

LAYING THE FOUNDATION

An overview of city of Milwaukee affordable housing programs and priorities



WISCONSIN

POLICY FORUM

ABOUT THE WISCONSIN POLICY FORUM

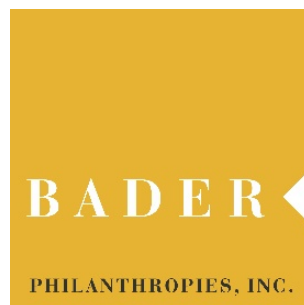
The Wisconsin Policy Forum was created on January 1, 2018, by the merger of the Milwaukee-based Public Policy Forum and the Madison-based Wisconsin Taxpayers Alliance. Throughout their long histories, both organizations engaged in nonpartisan, independent research and civic education on fiscal and policy issues affecting state and local governments and school districts in Wisconsin. The Wisconsin Policy Forum is committed to those same activities and to that spirit of nonpartisanship.

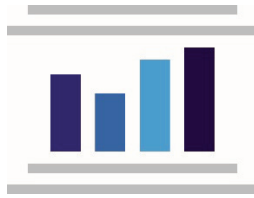
PREFACE AND ACKNOWLEDGMENTS

This report was undertaken to provide policymakers, affordable housing leaders, philanthropic organizations, and residents with greater understanding of the city of Milwaukee's housing efforts and investments. We hope community leaders will use the report's findings to inform discussions and develop strategies to improve affordable housing policy and services.

Report authors would like to thank the leadership and staff of the city of Milwaukee's departments of city development and neighborhood services, its Community Development Grants Administration office, and the Housing Authority of the City of Milwaukee for providing us with data and patiently answering our questions. We would also like to thank the housing officials from the cities of Detroit, Madison, and Minneapolis for the information and insight they provided.

In addition, we would like to thank the Greater Milwaukee Foundation and Northwestern Mutual Foundation for commissioning this study and for their grants that helped make this report possible. This report also was supported by a generous grant from Bader Philanthropies.





LAYING THE FOUNDATION

*An overview of city of Milwaukee affordable housing
programs and priorities*

July 2020

Study authors:
Joe Peterangelo, Senior Researcher
Rob Henken, President

TABLE OF CONTENTS

Introduction	3
Background	4
Housing Challenges in Milwaukee	4
City in Context.....	7
U.S. Department of Housing & Urban Development (HUD).....	7
Wisconsin Housing & Economic Development Authority (WHEDA)	7
Milwaukee County.....	8
Housing Authority of the City of Milwaukee (HACM)	10
City of Milwaukee Departments	12
Summary	12
City Investments in Housing.....	14
Expand Supply of Affordable Housing.....	14
Increase Homeownership.....	21
Assist Homeowners with Home Maintenance.....	24
Other Housing Services	28
Summary/Observations.....	31
Comparison Cities	35
Minneapolis.....	35
Detroit.....	38
Madison	41
Conclusion	44
Sources.....	47



INTRODUCTION

In our 2018 report, [*The Cost of Living*](#), the Wisconsin Policy Forum found alarming rates of “rent burdened” households in Milwaukee, particularly in central city neighborhoods. The prevalence of very low household incomes – rather than especially high housing costs – appears to be the largest driver of the affordability problem in Milwaukee. Yet, maintaining and expanding the supply of affordable housing for both renters and homeowners is also critical and may be a more achievable path to progress in the short term given the challenge of raising incomes.

While doing so will require the involvement of many public and private sector partners, the city of Milwaukee plays a major role. Each year, city government invests millions of dollars of federal and local dollars into maintaining and increasing the availability of affordable rental and owner-occupied housing, strengthening homeownership, and improving the quality of the city’s housing stock through a broad array of programs and initiatives. The city also launched an initiative in 2018 that aims to [develop or improve](#) 10,000 affordable housing units within 10 years.

In this report, we consider the city’s full range of housing programs and investments to understand their role and impact. Our primary research questions include the following:

- *What is the city of Milwaukee’s current portfolio of housing programs, what are their budgets and funding sources, and what do we know about program outcomes?*
- *What priorities and policy objectives guide how the city invests federal, state, and city funds into housing programs?*
- *How do the city of Milwaukee’s housing efforts, priorities, and resource allocation decisions compare with those of peer cities?*

We answer these questions by analyzing data compiled from the city’s reports to the U.S. Department of Housing and Urban Development (HUD), city budget documents, and information provided directly from city staff through data requests. Interviews with city leaders, other affordable housing experts, and officials from the cities of Madison, Minneapolis, and Detroit also were important sources of information and insight.

While our focus in this report is the city of Milwaukee, it is important to understand affordable housing is a regional challenge. Poverty has increased in many suburban communities while home prices and rents have increased. The relative lack of affordable housing in those communities and their lack of progress in addressing the problem may be placing more pressure on Milwaukee and contributing to the city’s challenges.

By strengthening public understanding of the scope and scale of the city of Milwaukee’s housing programs, who they are serving, how they are financed, and the threats and opportunities that surround their sustainability and/or expansion, we hope to provide valuable insight for policymakers and private sector organizations working to tackle one of the most vexing and crucial public policy issues facing the city and region.



BACKGROUND

Housing Challenges in Milwaukee

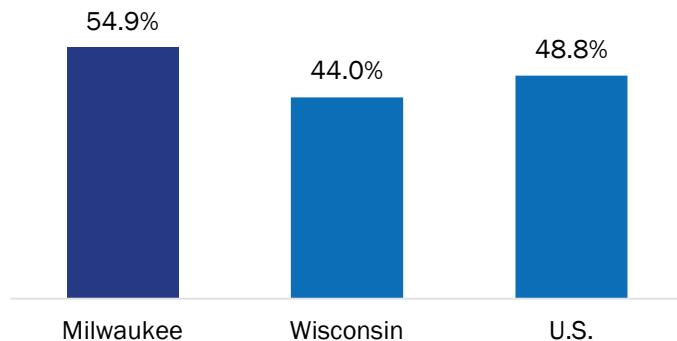
The cost of rental housing in Milwaukee exceeds what many households can afford. According to the most recent Census data, 54.9% of households who rent homes in the city of Milwaukee spend at least 30% of their income on rent and are therefore considered “rent-burdened.” That is higher than both the statewide and national rates (**Figure 1**) and is especially problematic considering over half (58.2%) of Milwaukee households rent rather than own their homes.¹

Unsurprisingly, this challenge is particularly common among the city’s lowest-income renters. Despite Milwaukee’s modest median monthly rent of \$835,^a which is slightly below the statewide median of \$847 and well below the national median of \$1,058, a large gap exists between the number of very low-income renters and the number of housing units that charge rents affordable to them.² As shown in **Figure 2**, 35.1% of renter households in Milwaukee earn less than \$20,000 per year, but only 11.9% of rental units charged rents under \$500 per month, which is the maximum those households can afford without becoming rent burdened.³

While housing cost burden affects a higher share of renter households than homeowners, it is also a relatively common issue among homeowners in Milwaukee. The share of Milwaukee homeowners who are housing cost-burdened is higher than it is statewide and nationally (**Figure 3**).

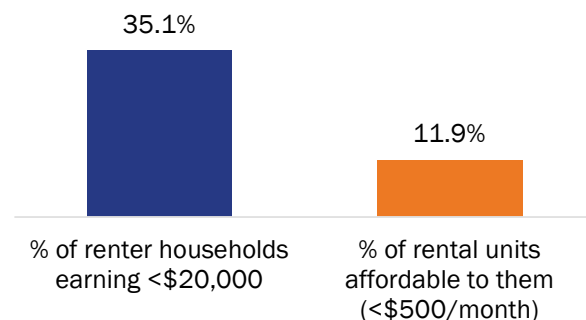
For lower-income Milwaukee homeowners, maintenance costs are

Figure 1: Share of renter households spending at least 30% of their income on rent



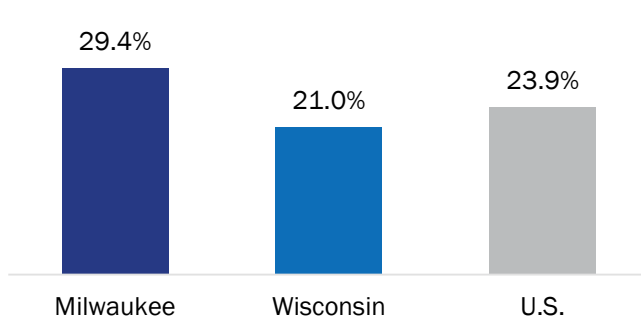
Source: U.S. Census Bureau – ACS 2018 5-year estimates

Figure 2: Income-to rent mismatch in the city of Milwaukee



Source: U.S. Census Bureau – ACS 2018 5-year estimates

Figure 3: Homeowners spending at least 30% of their income on housing

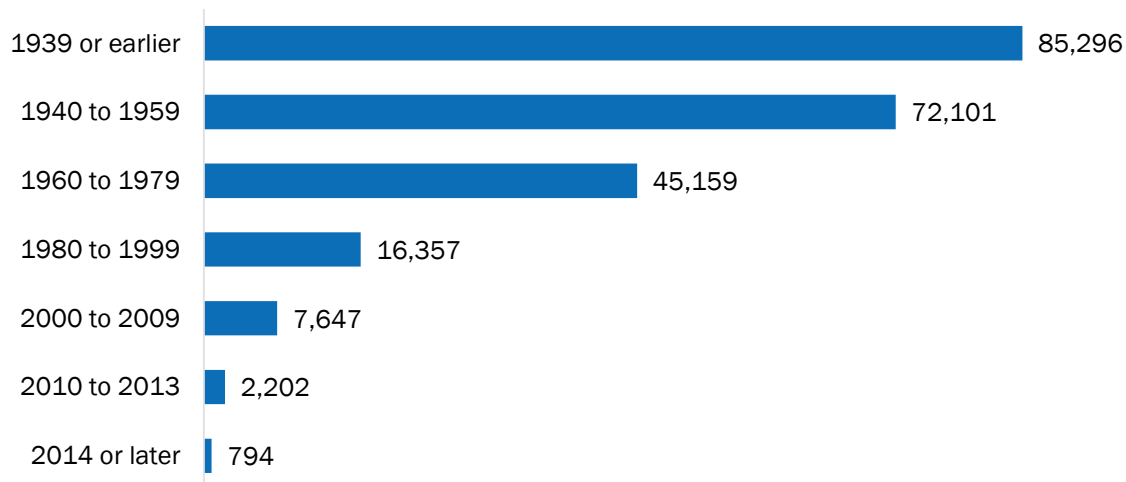


Source: U.S. Census Bureau – ACS 2018 5-year estimates

^a These figures reflect gross rent, which includes the cost of utilities.

often a considerable challenge, and demand for investments in home repairs is high due to the city's aging housing stock. More than two out of every three occupied housing units (68.6%) in Milwaukee were built prior to 1960 (**Figure 4**).⁴

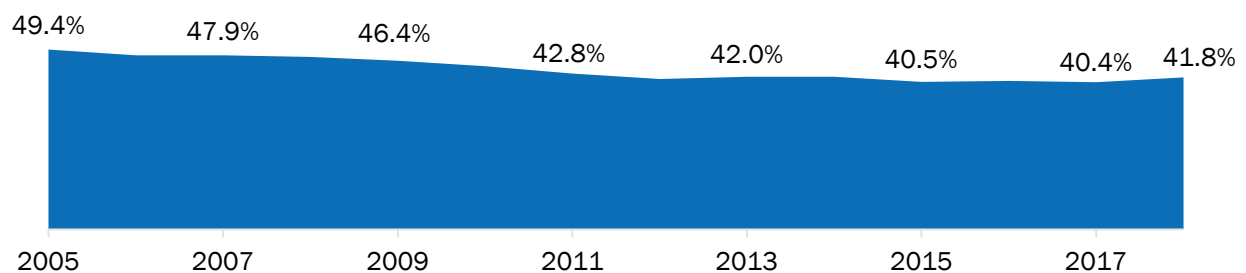
Figure 4: Year Occupied Housing Units Were Built, City of Milwaukee



Source: U.S. Census Bureau – ACS 2018 5-year estimates

Another challenge is the city's decreasing rate of homeownership. As shown in **Figure 5**, the share of housing units in Milwaukee that are owner-occupied declined from almost 50% in 2005 to just over 40% in 2017. It is encouraging that the homeownership rate increased in 2018, but it is still too early to predict whether a longer-term recovery is likely.

Figure 5: Percentage of Occupied Housing Units that Are Owner-Occupied, City of Milwaukee



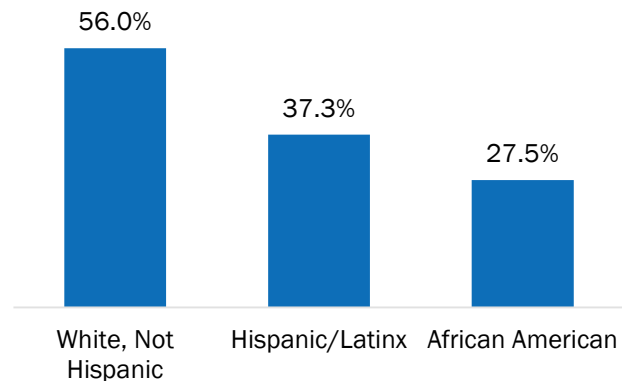
Source: U.S. Census Bureau – ACS 2018 1-year estimates

Homeownership is particularly low among the city's African American population (**Figure 6**). The most recent Census figures estimate that only 27.5% of African American households own their homes, compared with 37.3% of Hispanic households and 56% of Non-Hispanic white households.⁵

Another challenge facing the city is the prevalence of vacant and foreclosed homes, many of which were the result of the 2008-2009 recession and subprime mortgage crisis. The housing vacancy rate in Milwaukee has hovered between 9% and 13% since 2010 and was approximately 11% in 2018 (Figure 7).⁶ The city of Milwaukee currently owns close to 800 homes that it acquired through foreclosure,⁷ which city leaders hope to sell and return to occupancy.^b

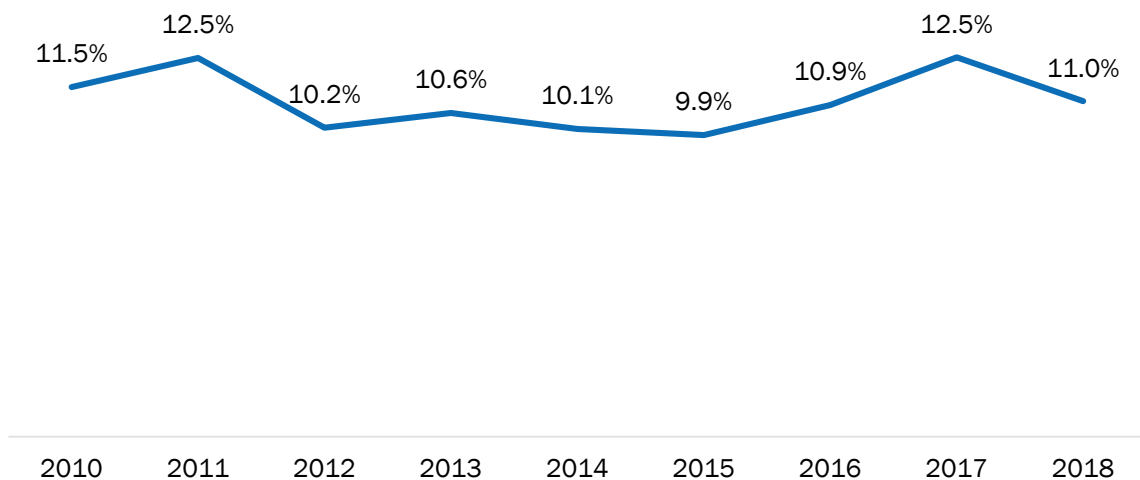
These trends and challenges contribute to a variety of housing needs in Milwaukee ranging from those focused on expanding the supply of affordable housing and assisting rent-burdened households, to those focused on home repairs, reducing housing vacancy, and preserving and increasing homeownership.

Figure 6: Homeownership Rates by Race/Ethnicity, City of Milwaukee



Source: U.S. Census Bureau – ACS 2018 1-year estimates

Figure 7: Vacant Units as % of Total Housing Units in Milwaukee



^b There are more than 157,000 single family homes and duplexes in Milwaukee, meaning city-owned foreclosed homes account for roughly 0.5% of the total.



CITY IN CONTEXT

The city of Milwaukee plays a major role in developing and maintaining affordable housing and assisting city households with housing-related costs, but it is not the only governmental body engaged in affordable housing work within the city's borders. Federal, state, and county agencies administer and/or support housing programs in Milwaukee as well. To put the city's role in context, this section provides brief overviews of the major public sector players and their activities to promote affordable housing for Milwaukee residents.

U.S. Department of Housing & Urban Development (HUD)

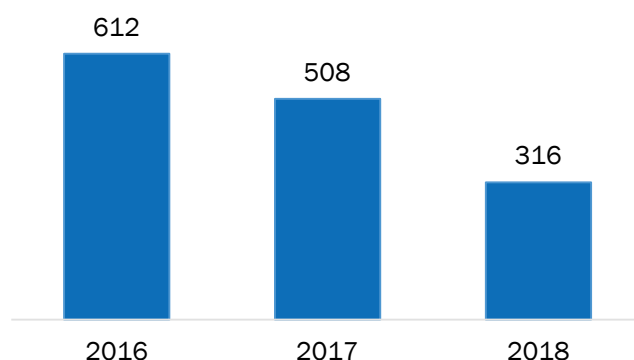
HUD is the federal agency that administers and funds many of the nation's largest housing programs, including the public housing, Housing Choice Voucher (Section 8), HOME Investment Partnership (HOME), and Federal Housing Administration (FHA) loan programs. HUD also administers the Community Development Block Grant (CDBG) program, which is a large and flexible program that supports a broad array of community development objectives, including affordable housing. While HUD maintains an office in Milwaukee and oversees the programs listed above, housing authorities and municipal governments (including the city of Milwaukee) manage the programs at the local level, as described below.

Wisconsin Housing & Economic Development Authority (WHEDA)

Through WHEDA, the state of Wisconsin plays a major role in increasing the supply of affordable housing units in Milwaukee and statewide. WHEDA is responsible for distributing Wisconsin's annual allocations of federal Low-Income Housing Tax Credits (LIHTC), which are the primary vehicle for developing new affordable housing units and rehabilitating existing units nationally. Through LIHTC, states receive tax credit allocations based on their populations and then distribute those credits to developers of eligible affordable housing projects through a competitive process. Ultimately, investors in those projects benefit from the tax credits. Tenants of LIHTC-supported projects must have incomes below 80% of the metro area's median household income, and the average income across all tenants must be below 60% of that median. Projects are often supported with a combination of LIHTC and other funding sources.

Between 2016 and 2018, more than \$12 million of LIHTCs were awarded to support the development of 1,436 housing units in Milwaukee (**Figures 8 and 9**). The number of units supported through LIHTCs appears to be trending downward but may be due to fluctuations from year to year based on market conditions, the quantity and quality of projects proposed, and changes in federal tax policy.

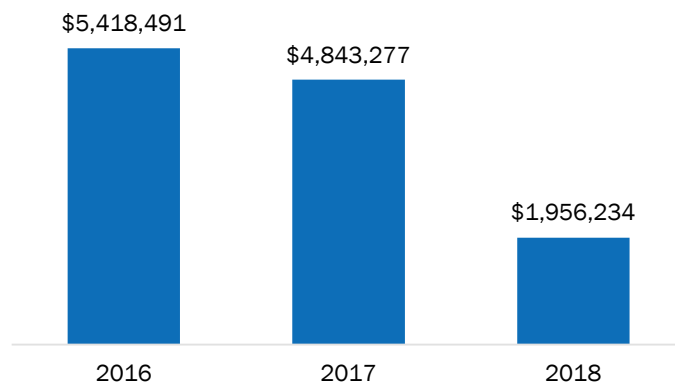
Figure 8: New Housing Units Supported by LIHTC in the City of Milwaukee, 2016-2018



Source: [WHEDA Annual Reports](#)

Notably, the LIHTC program has a number of limitations, including that it is only designed to ensure that new housing units remain affordable for up to 30 years.^c After that, some units are converted to market-rate housing.⁸ Support for the program also is impacted by economic conditions, with fewer investments made during economic downturns. Nevertheless, LIHTC is one of the most important sources of support for affordable housing development.

Figure 9: Total Value of LIHTC Awards for Projects in the City of Milwaukee, 2016-2018



Source: [WHEDA Annual Reports](#)

In 2018, the state of Wisconsin also created its own housing tax credit program, which WHEDA has begun to use alongside federal tax credits for some projects.⁹ That program was designed to focus on projects in smaller communities, though some projects in Milwaukee have received support.¹⁰

In addition to managing tax credit programs, WHEDA helps residents purchase homes by providing low-interest loans to developers of multifamily housing projects and to low- and moderate-income homebuyers in Milwaukee. These programs support the development and financing of hundreds of housing units in the city each year (**Figure 10**), with the combined value of all loans totaling in the tens of millions of dollars annually.

For example, the Transform Advantage mortgage loan program (included in the figures for single family home loans below) provides interest-free loans for low-income households to purchase or rehabilitate homes in six targeted Milwaukee neighborhoods.¹¹ For the Transform Milwaukee program, WHEDA partners with several Milwaukee-based nonprofits to provide housing counseling, repair and rehabilitation assessments, and general contracting work.

Figure 10: WHEDA loan activity in the city of Milwaukee, 2016-2018

Fiscal Year	Multifamily Housing Loan Closings		Single Family WHEDA Advantage Loans	
	Total Units	Loan Amount	Number of Loans	Loan Amount
2016	383	\$44,437,655	109	\$12,645,659
2017	231	\$28,904,357	164	\$19,756,454
2018	580	\$53,209,355	232	\$27,856,470

Source: [WHEDA Annual Reports](#) and WHEDA staff

Milwaukee County

Milwaukee County's Housing Division administers several programs that assist low-income households to pay their rent and homeowners to make needed home repairs. Some of those programs are only offered to households in Milwaukee County's suburban communities, but others

^c Units developed prior to 1992 were only required to remain affordable for 15 years.



serve households countywide, including those who live in the city of Milwaukee. The county is also a leader in local efforts to combat homelessness in Milwaukee through its Housing First initiative.

Rent Assistance

Milwaukee County's primary affordable housing activity within the city of Milwaukee is rent assistance for low-income households. Through its federally-funded Housing Choice Voucher and Project-Based Voucher programs (often referred to as Section 8), Milwaukee County subsidizes the housing costs of low-income families, the elderly, and people with disabilities who rent housing units in the private market. Voucher holders typically pay 30% of their income toward rent/utilities and the county makes direct payments to landlords to cover the difference. Housing Choice voucher holders can rent anywhere within the county (including the city of Milwaukee) provided the landlord agrees to accept vouchers, while project-based vouchers are tied to specific multi-family buildings.

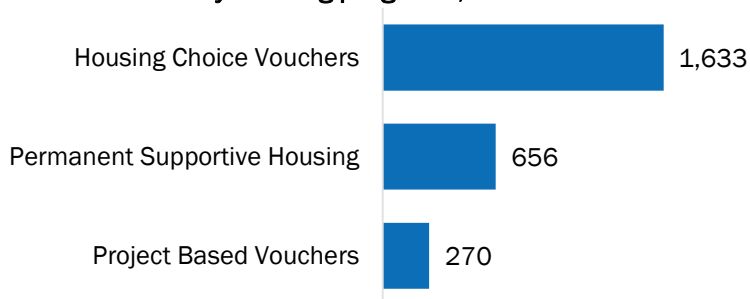
As of June 2019, the county's Housing Choice Voucher program was serving 1,633 households in Milwaukee County and its Project-Based Voucher Program was serving 270 (**Figure 11**).¹² A strong majority of those households live within the city of Milwaukee. Notably, the county's Housing Choice Voucher program currently has wait lists for all of its target populations, and some of those wait lists currently are not accepting new applications.

Milwaukee County also utilizes federal funding from the HOME Investment Partnerships (HOME) and Community Development Block Grant (CDBG) programs to provide tenant-based rent assistance, security deposit assistance, and interest-free loans to homeowners for home repairs. Those funds must be spent outside the city of Milwaukee, but city residents who move to Milwaukee County suburbs can qualify for security deposit assistance.¹³

Permanent Supportive Housing

Another specific area of focus for Milwaukee County's Housing Division is assisting people experiencing chronic homelessness to transition into supportive housing. The county's Housing First initiative is reflective of that goal and seeks to provide supportive housing for formerly homeless families and individuals, including many individuals with disabilities, mental illness, or substance abuse needs. The county's permanent supportive housing efforts are supported with funding from Milwaukee County, the city of Milwaukee (from its federal HOME funds), and private sources. As of June 2019, 656 households were being served by the county's Permanent Supportive Housing program.

Figure 11: Households served by Milwaukee County housing programs, June 2019



Source: Milwaukee County

Eviction Prevention during COVID-19

In June 2020, Milwaukee County announced plans to use \$10 million in federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funds for housing programs.¹⁴ Of that, \$7 million will be used to assist an estimated 2,000 households with rent assistance and eviction prevention services.

Housing Authority of the City of Milwaukee (HACM)

HACM's mission is "to foster strong, resilient, and inclusive communities by providing a continuum of high-quality housing options that support self-sufficiency, good quality of life, and the opportunity to thrive." The agency is responsible for administering several major federally-funded housing programs within the city, including the public housing and rent assistance programs, which assist thousands of Milwaukee households each year. An independent body established by the state of Wisconsin, HACM is overseen by a board of commissioners who are appointed by the mayor of Milwaukee and confirmed by the city's Common Council.

Federal funding from a variety of HUD programs is the primary source of support for HACM's subsidized housing work. Those programs generally include relatively strict requirements for how funds are spent. Nevertheless, HACM has found ways to innovate, as described below.

Public Housing

HACM owns and manages Milwaukee's public housing stock, which in 2019 totaled 2,752 units spread across 17 developments.¹⁵ The public housing program primarily serves low-income families, seniors, and people with disabilities, who typically pay a maximum of 30% of their income toward rent. The remaining cost is subsidized by the federal program. HACM's public housing program had a total budget of \$19.8 million in 2019.¹⁶

At the beginning of 2019, HACM's public housing program had wait lists that included 8,450 families and 473 elderly or disabled adult households.¹⁷ The agency is not accepting new applications for families at this time, but the wait list remains open for elderly and disabled adults.

Much of Milwaukee's public housing stock is aging and in need of renovation or replacement. One way in which HACM has worked to make that happen is through the support of the federal Choice Neighborhood program, which is designed to renovate aging public housing stock and invest in surrounding neighborhoods to create stronger communities. In 2015, the city of Milwaukee in partnership with HACM received a \$30 million Choice Neighborhoods Initiative Implementation grant from HUD for its ongoing work to revitalize the state's largest public housing community – Westlawn Gardens on the city's northwest side – in an environmentally-friendly manner.^d That effort involves not only improving the public housing stock in Westlawn, but also providing case management for Westlawn residents, working with the schools to improve educational outcomes, and neighborhood improvements.^e

Portions of Westlawn Gardens have been redeveloped by HACM's private development arm, Travaux, which the agency created in 2015 to gain more flexibility in accessing federal Low-Income Housing Tax Credits and private financial support. Recently, HACM announced plans to develop a 32-story, \$150 million mixed-income, mixed-use tower in downtown Milwaukee called Convent Hill South using Travaux as the developer.¹⁸ The current plan includes 315 rental units as well as office and commercial space. Some units would be high-end luxury units and others would be affordable, but the exact mix has not yet been established. The project – which would involve a variety of funding

^d In 2014, HACM's Westlawn redevelopment project received national recognition for its sustainability when it achieved LEED certification through the U.S. Green Building Council. <https://www.usgbc.org/articles/green-neighborhoods-all-milwaukee%E2%80%99s-westlawn-gardens>

^e In 2018, HACM's Westlawn Gardens received the American Planning Association's HUD Secretary's Opportunity and Empowerment Award. <https://www.hacm.org/Home/Components/News/News/2167/87?fsiteid=1>



sources and may produce profits that would be used to support the housing authority's mission, such as the development of more affordable housing at Westlawn Gardens – could serve as a model for future HACM developments.¹⁹

Rent Assistance

HACM manages a HUD-funded Housing Choice Voucher (Section 8) rent assistance program that is much larger than the one managed by Milwaukee County. In 2019, 5,942 households participated in HACM's Housing Choice Voucher program, which allows participants to rent anywhere within the city of Milwaukee provided the unit meets program requirements, such as housing quality standards.²⁰ The program had a total budget of roughly \$35 million in 2019.

In addition, HACM's Rental Assistance Demonstration (RAD) program (described below) and Veterans Affairs Supportive Housing (VASH) program provided subsidies for 488 and 278 households in 2019, respectively.²¹ Combined, HACM's rent assistance programs served 6,708 Milwaukee households that year.

Entering 2019, HACM had a wait list of 605 households for its Housing Choice Voucher program.²² An additional 2,034 households were on wait lists for apartment buildings that are part of the RAD program. The agency is currently not accepting new applications for any of these wait lists.

In addition to public housing and rent assistance programs, HACM owns and manages 980 units of unsubsidized market rate rental housing spread across three large developments, which charge rents that are affordable for moderate-income households. The agency also offers two homeownership programs (Section 32 and Section 8y) that assist public housing residents to prepare for homeownership and to purchase homes.

Figure 12 provides a breakdown of expenditures and households served by HACM's three largest programs. The decline in public housing units and simultaneous increase in households receiving rent assistance may be due to the housing authority's RAD program, which involves converting public housing units to units supported with project-based Section 8 vouchers as a strategy for addressing a backlog of needed repairs. This conversion allows HACM to "leverage public and private debt and equity in order to reinvest in the currently aging and deteriorating public housing stock."²³

Figure 12: Summary of HACM's major programs and budgets

Program	Measure	2017 Actual	2018 Budget	2019 Budget
Public Housing	Housing Units	3,575	2,998	2,752
	Operating Expenses	\$21,465,772	\$19,747,283	\$19,789,101
Rent Assistance	Housing Units	5,942	6,122	6,708
	Operating Expenses	\$3,314,623	\$3,501,277	\$3,537,082
Affordable Market Rate Housing	Housing Units	978	980	980
	Operating Expenses	\$5,089,647	\$5,457,477	\$5,391,338

Source: HACM Operating Budget for Fiscal Year 2019

In addition to creating its private development arm (Travaux), HACM contracts with Friends of Housing Corporation, an independent nonprofit organization, to provide property management services. The organization collects rent, pays expenses, and maintains properties owned by both HACM and NIDC, and also collects and holds security deposits for tenants.²⁴ The Friends of Housing

Corporation's expenses have hovered between \$900,000 and \$1.2 million annually for the last several years.²⁵

City of Milwaukee Departments

Departments housed within Milwaukee's city government both complement the work of the other government bodies described above and provide distinct housing services for city residents. Whereas HACM's programs largely focus on the general provision of affordable and accessible housing opportunities for city residents, programs administered by city departments focus more granularly on expanding the supply of affordable housing units, reducing housing vacancy and foreclosures, preserving and increasing homeownership, ensuring the safety of housing, and stabilizing city neighborhoods.

The city's Department of City Development (DCD) and Department of Neighborhood Services (DNS) provide housing programs directly. Its Community Development Grants Administration (CDGA) office is charged with overseeing the distribution and utilization of the city's federal CDBG and HOME allocations, a large portion of which are used to support housing programs and services administered by both city departments and community-based organizations. The CDGA also oversees the Milwaukee Housing Trust Fund, which makes a variety of housing investments including capital funding grants to developers of affordable housing. All of these programs and investments are described in the next section of this report.

The city of Milwaukee has a number of financial tools to support its housing programs, including federal CDBG and HOME funds and local funds generated through the city's property tax. Since 2015, the city also has used tax increment financing (TIF) (see page 18 for more on TIF) both to support its housing programs and to help develop new affordable housing units, often in combination with federal LIHTCs and other funding sources.

Summary

Government bodies at all levels are involved in efforts to maintain and expand access to affordable housing in Milwaukee for both renters and homeowners. The major housing activities of each entity are summarized below in **Figure 13**, while the primary funding sources supporting those activities are summarized in **Figure 14** on the following page. Understanding this landscape of agencies, programs, and funding sources helps to illuminate the city of Milwaukee's role within it.

Figure 13: Summary of major housing activities by state and local governments in Milwaukee

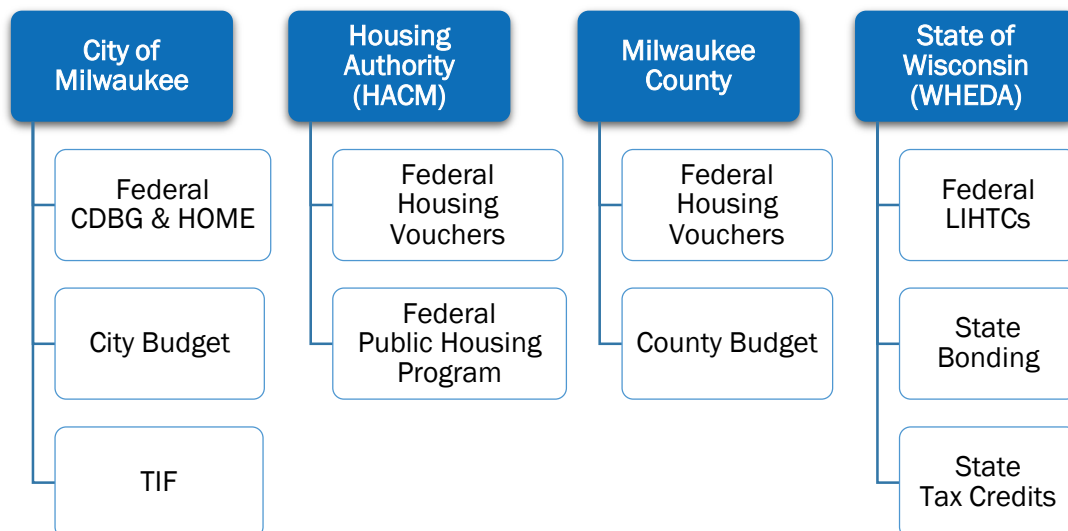
Objective	City of Milwaukee	Housing Authority (HACM)	Milwaukee County	State of Wisconsin (WHEDA)
Expand Supply of Affordable Housing				
Provide Rent Assistance				
Increase Homeownership				
Assist Homeowners with Maintenance				

Our scan of governments involved in affordable housing in Milwaukee reveals the following:

- Through HUD, the federal government plays a major role in Milwaukee's housing efforts by providing direct funding that supports affordable housing development, rent assistance, and other housing programs administered by state and local governments.
- WHEDA, the state's housing authority, is in charge of distributing federal and state tax credits that support affordable housing development projects in Milwaukee. WHEDA is also a major provider of low-interest loans for homebuyers and developers.
- Milwaukee County serves city residents through its rent assistance programs – including Section 8 housing choice vouchers – and leads community efforts to eliminate homelessness through its Housing First initiative.
- HACM, Milwaukee's housing authority, is a major provider of affordable housing in the city of Milwaukee as owner and manager of the city's public housing stock and administrator of rental assistance programs, including its Housing Choice Voucher program. Almost all of the programs HACM administers are federally-funded through HUD and are relatively inflexible in terms of how funds are used.
- The city of Milwaukee utilizes both local and federal funding to provide a variety of housing programs involving several city agencies and community organizations. Those programs complement and fill gaps in the affordable housing services provided by other government bodies, such as by assisting low-income homeowners with home repairs or encouraging the renovation and sale of city-owned vacant and foreclosed homes. The city also complements the work of the other governments in expanding the supply of affordable housing in the city.

The city has a relatively high degree of discretion in deciding how to spend its housing dollars because its funding sources (particularly local resources and also federal CDBG funds) are inherently more flexible than many of the federal sources supporting programs offered by other government agencies.

Figure 14: Major sources of support for housing programs in the city of Milwaukee



CITY INVESTMENTS IN HOUSING

To provide greater understanding of the city of Milwaukee's efforts to maintain and expand access to affordable housing, we explore the city's programs in depth in the pages that follow. Our analysis includes how they are financed, their target populations and impacts, and how and why programming and funding has changed over time. We also consider the policy objectives guiding the city's funding decisions as well as challenges faced by the city in providing housing services and community residents in accessing them. We acknowledge there are many programs and details for readers to absorb but believe this information is key to understanding the current system of services.

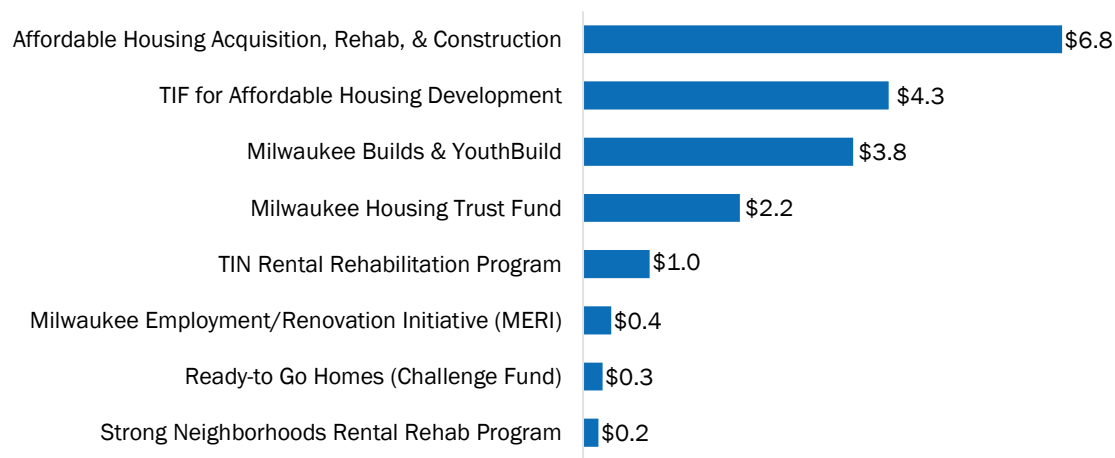
While many of the city's housing programs have multiple objectives, we organize them into four broad categories based on whether the primary objective is to 1) expand the supply of affordable housing; 2) increase homeownership; 3) assist homeowners with home maintenance; or 4) provide other types of housing services. We include information about each program's funding sources and amounts and number of households served between 2014 and 2018 (typically the latest year for which data are available). Programs and services provided by each of the three city agencies involved in housing – the Department of City Development (DCD), Department of Neighborhood Services (DNS), and Community Development Grants Administration (CDGA) office – are included.

Expand Supply of Affordable Housing

Several city programs support the development of new affordable housing units or promote the sale and renovation of vacant and foreclosed homes for rental or owner-occupied housing. The city also recently expanded its use of TIF to provide gap financing for affordable housing development. Most of these programs are led by DCD and the affiliated Neighborhood Improvement Development Corporation (NIDC), but the city's CDGA office also plays a major role as manager of Milwaukee's federal CDBG and HOME funds and its Housing Trust Fund.

As shown in **Figure 15**, the city's expenditures for programs that are partially or fully dedicated to increasing the supply of affordable housing totaled more than \$19.1 million between 2014 and 2018 for an average of \$3.8 million per year.

Figure 15: Expenditures for Programs Designed to Expand Affordable Housing Supply, 2014-2018 (In Millions)



Support for the three largest programs came primarily from the federal HOME and CDBG programs and from local TIF revenues, with smaller programs supported by a variety of sources including the city budget. All together, these investments supported the development or renovation of approximately 1,150 affordable housing units between 2014 and 2018.

Additional details about each of these programs are provided below.

Affordable Housing Acquisition, Rehabilitation & Construction – The CDGA Office utilizes a large amount of HOME funds to rehabilitate deteriorated, boarded, and vacant properties and to subsidize development of new affordable homes in target areas of the city. Once completed, all homes are code compliant and energy efficient and are rented or sold to city residents with incomes below 80% of the area median (\$65,850 for a family of four). CDGA awards these funds to community organizations who partner with contractors for the construction/renovation work.

Between 2014 and 2018, CDGA directed \$6.8 million to this program, which supported the rehabilitation and construction of approximately 50 homes for homebuyers and 140 rental units.

Affordable Housing Acquisition, Rehabilitation & Construction

Lead City Agency
CDGA

Funding Source
Federal

Total Expenditures 2014-2018
\$6,810,890

Est. Housing Units Improved, 2014-2018
190

TIF for Affordable Housing Development – Over the past several years, the city of Milwaukee has included support for new affordable rental housing development in the project plans of several tax increment districts (TIDs), which has contributed to making TIF one of the city's primary funding sources for its housing efforts.

Starting with the Welford Sanders Lofts, five TIDs created between 2016 and 2018 were designed to develop new affordable housing. Together, those TIDs are channeling \$4.3 million into projects that will develop 264 new units.²⁶ In addition to TIF, the projects are supported by a variety of other funding sources, including LIHTC, Historic Preservation Tax Credits, HOME, the Federal Home Loan Bank Affordable Housing Program, and/or private mortgage financing. TIF is a relatively small but important part of the mix that makes those projects viable. DCD is the lead agency for the city's use of TIF.

In 2019, two additional TIDs were created in Milwaukee that include affordable housing. One is a very large project that involves renovating a former Schuster's department store on Martin Luther King Jr. Drive into 77 affordable housing units, new offices for the Greater Milwaukee Foundation and Medical College of Wisconsin, and a parking structure. The city has committed up to \$15 million in TIF funds to support the affordable housing, office, and community space components of that project, and additional support will come from LIHTC and Historic Preservation Tax Credits. The other new TID will support renovating the former

TIF for Affordable Housing Development

Lead City Agency
DCD

Funding Source
Local

Approved Expenditures, 2016-2018
\$4,345,000

Affordable Housing Units Supported
with TIF, 2016-2018
264

Phillis Wheatley School building into 67 affordable apartments.

Milwaukee's CDBG and HOME Funds

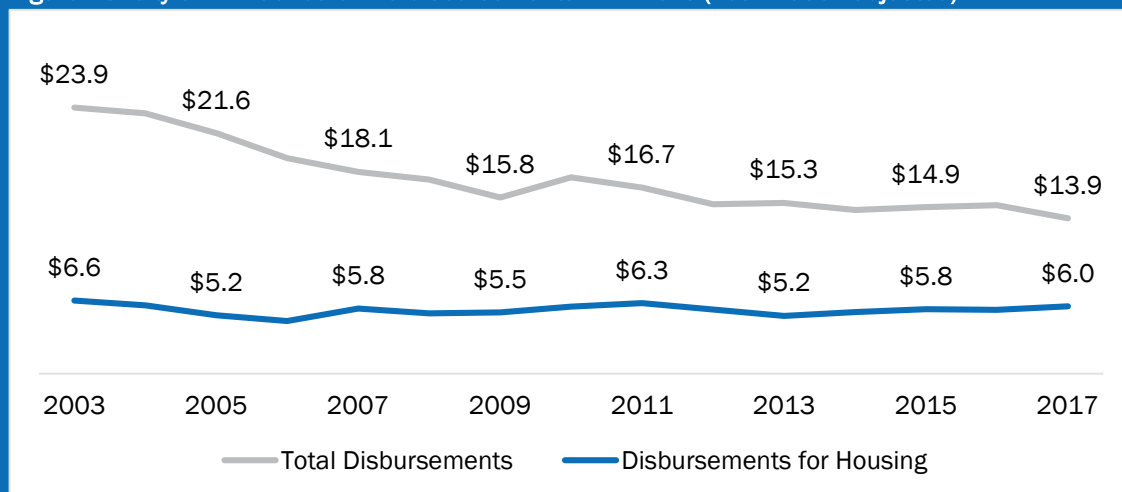
The federal Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs are two key sources of support for the city of Milwaukee's housing programs. CDBG provides a flexible source of funding for municipalities and counties to support efforts to address a wide range of community development needs, including affordable housing, while HOME is the largest federal block grant program designed exclusively to support affordable housing. Funding for both programs is allocated to municipalities and counties nationally based on formulas.

Each year, Milwaukee's Community Development Grants Administration (CDGA) office distributes CDBG and HOME funds (and funding from smaller federal programs) to city departments and community organizations through a competitive Request for Proposal process. To help guide its funding decisions, the agency develops a consolidated plan every five years and solicits input from the general public annually, hosting several meetings throughout the city each summer. CDGA considers a variety of other factors in making its funding decisions as well, including geographic coverage and the past performance of applicants. CDGA and its funding decisions are overseen by Milwaukee's Common Council and mayor.

Milwaukee's CDBG allocation from the federal government has trended downward over the last two decades largely due to reductions in CDBG funding nationally, but also because of population and demographic changes. After declining substantially between 2003 and 2012, the city's allocation has inched up slightly but remained 25% lower in 2019 than in 2003, even without adjusting for inflation.

Despite this trend, the city has dedicated a relatively consistent amount of its CDBG funds to housing programs and services, as shown in **Figure 16**. As a result, the share of the city's CDBG disbursements used for housing nearly doubled from 24% in 2005 to 43% in 2017. According to CDGA, core services related to housing and economic development have been maintained or strengthened, while some other services that received more funding in the past (including youth and senior services) now receive less support.

Figure 16: City of Milwaukee CDBG disbursements in millions (not inflation-adjusted)

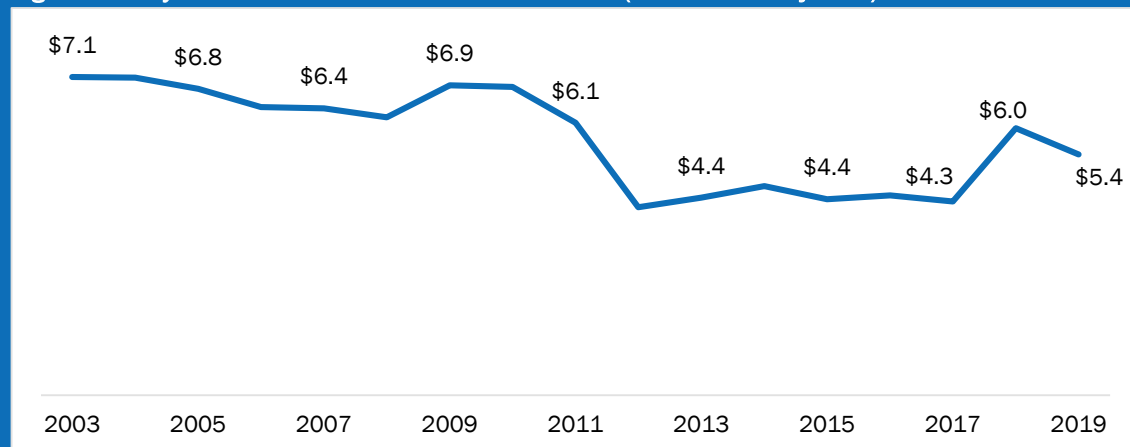


Source: HUD Exchange



As with CDBG, the city of Milwaukee's annual allocation of federal HOME funds is considerably lower today than in the past. Without adjusting for inflation, that funding was 24% lower in 2019 than in 2003, as shown in **Figure 17**. HOME funds also have been less stable than CDBG over the last decade. According to HUD, the HOME program can be used for a wide range of activities, including "building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people."

Figure 17: City of Milwaukee HOME awards in millions (not inflation-adjusted)



Source: HUD Exchange

With these important sources of federal support for housing programs on a long-term decline, pressure has increased on the city of Milwaukee and other local governments to improve efficiency, make cuts, and/or find alternative funding sources.

Milwaukee Builds & YouthBuild – Through these programs, CDGA supports hands-on housing construction and rehabilitation training, work experience, classroom instruction, and supportive services for unemployed and underemployed adults and at-risk youth. The aim is to help city residents develop a career direction and economic self-sufficiency while also creating affordable housing opportunities. Once completed, homes are marketed and sold to city residents with incomes below 80% of the area median. The YouthBuild program is designed for individuals ages 18 to 24, while Milwaukee Builds is aimed at adults 25 and older.

Community-based nonprofit organizations manage these programs with the support of CDBG and HOME funds. From 2014 to 2018, that funding totaled \$3.8 million, with roughly three-quarters coming from CDBG and the rest from HOME. Each year, between two and 15 homes are renovated. At roughly \$85,000 per unit, the city invests much more heavily in units developed through Milwaukee Builds and YouthBuild than it does in units developed under its other

Milwaukee Builds & YouthBuild

Lead City Agency
CDGA

Funding Source
Federal

Total Expenditures 2014-2018
\$3,843,896

Est. Housing Units Improved, 2014-2018
45



affordable housing development programs. The extra cost is linked to the additional expense for training and the added time it takes for these units to be completed.

Milwaukee Housing Trust Fund – The objectives of the city’s Housing Trust Fund are to provide housing opportunities for the homeless, expand the supply of quality rental housing, and increase homeownership. Funding comes solely from the city budget. Between 2014 and 2018, the Trust Fund’s expenditures totaled \$2.2 million for an average of about \$446,000 per year.²⁷ The city’s CDGA office oversees the Trust Fund.

Often, the Trust Fund makes awards to projects every other year rather than annually so it can support more projects at one time. For example, in December 2019, the Trust Fund announced its most recent round of grants, which will provide \$900,000 to support six projects by different developers that together will create 207 new affordable housing units.²⁸ Each of those projects is supported by other funding sources as well, and each has a different target population ranging from homeless veterans to low-income seniors.

From its inception in 2007 through 2018, the Housing Trust Fund helped to finance the development of 1,044 housing units for an average of 87 per year.²⁹ That includes 435 units that offer supportive services for residents with specific needs, such as mental health or substance abuse services. The Trust Fund’s expenditures totaled \$6.4 million during that time.

While most Trust Fund dollars are used for affordable rental housing and permanent supportive housing, support also has been provided in the past for other services, including a roof replacement program for homeowners and a program that assisted homeowners with minor home repair projects in neighborhoods where Habitat for Humanity was actively building new homes.

TIN Rental Rehabilitation Program – Milwaukee’s Targeted Investment Neighborhood (TIN) Initiative focuses a variety of resources into nine targeted areas of the city with a goal of revitalizing neighborhoods. One tool within the initiative is the Rental Rehabilitation Program, which provides forgivable loans of up to \$14,999 per unit to landlords to finance “whole house rehab” projects that help preserve the affordability of occupied rental units or improve vacant units for affordable rental housing. Landlords must provide matching funds to qualify and must agree to keep units affordable for at least five years. DCD manages the TIN Initiative.

Between 2014 and 2018, the city invested \$950,000 into the TIN Rental Rehab Program with funding from the federal CDBG and HOME programs. An additional \$1.15 million was leveraged primarily from cash equity

Milwaukee Housing Trust Fund

Lead City Agency
CDGA

Funding Source
Local

Total Expenditures 2014-2018
\$2,232,276

Est. Housing Units Developed with
Support of Trust Fund, 2014-2018
435

TIN Rental Rehabilitation

Lead City Agency
DCD

Funding Source
Federal

Total Expenditures 2014-2018
\$950,000

Households Served 2014-2018
75



from landlords. Approximately 75 units were rehabbed with support from the program during that time.

Milwaukee Employment/Renovation Initiative (MERI) – This initiative was created in 2016 to provide workforce development grants to developers engaged in rehabilitating vacant, tax-foreclosed homes in Milwaukee’s Sherman Park neighborhood. Developers were able to purchase foreclosed homes from the city for \$1 and receive grants of up to \$10,000 per property provided they hired unemployed or underemployed individuals or those enrolled in construction training programs to work on the renovations. Completed units could be rented or sold to new owner occupants.

The first phase of MERI, which operated between 2017 and 2019, was supported by a \$1,000,000 grant from the Wisconsin Department of Financial Institutions. An additional \$6.9 million was leveraged from other sources, including private financing, private equity, and LIHTC. Between January 2017 and December 2018, 43 homes were renovated, a majority of which were in Sherman Park and the surrounding area.

MERI Program
Lead City Agency DCD
Funding Source State/Local
Total Expenditures 2017-2018 \$400,000
Households Served 2014-2018 43

MERI 2.0, which kicks off in 2020, has a goal of renovating 100 vacant foreclosed properties. It has a particular focus on building the capacity of emerging developers.

Ready-to-Go Homes
Lead City Agency DCD
Funding Source Local
Total Expenditures 2014-2018 \$280,000
Households Served 2014-2018 7

Ready-to-Go Homes (Challenge Fund) – The Challenge Fund was created to return city-owned tax foreclosed properties to productive use in the Century City and Harambee neighborhoods by providing gap financing to developers for home repairs. Renovated homes could be used as rental units or resold to new owner occupants. The fund operated from January 2017 to December 2018. DCD managed this program.

During its two years of operations, the city invested

\$280,000 into the Challenge Fund through the city budget and TIF “closeouts” (see text box on the following page for a description of how some TIF districts can be extended temporarily to support affordable housing). The program helped to renovate seven properties during that time.

Strong Neighborhoods Rental Rehabilitation Program – This DCD program was created to encourage the sale and renovation of city-owned tax foreclosed properties

Strong Neighborhoods Rental Rehabilitation Program
Lead City Agency DCD
Funding Source Local
Total Expenditures 2014-2018 \$220,000
Households Served 2014-2018 16



for rental housing. It assists landlords who purchase foreclosed homes by providing forgivable loans of up to \$14,999 for home repairs. This can help to make the purchase and repair of properties viable because the cost of doing so often exceeds the value of the property after renovations are complete. Landlords must provide matching funds to qualify.

Expenditures for this program totaled \$220,000 between 2014 and 2018 with funding coming from the city budget and TIF closeouts. An additional \$380,000 was leveraged primarily from cash equity from landlords. A total of 16 units were purchased and renovated through this program during that period. Notably, additional funds were expended and leveraged for this program and additional units were completed that are included under the TIN program described previously.

Understanding Milwaukee's Use of TIF for Affordable Housing

In addition to creating TIF districts to help finance new affordable housing developments, the city of Milwaukee has begun to use the tool in other ways to support its housing efforts. In 2015, the city passed an ordinance allowing TIDs to be extended for one year to invest in affordable housing. The creation of the ordinance followed a 2009 state law change that allowed municipalities to extend TIDs for this purpose. Funding generated by a TID during its one-year extension (TIF "closeouts") can be used for a variety of affordable housing efforts citywide.

Since the ordinance was created, the city has extended nine TIDs that have generated a combined total of approximately \$2.3 million. That funding has been invested in existing DCD home repair and homeownership programs.

More details on programs and strategies supported by TIF are provided throughout this report.

How TIF Works

TIF is the primary tool municipal governments in Wisconsin use to facilitate private development. It can make development projects viable by using public funds to pay for infrastructure improvements and/or other project costs within a designated district. The municipality generally borrows money for the improvements and pays it back over time through increased property tax revenues generated by the new development. In some cases, the developer (rather than the municipality) makes the initial investments and is paid back with the increased property tax revenue.

When a new tax increment district (TID) is created, the value of taxable property within it (its base value) is determined. Each taxing authority with jurisdiction in the district (e.g. the municipality, county, school district, and technical college) continues to collect taxes from that frozen base value throughout the life of the TID (typically up to 20 to 27 years). However, as the property value of the TID increases from public and private investments, the increased tax revenue derived from the private development, or tax increment, is used to repay project costs and borrowing.

Typically, a TID closes after all project costs are repaid, but the maximum legal lifespan of a TID can be extended in certain cases, including (as previously noted) for up to one year to improve affordable housing.

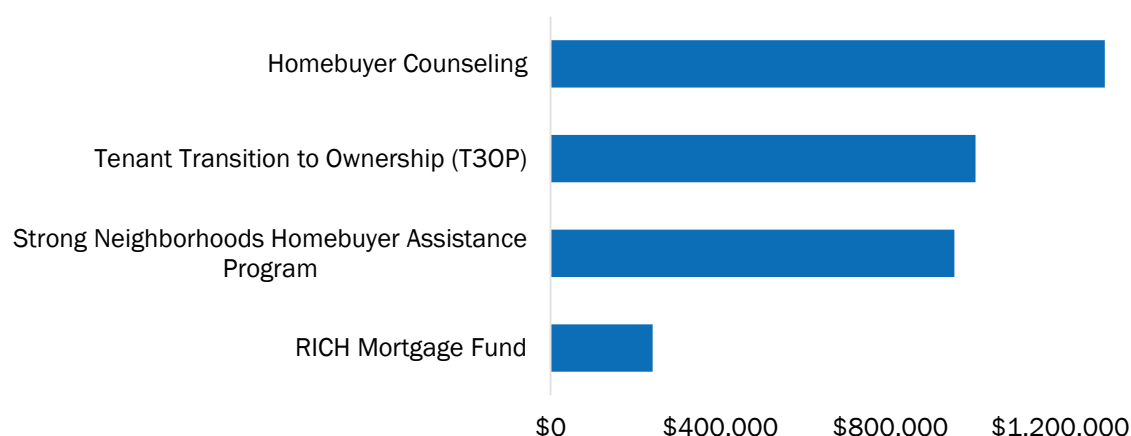
When TIF is used to support new affordable housing developments, it typically provides a small amount of funding that is combined with multiple other sources. The amount of funding TIF can generate is limited because affordable housing projects generate relatively modest assessments.

Increase Homeownership

Several city programs provide educational and financial assistance for new and perspective homebuyers to help them prepare for and transition to homeownership. DCD manages most of those programs, but the city's CDGA office also plays a major role in directing CDBG funding to two of them.^f

The city's 2014-2018 expenditures for these programs are summarized in **Figure 18**. The combined expenditures totaled \$3.5 million during that period for an average of less than \$700,000 per year. These relatively small programs are supported with a mix of funding sources, including CDBG, TIF closeouts, and funding from the city budget.

Figure 18: Expenditures for Homeownership Programs, 2014-2018



Homebuyer Counseling – Nonprofit organizations provide homebuyer counseling and other services to facilitate mortgage loan closings for first-time homebuyers with incomes below 80% of the area median. In addition to pre-purchase counseling and mortgage loan assistance, the program provides budget counseling, assistance with credit repair and refinancing, and post-purchase, tax default, and mortgage default counseling. Homebuyer counselors also act as liaisons between homebuyers, lenders, and real estate professionals.

Each year, roughly 200 homebuyers receive homebuyer counseling services. Between 2014 and 2018, a total of \$1.3 million in CDBG funds were used to support this program.

Homebuyer Counseling

Lead City Agency
CDGA

Funding Source
Federal

Total Expenditures 2014-2018
\$1,304,258

Est. Households Served, 2014-2018
1,000

Tenant Transition to Ownership Program (T3OP) – This DCD program promotes homeownership by encouraging tenants of city-owned tax foreclosed properties to purchase the house they are renting. This approach also reduces costs to the city related to clean-outs, board-ups, real estate marketing,

^f In addition to the city programs, HACM provides homeownership assistance to its residents and Section 8 participants through the Section 8y Homeownership Program.



and sales. Foreclosed homes are sold to tenants for \$1 and up to \$20,000 in repairs are made to each property prior to sale. To qualify, homebuyers must not be the previous owner. Homeownership counseling also is provided.

Between 2014 and 2018, program expenditures totaled \$1 million, with funding coming from the city budget and from TIF closeouts. About 50 households were served by the program during that period.

Strong Neighborhoods Homebuyer Assistance Program –

This DCD program is similar to the previously-described Strong Neighborhoods Rental Rehabilitation Program but is targeted to new homebuyers (rather than landlords) who wish to purchase a city-owned tax foreclosed home for owner occupancy. A key objective of the program is to support sustainable homeownership by addressing high-cost repairs immediately through forgivable loans of up to \$20,000. Homebuyers must provide matching funds to qualify.

Program expenditures between 2014 and 2018 totaled \$950,000, with funds coming from the city budget and from TIF closeouts. An additional \$2.05 million was leveraged for the program primarily from mortgages homebuyers took out through banks and credit unions. A total of 50 households were assisted during that period.

In 2019, the city added two new initiatives to the Strong Neighborhoods Homebuyer Assistance Program:

- The **Live/Work Duplex Initiative** encourages the sale of city-owned tax foreclosed duplex properties for both homeownership and entrepreneurship. Homebuyers can access forgivable loans of up to \$25,000 for renovations and to convert the duplexes into single-family homes and home-based businesses. Participants must provide \$25,000 in matching funds. The city directed \$150,000 to this program in its 2019 budget.
- The **Bronzeville Resident Homeownership Program** assists low-income homebuyers in the Bronzeville area with loans of up to \$25,000 for home repairs and grants of up to \$5,000 for down payment assistance.

Re-Invest City Homes (RICH) Mortgage Fund – The RICH fund encourages the sale of city-owned properties for affordable home ownership through a partnership with Habitat for Humanity. This DCD program offers homebuyers selected by Habitat access to low-interest (1%) mortgage loans to purchase fully rehabilitated homes. This program was approved in 2014 and launched in 2017.³⁰

Tenant Transition to Ownership Program

Lead City Agency
DCD

Funding Source
Local

Total Expenditures 2014-2018
\$1,000,000

Households Served 2014-2018
50

Strong Neighborhoods Homebuyer Assistance Program

Lead City Agency
DCD

Funding Source
Local

Total Expenditures 2014-2018
\$950,000

Households Served 2014-2018
50



From January 2017 to December 2018, the city invested \$240,000 in this program with funds from CDBG and the city budget. The program also was supported with \$510,000 in revenue from Habitat for Humanity, which was raised through fundraising and volunteer hours. Six homes were rehabilitated through this program during its first two years.

Bronzeville New Homes Initiative, created in 2019, aims to stimulate construction of new homes in the Bronzeville area by selling lots for \$1 to those interested in building a new home. DCD also provides forgivable second mortgage loans for up to \$10,000. This program will be supported with funding from the city budget, though no funds were included in the 2020 budget.

Vacant Lot Loan Program – This program is designed to stimulate construction of market-rate housing in three Milwaukee subdivisions (Josey Heights, Walnut Circle, and The Legacy) that have not rebounded from the housing crash. The program allows DCD to sell lots for \$1 to those interested in building a new home and provide loans for home construction. Between 2014 and 2018, no funding was dedicated to this program, however, and no homes were constructed.

RICH Mortgage Fund

Lead City Agency
DCD

Funding Source
Federal/Local

Total Expenditures 2014-2018
\$240,000

Households Served 2014-2018
6

Strong Neighborhoods Plan

In response to the foreclosure crisis that struck the city and nation during and immediately following the Great Recession, the city of Milwaukee developed the Strong Neighborhoods Plan. The plan supported a range of programs designed to maintain city-owned foreclosed homes, mitigate blight, sell and renovate city-owned properties to new owners and landlords, prevent additional foreclosures, and support neighborhood improvements like pocket parks and community gardens.²⁸ The city began to dedicate city resources toward implementing the plan in the 2014 city budget.

The Strong Neighborhoods Plan provided support for many programs described in this report, including the STRONG Homes Loan Program, Strong Neighborhoods Homebuyer Assistance Loan Program, Strong Neighborhoods Rental Rehabilitation Loan Program, Compliance Loan Program, Tenant Transition to Opportunity Program, and more. Many programs included in the Strong Neighborhoods Plan were adapted from programs that already existed but were previously supported by temporary sources of federal funding made available through the American Recovery and Reinvestment Act and Neighborhood Stabilization Program. At the time, city leaders saw the value in preserving those programs and adapting them to focus on tax-foreclosed properties.

According to Milwaukee's Budget Office, the city has dedicated over \$77 million of city resources to support programs under the Strong Neighborhoods Plan since 2014. In addition to home repair and homeownership programs managed by DCD and DNS, the city has dedicated considerable funding to the Department of Public Works to manage and maintain foreclosed and vacant homes and to demolish and deconstruct blighted properties.



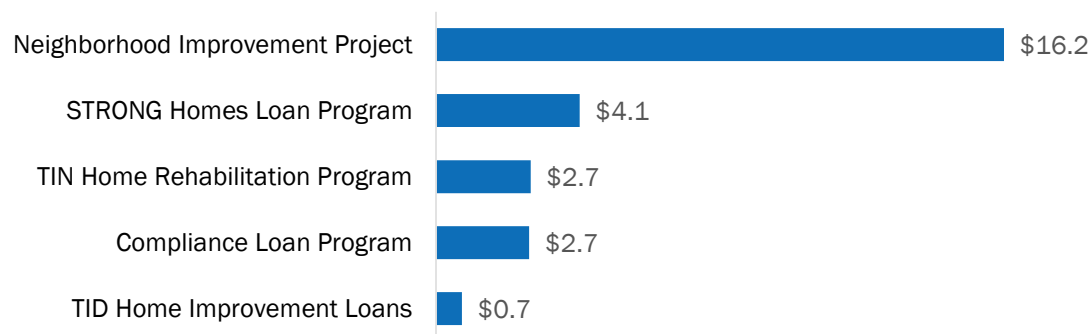
Assist Homeowners with Home Maintenance

A number of DCD and DNS housing programs provide financial assistance to help low-income homeowners pay for needed home repairs. The objectives of these services are to preserve homeownership and the safety of the city's existing housing stock. Two of those programs – DCD's STRONG Homes Loan Program and DNS's Compliance Loan Program – were created as a part of the city's Strong Neighborhoods Plan described above. When they were introduced, many Milwaukee homeowners were facing difficulty in obtaining financing for home repair projects due to insufficient equity in their homes, which was a result of declining home values.

Programs offered by DNS align with its role as enforcer of the city's building and property ordinances. Its home repair programs, for example, are more focused on addressing code violations than the home repair programs offered by DCD. It is important to note, however, that whether they are needed to address code violations or other vital maintenance issues, the allocation of funds to financially challenged homeowners to address repair needs can be critical to ensuring that they are able to remain in their homes.

The city's 2014-2018 expenditures for programs that assist homeowners to make home repairs are summarized in **Figure 19**. Approximately \$26.4 million was directed to these programs during that period for an average of close to \$5.3 million per year, making this the largest area of focus for the city's housing dollars. The largest program, Neighborhood Improvement Project (NIP), is supported by federal HOME and CDBG funds, while the other programs receive support from a variety of sources, including CDBG, HOME, TIF closeouts, borrowing through the city budget, private donations from Ocwen and NationStar, and loan repayments. The STRONG Homes Loan Program and Compliance Loan Program are among the city's housing programs that receive the largest allocations of funding from the city budget.

Figure 19: Expenditures for Programs that Assist Homeowners with Home Maintenance, 2014-2018 (In Millions)



Neighborhood Improvement Project – This DNS program provides forgivable home repair loans of up to \$24,500 to low-income owner-occupants who live within the city's CDBG target area. The primary objective is to facilitate interior and exterior home repairs that address code violations. Recipients must have incomes below 60% of the area median to qualify and must remain in their home for an additional five years for the loans to be forgiven. This differs from home repair programs provided by DCD, which have more limited forgivability.

DNS handles home inspection work, tracks spending, and shares information with the city's CDGA office, but most of the direct work is done by nonprofit organizations and their subcontractors. The CDGA decides the amount of funding each of those agencies receives.

Between 2014 and 2018, approximately \$16.2 million in federal CDBG and HOME allocations supported this program, making it by far the city's largest housing investment with those federal funding sources. The city budget provided additional financial support for DNS administration. During the same period, 380 households received forgivable loans for an average of 76 per year.

Notably, NIP does not serve as many households each year as it did in the past. In 2005, for example, 127 projects were completed, compared to 78 in 2018.³² One factor behind the reduction is the city's decreased funding from the federal HOME program, which is a key source of support for NIP. City officials cite reduced capacity among contractors in the city as another factor.

STRONG Homes Loan Program – Since its launch in 2015, the STRONG Homes Loan Program has been DCD's largest housing program by funding and households served. The program provides low-interest, partially forgivable loans of up to \$20,000 to low- and moderate-income homeowners for essential home repairs. (Of the total loan amount, 75% must be paid back with varied terms based on each household's financial capacity, and the other 25% is forgivable after 10 years.) Household income must be below 120% of the area median to qualify. Seniors and people with disabilities are also allowed to defer payments until their homes are sold.

In the program's first four years, 280 households received loans. During that time, the program was supported with \$4.1 million from several sources, including borrowing through the city budget, TIF closeouts, private donations, and loan repayments. Between 2016 and 2018, almost \$2.4 million was spent on the program through city borrowing; this was the program's primary funding source and made it one of the top housing program recipients of locally generated resources through the city budget.³³

In 2018, Associated Bank purchased 133 home loans from the city for \$1.1 million, which helped bolster the program.³⁴ According to city officials, additional home loan sales to Associated Bank are possible.

Targeted Investment Neighborhood (TIN) Home Rehabilitation Program – This DCD program is similar to the previously-described TIN Rental Rehabilitation Program but is targeted to low-income homeowners rather than landlords. Interest-free and partially-forgivable loans support "whole house rehab" projects. Loans are typically for up to \$30,000 but may exceed that amount in certain cases.

Neighborhood Improvement Project

Lead City Agency
DNS

Funding Source
Federal

Total Expenditures 2014-2018
\$16,195,470

Households Served 2014-2018
380

STRONG Homes Loan Program

Lead City Agency
DCD

Funding Source
Primarily Local

Total Expenditures 2015-2018
\$4,100,000

Households Served 2015-2018
280



Other important objectives are to ensure homes are code compliant and meet lead-safe housing standards. Qualifying seniors and people with disabilities are allowed to defer payments until their home is sold.

Between 2014 and 2018, program expenditures totaled \$2.7 million, with support coming from the federal CDBG and HOME programs and from loan repayments. A total of 90 households were served during that five-year period.

Compliance Loan Program – This newer DNS program provides no-interest, deferred-payment loans of up to \$15,000 for owner-occupants to pay for essential exterior home repairs that address code violations. Unlike the NIP, this program is supported by borrowing through the city's capital budget rather than by federal funds and is available citywide rather than only for those who live within the CDBG target area. A key objective is to prevent tax delinquency and foreclosure. DNS inspectors serve as project managers but contractors do the actual repair work.

Compliance Loan Program
Lead City Agency DNS
Funding Source Local
Total Expenditures 2014-2018 \$2,660,000
Households Served 2014-2018 175

Households must have incomes below 60% of the area median to qualify for the Compliance Loan Program. According to DNS officials, most recipients are older and have lived in their homes for many years.

This program began as a small pilot in 2014 and has grown quickly. It had a budget of \$800,000 in 2017, making it one of the city's largest investments of local dollars in housing. Between 2014 and 2018, the program's total budget was \$2.7 million and \$2.3 million was provided in loans to 175 households.³⁵ In some cases, funds from this program and the NIP are combined for work on individual properties.

TID Home Improvement Loans – In recent years, DCD has included funding within the project plans of several new TIDs to provide forgivable home repair loans to owner occupants in neighborhoods surrounding large-scale new development projects. The objectives of this approach are to help neighborhood residents share in the benefits of investments taking place in their neighborhoods and to complement and support the new development. These investments have been made in six city neighborhoods – Century City, Lindsay Heights, Historic Mitchell Street, Metcalfe Park, Bishops Creek, and 20th/Brown.

Approved TIF expenditures for this program totaled \$740,000 between 2014 and 2018. A total of 80 households received loans during that time.

TIN Home Rehab Program
Lead City Agency DCD
Funding Source Federal
Total Expenditures 2014-2018 \$2,700,000
Households Served 2014-2018 90

TID Home Improvement Loans
Lead City Agency DCD
Funding Source Local
Total Expenditures 2014-2018 \$740,000
Households Served 2014-2018 80

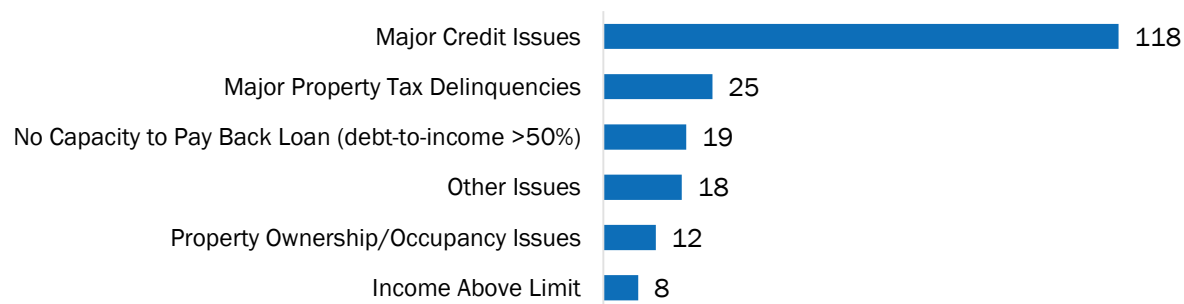


Are City Housing Programs Serving Those Who Need Them?

While our review of the city of Milwaukee's housing programs did not include an exhaustive analysis of those who applied versus those approved for participation, we did find that several of the city's home repair loan programs are not able to assist large numbers of program applicants for a variety of reasons.

For example, between 2017 and 2019, 200 households that applied for assistance from DCD's two largest home repair loan programs (STRONG Homes Loan Program and TIN Home Rehabilitation Program) were denied.³⁶ The primary reasons for the denials were serious financial challenges that were deemed to pose too big a challenge to repayment, including major credit issues (derogatory credit from major and/or multiple issues, open judgments, active bankruptcies, mortgage delinquencies, or pending foreclosure actions), major property tax delinquencies, or considerable debt (Figure 20).

Figure 20: Reasons for DCD Home Repair Loan Denials, 2017-2019



It is important to note that while denials are not uncommon, DCD's home repair loan programs do assist many households that do not qualify for traditional bank loans. When reviewing applicants for eligibility, for example, DCD does not consider credit scores, medical collections, or even minor/temporary tax delinquencies or late payments.

Below are three examples of homeowners the city has assisted recently with home loans. Together, they illustrate how DCD programs provide needed services for many low-income homeowners.

Homeowner #1 – High loan-to-value: At the time of the loan closing, the owner was in her mid-60s and had a household income below 50% of the area median. Her house needed \$7,500 of emergency and essential repairs including new siding and concrete sidewalks. Prior to the city loan, the owner owed 92% more on her mortgage than the assessed value of the property (192% loan-to-value).

Homeowner #2 – High debt-to-income: At the time of the loan closing, the owner was in her mid-60s and had a household income below 50% of the area median. Her house needed \$11,500 of emergency and essential repairs including a new roof. Since the owner was a low-income senior, she qualified for a deferred-payment loan. The owner was spending 60% of her income on housing costs. Since the payment was deferred until sale, the city's loan did not increase the owner's monthly expenses.

Homeowner #3 – Recent credit issues: At the time of the loan closing, the owner was in her mid-50s and had a household income below 80% of the area median. The house needed \$13,000 of emergency and essential repairs including a new roof. Prior to the loan closing, the owner showed on-time mortgage payments since completing her mortgage modification trial period and had a credit score in the mid-500s.

The home repair programs offered by DNS also provide opportunities for many Milwaukee households to access financing for home repairs they would not be able to access in the private market. However, its largest program (the NIP) runs out of funding each year, at which point applicants are referred to other programs and told they can reapply the following year. Those cases are not considered denials.

Limited program funding is not the only reason NIP applicants are turned away, however. In 2019, 83 applications were approved and 60 were denied (42%) because of reasons like incomplete documentation and active bankruptcy situations, according to DNS. Also, some applicants had incomes over the program's limits.

For its Compliance Loan Program, DNS reports that 226 projects were completed between 2014 and 2019, while 274 applications were denied (55%). Common reasons for denial are that applicants have incomes slightly above the eligibility threshold, they are delinquent on multiple years of taxes and are not on a payment plan, or their projects are far too costly to be covered by a \$15,000 loan. It is important to note that some households that are denied may be able to remediate certain items and receive a loan in a later year.

With many households denied home repair loans each year due to financial issues, and the city's only home repair grant program (NIP) restricted to projects related to code compliance, the result is many households with unmet needs. City leaders also have identified additional credit counseling services in the community as another need that could help households to address the types of issues that cause them to be denied by its home repair loan programs.

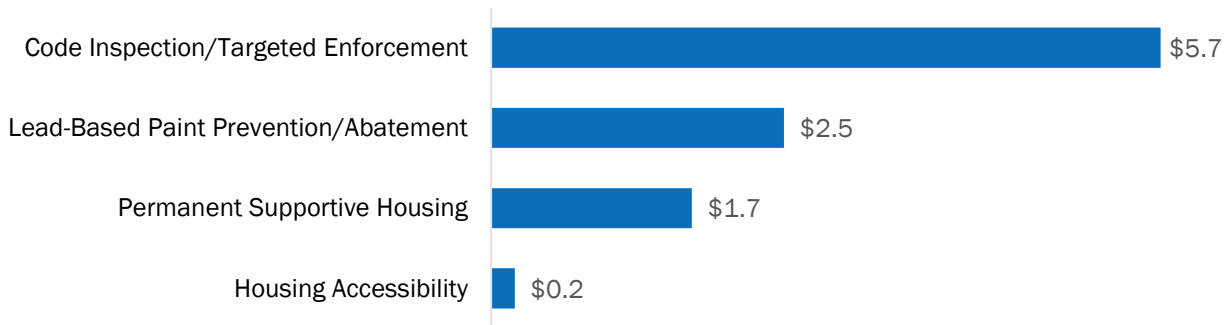
Other Housing Services

The city of Milwaukee administers or finances several other programs offering housing services that do not fit into the three broad categories described above. These programs provide code enforcement, lead abatement, and home accessibility services, as well as permanent supportive housing for the homeless. They are administered by DNS, the Milwaukee Health Department, Milwaukee County, and community organizations.

The city's 2014-2018 expenditures for these miscellaneous housing programs are summarized in **Figure 21**. Their combined expenditures totaled roughly \$10 million for an average of \$2 million per year. They were supported with federal CDBG and HOME funds and not by local funding sources.^g

^g The city of Milwaukee pays for the personnel costs of DNS and Health Department staff who are involved in administering some of these programs but are not exclusively dedicated to individual programs.

Figure 21: Expenditures for Other Housing Services, 2014-2018 (In Millions)



Code Inspection/Targeted Enforcement – DNS receives and utilizes CDBG funds for enhanced code enforcement and landlord training in areas of the city that are designated as blighted. This program also offers internship opportunities for city residents that include on-the-job experience and classroom training.

Between 2014 and 2018, the city of Milwaukee directed almost \$5.7 million to this program and worked on an average of 2,500 homes per year.

Lead-Based Paint Prevention/Abatement – CDBG funds support the Milwaukee Health Department's work to reduce lead exposure through lead risk assessments, home testing, and prevention and abatement of lead-based paint. A key focus of this work is abatement of units involving children with elevated blood lead levels. The program is focused on homeowners and renters with incomes below 80% of the area median.

Between 2014 and 2018, \$2.5 million in CDBG funds supported this lead exposure reduction work. An average of 60 houses were tested and/or improved each year through this program.

Permanent Supportive Housing – Some of the city's HOME funds are used to support Milwaukee County's Housing First Initiative, which provides rent assistance for individuals transitioning from shelters to permanent supportive housing. Individuals must have incomes below 60% of the area median to qualify for assistance and be homeless or at risk of homelessness. Most individuals and families served are city residents. The Housing First Initiative was launched in 2015.

Code Inspection/Targeted Enforcement

Lead City Agency
DNS

Funding Source
Federal

Total Expenditures 2014-2018
\$5,653,790

Est. Households Served 2014-2018
12,500

Lead-Based Paint Prevention/Abatement

Lead City Agency
Milwaukee Health Department

Funding Source
Federal

Total Expenditures 2014-2018
\$2,473,150

Est. Housing Units Improved, 2014-2018
300



A total of \$1.7 million in city of Milwaukee HOME funds was directed to Milwaukee County's Housing First Initiative between 2015 and 2018. The program assists an average of 60 households per year.

Housing Accessibility – A smaller amount of CDBG funds is used to make housing accessibility improvements to homes owned and occupied by persons with physical, visual, and hearing disabilities and incomes below 80% of the area median. Improvements can include adding accessible ramps, making modifications to bathrooms, kitchens, bedrooms, and living rooms, and other safety enhancements. The home modification work is done by nonprofits and their contractor partners.

This program makes housing accessibility improvements to an average of 60 homes each year. Between 2014 and 2018, program expenditures totaled \$197,750 and came entirely from CDBG.

Permanent Supportive Housing

Lead City Agency
CDGA

Funding Source
Federal

Total Expenditures 2015-2018
\$1,694,800

Est. Households Served, 2014-2018
300

Housing Accessibility

Lead City Agency
CDGA

Funding Source
Federal

Total Expenditures 2014-2018
\$197,750

Est. Households Served, 2014-2018
300

10,000 Homes Initiative

In 2018, Mayor Barrett introduced the 10,000 Homes Initiative, which set a goal of improving the housing conditions of 10,000 Milwaukee households over 10 years.³⁴ The main objectives of the initiative are consistent with the city's existing housing programs and investments: supporting the development of new affordable housing units for rental and owner-occupancy; providing resources to maintain and improve the city's existing housing stock; and supporting and preparing individuals for homeownership.³⁵

An important component of the 10,000 Homes Initiative is compiling and tracking information on all of the city's housing programs collectively for the first time, which can provide insight for future policy modifications and enhancements. The information gathering is being led by a new interagency team comprised of the Mayor's Office, Budget Office, DCD, DNS, CDGA, and HACM. To count toward the 10,000-household goal, housing units and households typically fall into the following categories as determined by the team. Those that receive support from more than one program are only counted once.

- Newly developed or renovated housing units that receive city financial assistance and are targeted to households with incomes below 80% of the area median. This includes homes that receive lead paint abatement assistance or replacement of lead laterals.



- Tax-foreclosed properties that are sold to new owners for renovation
- New affordable housing units developed by HACM
- New homeowners who receive housing counseling through programs supported by city CDBG funds

According to a recent city report, 2,092 housing units/households were impacted by city resources during the first two years of the initiative (2018 and 2019), which puts the city on track to meet its 10,000-household goal. Notably, those households have been assisted by existing rather than new programs. The city has made some modifications to existing programs through the initiative, however, and has identified new ways to bring in additional resources for successful programs. City leaders also introduced plans for several new strategies they hope to implement in the near future, which include:

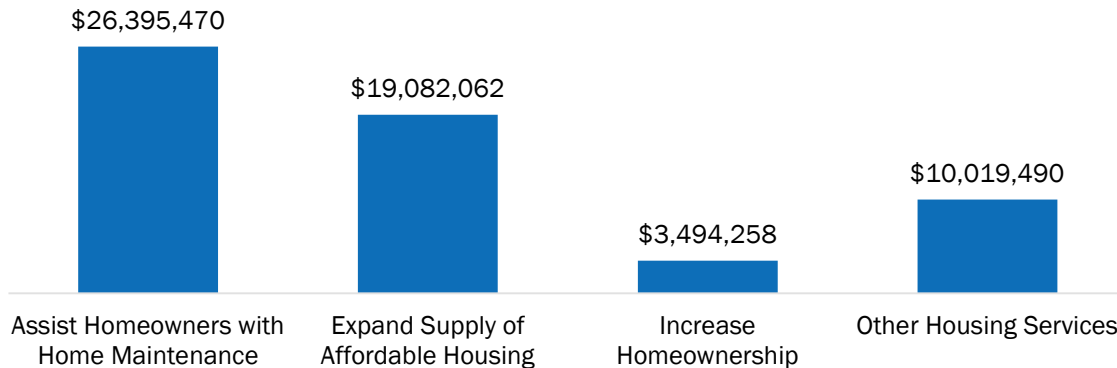
- Expanding the use of developer-financed TIF to support affordable housing developments in targeted locations, including in and around downtown and in the city's CDBG area. The city also developed new guidelines that support TIF use for housing projects that align with specific goals, including transit-oriented development, preventing displacement, installing green infrastructure, and historic preservation. This strategy will be implemented as development opportunities arise.
- “Pre-committing” city financial support for affordable housing projects that meet city guidelines when developers apply for LIHTC. This strategy can give developers a competitive advantage in accessing LIHTC due to the additional financing already lined up. City leaders are looking for opportunities to implement this strategy and would use funds from TIF closeouts to do so.
- Creating a “Strategic Acquisition Fund” to acquire properties near new transit infrastructure (streetcar or bus rapid transit) for affordable housing development. The fund would also provide a revolving loan opportunity for affordable housing developers who build on those sites. This fund has not been created but would be supported with revenue from TIF closeouts and involve partnerships with private sector organizations. The idea for the fund came from the city's Equitable Growth through Transit Oriented Development Planning Study³⁶ and its Anti-Displacement Plan.³⁷

Summary/Observations

The city of Milwaukee administers more than 20 housing programs that aim to expand and preserve the supply of affordable housing, strengthen homeownership, and achieve many other objectives. Several observations can be gleaned from our analysis of these programs and investments:

The city invests more heavily in programs that assist homeowners with home maintenance needs than any other area of housing. Between 2014 and 2018, the combined expenditures of five city programs that provide financial assistance to homeowners for home maintenance projects totaled \$26.4 million, making this the largest area of city funding for housing and signaling that it is the city's top affordable housing priority (**Figure 22** on the following page). Programs and investments designed to expand the supply of rental and owner-occupied affordable housing (including through repairing and redeveloping vacant homes) is also a major priority, with the combined expenditures of eight programs totaling \$19.1 million during the same period. Other housing objectives, including increasing homeownership, are smaller areas of emphasis.

Figure 22: Expenditures for City Housing Programs by Primary Objective, 2014-2018



Despite a considerable decline in its annual federal CDBG funding, Milwaukee's use of CDBG dollars for housing services is similar today to the amounts allocated in the mid-2000s. Without adjusting for inflation, the city of Milwaukee received 25% less in CDBG funds in 2019 than in 2003. Yet, the city has continued to dedicate roughly \$6 million per year from CDBG to housing programs and services. This indicates both that housing services are a major city priority and that other areas may be experiencing declining support. A related challenge is that the city's funding allocations from the federal HOME program – another key source of support for housing services – have declined by a similar percentage as CDBG since 2003.

TIF represents a relatively new source of support for affordable housing in Milwaukee on multiple fronts and may be critical in the future. Funding generated by temporarily extending successful TIF districts has become a key revenue source for DCD's housing programs that serve residents citywide, generating \$2.3 million since 2015. Between 2016 and 2018, the city also committed \$4.3 million in TIF revenues to support new affordable housing developments in targeted locations, a strategy it plans to expand as a part of the 10,000 Homes Initiative. The economic consequences resulting from the COVID-19 pandemic could impact property values and opportunities for revenue generation from both existing and new tax increment districts in the coming years, but with the federal CDBG and HOME programs on a long-term decline and city budget resources stretched thin, the city may continue to lean on TIF to support its affordable housing efforts well into the future.

While each of the city's housing programs has somewhat distinct policy objectives and target populations, the sheer number of programs and agencies involved may create inefficiencies and may be difficult for individuals and families to navigate. Overall, the range of housing needs in Milwaukee provides strong rationale for the city's wide array of housing programs and strategies. However, the system appears to be fragmented (see **Figure 23** on the following page) and it may be difficult for many individuals and families to find information or to access services. A central access point (or multiple) for information and navigation of available services may be needed. The city has added a Housing Help Tool to its website that allows users to find relevant housing programs,³⁷ but it is unclear how widely it is utilized.

Figure 23: Summary of city of Milwaukee housing programs

Program	Lead Agency	Primary Funding Source	Expenditures 2014-2018	Units/Households Served 2014-2018
Expand Supply of Affordable Housing				
Affordable Housing Acquisition, Rehabilitation & Construction	CDGA	Federal	\$6,810,890	190
TIF for Affordable Housing Development	DCD	Local	\$4,345,000	264
Milwaukee Builds & YouthBuild	CDGA	Federal	\$3,843,896	45
Milwaukee Housing Trust Fund	CDGA	Local	\$2,232,276	435
TIN Rental Rehabilitation	DCD	Federal	\$950,000	75
MERI Program	DCD	State/Local	\$400,000	43
Ready-to-Go Homes	DCD	Local	\$280,000	7
Strong Neighborhoods Rental Rehabilitation Program	DCD	Local	\$220,000	16
Increase Homeownership				
Homebuyer Counseling	CDGA	Federal	\$1,304,258	1,000
Tenant Transition to Ownership Program	DCD	Local	\$1,000,000	50
Strong Neighborhoods Homebuyer Assistance Program	DCD	Local	\$950,000	50
RICH Mortgage Fund	DCD	Federal/Local	\$240,000	6
Assist Homeowners with Home Maintenance				
Neighborhood Improvement Project	DNS	Federal	\$16,195,470	380
STRONG Homes Loan Program	DCD	Local	\$4,100,000	280
TIN Home Rehab Program	DCD	Federal	\$2,700,000	90
Compliance Loan Program	DNS	Local	\$2,660,000	175
TID Home Improvement Loans	DCD	Local	\$740,000	80
Other Housing Services				
Code Inspection/Targeted Enforcement	DNS	Federal	\$5,653,790	12,500
Lead-Based Paint Prevention/Abatement	MHD	Federal	\$2,473,150	300
Permanent Supportive Housing	CDGA	Federal	\$1,694,800	300
Housing Accessibility	CDGA	Federal	\$197,750	300

Demand from low-income Milwaukee households for home repair grants far exceeds available resources. While many DCD and DNS programs are designed to serve households that do not qualify for traditional bank loans, many applicants have major financial challenges that preclude the city from providing assistance. At the same time, the city's only home repair grant program (Neighborhood Improvement Project) is restricted to projects that help make properties code compliant. The result is unmet demand for home repair grants among financially-challenged households.

The city's 10,000 Homes Initiative is a valuable tracking tool and could be built upon. The city could strengthen the initiative by developing a comprehensive housing plan that establishes key objectives and action steps and/or by expanding the role of the interagency team not only to track the number of housing units built or improved, but also to strategically plan and coordinate efforts to maximize the impact of city resources. For example, with increased coordination across programs and departments, city policymakers may wish to undertake more program evaluation to better understand how well initiatives are working and to decide whether the total resources invested and costs-per-unit of each program make sense or whether improvements could be made.

COMPARISON CITIES

To provide further context for our analysis of Milwaukee's housing efforts and priorities, we examined the programs and strategies of three other large Midwestern cities: Minneapolis, Detroit, and Madison. While each of these cities faces a somewhat different set of housing challenges, each offers ideas that could help Milwaukee to strengthen its system of services. For our analysis, we reviewed budget documents and HUD reports, but much of the information and insight came from direct conversations with several city staff members in each comparison city.

Minneapolis

Prior to the COVID-19 crisis, Minneapolis had a strong housing market with rising costs and significant concern about gentrification and displacement. In 2018, the median value of a home in Minneapolis was \$269,500, while the median gross rent was \$1,052 per month.³⁸ By comparison, in Milwaukee, the median home value was less than half as high and the median gross rent was also substantially lower (see table on right).

Rent prices have risen faster in

Minneapolis than in Milwaukee in recent years. The median gross rent in Minneapolis increased from \$912 per month in 2015 to \$1,052 in 2018, an increase of 15.4%.³⁹ That compares with a much smaller increase of 4.1% over the same time period in Milwaukee.

Minneapolis's high median household income increases the threshold for what is considered "affordable" housing, while the city's low vacancy rate adds pressure to develop new affordable units.⁴⁰

Housing Leadership and Structure – One thing that stands out about Minneapolis' housing programs is that for the most part, they are organized under a Housing Policy and Development Director who leads one of four large divisions of the city's Community Planning and Economic Development Department.⁴¹ The Housing Policy and Development Division and its director oversee all of the city's financial tools for housing development as well as all housing policy initiatives. The division's director supervises a staff of 37 who cover a range of housing finance and development programs. She also serves as vice chair of the Minneapolis Public Housing Authority, providing a strong link between the two bodies.

Also notable is that home repair loan and grant programs in Minneapolis are not split across two city departments as they are in Milwaukee.

Affordable Housing Trust Fund – The city's Affordable Housing Trust Fund is dedicated to supporting the development of new units and preservation of existing units of multi-family affordable housing. When it was established in 2003, the city's goal was to provide a minimum of \$10 million to the fund each year through a mix of federal (CDBG and HOME) and local sources (TIF revenues and general

Comparison of Key Housing Metrics, 2018

	Minneapolis	Milwaukee
Population	425,395	592,002
Median Gross Rent	\$1,052	\$835
Median Home Value	\$269,500	\$126,300
Housing Vacancy Rate	6.6%	11.0%
Owner Occupancy Rate	47.3%	41.2%
Median Household Income	\$63,590	\$42,087
Poverty Rate	18.0%	24.9%

tax revenues), which supplement federal housing tax credits and other funding sources. While the \$10 million-per-year goal has not always been met, the city typically has invested roughly \$8-10 million per year into the fund (compared to Milwaukee's annual average of \$3.8 million from 2014 to 2018 for all of its programs supporting affordable housing development).

Affordable housing became an even larger priority of the city's current mayor, who increased investment in the Trust Fund to \$20 million in 2019 and \$16.2 million in 2020.⁴² The amount of funding dedicated to the fund is decided each year through the budget process. While there is no guarantee it will receive as much funding as it has for the last two years, it is a high priority for the city and is likely to remain the largest housing program overall.

In the city's last two budgets, TIF was the primary source of revenue for the Affordable Housing Trust Fund. (The 2019 and 2020 adopted budgets included \$16.1 million and \$11.2 million from TIF, respectively.) This revenue is not generated by developing new TIDs; rather, it is "pooled" from multiple TIDs created in the early 2000s that have brought in more revenue than expected.

Minnesota law allows municipalities to use up 30% of the total tax increment a TID generates throughout its legal life for housing projects outside of the district's boundaries. Rather than paying off debt faster and closing successful TIDs early, Minneapolis has opted to amend high-performing TIDs so they can be used for affordable housing. This strategy will not always be possible over the long term, however, because it was only an option due to strong market conditions. Therefore, it is likely the city will reduce annual funding for the Trust Fund to \$8-12 million per year unless it finds a way to increase support substantially from its general fund.

The Affordable Housing Trust Fund also has received more CDBG and HOME funds than any other city housing program in recent years. In 2019, \$3.2 million in CDBG funds and \$1.3 million in HOME funds went to the Trust Fund, while in 2020, the fund received \$3 million from CDBG and \$1.2 million from HOME.

Each year, the Affordable Housing Trust Fund has a budget and uses a request for proposals process to determine how funds are used. Demand typically far exceeds the amount of resources available. In reviewing proposals, the city considers the amount needed for gap financing, other funding sources attached to each project, and other factors. Awards are made each fall and range from \$30,000 to \$50,000 per unit, with established criteria that target more subsidy toward projects that include more units that are affordable for very low-income households and for projects that include larger units. In fall 2019, the city provided awards to 14 projects that varied from general low-income and mixed-income housing to those that provide supportive services for people transitioning out of homelessness or recovering from addiction.

"Naturally Occurring Affordable Housing" (NOAH) – The city's NOAH program aims to preserve the quality and affordability of older multi-family residential buildings susceptible to being purchased and renovated, which likely would result in a loss of affordability and displacement of current residents. The program provides financial assistance to owners for upgrades and energy efficiency improvements that can keep buildings in good shape while remaining affordable. By accepting city assistance, building owners commit to maintain the affordability of the units for 15-20 years. In 2020, the city dedicated \$3 million from its general fund to the NOAH program.

Minneapolis 2040 Plan – The city's new comprehensive plan, which took effect on January 1, 2020, includes a broad set of housing objectives and establishes new policies and strategies designed to meet them. The plan's key objectives include increasing housing supply and diversity in all city

neighborhoods; producing more rental housing that remains affordable long-term; preserving existing affordable housing as home values rise; improving access to homeownership; protecting tenants' rights; and preventing and ending homelessness.⁴³

While land use and zoning policy is beyond the scope of this report, the elimination of zoning for single family housing in the Minneapolis 2040 plan gained a great deal of national attention for its potential to increase opportunities for affordable housing development. The plan also introduced an inclusionary zoning policy requiring new multi-family housing developments to include units that remain affordable to low-income households for at least 20 years.⁴⁴

As noted earlier, the city of Milwaukee's most recent plan that addresses housing in a comprehensive way is its Citywide Policy Plan, which was adopted in 2010 and was less detailed and far-reaching than the Minneapolis 2040 plan.⁴⁵

Service Coordination – The state of Minnesota coordinates public investment in affordable housing development and renovation projects, including LIHTC, through an annual consolidated request for proposal (RFP) process.⁴⁶ Minnesota Housing (the state's housing finance agency) facilitates the process and divides resources into two buckets: the Twin Cities metro area and the rest of the state. Numerous state, regional, and local government bodies (and one nonprofit organization) participate and in some cases make funding decisions and awards directly through this collaboration. The city of Minneapolis participates in the consolidated RFP process and then coordinates its own investments separately through the Affordable Housing Trust Fund and other programs.

Another way affordable housing efforts are coordinated in the Twin Cities is through the state's Interagency Stabilization Group, which brings together funders, HUD, local governments, and other partners to collaborate on strategies for preserving affordable housing when units are at risk of being converted to market rate. The group also collaborates on strategies to prevent troubled properties from going into default.

Insights for Milwaukee

Minneapolis may provide a model for Milwaukee with regard to the manner in which it organizes housing programs cohesively and establishes clear housing leadership; its development of a robust housing plan and set of related policies; and the way it coordinates city investments in affordable housing development and renovation projects with other public and private sector organizations. For example, Milwaukee policymakers may wish to consider establishing a high-level housing director position charged with overseeing all housing programs and policies, developing an updated and more comprehensive housing plan, and exploring new ways to coordinate housing programs and services across city departments and with other government and private sector organizations.

Milwaukee does not have a position dedicated to overseeing the city's entire housing portfolio. In the past, the Mayor's Office had a Housing Policy Director, but that position was eliminated at the end of 2018. DCD does not have a housing director position either; currently, housing is one of multiple issues under the responsibility of department leaders.

In Milwaukee, some coordination of housing efforts takes place around specific issues, but more may be needed. For example, the city coordinates efforts across city agencies on foreclosed properties through its Strong Neighborhoods Plan. In the private sector, Take Root Milwaukee brings together many organizations to coordinate and improve efforts to prepare people for homeownership, while the Eviction Prevention Coalition plays the same role for organizations

working to reduce evictions. No entity currently coordinates public and private sector players and investments when it comes to affordable housing development or home repair services, however.

The city of Minneapolis also invests far more resources into affordable housing development than the city of Milwaukee, which may be a reflection of its stronger housing market and low vacancy rate, as well as fiscal and budgetary advantages that Milwaukee does not possess. At the same time, Minneapolis puts fewer resources into home repair programs, which may be due to its stronger housing market and the fact that the state of Minnesota offers home repair programs for homeowners statewide.

Detroit

In contrast to Minneapolis, Detroit faces even more daunting housing challenges than Milwaukee. The median value of a home in Detroit (\$51,600) is less than half of Milwaukee's median (see table on right), while the housing vacancy rate in Detroit (26.6%) far exceeds the rate in Milwaukee.⁴⁷ Median gross rent is almost identical in the two cities, but Detroit's median household income is considerably lower than Milwaukee's, while its poverty rate is much higher.⁴⁸

Housing vacancy is a massive problem for the city of Detroit. The city estimates that 86,000 residential structures in the city are vacant, not including vacant lots. The vast majority of the vacant units (~95%) are single family homes. There are about 262,000 single family homes in Detroit, meaning almost one-third of those houses are vacant.

It is also very important to understand the large impact Detroit's 2013 bankruptcy had on the city's ability to get beyond an emergency response status and make a meaningful impact in addressing its housing challenges.

Unlike Milwaukee and Minneapolis, the city of Detroit does not publish detailed budget documents or reports annually, which makes it difficult or impossible to understand how it spends its housing dollars. Due to this limitation, all figures cited below were provided directly by city staff.

Housing Leadership and Structure – The city of Detroit has a Housing and Revitalization Department, which was created in the aftermath of the housing crisis and is responsible for the city's work to maintain the quality of housing and to develop new affordable housing. The director of the department plays a key leadership role in the city's overall housing strategy. The department also is responsible for working with the City Council and mayor to oversee the use of federal CDBG and HOME funds.

Several years ago, Detroit also created a public body called the Detroit Land Bank Authority that owns and manages all of the city's foreclosed properties and is responsible for efforts to return them to productive use.⁴⁹ Land bank authorities, which are quasi-governmental bodies that exist in many cities and counties nationwide, employ a variety of strategies designed to utilize a community's entire portfolio of foreclosed properties in a strategic and coordinated manner. (The city of

Comparison of Key Housing Metrics, 2018

	Detroit	Milwaukee
Population	672,681	592,002
Median Gross Rent	\$836	\$835
Median Home Value	\$51,600	\$126,300
Housing Vacancy Rate	26.6%	11.0%
Owner Occupancy Rate	47.4%	41.2%
Median Household Income	\$31,283	\$42,087
Poverty Rate	33.4%	24.9%



Milwaukee's Real Estate team, which is part of DCD, plays a similar role as a land bank authority in managing and marketing foreclosed homes and other city-owned properties.⁵⁰ Detroit's mayor appoints the authority's board of directors, which has a staff of about 100.

Programs offered by the Detroit Land Bank Authority include Rehabbed and Ready, which renovates foreclosed homes and sells them at an affordable rate. Its Community Partners program allows community organizations to make a wide variety of improvements to properties owned by the authority, such as making home repairs or creating new pocket parks or community gardens.

According to city staff, the Detroit Land Bank Authority had initial success with easier-to-renovate homes in neighborhoods with healthier market conditions and it is now seeking new strategies to address properties in more challenged areas. In many cases, as in Milwaukee, the values of foreclosed homes in Detroit are so low that it does not make financial sense for homebuyers to purchase and repair them without a considerable subsidy.

It is important to note that due to the scale of the housing crisis in Detroit, the city only recently has been able to think strategically about how best to utilize vacant properties. Having an entity like the Detroit Land Bank Authority is viewed by some as critical to revitalizing vacant properties and strengthening city neighborhoods.

Leveraging Private Sector Funding for Home Repair Program – In 2015, the city of Detroit expanded its capacity to provide home repair assistance by partnering with the Detroit office of Local Initiatives Support Coalition (LISC) to create the 0% Interest Home Repair Loan Program. The program provides 10-year loans of up to \$25,000 to homeowners for needed home repairs and is supported with the city's CDBG funds that are matched by Bank of America. By leveraging this private funding, the city was able to double the amount of capital it is able to lend.

Households with incomes below 80% of the area median are eligible for the "0% Program" citywide. The income restrictions are eliminated within areas of the city designated as neighborhood revitalization strategy areas (NRSAs) or slum/blight areas, which together comprise roughly 80% of the total area of the city.

LISC Detroit administers the program, including financial management, and the city of Detroit's Housing and Revitalization Department staff monitor it and manage construction activity utilizing contractors for the construction work. Intake is done through 12 community development organizations, which gives households broad access to the program via organizations in their own communities. Bank of America expects to get all of the funds it invests back, so the city of Detroit is responsible for filling any gaps that can occur when borrowers do not pay back loans. According to LISC Detroit, the program has a relatively low default rate of less than 3%.

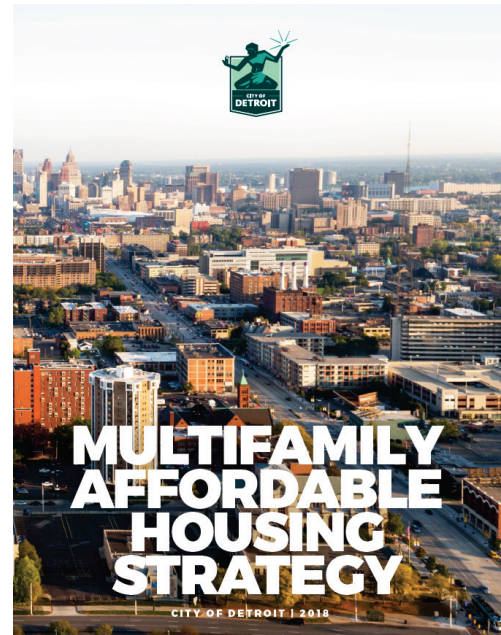
Since its creation, the program has received an average of approximately \$3 million per year from the city's CDBG allocations, with renewals typically made every other year. The program's current fund balance is \$18.8 million, which includes \$11.1 million in CDBG funds contributed by the city for both loan capital and program administration and \$7.7 million in matching loan capital funds from Bank of America.⁵¹

As with Milwaukee's home repair loan programs, a large number of 0% Program applicants are denied loans each year primarily due to their financial situations.⁵² About 80% of program denials are due to low credit scores or poor debt-to-income ratios.⁵³ The program requires a minimum credit score of 560, and those with no score can qualify by providing documents that show they have

consistently paid off three different monthly bills for the past year. Borrowers also must have debt-to-income ratios below 45%. Those who are denied are referred to financial counseling.

Housing Plans – In 2018, the city of Detroit produced its Multifamily Affordable Housing Strategy, a new plan for preserving existing affordable housing and developing new affordable housing throughout the city.⁵⁴ The plan sets goals and detailed action steps for achieving them and was developed with the involvement of several public and nonprofit organizations. It introduces a number of new policies and strategies, including the development of an Affordable Housing Leverage Fund. The city is currently working on a Single Family Affordable Housing Strategy, which will complement its multifamily plan and draw on similar plans from peer cities nationally. A motivator for developing these plans was an understanding that many city housing strategies were no longer effective.

Detroit's Multifamily Housing Strategy provides a major boost in support for affordable housing development and preservation projects. On the preservation side, for example, the city launched a Preservation Partnership Team that identifies properties at risk of becoming unaffordable or vacant, engages owners and brokers, and provides financial assistance and other types of support that can help preserve housing quality and affordability. On the development side, the city is aiming to make more strategic investments in projects that can be competitive statewide for LIHTC support due to their size and location. According to the city, this approach has influenced the types of projects developers pursue as well.



Affordable Housing Leverage Fund – One major strategy introduced in Detroit's Multifamily Housing Strategy is the Affordable Housing Leverage Fund. This fund is designed to preserve housing affordability and to help develop new affordable units. The city is providing \$50 million to the fund (\$10 million per year for five years) using a mix of federal and local sources and is raising \$80 million in private capital (roughly half grants and half low-interest loans) from financial institutions, community development financial institutions, and philanthropic organizations. This \$130 million fund is expected to leverage more than \$500 million in equity, debt, and tax credits for multi-family housing investments citywide.⁵⁵ The goals are to preserve 10,000 units of existing affordable housing (including "naturally-occurring" affordable housing, or NOAHs) and to help develop 2,000 new units over those five years.

The city is also generating support for its Affordable Housing Leverage Fund through property sales. While the Detroit Land Bank Authority acquires all city-owned vacant residential properties, the city retains ownership of foreclosed commercial properties; when those properties are sold, 20% of the revenue goes into the Affordable Housing Leverage Fund.

Nationally, at least a dozen other cities, counties, and metro areas have similar affordable housing loan funds supported by both public and private sector contributions.⁵⁶

Use of CDBG and HOME Funds – Despite their relatively similar population totals, Detroit receives more than twice as much federal CDBG funding each year as Milwaukee. (In 2019, Detroit received \$34.5 million compared with Milwaukee’s \$15.8 million.) Detroit spends a similar amount of CDBG funds on housing programs as Milwaukee each year, however, because it dedicates a large proportion to other non-housing priorities and to paying back a large federal Section 108 loan. Most of the city’s CDBG funds used for housing support its home repair programs.⁵⁷

Notably, Detroit relies more than most cities on CDBG to support government administration. Over the last 15 years, the city has used Section 108 to borrow money at a low interest rate to pay for the administration of its housing and economic development programs. Those dollars are accessed through private lenders, but the loans are secured by the city’s future CDBG allocations.^h The city also has used this borrowing for high-profile community revitalization projects.

Detroit receives a similar amount of federal HOME funds as Milwaukee each year. In 2019, the city’s allocation was \$6.7 million, most of which was used to provide gap financing for multi-family affordable housing development projects, including renovations of existing buildings.

In the past, the city of Detroit distributed more of its CDBG and HOME funds to community organizations for their single family home repair programs, but the city now retains and utilizes most of those funds for its own affordable housing development and preservation programs.

Insights for Milwaukee

Like Minneapolis, Detroit has developed a new housing plan and has a departmental director whose position is dedicated to leading most of the city’s housing programs. While Detroit’s Housing and Revitalization Department director plays a key leadership role, city staff noted that it would also be helpful to have a position in their Mayor’s Office focused on overseeing the city’s housing policy and strategy.

Detroit also stands out in the ways it is leveraging private sector funding to expand the impact of its housing efforts. This is the case for both the 0% Interest Home Repair Loan Program and the Affordable Housing Leverage Fund. The city of Milwaukee has sold some home repair loans to Associated Bank, which has allowed its programs to provide additional loans, but the strategies used by Detroit may provide additional opportunities to bring in financial support.

Madison

Like Minneapolis, Madison has a strong housing market and significant concern about rising housing costs. While Madison enjoys a relatively high median household income that is 52% higher than Milwaukee’s (see table on right), rising rental prices have made housing unaffordable for many lower-income individuals and families.⁵⁸ The city’s high median income also means the threshold for rent considered affordable in Madison is relatively high.

Madison’s median gross monthly rent rose from \$981 in 2015 to \$1,125 in 2018 (14.7%), which is similar to the rise that took place in Minneapolis during the same three-year period and much higher than the simultaneous increase in Milwaukee.⁵⁹ Only 4.2% of Madison’s total housing units were vacant in 2018, which is likely one factor contributing to rising rents.

^h Each year, HUD skims the amount the city of Detroit owes on its Section 108 loan from its CDBG allocation total. The city then receives the balance.



In 2018, the median value of a home in Madison (\$259,100) was similar to Minneapolis and substantially higher than Milwaukee.⁶⁰ The foreclosure crisis did not hit Madison like it did Milwaukee and other cities like Detroit. The city of Madison owns relatively few vacant properties.

Housing Leadership and Structure -

Madison's Department of Planning and Community and Economic Development (DPCED) oversees all of the city's housing programs and services, including those handled in Milwaukee by

DCD, DNS, CDGA, and HACM. This means less fragmentation across agencies, though responsibilities are spread across multiple divisions within DPCED.

Comparison of Key Housing Metrics, 2018

	Madison	Milwaukee
Population	258,034	592,002
Median Gross Rent	\$1,125	\$835
Median Home Value	\$259,100	\$126,300
Housing Vacancy Rate	4.2%	11.0%
Owner Occupancy Rate	47.1%	41.2%
Median Household Income	\$64,101	\$42,087
Poverty Rate	17.7%	24.9%

The department's Community Development Division oversees work on affordable housing development, home rehabilitation, homebuyer assistance, and CDBG and HOME allocations, while the Building Inspection Division handles code enforcement. The Housing Operations Division works alongside the city's Community Development Authority (CDA) to manage Madison's public housing and Section 8 programs. Legally, the CDA is a separate agency from the city, but the DPCED director oversees the CDA and CDA staff attend DPCED meetings.

In recent years, the various divisions within DPCED have begun to coordinate across housing programs and have established an inter-agency housing team whose purpose is to set priorities and better coordinate services. The team includes representatives from the CDA and the city's Department of Civil Rights as well.

Affordable Housing Initiative & Fund – Launched in 2014, Madison's Affordable Housing Initiative is the city's largest housing priority based on total funding. The initiative aims to expand the supply of affordable housing in targeted areas of the city by contributing to projects supported by LIHTC and other funding sources. The goal is to support the development of 200 housing units per year that are affordable for households with incomes at or below 60 percent of Dane County's median. Priority is given to projects that commit to remaining affordable for longer periods of time.

The city's 2020 capital budget added \$1 million per year to the city's Affordable Housing Fund (a tool within the initiative) starting in 2020, increasing total support to \$5.5 million per year.⁶¹ The fund is primarily used to provide gap financing for affordable housing developments. TIF is the primary funding source for the fund in 2020, at \$4.5 million, with smaller amounts coming from reserves, borrowing, private donations, and loan repayments. Madison's use of TIF closeouts from district extensions to invest in new affordable housing projects differs from Milwaukee's use of those funds for other types of housing programs.

TIF revenues for the Affordable Housing Fund have been generated through one-year extensions of four districts that otherwise were on track to close on time or early.⁶² The city previously used general obligation borrowing as the primary source of support for the initiative and likely will have to increase borrowing again in the future as revenues from TIF closeouts are expected to decline.

The amount of funding Madison directs to its Affordable Housing Fund each year (\$5.5 million) is more than the combined annual total the city of Milwaukee puts toward its group of programs that expand the supply of affordable housing, which averaged \$3.8 million per year between 2014 and 2018. Madison is doing so primarily with local resources, whereas Milwaukee uses a mix of federal and local resources to support its affordable housing development programs.

Dane County also administers an Affordable Housing Fund, which complements the city of Madison's fund in supporting affordable housing development and was initiated in 2015. The county's 2019 and 2020 budgets directed \$6 million and \$4 million to the fund, respectively.⁶³ In previous years, the fund had annual awards of between \$1.7 and \$3.2 million.⁶⁴ About two-thirds of those funds have been used to support projects in the city of Madison and one-third in suburbs within Dane County. Funding comes from the county's capital budget.

Use of CDBG and HOME - Based on the federal formula, Madison's annual allocations of federal CDBG and HOME funds are much smaller than Milwaukee's. In 2019, for example, Madison received \$1.9 million in CDBG funds and \$1.4 million in HOME funds compared with \$15.8 million in CDBG and \$5.4 million from HOME for Milwaukee. Madison only spends about \$300-700,000 per year of its CDBG funds on housing, meaning the total pot of CDBG and HOME funds it uses for housing is roughly \$2 million per year.

Madison's HOME funds are directed primarily to housing rehabilitation programs, with smaller amounts used to provide gap financing for small affordable housing developments, down payment assistance for homebuyers, and deferred payment home repair loans for homeowners. The city also plans to use some HOME funds in the near future for Tenant Based Rental Assistance, which helps renter households pay their rent regardless of what housing unit they live in provided it meets health and safety standards.

The city's CDBG funds are used primarily for economic development programs and other non-housing purposes, though some funds are used to provide small loans for home rehabilitation projects to homeowners and to nonprofits for small building renovation projects.

Supportive housing for chronically homeless populations and extremely low-income households is another priority for Madison's allocation of its federal funds. To that end, the city is helping to finance the development of very low cost housing and housing with integrated case management services.

Insights for Milwaukee

Madison's housing challenges are quite different from Milwaukee's, which helps to explain the city's priorities for housing resources. Cost burden problems in Madison are created more by a limited supply of affordable housing and steady population growth than by large numbers of low-income households, which is why the city of Madison is more focused on developing new affordable housing units rather than other types of housing services.

The way Madison structures its housing programs within one department also differs from the approach taken by Milwaukee. Like Milwaukee's interagency team created through the 10,000 Homes Initiative, Madison's interagency housing team is a relatively new creation, but Madison's team was created with a goal of not only tracking numbers across agencies but also improving coordination of city housing programs and initiatives.

CONCLUSION

Our analysis of the city of Milwaukee's efforts to maintain and expand access to affordable housing shows the clear prioritization it has placed on home repair assistance as its foremost role in the overall spectrum of city housing policy and investment. Between 2014 and 2018, the city spent \$26.4 million on programs that assist homeowners with home repair loans and grants, which comprised 45% of its total spending on housing services. That role appears logical in light of the characteristics of the city's housing stock and housing market and the socioeconomic challenges facing its residents.

We also observe that Madison and Minneapolis invest more resources into affordable housing development than Milwaukee each year, which likely reflects their stronger housing markets, faster-growing populations, and lower housing vacancy rates. Meanwhile, Detroit has placed greater emphasis on private sector partnership and investment, which likely reflects the enormity of its challenges and acknowledgement that city government cannot come close to addressing those challenges on its own.

Underlying these findings is the question of whether the city of Milwaukee's policy and investment priorities should change, particularly in light of our observations from other cities. In considering that question, it is important first to acknowledge several points that support the city's emphasis on home repair assistance in recent years:

- The city's housing stock is aging, with more than two-thirds of occupied units built prior to 1960.
- Milwaukee's median home value is modest (\$126,300 vs. \$188,500 statewide), yet a relatively high percentage of Milwaukee homeowners are considered housing cost-burdened (29.4% vs. 21% statewide).
- Other government bodies involved in housing efforts in Milwaukee, including the state of Wisconsin, Milwaukee County, and Milwaukee's housing authority (HACM), do not offer home repair loan programs for city residents.
- The city does not possess the financial capacity to invest substantial sums of its own locally generated resources in major affordable housing development efforts because of its severe budgetary constraints;⁶⁵ consequently, there is financial logic to prioritizing a variety of smaller home repair programs using mostly federal resources.

It is also important to acknowledge that in recent years, affordable housing development *has* been a growing priority for the city, particularly as it has sought to strategically avail itself of resources generated through tax increment financing. Since 2015, TIF has become a key revenue source for the city's affordable housing efforts and has boosted the city's support for new affordable housing development specifically. Between 2014 and 2018, the city invested \$19.1 million into programs designed to expand the supply of affordable housing, including 4.3 million from TIF (23%). It is now unclear whether the economic impacts of the COVID-19 crisis will limit the effectiveness of this tool going forward, however.

Notwithstanding these points, it legitimately could be asked whether city government in Milwaukee should be doing even more in the realm of affordable housing development. Even though the city lacks substantial internal resources to invest in this area, are there additional steps it could and



should be taking to leverage its investments and to attract, coordinate, and strategically deploy private sector development?

Ironically, a far better case for affirmative answers to those questions may have existed prior to the onset of the COVID-19 crisis. Today, in light of the huge economic questions surrounding the viability of *any* new housing development and the desperate needs facing existing homeowners and renters, a set of housing policies that prioritizes homeowner and rental assistance appears even more logical and appropriate.

Assuming that city housing priorities and programs remain largely in their present form, our analysis does identify the following areas for improvement:

- **Organization & Leadership.** With more than 20 housing programs divided across three city agencies and no housing director, the city's housing portfolio might benefit from stronger organization and clearer leadership. Each city housing program has somewhat distinct policy objectives and target populations, but there is also considerable overlap between many, including some that are managed by different departments. Also, the fact that different departments may view housing activities from different perspectives – such as DNS' emphasis on code compliance versus CDGA's focus on community development – may hamper efforts to achieve desired outcomes. In Detroit, Madison, and Minneapolis, programs are largely consolidated within one department. Also, Detroit and Minneapolis have director-level positions overseeing entire city housing departments or divisions, which may offer a logical alternative to Milwaukee's current approach, which has no such position dedicated exclusively to overseeing city housing policy and programming.
- **Strategic Planning.** The 10,000 Homes Initiative brings together multiple city agencies (including the city budget office) and HACM to track the number of housing units built or improved with the support of city resources, which is a valuable foundation for improved strategic thinking. The city could add to this foundation by expanding the role of the interagency team formed through the initiative to focus on improving coordination across agencies and programs and, like Minneapolis, to coordinate city investments in affordable housing development and maintenance with other public and private sector organizations. It also could be argued that Milwaukee should develop a comprehensive strategic housing plan similar to those recently completed in Detroit and Minneapolis to guide the city's affordable housing efforts and establish clear objectives and accountabilities. A strategic housing plan could include both short-term and long-term goals for improving the housing conditions of Milwaukee residents, identify action steps needed to achieve those goals, and establish a process for evaluating progress over time.
- **Private Sector Engagement.** The city could do more to foster private sector investment, while both the city and local philanthropic organizations could work to enhance their collaboration on affordable housing priorities. Detroit has been successful leveraging private sector funding to expand the impact of its housing efforts, as it is working to raise tens of millions of dollars from financial institutions, community development financial institutions (CDFIs), and philanthropic organizations to supplement the city's own contributions to its Affordable Housing Leverage Fund. At the same time, Detroit has leveraged support from a private financial institution to double the amount of funds available through its largest home repair loan program. Milwaukee could consider similar strategies and city leaders and philanthropic

organizations could seek to work more cooperatively to address mutually recognized gaps in the city's affordable housing efforts, such as filling an unmet need for home repair grants for credit-challenged homeowners who do not qualify for city programs.

Overall, we hope this report enhances public understanding of the role played by the city of Milwaukee in promoting affordable housing and the considerable human and financial resources it dedicates to those efforts. That role may not be clearly recognized by citizens in light of the activities of other public sector players, which often occur in more high-profile areas involving new housing development and efforts to eradicate homelessness. With greater knowledge of the city's array of programs and services and how it prioritizes its efforts, the stage should now be set for collaborative discussion among leaders of all levels of government and private sector stakeholders about the strategies required to bolster the city's efforts and fill the gaps that exist.

SOURCES

- ¹ U.S. Census Bureau. American Community Survey (ACS) 5-year estimates 2018. Table S2503 – Financial Characteristics.
- ² U.S. Census Bureau. ACS 1-year estimates 2018. Table S2503 – Financial Characteristics.
- ³ Ibid.
- ⁴ U.S. Census Bureau. ACS 5-year estimates 2018. Table S2504 – Physical Housing Characteristics for Occupied Units.
- ⁵ U.S. Census Bureau. ACS 1-year estimates 2018. Table S2502 – Demographic Characteristics for Occupied Housing Units.
- ⁶ U.S. Census Bureau. ACS 1-year estimates. Table B25002 – Occupancy Status.
- ⁷ City of Milwaukee. Request for Qualifications – Milwaukee Employment/Renovation Initiative (MERI) 2.0. <https://city.milwaukee.gov/ImageLibrary/Groups/cityDCD/RFP/MERI2.0rfqclean003-FINAL-posted.pdf>
- ⁸ U.S. Department of Housing and Urban Development. https://www.huduser.gov/portal/pdredge/pdr_edge_research_081712.html
- ⁹ WHEDA 2018 Annual Report. <https://www.wheda.com/annual-report>
- ¹⁰ WHEDA. Qualified Allocation Plan 2019-20. <https://www.wheda.com/globalassets/documents/tax-credits/hc/2019/qap-2019-2020.pdf>
- ¹¹ WHEDA. <https://www.transformmilwaukee.com/transforming-milwaukee/advantage>
- ¹² Data provided directly by Milwaukee County.
- ¹³ Milwaukee County. Consolidated Annual Performance Evaluation (CAPER) reports. <https://county.milwaukee.gov/EN/DHHS/Housing>
- ¹⁴ Ryan, Sean. “Milwaukee County using CARES Act money to stop evictions.” *Milwaukee Business Journal*. June 11, 2020. <https://www.bizjournals.com/milwaukee/news/2020/06/11/milwaukee-county-uses-cares-money-to-stop-eviction.html>
- ¹⁵ HACM. Low Rent Public Housing Operating Budget for Fiscal Year 2019.
- ¹⁶ HACM Operating Budget. Accessed from Legistar: <https://milwaukee.legistar.com/MeetingDetail.aspx?ID=656845&GUID=2E4AE89A-D80F-4F2B-BB6F-DAA9862FC02B&Options=info&Search=>
- ¹⁷ HACM. 2019 Annual PHA Plan to the U.S. Department of Housing and Urban Development. <https://www.hacm.org/Home/ShowDocument?id=5515>
- ¹⁸ Ryan, Sean. “32-story, mixed-income apartment tower planned in downtown Milwaukee by Housing Authority.” *Milwaukee Business Journal*. <https://www.bizjournals.com/milwaukee/news/2019/04/17/32-story-mixed-income-apartment-tower-planned-in.html>
- ¹⁹ <https://urbanmilwaukee.com/2020/02/06/eyes-on-milwaukee-convent-hill-south-on-track/>
- ²⁰ HACM Operating Budget. Accessed from Legistar: <https://milwaukee.legistar.com/MeetingDetail.aspx?ID=656845&GUID=2E4AE89A-D80F-4F2B-BB6F-DAA9862FC02B&Options=info&Search=>
- ²¹ Ibid. 6.8
- ²² HACM. 2019 Annual PHA Plan to the U.S. Department of Housing and Urban Development. <https://www.hacm.org/Home/ShowDocument?id=5515>
- ²³ HACM. Rental Assistance Demonstration. <https://www.hacm.org/about-us/initiatives/rad-rental-assistance-demonstration>
- ²⁴ ProPublica. Friends of Housing Corporation – Form 990 Schedule D (2017). <https://projects.propublica.org/nonprofits/organizations/391915741/201823049349301442/IRS990ScheduleD>
- ²⁵ ProPublica. Friends of Housing Corporation – Form 990. <https://projects.propublica.org/nonprofits/organizations/391915741>
- ²⁶ All data on funding and households served was provided directly by DCD.
- ²⁷ City of Milwaukee budget documents. <https://city.milwaukee.gov/Directory/doa/City-of-Milwaukee-Budgets.htm#.XjCbPWhKiM8>
- ²⁸ Jannene, Jeramey. “City Invests in 2017 Affordable Homes.” *Urban Milwaukee*. December 2019. <https://urbanmilwaukee.com/2019/12/16/eyes-on-milwaukee-city-invests-in-207-affordable-homes/>
- ²⁹ Figures provided by the city of Milwaukee’s CDGA office.
- ³⁰ Delong, Katie. “Everyone benefits: Common Council approves program that will sell foreclosed homes for \$1.” *Fox 6 Milwaukee*. October 14, 2014. <https://fox6now.com/2014/10/14/everyone-benefits-common-council-approves-program-that-will-sell-foreclosed-homes-for-1/>
- ³¹ City of Milwaukee. Strong Neighborhoods Plan. <https://city.milwaukee.gov/Strong#.XkBitTFKhPY>
- ³² Figures provided by the city of Milwaukee’s Department of Neighborhood Services.
- ³³ City of Milwaukee budgets. <https://city.milwaukee.gov/Directory/doa/City-of-Milwaukee-Budgets.htm#.XnO7nqhKhPZ>
- ³⁴ Spicuzza, Mary. “Barrett plan: 10 years, 10,000 new or improved houses.” *Milwaukee Journal Sentinel*. February 24, 2018. <https://www.jsonline.com/story/news/local/milwaukee/2018/02/25/mayor-tom-barrett-unveils-housing-plan-milwaukee-10-years-10-000-new-improved-households/361501002/>
- ³⁵ Data provided directly by DNS officials.



-
- ³⁶ Figures provided directly by DCD.
- ³⁷ City of Milwaukee. Housing Help. <https://city.milwaukee.gov/Strong/HousingHelp#.XkBmhTFKhPY>
- ³⁸ U.S. Census Bureau. American Community Survey 2018 1-year estimates. Table DP04 – Selected Housing Characteristics.
- ³⁹ Ibid.
- ⁴⁰ U.S. Census Bureau. American Community Survey 2018 1-year estimates. Table B25002 – Occupancy Status.
- ⁴¹ City of Minneapolis. Community Planning and Economic Development Organizational Chart. http://www.minneapolismn.gov/www/groups/public/@cped/documents/webcontent/convert_271060.pdf
- ⁴² City of Minneapolis. Budget data and resources. <http://www.minneapolismn.gov/budget/budget-data>
- ⁴³ City of Minneapolis. Minneapolis 2040. <http://minneapolis2040.com/topics/housing/>
- ⁴⁴ City of Minneapolis. “City Council approves inclusionary zoning policy to increase development of affordable housing.” December 13, 2019. <http://news.minneapolismn.gov/2019/12/13/city-council-approves-inclusionary-zoning-policy-increase-development-affordable-housing/>
- ⁴⁵ City of Milwaukee. Citywide Policy Plan. March 2010. <https://city.milwaukee.gov/ImageLibrary/Groups/cityDCD/planning/plans/Citywide/plan/Housing.pdf>
- ⁴⁶ Metropolitan Council. <https://metro council.org/Handbook/Files/Resources/Fact-Sheet/HOUSING/The-Consolidated-RFP.aspx>
- ⁴⁷ U.S. Census Bureau. American Community Survey 2018 1-year estimates. Table B25002 – Occupancy Status.
- ⁴⁸ U.S. Census Bureau. American Community Survey 2018 1-year estimates. Table S1701 – Poverty Status in the Past 12 Months.
- ⁴⁹ Detroit Land Bank Authority. <https://buildingdetroit.org/>
- ⁵⁰ City of Milwaukee – City Real Estate. <https://city.milwaukee.gov/DCD/CityRealEstate#.XrnCFGhKhPY>
- ⁵¹ Figures provided directly by LISC Detroit.
- ⁵² Ferretti, Christine. “Detroit home repair loan program tops expectations, but only third of applicants accepted.” *The Detroit News*. <https://www.detroitnews.com/story/news/local/detroit-city/2019/02/04/detroit-home-repair-loan-program-tops-expectations/2530602002/>
- ⁵³ Figure provided by Corporate FACTS, a national consultant that works with LISC Detroit.
- ⁵⁴ City of Detroit. Multifamily Affordable Housing Strategy. 2018. https://detroitmi.gov/Portals/0/docs/SOTC/Detroit_Multifamily_Affordable_Housing_Strategy_2018.pdf
- ⁵⁵ City of Detroit. 2018-2019 Budget in Brief. <https://detroitmi.gov/sites/detroitmi.localhost/files/2018-12/Budget%20in%20Brief%20-%20Final%20-%2010%2024%2018%20%281%29.pdf>
- ⁵⁶ Federal Reserve Bank of San Francisco. “Funds for Kickstarting Affordable Housing Preservation and Production.” March 2019. <https://www.frbsf.org/community-development/files/funds-for-kickstarting-affordable-housing-preservation-and-production-lessons-for-new-investors.pdf>
- ⁵⁷ HUD Exchange. CDBG Expenditure Report 2017. https://files.hudexchange.info/reports/published/CDBG_Expend_GrantEE_DETR-MI_MI_2017.pdf
- ⁵⁸ Wisconsin State Journal. https://madison.com/wsj/news/local/govt-and-politics/madison-strains-to-create-low-income-housing-and-sees-racial/article_3750ba29-676c-500e-a4aa-fa3277968f17.html
- ⁵⁹ U.S. Census Bureau. American Community Survey 1-year estimates. Table DP04 – Selected Housing Characteristics.
- ⁶⁰ Ibid.
- ⁶¹ City of Madison. Capital Budget 2020. <https://www.cityofmadison.com/budget/documents/2020/capital/adopted/CDD.pdf>
- ⁶² City of Madison 2020 Adopted Budget. <https://www.cityofmadison.com/budget/documents/2020/operating/adopted/TIF.pdf>
- ⁶³ Dane County. <https://admin.countyofdane.com/finance/budget>
- ⁶⁴ Dane County <https://danehousing.countyofdane.com/documents/housing-summit/2018/DC-Affordable-Housing-Fund-and-Awards.pdf>
- ⁶⁵ Wisconsin Policy Forum. “Making Ends Meet: City of Milwaukee’s Fiscal Condition.” September 2016. <https://wispolicyforum.org/research/city-of-milwaukee-fiscal-condition-making-ends-meet/>

