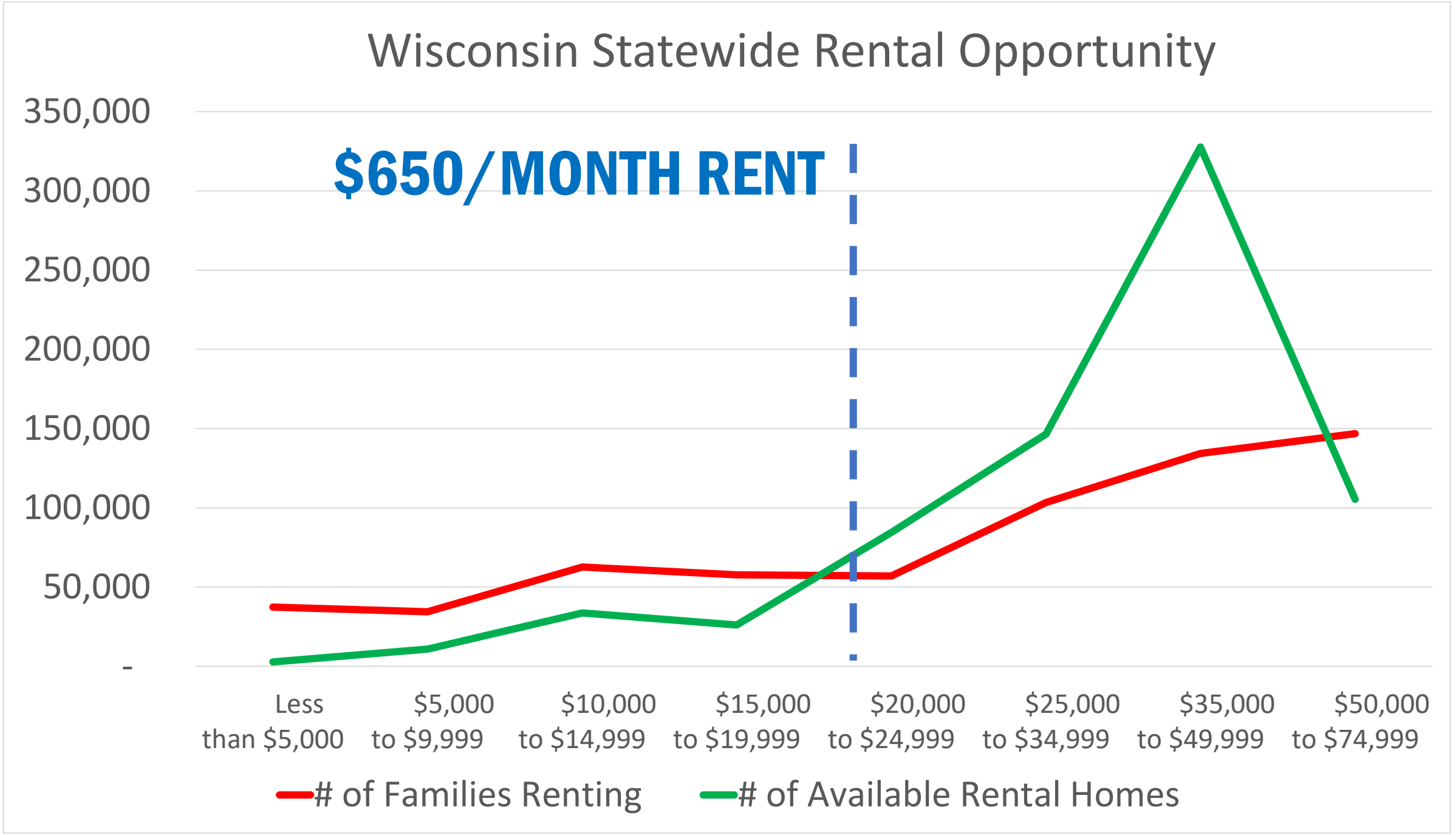
BUT LESS THAN 160,000 HOMES AVAILABLE TO THEM

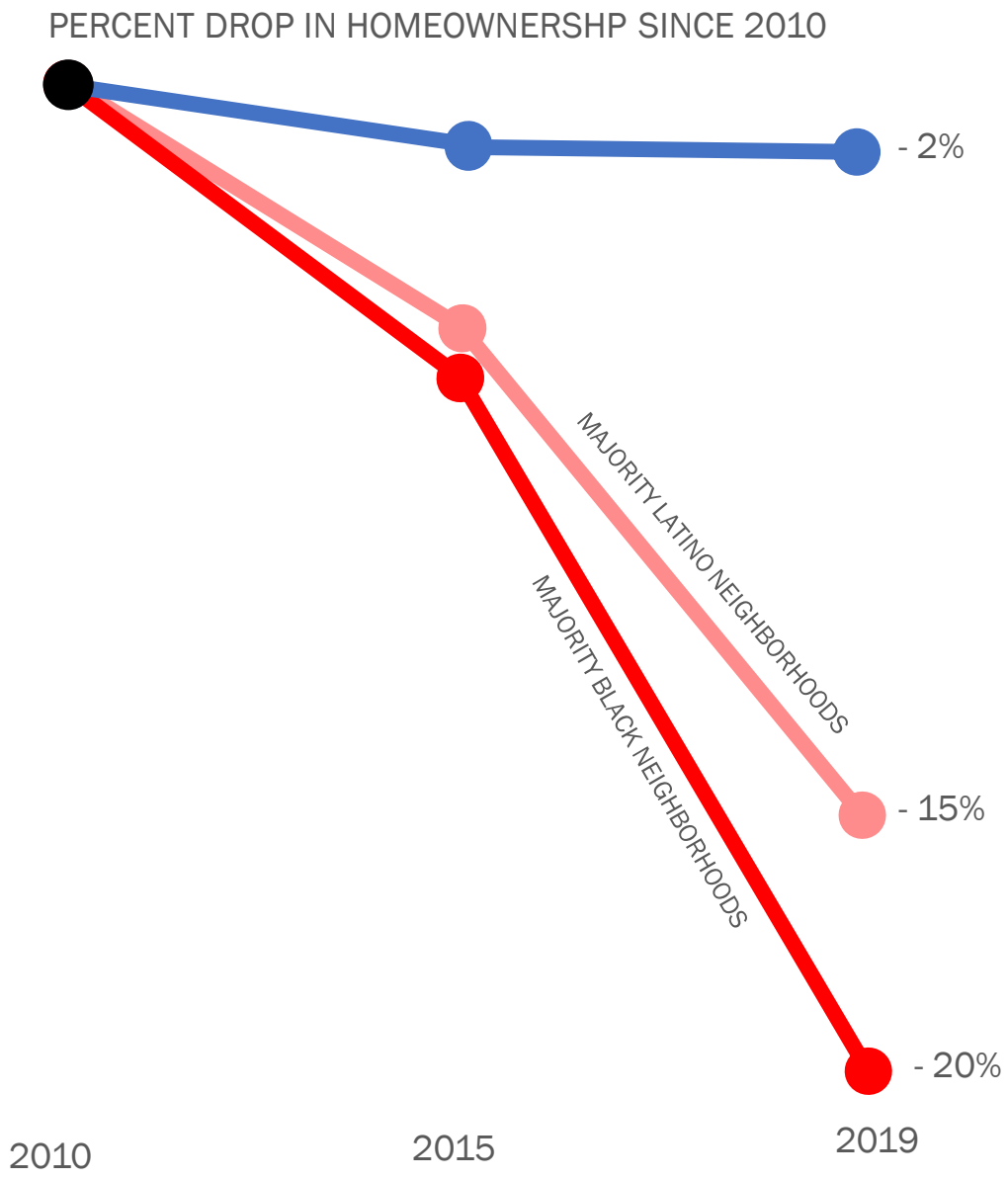

Gross Rents in Wisconsin
$1,000
$800
$600
$400
$200
$-
$872
$526
1950
1960
1970
1980
1990
2000
2010
2020
Actual
If Inflation Indexed



- Families making less than $15/hour **>** Available units to rent at $650/month

- Families making less than $15/hour **<** Available units to rent at $650/month

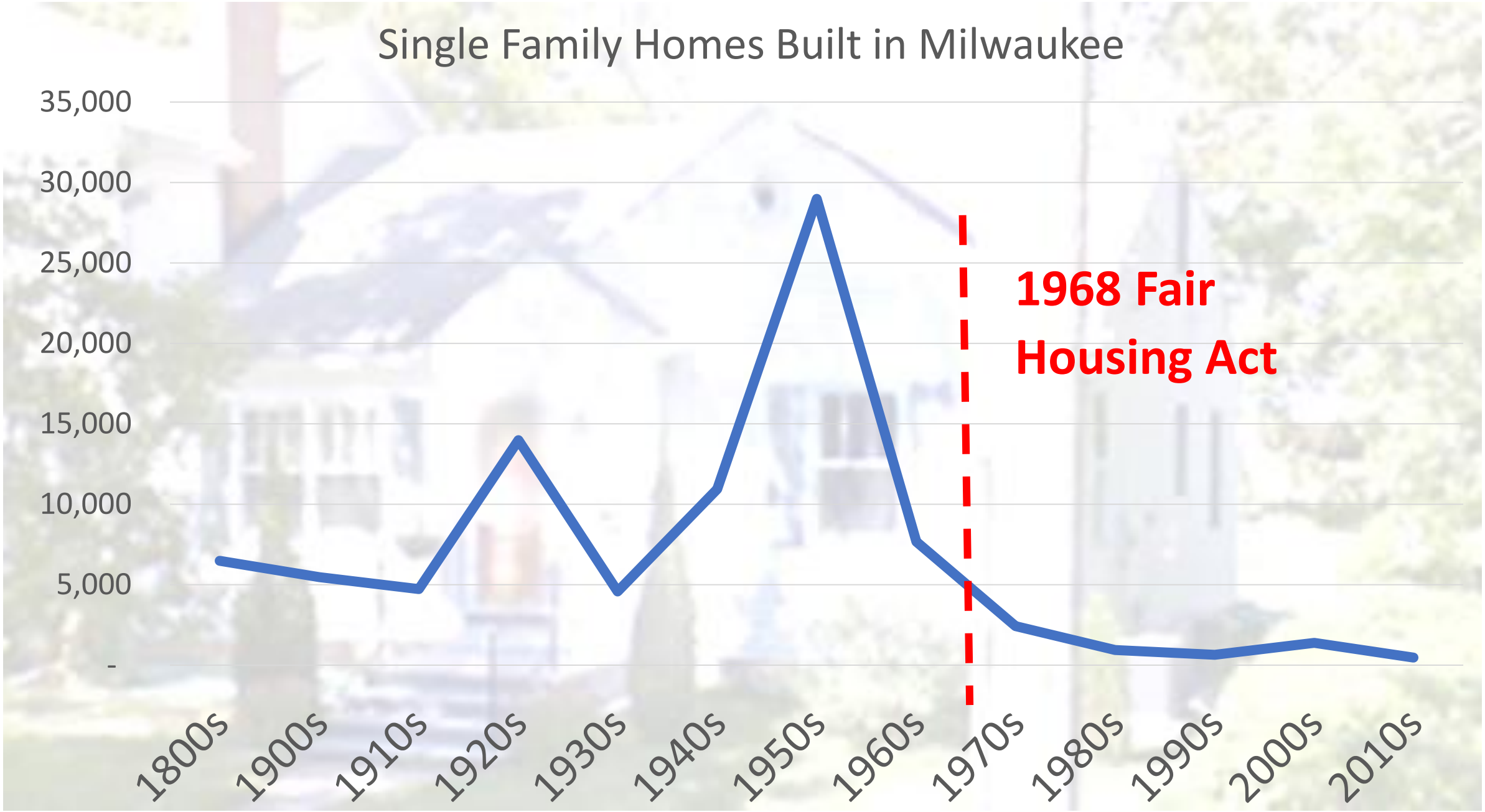

Wisconsin Statewide Rental Opportunity
$650/MONTH RENT
350,000
300,000
250,000
200,000
150,000
100,000
50,000
-
Less than $5,000
$5,000 to $9,999
$10,000 to $14,999
$15,000 to $19,999
$20,000 to $24,999
$25,000 to $34,999
$35,000 to $49,999
$50,000 to $74,999
# of Families Renting
# of Available Rental Homes



Source: Comparison of Milwaukee County ACS Census Tables P2 (Race, 2010) and B2118 (Homeownership)

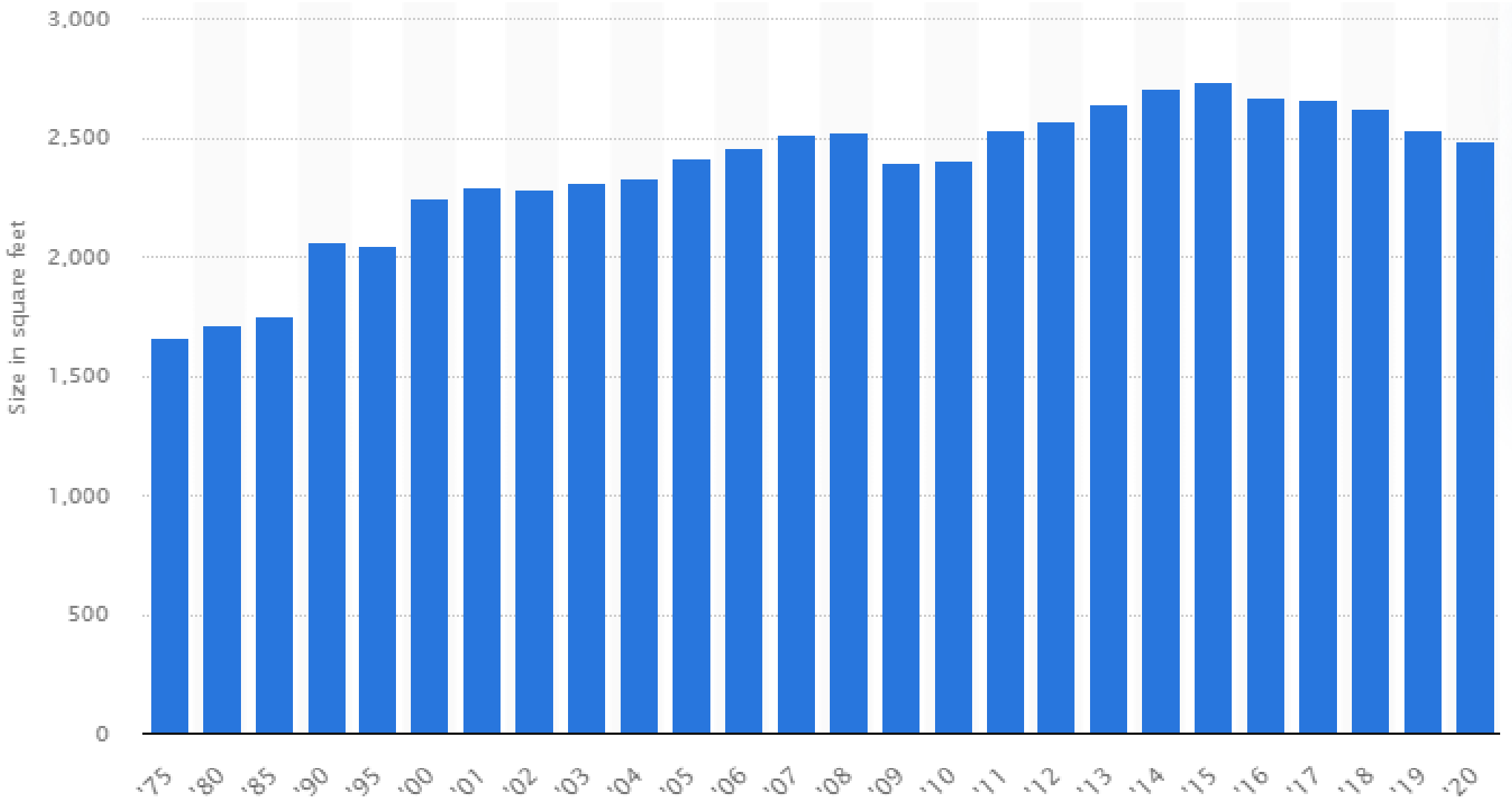
MILWAUKEE IS LOSING 1,000 HOMEOWNERS OF COLOR EVERY YEAR

NEED SYSTEMS TO SUPPORT 1,000 NEW BLACK & LATINO HOMEOWNERS EACH YEAR


Single Family Homes Built in Milwaukee
35,000
30,000
25,000
20,000
15,000
10,000
5,000
-
1968 Fair Housing Act
1800s
1900s
1910s
1920s
1930s
1940s
1950s
1960s
1970s
1980s
1990s
2000s
2010s

AVERAGE SIZE OF NEW SINGLE-FAMILY HOMES

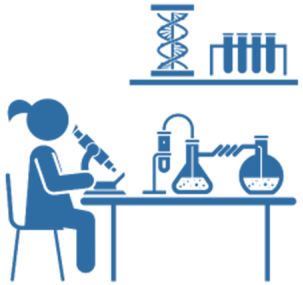
UNITED STATES



• Size of new single-family homes in the U.S. | Statista

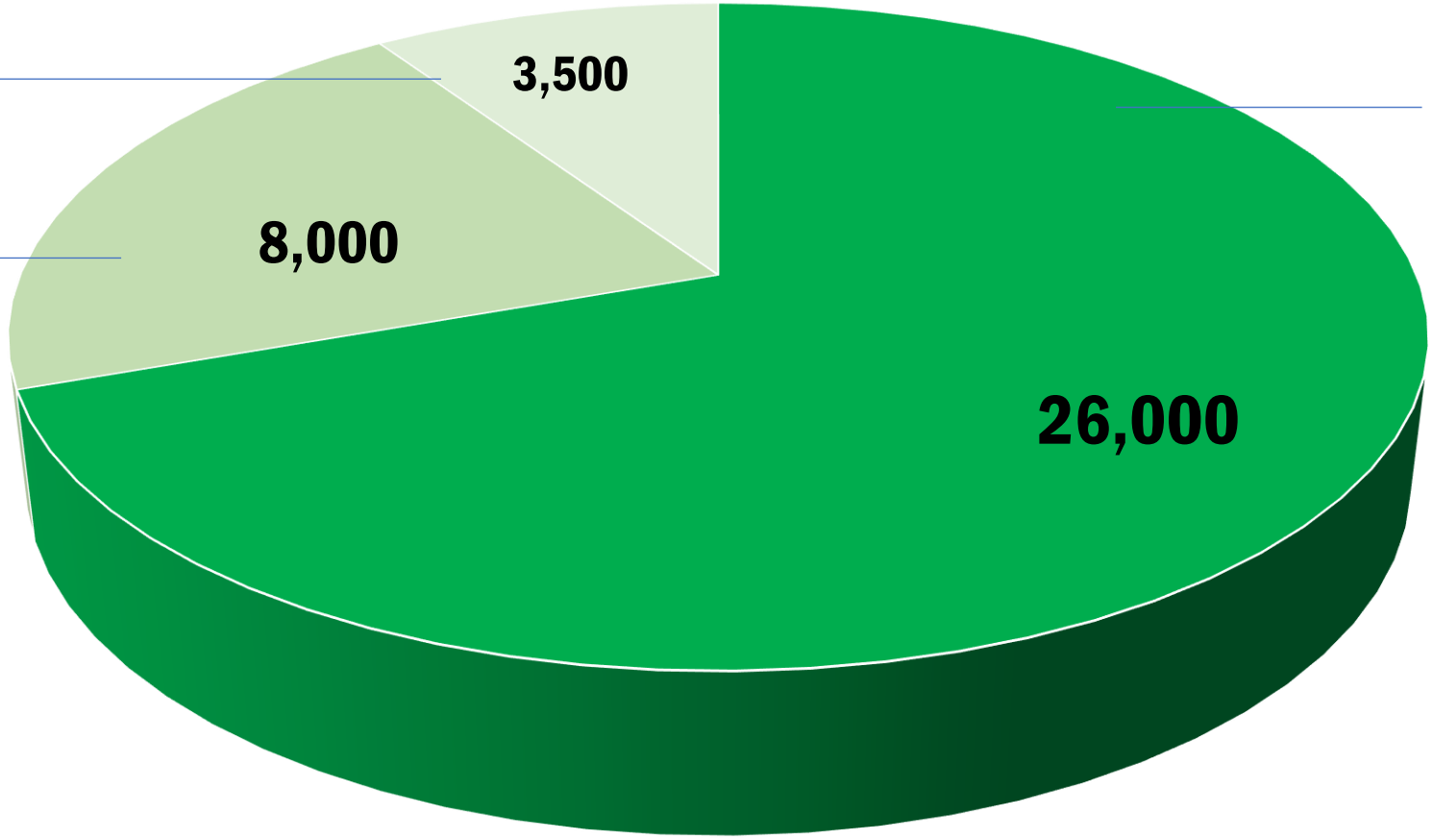
NUMBER OF BLACK & LATINO FAMILIES NOT CURRENTLY HOMEOWNERS

MILWAUKEE COUNTY, WISCONSIN



$41+/HOUR

$24 - $41/HOUR



$12 - $24/HOUR

GARE Racial Equity Policy Process

Vision

Data

Engage

Strategy

Imple-ment — Detailed Plans

Account-ability — Monitor & Communicate

Update — Continuous Improvement

Notes

Slide 4: See Government Alliance on Race and Equity - Racial Equity Toolkit. Graphic adapted from Office of Equity and Human Rights - City of Portland.

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.

"Sherman Park Rising" located at 4715 W Center Street in Milwaukee, Wisconsin. Mural by Tia Richardson. Photo by Troy Freund.

For a full copy of plan, visit:

housingplan.org