

# EXPANDING THE BLUEPRINT

*The role of nonprofit and private  
organizations in Milwaukee's  
affordable housing landscape*



WISCONSIN  
**POLICY FORUM**

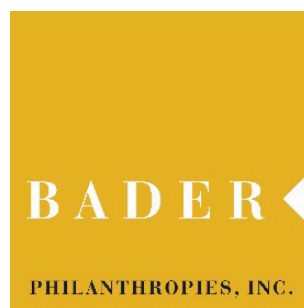
## ABOUT THE WISCONSIN POLICY FORUM

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 role nonprofit and private sector organizations play in strengthening access to affordable housing in Milwaukee. 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 organizations that responded to our survey and participated in our interviews. We would also 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.





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April 2021

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# INTRODUCTION

Long before COVID-19 began to wreak havoc on the health and livelihoods of Milwaukee residents, affordable housing was one of the city's greatest challenges. Recent Wisconsin Policy Forum research and facilitation work has found high levels of [rent-burdened households](#) and [frequent evictions](#) taking place in the city, along with a [declining homeownership rate](#) and an aging housing stock. Stark racial disparities make these issues particularly challenging for Milwaukee's Black and Hispanic populations.

Our July 2020 report, [Laying the Foundation](#), compiled and analyzed information about the many affordable housing programs and investments administered by Milwaukee's city government. It also identified opportunities for the city to [strengthen its impact](#) through streamlining services, establishing clearer leadership, increasing strategic planning and coordination, and expanding private sector engagement.

Dozens of nonprofit organizations and private developers also play important roles in maintaining and increasing access to affordable housing in Milwaukee. This report similarly examines their efforts with an eye toward improving coordination and collective impact. We broadly define affordable housing activities to include developing new affordable housing units, assisting low-income homeowners with home maintenance needs, helping renters transition to homeownership, providing temporary rent assistance, and engaging in affordable housing advocacy.

The primary questions we aimed to answer through this research include:

- Which private and nonprofit organizations are most active in efforts to maintain and increase affordable housing supply and access in Milwaukee and what services do they provide? What are the approximate budgets for their housing programs and what funding sources support those activities? What do we know about outcomes?
- What challenges do non-governmental organizations face with regard to their housing efforts? For example, how sustainable are their funding sources and how is the COVID-19 pandemic impacting their ability to provide services and meet demand?
- How do the housing activities and investments of non-governmental organizations complement those provided by the city of Milwaukee and other government bodies? Where is there overlap and are there gaps in the types of services available?

To help answer these questions, we first surveyed 61 nonprofit organizations and private developers whose work includes affordable housing development and/or housing services. We then completed a series of in-depth interviews with leaders from 15 of those organizations, which allowed us to dig deeper into questions about the city's most pressing housing needs, the challenges nonprofits and developers face in their housing efforts, and potential solutions. Overall, we hope this report enhances public understanding of Milwaukee's affordable housing landscape and provides useful insights for housing leaders and policymakers working to improve housing conditions in the city.



# BACKGROUND

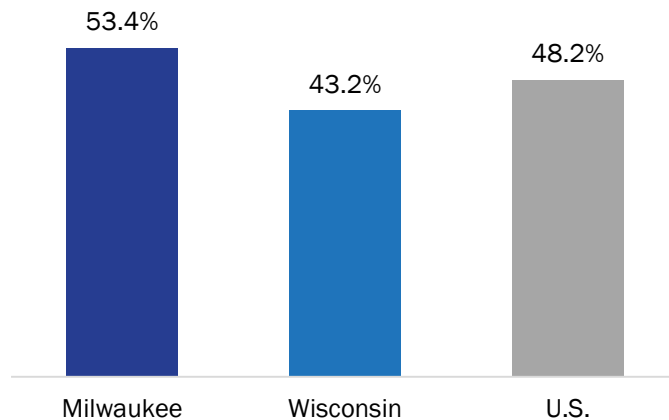
## Housing Challenges in Milwaukee

Before examining the housing programs and activities of organizations in Milwaukee, it is important to understand the multiple housing challenges city residents face. This section provides a high-level look at a few key challenges affecting Milwaukee's renters and lower-income homeowners.

### Rental Housing Unaffordable for Many

The cost of rental housing in Milwaukee exceeds what many households can afford. According to the most recent Census data, 53.4% 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 a majority (60%) of Milwaukee households rent rather than own their homes.<sup>1</sup>

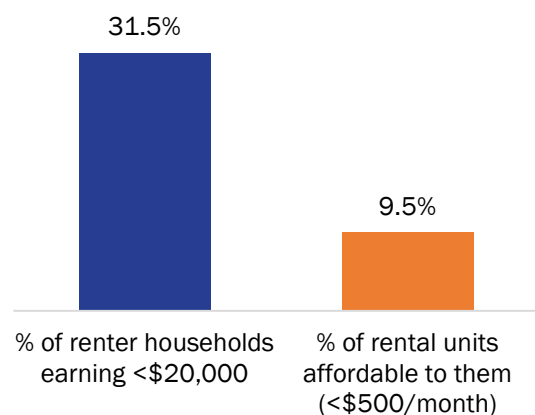
**Figure 1: Share of renter households spending at least 30% of their income of rent**



Source: U.S. Census Bureau – ACS 2019 5-year estimates

Unsurprisingly, this challenge is particularly common among the city's lowest-income renters. Milwaukee's modest median gross monthly rent (including the cost of utilities) is \$865, which is almost identical to the statewide median of \$867 and well below the national median of \$1,097. Nevertheless, a large gap exists between the number of very low-income renters and the number of housing units that charge rents affordable to them.<sup>2</sup> As shown in **Figure 2**, an estimated 31.5% of renter households in Milwaukee earn less than \$20,000 per year, but only 9.5% of rental units in the city charge rents under \$500 per month, which is the maximum those households could afford without becoming rent burdened.<sup>3</sup>

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



Source: U.S. Census Bureau – ACS 2019 1-year estimates



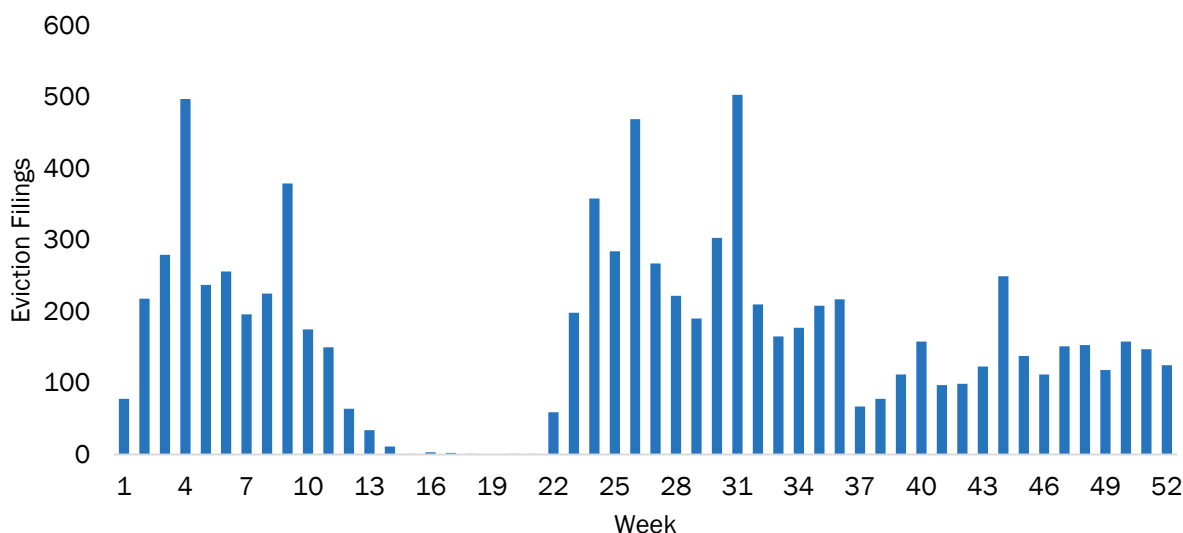
In addition to a need for additional affordable housing in general, many area housing leaders have identified a need to expand the supply of *supportive housing* units. Supportive housing pairs affordable housing units with supportive services like case management and is designed to help specific populations like seniors, people with disabilities, and people with mental illness or substance abuse problems to maintain stable housing in the community.

### Evictions Common and Could Spike in 2021

Prior to the pandemic, the city's high eviction rate made it the focus of Matthew Desmond's Pulitzer Prize-winning book, *Evicted*, and led to the creation of an Eviction Prevention Coalition and the city's new [Rental Housing Resource Center](#). While the Center for Disease Control (CDC) established a national moratorium on most evictions in September and has extended it through the end of June 2021, eviction filings have continued to take place in Milwaukee.

Princeton University's [Eviction Lab](#) began to track weekly eviction filings in many cities, including Milwaukee, in 2020. Those data show that eviction filings were actually higher in 2020 than in most if not all previous years, totaling 8,723.<sup>4</sup> As shown in **Figure 3**, weekly eviction filings temporarily dropped off in Milwaukee between March and May 2020 when a state moratorium was implemented. They returned again in the summer, however, and continued through the fall and early winter. Many housing leaders fear an even larger spike when the CDC's national moratorium ends.

**Figure 3: Eviction filings by week in the city of Milwaukee, 2020**

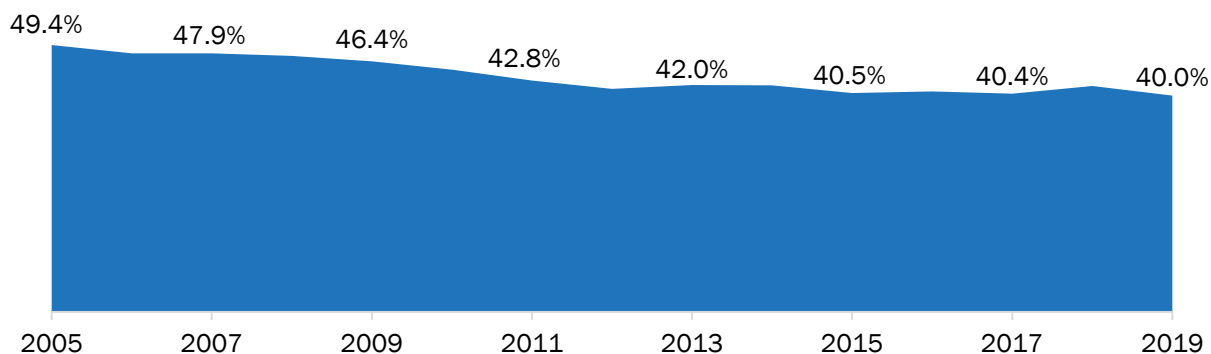


### Homeownership Rate Lagging

Another local housing challenge is Milwaukee's decreasing rate of homeownership. As shown in **Figure 4**, the share of housing units in the city that are owner-occupied declined from almost 50% in 2005 to just 40% in 2019.<sup>5</sup>



**Figure 4: Percentage of Occupied Housing Units that Are Owner-Occupied, City of Milwaukee**



Source: U.S. Census Bureau – ACS 2019 1-year estimates

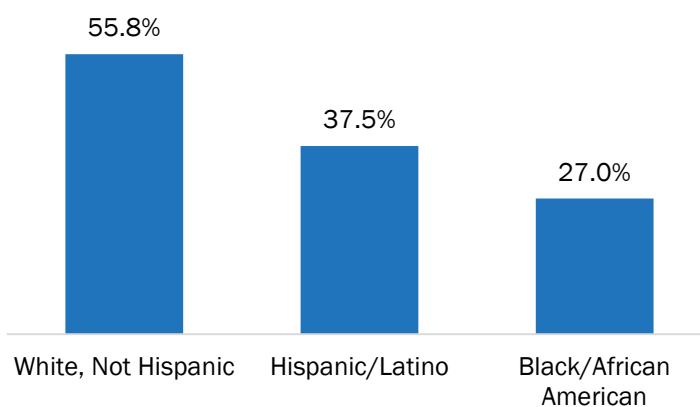
The homeownership rate is particularly low among the city's Black population (**Figure 5**). The most recent Census figures estimate that only 27% of Black households own their homes, compared with 37.5% of Hispanic households and 55.8% of Non-Hispanic white households.<sup>6</sup>

### Housing Stock is Aging and in Need of Repairs

For lower-income Milwaukee homeowners, maintenance costs are 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 (67.6%) in Milwaukee were built prior to 1960 (**Figure 6**).<sup>7</sup>

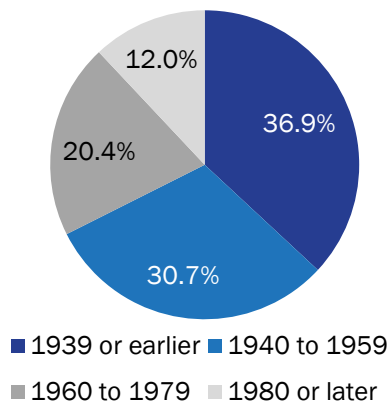
While housing cost burden affects a higher share of renter households than homeowners, it is also a relatively common issue among homeowners in Milwaukee. In fact,

**Figure 5: Homeownership Rates by Race/Ethnicity, City of Milwaukee**



Source: U.S. Census Bureau – ACS 2019 5-year estimates

**Figure 6: Year Occupied Housing Units Were Built, City of Milwaukee**



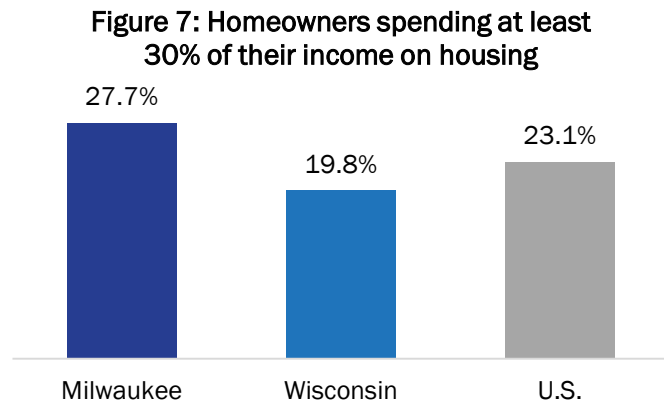
Source: U.S. Census Bureau – ACS 2019 5-year estimates





the share of Milwaukee homeowners who are housing cost-burdened is higher than it is statewide and nationally (**Figure 7**).<sup>8</sup>

Together, these trends and challenges illustrate the varied housing needs in Milwaukee. Those include issues related to the supply of affordable rental housing and the challenges facing rent-burdened households to the high cost of home repair and rehabilitation and their impact on preserving and increasing homeownership.



Source: U.S. Census Bureau – ACS 2019 5-year estimates

# HOUSING ACTIVITIES: BY THE NUMBERS

To understand the landscape of non-governmental housing organizations in Milwaukee that are working to address the challenges outlined in the previous section, we first distributed a survey to 73 nonprofits and affordable housing developers in fall 2020. Our intention was to learn more about the specific types of housing services and activities conducted by each organization, the scale of those activities, their target populations and geographies, and the funding amounts and sources used to support their work.

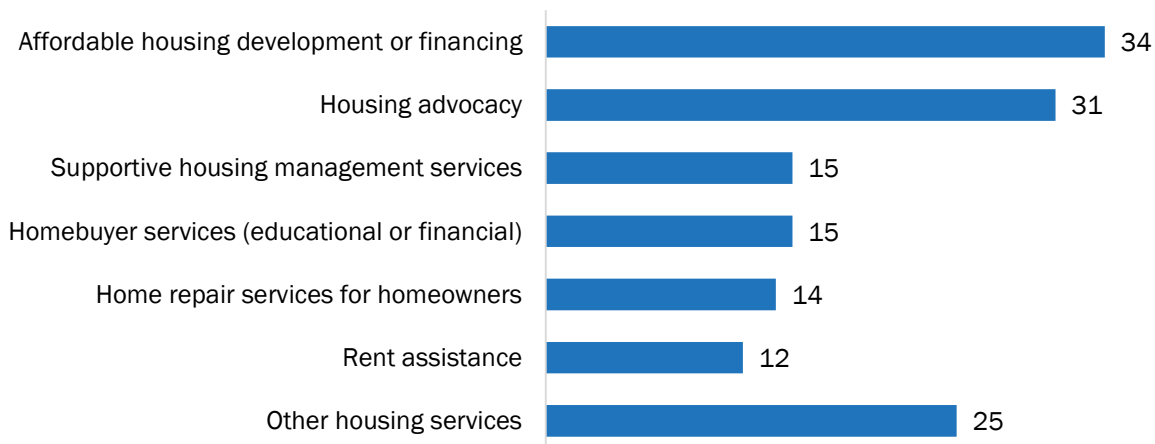
A total of 61 organizations (84%) completed the survey, including 47 nonprofits and 14 developers. (A complete list of respondent organizations is provided in the **Appendix**.) Notably, while housing is the primary focus for some of those organizations, it is one of multiple areas of focus for most. We complemented the survey with a series of in-depth interviews, which we will discuss in the next section of this report.

Below, we summarize the survey responses. We begin with a few general questions and then dig into responses on six categories of housing activities we identified based on the city's varied challenges: affordable housing development, rent assistance, homebuyer services, home repair services, supportive housing management, and housing advocacy.

## General Questions

Affordable housing development and housing advocacy were the two most common categories of housing activities cited by survey respondents. As shown in **Figure 8**, a majority of the respondents (34) said their organization develops or finances affordable housing development in Milwaukee and just over half (31) also said they engage in housing advocacy on behalf of Milwaukee residents. Below is a breakdown of the number of organizations reporting each type of housing activity.

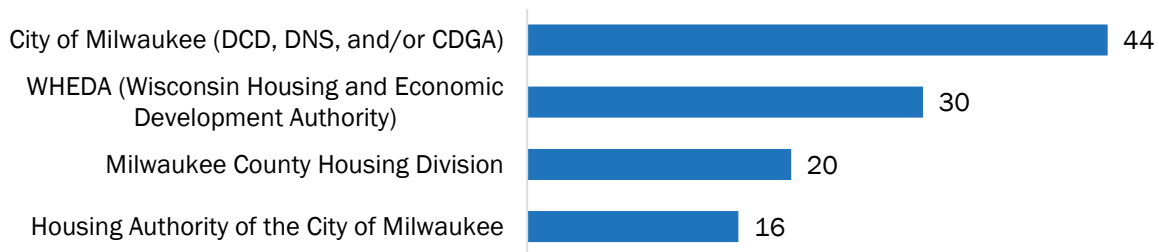
**Figure 8: Number of organizations engaged in housing activities in Milwaukee, by category**  
(among 61 total respondents)



Respondents reported providing a wide variety of “other housing services,” but none were cited frequently enough to merit citation as its own category. Other housing services included landlord-tenant mediation services; foreclosure prevention assistance; emergency shelter and homelessness prevention; and independent and assisted living facility development and management.

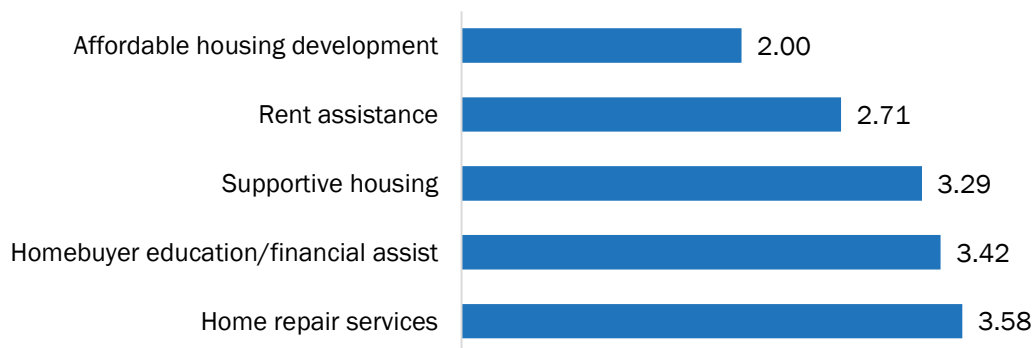
Most responding organizations reported having partnered with at least one public sector organization within the last three years to provide housing services and/or to develop affordable housing (**Figure 9**). A strong majority (44 or 72%) reported partnerships with the city of Milwaukee’s departments of city development (DCD) or neighborhood services (DNS) or its Community Development Grants Administration (CDGA) office, which handles many federal grants from the U.S. Department of Housing and Urban Development. Nearly half of the respondents (49%) have partnered with the Wisconsin Housing and Economic Development Authority (WHEDA), which distributes federal and state tax credits to support affordable housing development projects, among other services.

**Figure 9: Number of organizations partnering with each public body over the last three years**  
(among 61 total respondents)



When asked to assess the need for increased financial support for various housing activity categories, most respondents cited affordable housing development as having the greatest need. In fact, 28 of the 52 organizations that responded to this question ranked affordable housing development first among the five options given, and its average ranking of 2.00 across all respondents placed it above every other category (**Figure 10**). This finding may partially reflect the fact that affordable housing development is the most common housing activity among the responding organizations, however. Notably, several organizations expressed difficulty in ranking the options as they believe increased funding is needed for many if not all of these service categories.

**Figure 10: Level of need for increased financial support of housing activities, by category**  
Average ranking with 1 indicating greatest need and 5 indicating lowest need



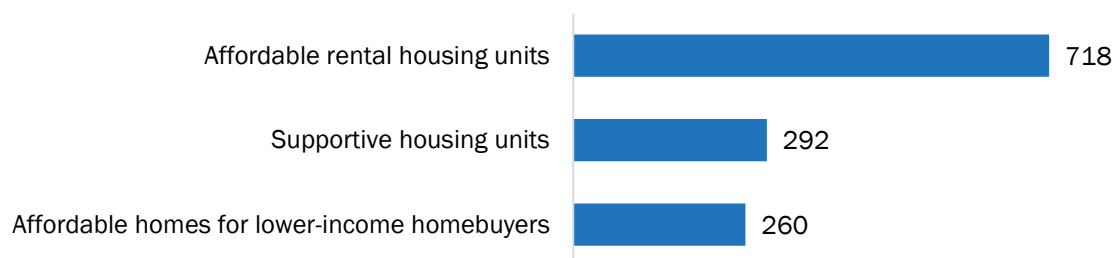
## Affordable Housing Development

As previously noted, 34 organizations reported developing or financing affordable housing development in Milwaukee, making it the most commonly cited housing activity. Most of those organizations (28) said they work on affordable housing development projects citywide, while only six focus on specific neighborhoods.

In 2019, the combined work of those 34 organizations added **1,270 units** of affordable housing to Milwaukee. As shown in **Figure 11**, more than half of those units (57%) were affordable rental units. The remainder were split roughly equally between affordable homes for lower-income homebuyers and supportive housing units, which include case management-type services designed to promote housing stability for specific vulnerable populations. Notably, one organization reported developing 250 of the 292 supportive housing units (86%), while another was responsible for developing 183 of the 260 affordable homes for lower-income homebuyers (70%).

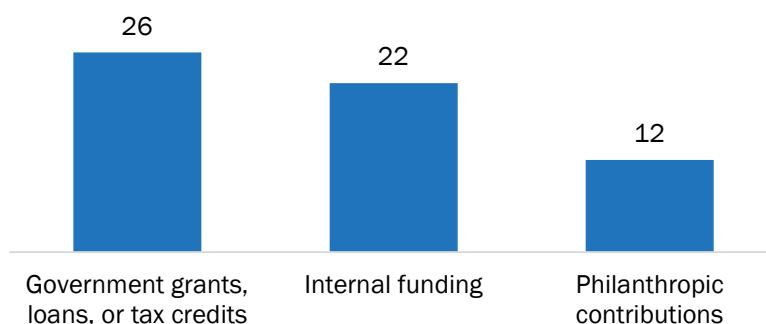
Overall, the respondents reported developing fewer units in 2019 than in a typical year. Five organizations noted they generally develop a combined 281 additional affordable units each year, meaning an annual total of over **1,500 units** would be typical.

**Figure 11: Affordable housing units developed in 2019 in Milwaukee, by unit type**



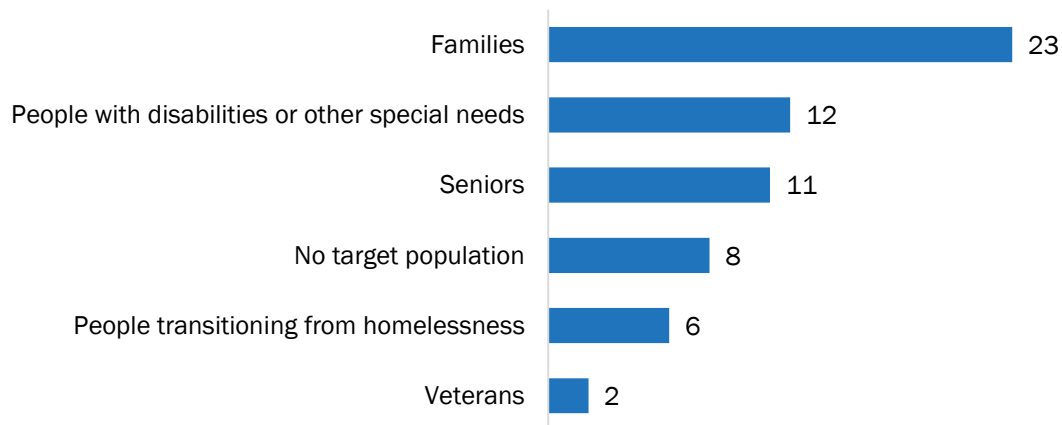
Many organizations use a combination of government support and internal funding to develop affordable housing, while a smaller number receive support from foundations and other philanthropic sources. **Figure 12** shows the number of organizations that reported using each of the funding sources listed to support their affordable housing development work. It is important to note that our survey did not capture the amount of funding contributed by each source.

**Figure 12: Funding sources for affordable housing development in Milwaukee**  
Number of organizations reporting each source (total = 34)



The population most often targeted for affordable housing developments is lower-income families, as shown in **Figure 13**. Seniors and people with disabilities are also frequently targeted.

**Figure 13: Target populations for affordable housing development in Milwaukee**  
Number of organizations citing each population (total = 34)

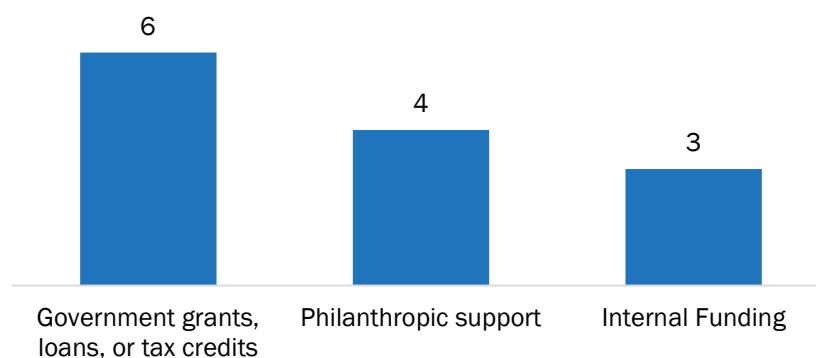


## Rent Assistance

A total of 12 organizations reported providing rent assistance to Milwaukee households. Only six provided the number of Milwaukee households they assisted directly, however, which totaled **1,001 households** in 2019. Five of those six organizations assist residents citywide, while one targets households in specific neighborhoods only.

Four of the six organizations that provide direct rent assistance to Milwaukee households cited the amount of funding supporting their rent assistance programs, which totaled **\$1.8 million** in 2019. All six received support from government sources for their rent assistance programs. Much of the government funding support comes from programs administered by the U.S. Department of Housing and Urban Development (HUD), such as the Emergency Solutions Grant and HOME programs, with additional support from other federal sources and the state of Wisconsin. A breakdown of rent assistance funding sources cited by our respondents is provided in **Figure 14**.

**Figure 14: Funding sources for rent assistance programs in Milwaukee**  
Number of organizations reporting each source (total = 6)



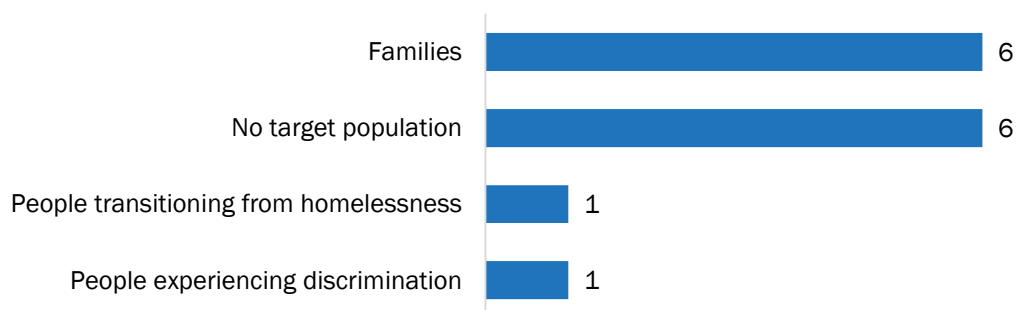
The six organizations that provide rent assistance in Milwaukee focus on a variety of target populations, including low-income individuals and families and people at risk of homelessness or transitioning out of homelessness.

## Homebuyer Services

A total of 15 organizations reported providing **2,347 Milwaukee homebuyers** with education, counseling, or financial assistance to help them purchase homes in 2019. Total funding budgeted for homebuyer services was a combined **\$3.2 million** in 2019, though that does not include the amount spent by two organizations that noted they do not break out homebuyer services as a separate line item in their budgets. Ten organizations that provide homebuyer services assist households citywide and five target specific neighborhoods only.

Most organizations either target lower-income families or have no target population for their homebuyer services, as shown in **Figure 15**.

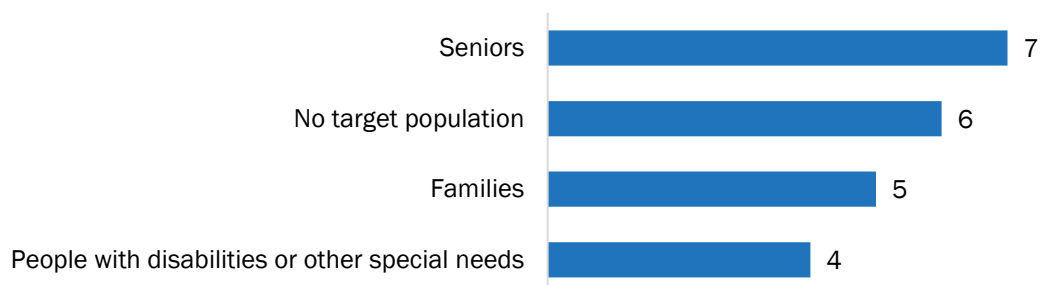
**Figure 15: Target populations for homebuyer services in Milwaukee**  
Number of organizations citing each population (total = 15)



## Home Repair Services

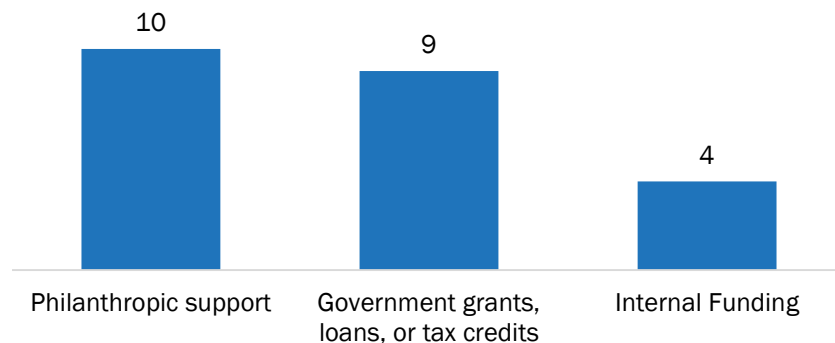
A total of 14 organizations reported providing home repair services for **1,158 Milwaukee households** in 2019, with one organization assisting just over half of that total. The combined budgets for home repair services across all 14 organizations was **\$11.3 million** in 2019. Eleven of the organizations provided these services citywide or beyond, while three operated in specific neighborhoods only. The target populations for home repair programs in Milwaukee vary widely, as shown in **Figure 16**.

**Figure 16: Target populations for affordable home repair services in Milwaukee**  
Number of organizations citing each population (total = 14)



The most common sources of financial support for home repair services in Milwaukee are philanthropy and government (Figure 17), with half (seven) of the 14 respondents citing support from both. Again, our survey did not capture the actual funding amounts provided by each source.

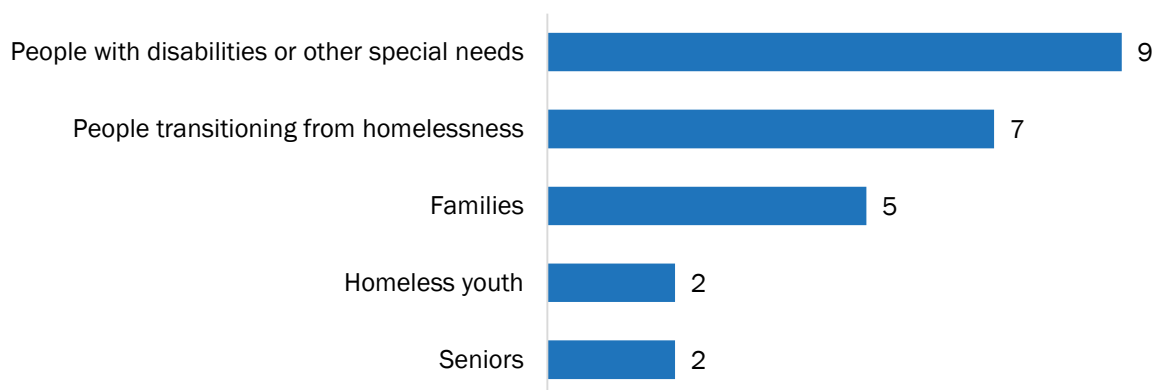
**Figure 17: Funding sources for home repair services in Milwaukee**  
Number of organizations reporting each source (total = 14)



## Supportive Housing Management

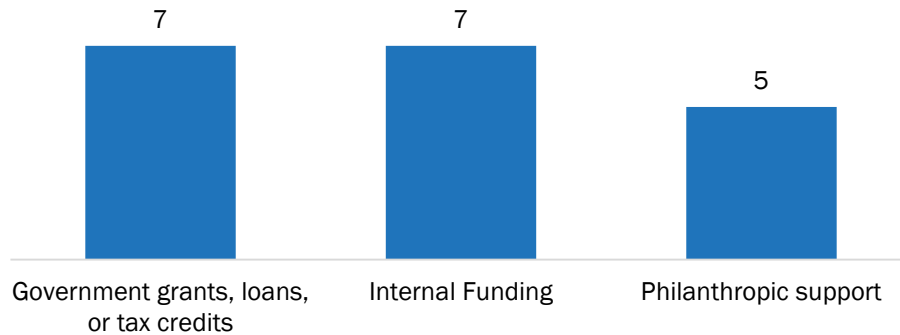
A total of 15 organizations reported providing supportive housing management services in Milwaukee, including 13 that operate citywide and two in specific neighborhoods only. Together, they managed a combined **1,118 units of supportive housing** in Milwaukee in 2019. Most organizations cited people with disabilities and/or people transitioning from homelessness as among the target populations for their supportive housing services (Figure 18).

**Figure 18: Target populations for affordable supportive housing services in Milwaukee**  
Number of organizations citing each population (total = 15)



Eight organizations responded to our request for the amount of funding they budgeted for supportive housing management services in 2019, which totaled a combined **\$5.4 million**. The number of organizations citing financial support from each funding source for their supportive housing services is shown in Figure 19.

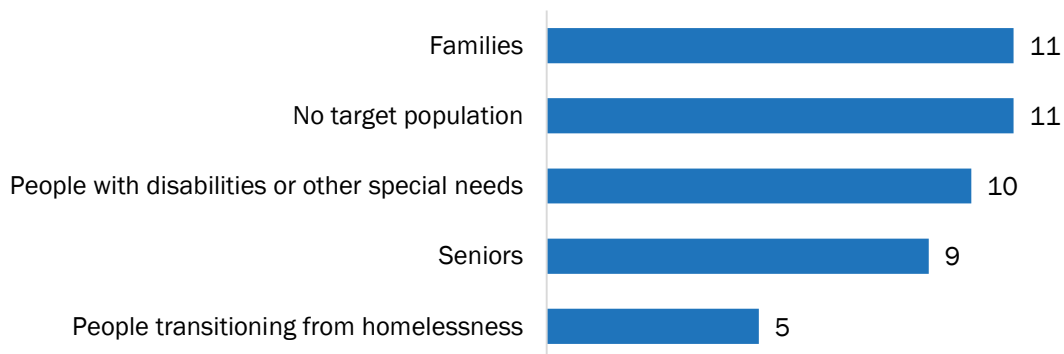
**Figure 19: Funding sources for supportive housing management services in Milwaukee**  
Number of organizations reporting each source (total = 8)



## Housing Advocacy

A total of **31 organizations** reported engaging in housing advocacy work on behalf of Milwaukee households, including 26 that operate citywide or beyond and five that work only in specific city neighborhoods. The target populations for their housing advocacy efforts varied widely, as shown in **Figure 20**.

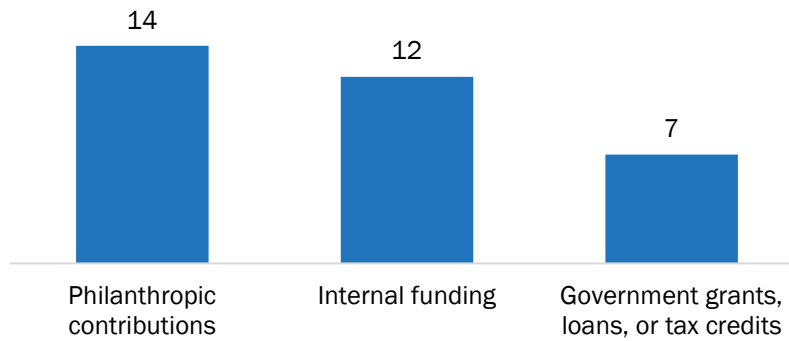
**Figure 20: Target populations for housing advocacy work in Milwaukee**  
Number of organizations citing each population (total = 31)



The total combined funding budgeted for housing advocacy services across all of these organizations in 2019 exceeded **\$2 million**, though the actual amount is understated as several organizations did not report an amount and stated it is not a separate line item in their budgets. Philanthropic contributions and internal funding were the most common sources of financial support for housing advocacy work (**Figure 21**).



**Figure 21: Funding sources for housing advocacy work in Milwaukee**  
Number of organizations reporting each source (total = 31)



## Summary

Our survey sought to identify nonprofit and private sector organizations that are active in efforts to improve access to affordable housing in Milwaukee and provide insight into the scope and scale of their housing services and activities. Those activities are summarized in **Figure 22**.

**Figure 22: Housing activities by nonprofit and private sector organizations in Milwaukee, 2019**

	# of Active Organizations	Combined Households Served/Units (2019)	Combined Budget for Services (2019)
Affordable Housing Development	34	1,270 units	N/A
Housing Advocacy	31	N/A	\$2 million+
Homebuyer Services	15	2,347 homebuyers	\$3.2 million+
Supportive Housing Management	15	1,118 units	\$5.4 million
Home Repair Services	14	1,158 homeowners	\$11.3 million
Rent Assistance	12	1,001 renter households	\$1.8 million+ (in direct assistance)

In interpreting these numbers, it is important to note that costs per household or unit vary substantially by service type. It is also likely that budgeted amounts underrepresent the actual funding used to support these services. For example, respondent organizations reported a combined \$1.8 million in rent assistance provided in 2019, but that does not take into account funding needed to staff and manage those services. Some organizations also noted that they do not break out funding in their budgets for each specific service type and were thus unable to report those amounts.

Nevertheless, these data reveal some important insights for policymakers and funders. For example, affordable housing development and housing advocacy are the most common activities conducted by our respondents, and as a group they ranked **affordable housing development as most in need of increased financial support** among the six categories of housing activity.

Our survey did not ask how much funding organizations currently dedicate to affordable housing development, but producing 1,500 additional housing units each year clearly requires more resources than any of the other categories of housing activity. Our survey does reveal that among the other categories of activity, the respondents **collectively spend the most on home repair services**. The emphasis on home repair services in the non-governmental sector mirrors our previous research finding that the city of Milwaukee invests close to half of its overall housing dollars in this area. Indeed, much of the funding used to support home repair services in Milwaukee comes from HUD allocations to the city, which are then distributed to nonprofits to provide the services.

While the survey results help to illuminate Milwaukee's housing landscape in a quantitative way, our other research questions aimed to identify the city's most pressing housing challenges and potential solutions. For perspective on those questions, we complemented our survey with a series of interviews with area housing leaders, which we summarize in the next section of this report.

# HOUSING CHALLENGES & POTENTIAL SOLUTIONS

In addition to using a survey as a means of increasing understanding of Milwaukee's housing challenges and the efforts of non-governmental organizations to address them, we sought on-the-ground perspectives on those questions and on potential ways to improve access to affordable housing in Milwaukee. To do so, we interviewed leaders from a diverse set of 15 organizations that together cover the full range of housing services and activities within the scope of our research. (A complete list of organizations interviewed is provided in the **Appendix**.) They included nine nonprofits and four developers that responded to our survey and two public sector organizations that play important roles in Milwaukee's housing landscape.

The following five questions guided our interviews:

- What are Milwaukee's *most pressing housing needs* and how has the pandemic changed things?
- What are the *biggest capacity/funding challenges* for housing services and affordable housing development in Milwaukee and what potential solutions are there?
- Are there specific *gaps in housing services or in the supply of affordable housing* in Milwaukee that need to be more highly prioritized?
- Is there sufficient *coordination of housing activities* in Milwaukee, and if not, how could coordination be improved?
- What specific *local, state, and/or federal policy changes* are needed to improve the supply and quality of affordable housing and to boost homeownership in Milwaukee?

Each person we interviewed provided unique responses to these questions but there also were several points of consistency. Below, we summarize several specific insights and comments that were mentioned by multiple respondents.

## Current Housing Priorities

### Rental housing lacking for very-low income households

– Previous Wisconsin Policy Forum [research](#) has shown that the prevalence of low incomes among Milwaukee households – rather than high rental prices – is the primary driver of the city's housing affordability gap. That finding was reinforced through our interviews, with several of our interviewees commenting that Milwaukee has insufficient rental housing that is affordable for very low-income households. Affordable housing developments typically target households earning around 60% of the area median, but with close to one-third of Milwaukee's renter households earning less than \$20,000 per year (far below 60% of the area median, as shown in

*"We have a pretty affordable rental market in Milwaukee, but poverty is so deep that housing still isn't affordable for many households."*



**Figure 2** on p. 4), thousands of households continue to struggle to afford the city's modest housing prices.

**Develop more affordable and mixed-income housing near employment centers** – Another theme emerging from our interviews was a need to develop mixed-income housing – rather than developments that focus exclusively on affordable units – and to locate those developments near employment centers and high quality schools throughout the region instead of in city neighborhoods that already have an abundance of affordable housing. Interviewees suggested this approach could help to reduce segregation and provide lower-income families with more opportunities.

*“The biggest issue is a lack of integrated [mixed-income] housing that is located near employment centers regionally, which would reduce segregation and get lower-income families into places of opportunity.”*

**Prioritize eviction prevention as the pandemic lingers** – While boosting homeownership in general and specifically eliminating racial disparities in homeownership rates are viewed by many Milwaukee housing leaders as top longer-term priorities, several individuals noted that the economic conditions brought on by the COVID-19 pandemic make affordable rental housing and eviction prevention the top short-term priorities. The pandemic has exacerbated rental housing challenges for many Milwaukee households, creating a deluge of need for rent assistance. Federal relief has allowed local organizations to assist many Milwaukee households temporarily, but that funding will run out in the coming months and the CDC's eviction moratorium will end on June 30, 2021. Many fear a spike in evictions later this year and point to a need to directly assist households and to expand landlord-tenant mediation services and legal services for tenants, which have proven effective in preventing evictions.

**Increase focus on middle-market housing** – Another priority cited by interviewees was the need to develop more middle-market housing for those who do not qualify for affordable housing units or programs but who cannot afford market-rate rental prices. In recent years, most housing developments in Milwaukee have been either high-end or exclusively affordable, with very little development of middle-market or mixed-income housing.

## Capacity & Funding Challenges

**Expand number and scale of nonprofit housing developers and service providers** – Housing leaders identified several capacity limitations and barriers preventing Milwaukee's network of housing organizations from meeting the needs of city residents. The first was the limited number and generally small scale of nonprofit affordable housing developers and housing service providers in the city. Some suggested a need to expand housing strategies that have been effective locally and/or to expand the scope of a small number of highly-effective organizations to provide a broader range of housing services.

*“There is a lot of need for on-site supportive services in affordable housing development, yet no source of ongoing funding for those services.”*

**Create sustainable sources of funding for supportive housing services** – One specific item frequently cited in our interviews is a need for sustainable and sufficient funding for services in supportive housing developments. Several housing leaders said that despite the well-documented value of supportive services to maintaining housing stability for renters with disabilities, mental health and substance abuse issues, and formerly homeless individuals and families, the organizations that manage supportive housing developments in Milwaukee struggle every year to pay for those services. Milwaukee County is an important source of public sector support, but its contributions can vary from budget to budget and client to client. Consequently, for many supportive housing developments, no stable source of ongoing support for services currently exists. This often leaves organizations scrambling to pull together small grants from multiple sources to cover those services and unsure whether they will be sustained from year to year.

**Enhance funding for home rehab and repair** – Some housing leaders noted that the cost of rehabbing homes in Milwaukee often exceeds their value. They suggested more subsidies are needed to make the numbers work for home rehab projects, while some also noted that cost estimates used by public sector organizations for home rehab and repair are unrealistically low.

*“Project budgets are wildly underfunded. I’m constantly begging people to do work for me in Milwaukee while also not paying them what they need. I’m losing contractors every week.”*

**Develop dedicated funding sources for affordable housing** – Another theme was a need for more reliable and flexible funding for affordable housing development and housing services in general. Several individuals noted that federal funding sources can come with onerous restrictions, and some suggested that expanding the city of Milwaukee’s Housing Trust Fund would be an ideal way to provide more flexible and easier-to-access support for affordable housing development and housing services. The Housing Trust Fund is currently quite limited, typically distributing less than \$500,000 per year.

One specific idea for a new flexible source of funding was for the state of Wisconsin to dedicate a certain percentage of the real estate transfer fees it collects to an affordable housing fund for the same municipality in which the fees are generated.

**Increase access to financing for emerging affordable housing developers and developers of color** – Some housing leaders said additional sources of lower-interest capital are needed for both developers of color and nonprofit developers to support the kinds of housing developments neighborhoods desire. Another suggestion was to introduce a training program for developers of color on affordable housing finance, possibly as a new option that could complement LISC-Milwaukee’s well-regarded ACRE program, which trains people of color in commercial real estate development.

## Gaps in Services

**Create more affordable housing in suburban communities** – Many Milwaukee housing leaders noted a lack of affordable housing in the suburbs – particularly for families – and less willingness among suburban landlords to accept housing vouchers. Some said a lack of older multi-family housing in suburban communities may also influence the limited supply of affordable housing in those places.

Others noted that when affordable housing is developed in the suburbs, it is often targeted to low-income seniors rather than families.

**Focus on reducing racial gaps in homeownership** – Several housing leaders said there is a need to focus more on increasing homeownership among Hispanic and (particularly) Black households in Milwaukee to close the racial disparities that currently exist. Many also noted a general need for major investment in predominantly Black neighborhoods on the city’s north side to rehab vacant homes into high quality, affordable housing. One specific suggestion was to expand scattered-site affordable housing development on the north side using Low Income Housing Tax Credits, which can create opportunities for affordable homeownership once the 15-year period ends in which those homes must be used for affordable rental housing.

**Deploy housing navigation services** – Another perceived gap relates to efforts to help Milwaukee residents identify and access affordable housing and housing services. For example, some pointed to the value of housing navigators who are dedicated to such tasks. The new [Rental Housing Resource Center](#) in downtown Milwaukee (discussed in more detail later in this report) would be one logical place to locate navigators or navigation services.

*“A couple of neighborhood organizations have housing navigators with the expertise to help people find resources and access housing services. Expanding that citywide with at least one navigator on the north side and one on the south side would be ideal. A central location like the new Rental Housing Resource Center would make sense too.”*

**Expand access to credit counseling and financial education** – Expanded credit counseling services and financial education were cited by housing leaders as essential to improving housing stability among renter households in Milwaukee.

## Coordination of Services

**Build on progress made in recent years** – Many individuals we interviewed pointed to recent progress in Milwaukee to coordinate housing services and activities in several key areas. For example, the [Milwaukee Continuum of Care](#) brings together numerous public and private sector organizations to coordinate homelessness prevention activities and [Take Root Milwaukee](#) is a consortium of

*“There is much more willingness to come together and collaborate now and to acknowledge that coordinating is a better and more effective approach.”*

over 40 organizations focused on strengthening homeownership. Most recently, an Eviction Prevention Coalition first organized in 2018 has led to the development of the previously mentioned [Rental Housing Resource Center](#), which co-locates nine organizations under one roof and serves as a virtual and physical clearinghouse of information and a comprehensive referral network, connecting



people to rental assistance, legal and mediation services, and homeless prevention resources. The Rental Housing Resource Center launched virtually in December 2020 and its physical space is currently under construction at Community Advocates' downtown Milwaukee building.

**Encourage more cross-sector coordination on affordable housing production** – While local collaboration has strengthened for many areas of housing, several individuals noted a gap when it comes to coordination of affordable housing production activities, which includes new affordable housing development and rehab of existing buildings and houses. A collaborative approach to reviewing and funding affordable housing production proposals could engage all local funders, simplify the process for developers and nonprofit organizations, and increase overall impact. Some suggested that coordination of these processes could be especially helpful for smaller organizations that may learn from and partner with larger ones. At the same time, many acknowledged challenges to coordination, including competition for resources like LIHTC that are limited.

*“Every funder has its own underwriting, board review, etc., which are long processes. Imagine a more collaborative approach. Could co-reviewing affordable housing proposals with agreed upon standards improve overall impact? Could a shared housing investment fund help projects get done quicker?”*

One interviewee suggested looking to Madison as an example, noting that the city of Madison sets guidelines for how and where LIHTC should be used and dedicates city funding to projects that meet those guidelines, which helps to coordinate and shape what is produced. Dane County matches the city's funding. A similar approach could be considered in Milwaukee at the city or county level and could include not just LIHTC housing but other buckets as well, such as home rehab, naturally occurring affordable housing (NOAH), or other services supported with federal CDBG and HOME funds.

**Build stronger partnerships between community organizations and affordable housing developers** – Several individuals noted a disconnect and power imbalance between community organizations with deep ties to the neighborhoods they serve and developers with the expertise to make affordable housing developments work. They pointed out a need to foster more collaboration between the two.

*“We use LIHTC for our affordable housing developments and it is a very long and complicated process that requires a lot of expertise. Those who have the expertise don't have the neighborhood awareness, and vice versa.”*

**Coordinate tracking of housing services** – It was suggested that lessons learned from the experience of Milwaukee's Continuum of Care could be applied to a broader set of housing services. Specifically, it may be helpful to establish a system that allows organizations to collectively track households across the full range of housing services. This approach is seen by some as a possible way to better determine what programs and services are achieving desired outcomes and where there are gaps.

**Encourage collaboration among small supportive services providers** – One interviewee suggested that coordination of services across supportive housing developments could help to improve both capacity and effectiveness. Larger organizations active in supportive housing management have the scale that is needed on their own, but smaller organizations could benefit considerably from coordinating with others.

## Needed Policy Changes

Dozens of local, state, and federal policy changes were suggested by the housing leaders we interviewed. Below we summarize a small subset of those most often mentioned. While these suggestions reflect the opinions of individuals we interviewed, many acknowledged that some would require changes that are beyond local control and/or would be politically challenging to advance.

**Expand housing vouchers** – One of the most frequently cited policy suggestions was to vastly expand access to housing vouchers and other housing subsidy programs, which would require changes at the federal level. Voucher programs can make housing affordable for individuals and families by limiting the amount they must pay in rent to 30% of their income. Some housing leaders suggested universal access to housing vouchers would be ideal while acknowledging the very low likelihood of even a major expansion of housing vouchers in the near future.

**Limit rental prices and/or property taxes** – A number of individuals suggested some form of rent control or expanded efforts to limit increases in property taxes in neighborhoods experiencing gentrification. One specific suggestion was to cap rent at a certain percentage of a property's value, as [recommended](#) by a former Assistant City Attorney. Again, those recommending these policy changes acknowledged they would face stiff opposition.

**Change WHEDA's policies for awarding tax credits** – Housing leaders suggested several changes to WHEDA's formulas and policies for awarding Low Income Housing Tax Credits to qualifying affordable housing and supportive housing developments:

- Some noted that the formula favors projects requiring the least amount of tax credit support per unit. As a result, every project requires developers to generate substantial outside funding support, which is very challenging and time consuming and drives developers to do cheaper, lower-quality projects. Other states like Michigan have higher credit-per-unit maximums, which they suggested makes it easier to finance deals for quality affordable housing.
- Representatives from organizations that develop and manage supportive housing argued that such housing developments face more hurdles to accessing tax credits than non-supportive developments. They suggested that WHEDA should do more to take into account the cost of providing supportive services and allow organizations to include

*“WHEDA needs to change how the competition works. If you want permanent supportive housing, you need different rules to make that happen. Having the project with the lowest operating budget win is not the way to do it.”*



the costs of services in their operating plans.

- Another common suggestion was that WHEDA should place a greater emphasis on affordable housing developments that are located near employment centers.

**Change zoning and land use plans** – A number of individuals suggested introducing an inclusionary zoning policy while acknowledging that it is currently prohibited under Wisconsin law.<sup>9</sup> Inclusionary zoning policies “require or encourage developers to set aside a certain percentage of housing units in new or rehabilitated projects for low- and moderate-income residents.”<sup>10</sup> Others suggested that local zoning regulations and long-range land use plans in the suburbs should allow and encourage higher density housing, which can facilitate affordable housing development.

**Preserve and increase homeownership** – A couple of housing leaders suggested that the city of Milwaukee should put an even greater emphasis on creating affordable homeownership (rather than rental) opportunities with its programs that rehabilitate and resell vacant city-owned houses and duplexes.

Some also pointed to the proposed federal [Neighborhood Homes Investment Act](#) – which would introduce a new tax credit program to support renovating single family homes, duplexes, and small apartment buildings in distressed neighborhoods where renovation costs often exceed property values – as a promising solution already in the federal policy pipeline that could help to preserve homeownership.

*“The city of Milwaukee could focus even more on identifying owner occupants for the city-owned properties they’re trying to sell. Strengthening partnerships with more community organizations could help with this.”*

**Increase household incomes** – Finally, many local housing leaders argued that since low incomes – rather than high rental prices – are the primary driver of the housing affordability problem in Milwaukee, policy changes that improve educational outcomes and increase incomes among city residents are necessary. Several suggested minimum wage increases. Another suggestion was to expand on programs that incentivize businesses to develop local talent to fill permanent jobs (not just construction) rather than bringing in such talent from outside the city.

# CONCLUSION

Our research and interviews with leaders of organizations that develop affordable housing and provide housing services in Milwaukee show both the breadth and depth of the city's housing challenges. Addressing them will similarly require expanded or new strategies on multiple fronts. Broad observations from our analysis include the following:

**Affordable housing development is widely viewed as the housing strategy most in need of increased financial support.** Expanding the supply of affordable housing in Milwaukee typically requires tapping a limited pool of federal and state tax credits while also securing and leveraging numerous other funding sources. Among six categories of housing activities to choose from, our survey respondents ranked affordable housing development as the area most in need of increased financial support, with more than half (54%) citing it as the top priority. Several individuals we interviewed also noted a need for more flexible pools of funding. Some suggested expanding the city of Milwaukee's Housing Trust Fund, which currently has an annual budget of less than \$500,000. Several also noted a specific need to increase access to financing for emerging affordable housing developers and developers of color, who may struggle to compete for federal and state tax credits.

**Greater priority should be given to affordable housing developments that include units targeted to very low-income households and that are located near suburban employment centers.** Non-governmental organizations combine to produce roughly 1,500 affordable housing units per year, but many housing leaders we interviewed noted a dearth of units that are affordable for the thousands of households that make less than half of the area median income. Many also suggested that greater emphasis should be placed on locating new affordable housing developments near suburban job hubs as a strategy to increase opportunities for low-income households and reduce residential segregation. Notably, expanding affordable housing production in suburban communities may require changes to local zoning regulations and long-range land use plans to allow and encourage higher density housing development.

**New or expanded funding sources are needed for services in supportive housing developments.** Supportive housing is designed to help renters with disabilities, mental health and substance abuse issues, and formerly homeless individuals and families remain stably housed in their communities of choice via the provision of onsite or easily accessible case management and related services. While Milwaukee County is an important source of funding for services in some supportive housing developments, many are left scrambling to pull together small grants from multiple sources to cover the full cost of services and are unsure whether they will be sustained from year to year.

**Home repair services are highly prioritized by both private and public sector organizations, but project costs often exceed available resources.** Survey respondents reported that outside of affordable housing development, home repair is the area of housing where they spend the most dollars collectively. That mirrors our previous research finding that the city of Milwaukee invests close to half of its housing dollars in home repair services. Much of the city's funding for home repair comes from federal HUD allocations and is distributed to nonprofits that provide the services. At the same time, some housing leaders we interviewed said that cost estimates used by public sector organizations for both home repair and rehab projects are unrealistically low and that financing those projects has become increasingly difficult.



**While boosting Milwaukee's homeownership rates should be a top priority, the impacts of the COVID-19 pandemic have forced a short-term focus on housing stabilization and eviction prevention.**

Between 2005 and 2019, Milwaukee's homeownership rate dropped from nearly 50% to 40%, and homeownership rates are far lower for Black and Hispanic households than white households. Many housing leaders believe that reversing the overall homeownership decline and eliminating racial gaps are critically important and that progress is within reach. Yet, at the same time, many cite the severe impacts of COVID-19 on Milwaukee's low-income households, who typically rent and whose members are disproportionately employed in hard-hit service occupations. Consequently, preventing evictions through increased rent assistance, tenant-landlord mediation services, and (when necessary) legal representation are urgent needs for the immediate future.

**New efforts may be needed to coordinate affordable housing development and rehab efforts and to track housing services and outcomes across organizations and sectors.**

Recent progress has been made in Milwaukee to bring together public and private sector organizations to coordinate housing services citywide (and beyond) when it comes to homelessness prevention (Continuum of Care), homeownership (Take Root), and eviction prevention (Rental Housing Resource Center). Many individuals we interviewed suggested that public and private sector funders could build on this progress by collaborating more with regard to affordable housing development and rehab strategies and projects. Another possible form of collaboration suggested by housing leaders is collaborative investment in developing a system to track households across the spectrum of housing services, which would allow for better assessment of what programs and services are achieving desired outcomes and where gaps exist.

**Milwaukee's affordable housing challenges will not improve substantially until incomes rise.**

Expanding the supply of affordable housing, helping renters transition to homeownership, and assisting low-income homeowners with needed home repairs all make a difference in improving the stability and well-being of Milwaukee households. At the same time, with very low household incomes a primary factor underlying all of the city's housing affordability problems, the solutions will likely have to extend beyond housing itself to economic and workforce development policies and strategies. Milwaukee housing leaders we interviewed acknowledged this reality and suggested a need to increase the minimum wage and to prioritize workforce development.

Overall, these observations illustrate the multi-pronged nature of Milwaukee's housing challenges and the need for several different strategies and collaborations to address them. That conclusion, in turn, reinforces our previous research findings that improved planning, resource coordination, and priority setting are necessary, and that both the public and private sectors will have to maintain a high level of engagement and cooperation to achieve progress.

# APPENDIX: SURVEY RESPONDENTS

*\*Names in bold indicate organizations we also interviewed for the second part of our study. In addition to those listed here, we also interviewed leaders from the city of Milwaukee's Department of City Development (DCD) and the Southeastern Wisconsin Regional Planning Commission (SEWRPC).*

## **Acts Housing**

AK Development, LLC

Associated Bank

Cathedral Center

CommonBond Communities

## **Community Advocates, Inc.**

Community First

Dominican Center for Women

Down Syndrome Association of Wisconsin, Inc.

Ezekiel Community Development Corp

## **FIT Investment Group LLC**

Forward Community Investments

Friends of Housing

## **General Capital Group**

## **Gorman & Company**

Havenwoods Economic Development Corp

## **Heartland Housing**

Horizon Development Group, Inc.

Housing Resources Inc.

## **IMPACT**

Impact Seven Inc.

J. Jeffers & Co.

## **Jewish Family Services**

Journey House

Legacy Redevelopment Corporation

Legal Action of Wisconsin, Inc.

Legal Aid Society of Milwaukee

## **LISC Milwaukee**

Lutheran Social Services

Martin Luther King Economic Development Corporation

Maures Development Group, LLC

Metro Milwaukee Mediation Services, Inc. (Mediate Milwaukee)

Mercy Housing Lakefront

## **Metropolitan Milwaukee Fair Housing Council**

## **Milwaukee Christian Center**

Milwaukee Community Land Trust

Milwaukee Habitat for Humanity

MKE United

Near West Side Partners



Northcott Neighborhood House  
Northernstar Companies  
One 5 Olive  
Pathfinders Milwaukee, Inc.  
Revitalize Milwaukee  
Riverworks Development Corporation  
Scott Crawford, Inc.  
Sherman Park Community Association  
Social Development Commission  
Strong Blocks  
United Community Center  
United Methodist Children's Services  
United Way of Greater Milwaukee & Waukesha County  
**Urban Economic Development Association of Wisconsin (UEDA)**  
Urbane Communities  
**VIA Milwaukee CDC (formerly Layton Boulevard West Neighbors)**  
Vivent Health-Milwaukee  
Volunteers of America MN/WI  
Walker's Point Youth & Family Center  
Wisconsin Fair Housing Network  
Wisconsin Preservation Fund  
YWCA Southeast Wisconsin



# SOURCES

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- <sup>3</sup> Ibid.
- <sup>4</sup> Eviction Lab. Princeton University. <https://evictionlab.org/eviction-tracking/milwaukee-wi/>
- <sup>5</sup> U.S. Census Bureau. ACS 1-year estimates 2019. Table DP04 – Selected Housing Characteristics.
- <sup>6</sup> U.S. Census Bureau. ACS 5-year estimates 2019. Table S2502 – Demographic Characteristics for Occupied Housing Units.
- <sup>7</sup> U.S. Census Bureau. ACS 5-year estimates 2019. Table S2504 – Physical Housing Characteristics for Occupied Units.
- <sup>8</sup> U.S. Census Bureau. ACS 5-year estimates 2019. Table S2503 – Financial Characteristics.
- <sup>9</sup> Wisconsin State Statutes. “Municipal rent control, inclusionary zoning, prohibited.” <https://docs.legis.wisconsin.gov/statutes/statutes/66/X/1015>
- <sup>10</sup> U.S. Department of Housing and Urban Development. Office of Policy Development and Research. <https://www.huduser.gov/portal/periodicals/em/spring13/highlight3.html>

