



Housing Allies Meeting

CDA 4th Quarter Meeting – November 15, 2022

Agenda

- I. **Welcome & Updates**
- II. Vacant Lots Updates and Next Steps
- III. Predatory Acquisition Background
- IV. Review of 2022 Objectives & Key Results (OKRs) & Recommended Q1 OKRs
- V. Next Steps/Action Items
 - 2023 Q1 CDA Allies Meeting, 12:00 – 1:30 PM, Tuesday, March 21, 2023: [Housing Allies - CDA Q1 Meeting Registration](#)
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MILWAUKEE BUSINESS JOURNAL

Developers selected to build 120 Milwaukee homes for sale for \$110,000

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Milwaukee Habitat for Humanity and Emem Group were selected to build 120 houses and duplexes in Milwaukee's King Park neighborhood. KENNY YOO/MBJ

By Teddy Nykiel - Reporter, Milwaukee Business Journal
Nov 7, 2022

IN THIS ARTICLE

Philanthropy & Nonprofits Industry

Milwaukee Habitat for Humanity Company

Michael Emem Person

Teig Whaley-Smith Person

Listen to this article 2 min

Milwaukee Habitat for Humanity and Milwaukee real estate firm Emem Group plan to build 120 houses and duplexes in Milwaukee's King Park neighborhood that would be sold for \$110,000 or less to low-income home buyers.

The Community Development Alliance (CDA), a Milwaukee-based organization overseeing the project, chose the developers through a request for proposal



RFP Reminder



www.housingplan.org
ideas@housingplan.org
414.678.9809

October 21, 2022

To: Housing Developers, Community Agencies, Organizations, and Interested Parties

Milwaukee County and the Community Development Alliance (CDA) invites Housing Developers, Community Agencies, Organizations, and other interested parties to participate in the RFP process by submitting proposals for the increase of available affordable multi-family housing units in suburban communities within Milwaukee County.

RFP# CDA 2022-004 – Economic Mobility to Milwaukee Suburbs

CDA is issuing this RFP in collaboration with Milwaukee County which has allocated a total of \$12 million for multiple projects utilizing American Recovery Plan Act (ARPA) funds.

CDA welcomes new prospective vendors including joint ventures and other innovative partnerships to participate in this RFP process. Proposal materials will be available for download in electronic format beginning October 21, 2022 from: <http://www.housingplan.org/rfp>

One (1) Informational session will be held virtually from 11:00 am – 12:00 pm on October 26, 2022. [Click Here for registration](#). A recording will also be available and additional info sessions may be scheduled upon request.

All proposals for funding in response to this RFP must be received by CDA no later than 4:00 p.m. CDT on the first Friday of every month, starting November 4, 2022. No extensions will be granted for submission of late proposals.

Proposals must be uploaded to:

<http://www.housingplan.org/rfp>

All proposals must be fully and completely uploaded to the above site by the deadline. Should an extension or modification of any deadline occur, there will be a notice via addendum to all parties. Such an extension will be available to all proposers.

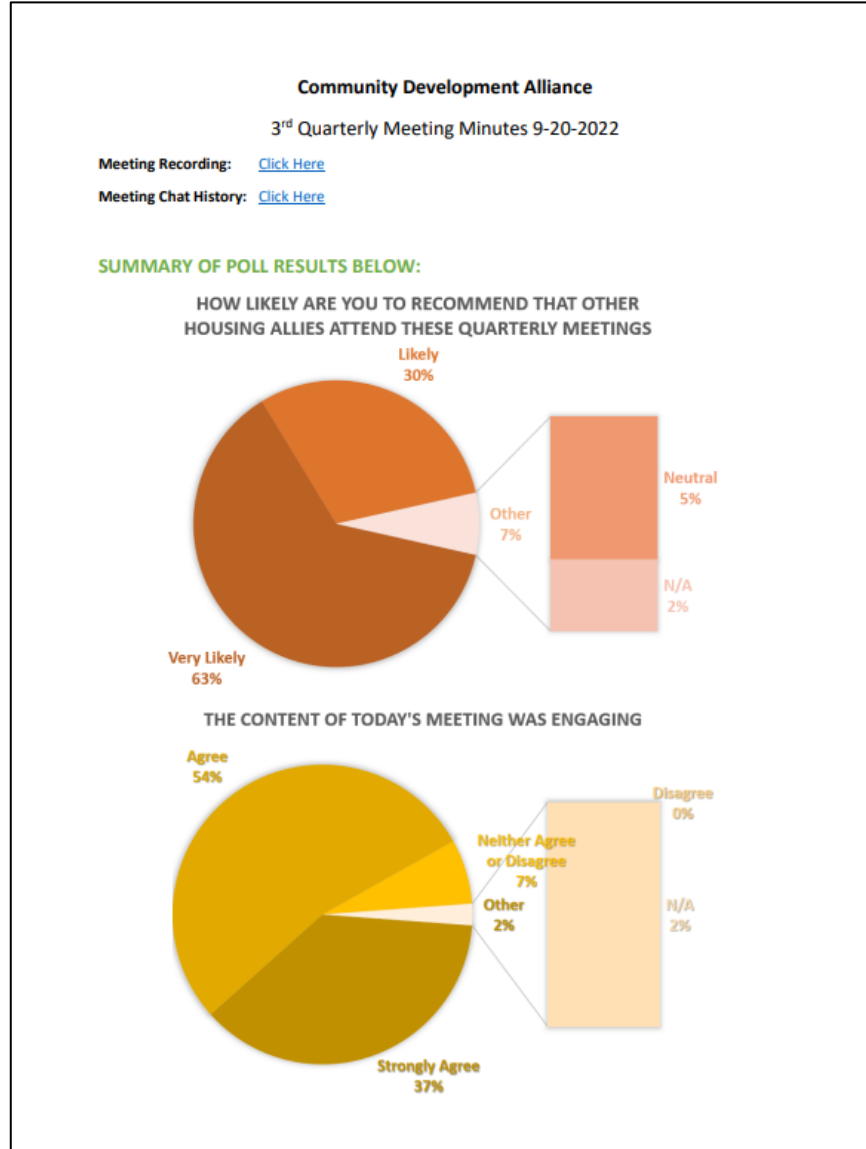
Thank you for your interest in the Community Development Alliance RFP process.

Sincerely,

Teig Whaley-Smith
Chief Alliance Executive
RFP Administrator

www.housingplan.org/rfp

Feedback from Last Meeting



- Polling results and comments available at “It Takes All of Us” tab.
- Highlights
 - Need for Employer DPA assistance
 - How will CDA uplift groups like RON, Take Root, NIDs, etc.
 - How will researchers and policy advocates connect to CDA governance
 - Should priority of technical support be minority developers or minority contractors.

COLLECTIVE AFFORDABLE HOUSING PLAN: 2022 Q3 UPDATE



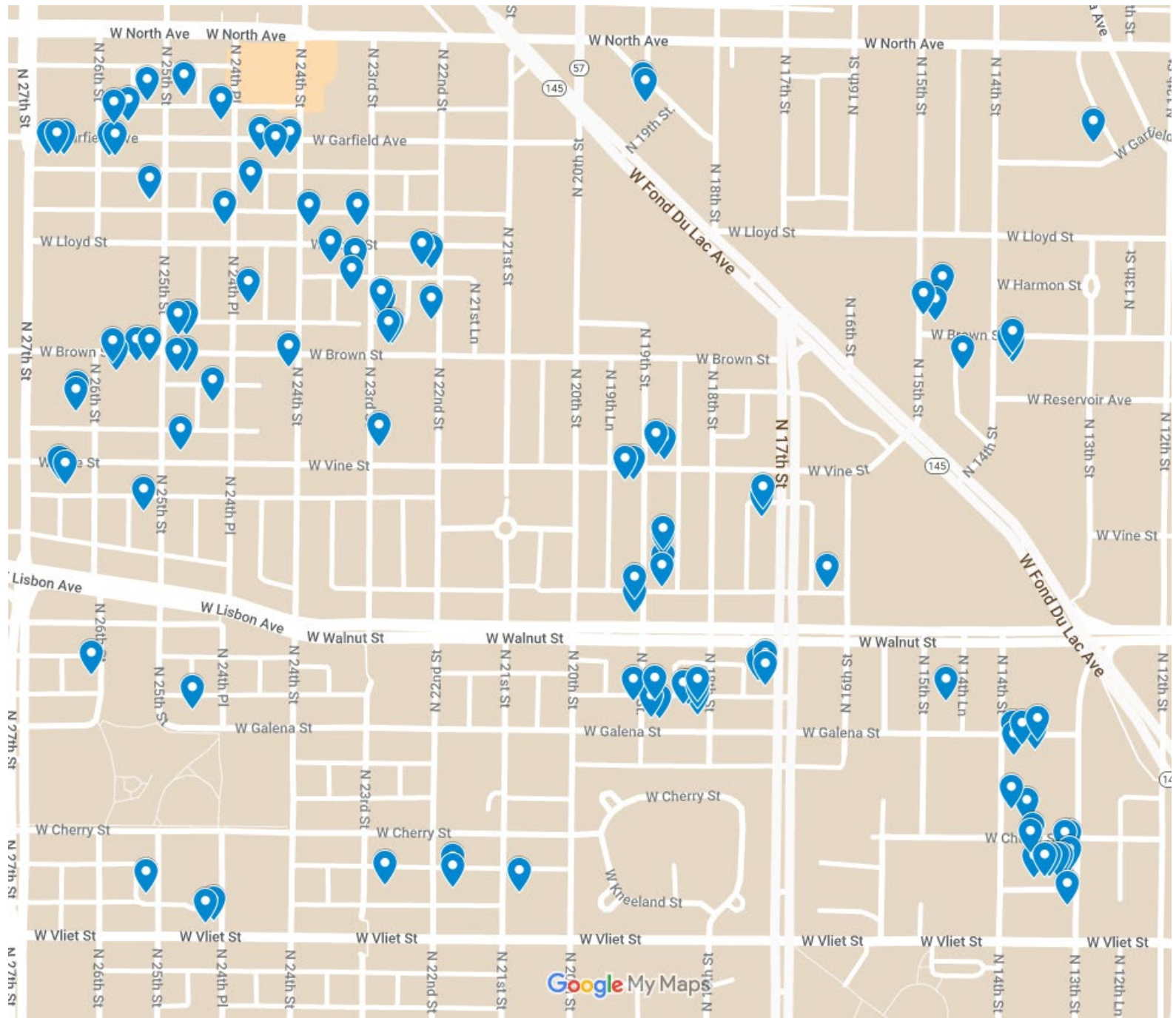
	Grow DPA	Acquisition Fund	Entry Level Homes	Alternative Lending
Long Term Goal	Grow Down Payment Assistance (DPA) & Homebuyer Counseling by 10% each year for 5 years	Acquire 200 single family homes and duplexes every year that would otherwise be investor owned and sell to homeowners	Construct 100 entry level homes on vacant lots every year	Create a local lending pool that lends to first time homebuyers based on rental history
Q4 OKR Update	<ul style="list-style-type: none"> ✓ Efficiencies & alignment with Take Root Milwaukee ✓ Collective Program Level Data Plan ❑ Relaunch HACM Homeownership 	<ul style="list-style-type: none"> ❑ Raise Final \$3-\$7 Million ❑ Technical Assistance Plan for Expanding Developers 	<ul style="list-style-type: none"> ❑ Complete Phase I Land Acquisition ✓ Complete New Markets Study ✓ Raise \$225K for Model Homes 	<ul style="list-style-type: none"> ✓ Data Collection ✓ Engage Allies
Recommended Q1 - 2023 OKR	<ul style="list-style-type: none"> ❑ Relaunch HACM Homeownership ❑ Identifying long-term sources for \$6 million DPA/year 	<ul style="list-style-type: none"> ❑ Launch Expanding Developer Roundtable 	<ul style="list-style-type: none"> ❑ Complete Phase I Land Acquisition ❑ Complete Model Home Land Acquisition & Permitting ❑ Plan for NMTC RFP 	<ul style="list-style-type: none"> ❑ Complete Business Plan

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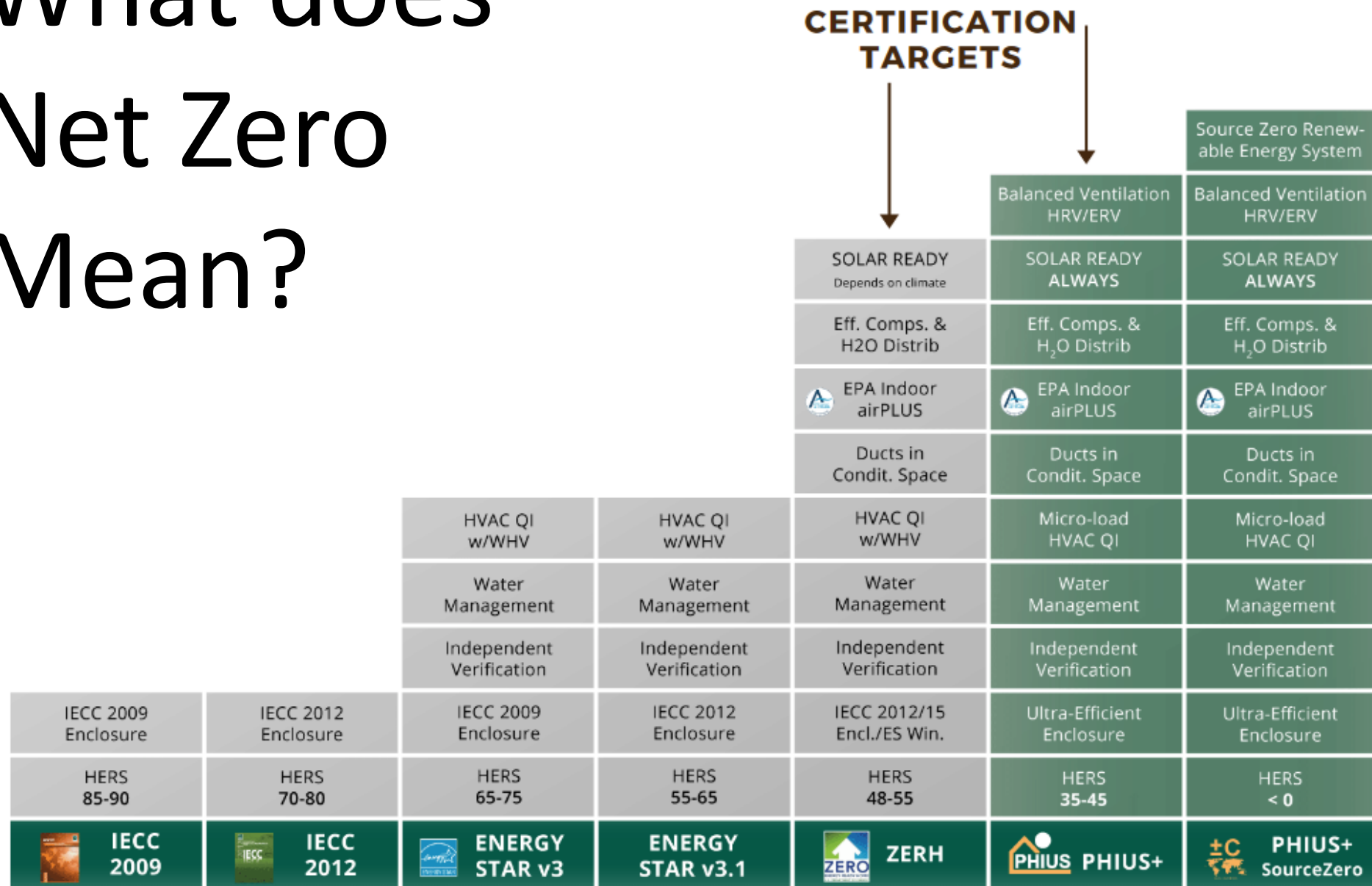
Vacant Lots to Entry Level Homes Strategies

- I. King Park Neighborhood – 120 homes, 40 homes to test the use of 4% LIHTC (RFP Complete)
- II. Offsite Advanced Build – Build 3 model homes to test engineered framing (Begin Q1 2023)
- III. Early Childhood Educators Homes – 50 homes, test employer sponsored housing, supporting expanding developers (RFP expected Q1 2023)
- IV. Net Zero Homes – Build 2 model homes to test net zero offsite construction (RFP expected Q1 2023)
- V. NMTC - 2023 – coordinate a collective RFP to build homes using NMTC and potentially TID resources (RFP expected Q3 2023)

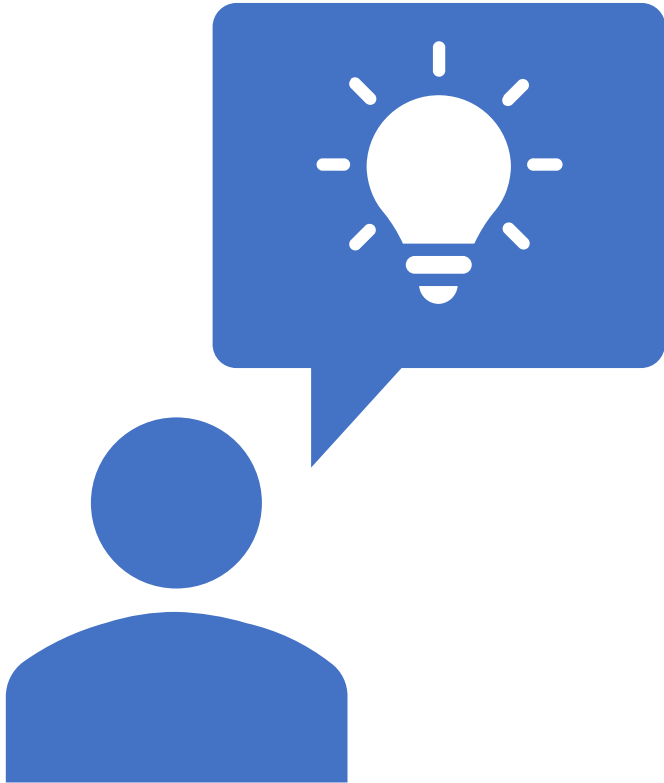




What does Net Zero Mean?



Poll Question



1. Do you support a joint collective RFP for both (a) testing the use of NMTC (and potentially TID); and (b) building net zero homes at scale?

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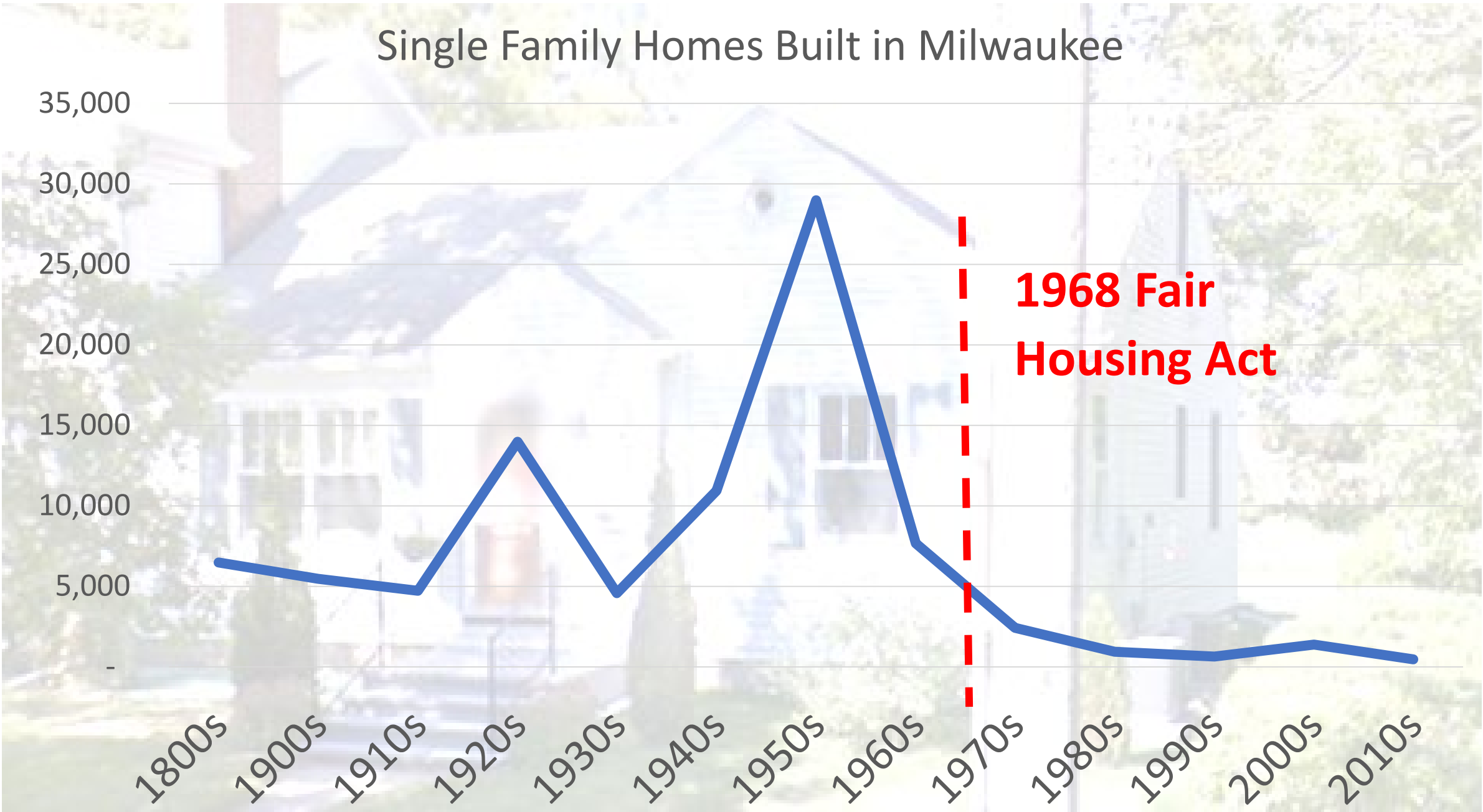
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Single Family Homes Built in Milwaukee

35,000
30,000
25,000
20,000
15,000
10,000
5,000
-

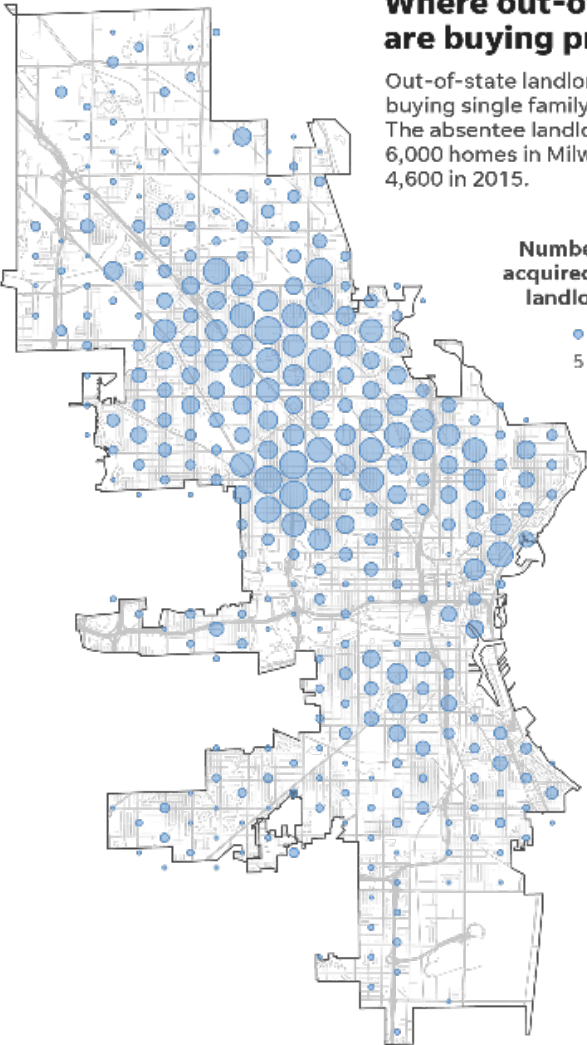
**1968 Fair
Housing Act**

1800s 1900s 1910s 1920s 1930s 1940s 1950s 1960s 1970s 1980s 1990s 2000s 2010s



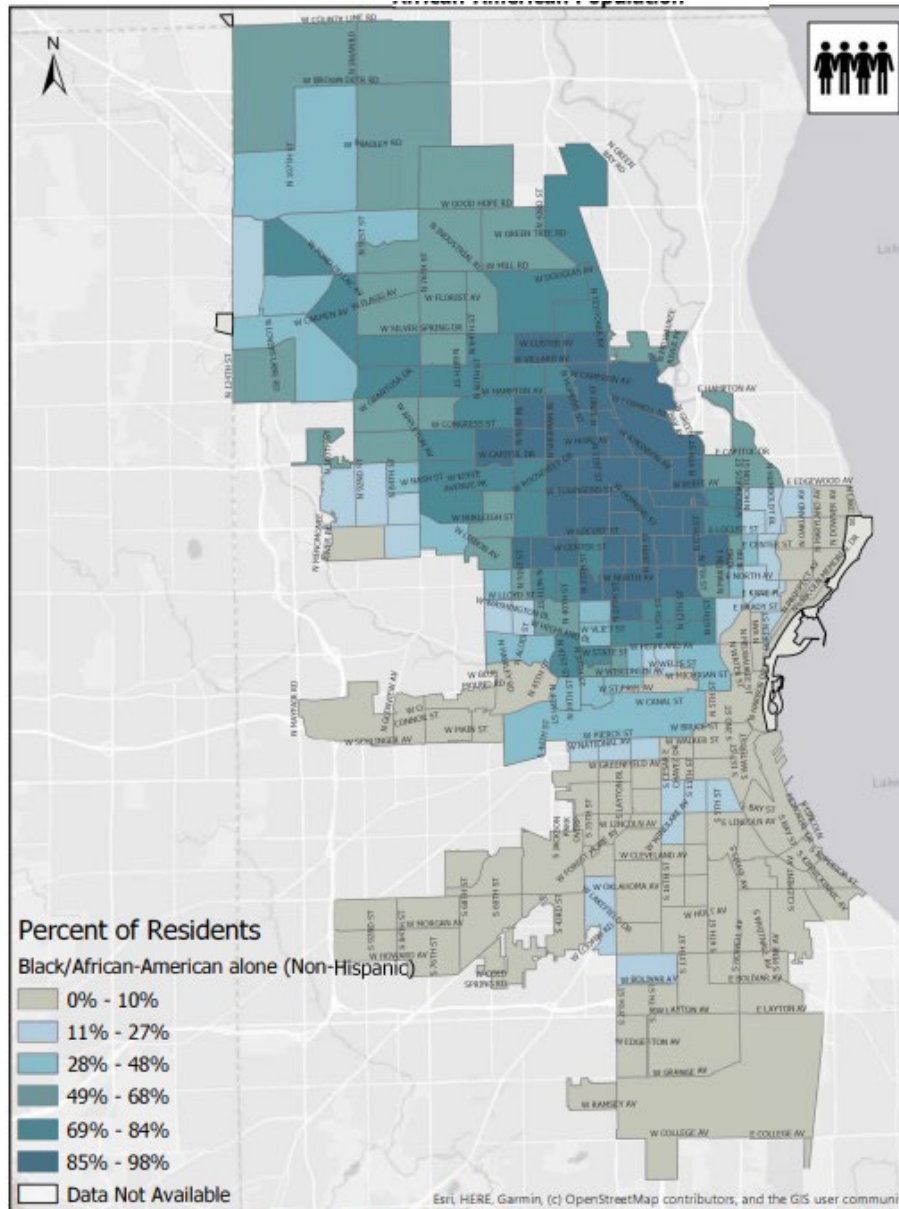
Where out-of-staters are buying property

Out-of-state landlords are rapidly buying single family rental homes. The absentee landlords own about 6,000 homes in Milwaukee, up from 4,600 in 2015.



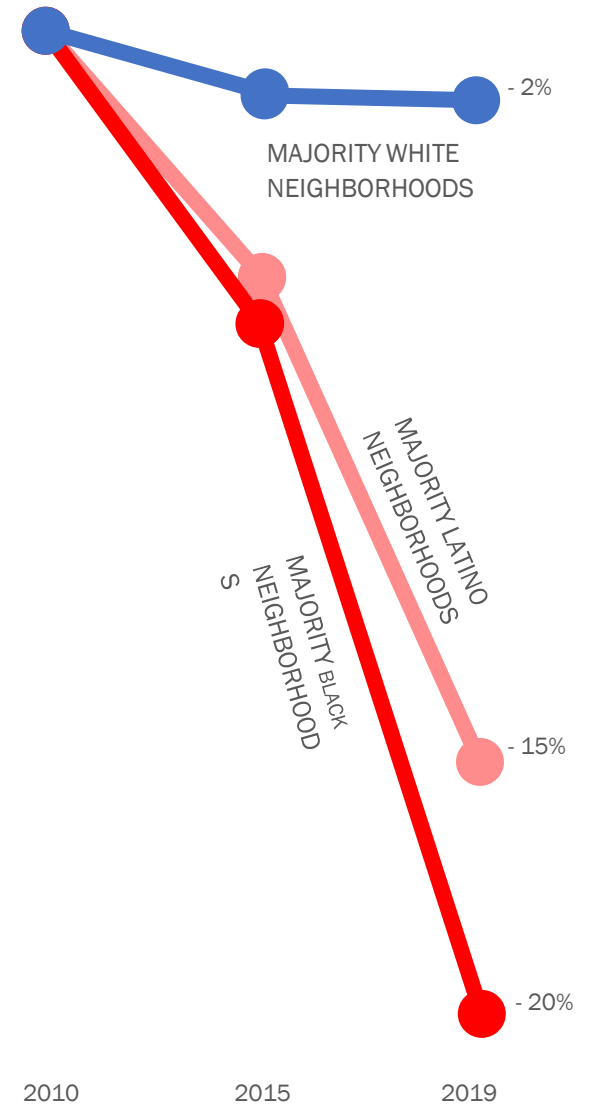
Only includes housing properties. Does not include properties with apartment buildings.

Source: Marquette Law School's Lubar Center for Public Policy Research and Civic Education; City of Milwaukee records

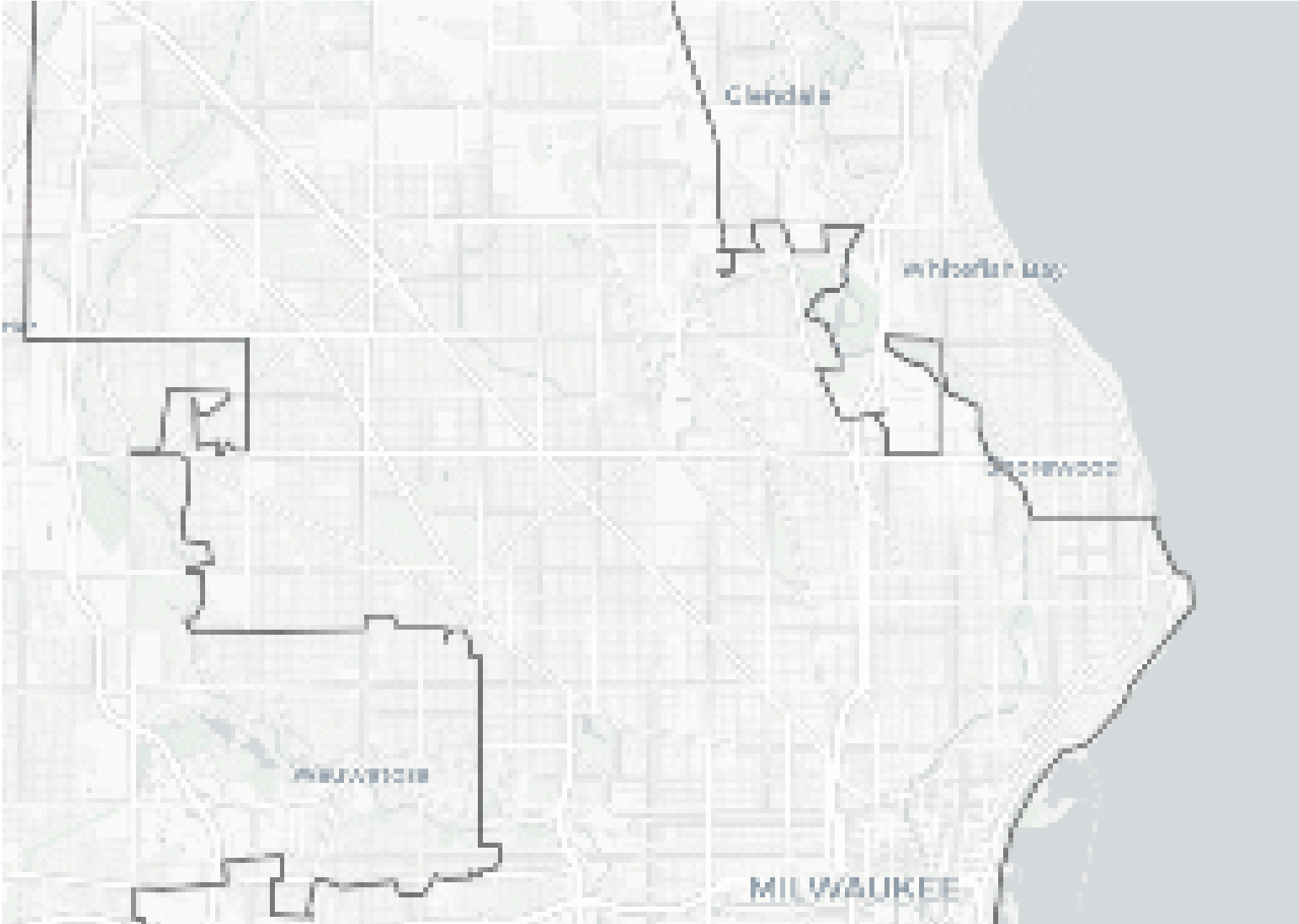


Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates. Classification Method: Jenks Natural Breaks (6 classes) based on the geographic distribution of the data at the census tract level. Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community. Prepared by Data You Can Use January 2020

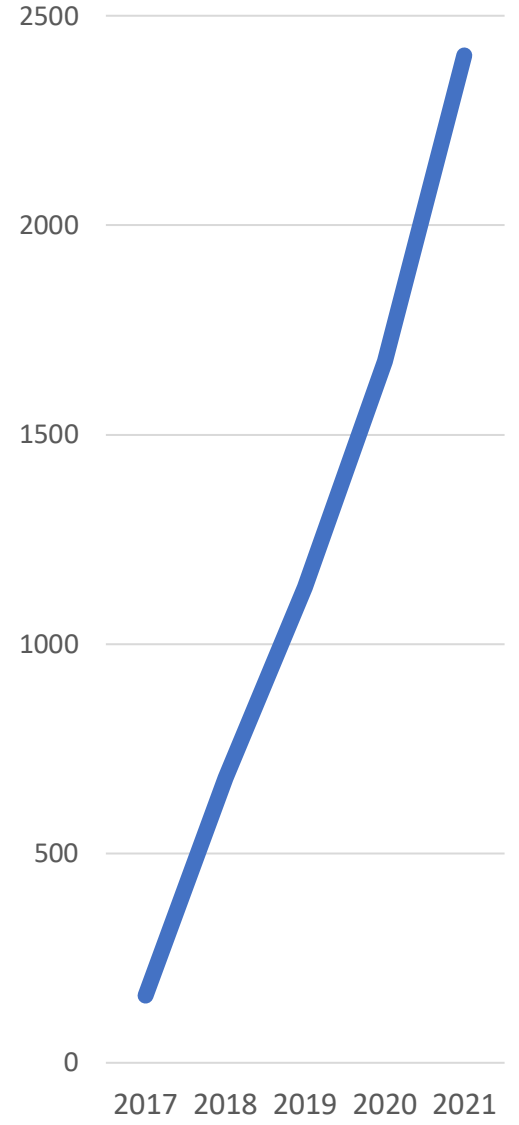
% DROP IN HOMEOWNERSHIP SINCE 2010



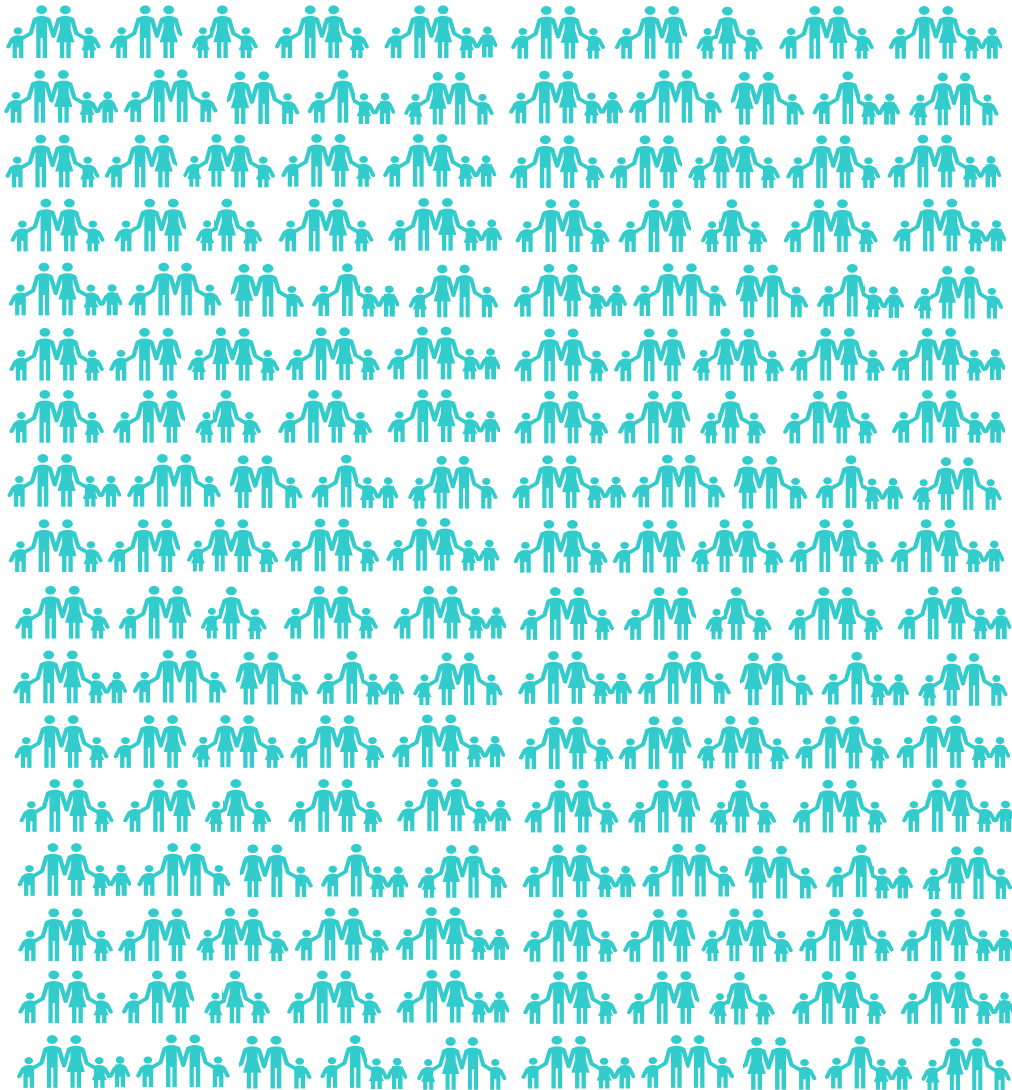
Source: Comparison of Milwaukee County ACS Census Tables P2 (Race, 2010) and B2118 (Homeownership)



Cumulative Parcels in Portfolio Sales



40% OF MILWAUKEE'S ENTRY LEVEL HOME INVENTORY HAS BEEN PURCHASED BY INVESTORS



THERE ARE OVER 17,000 BLACK & LATINO FAMILIES IN MILWAUKEE ASPIRING TO BUY A \$125,000 HOME, BUT ONLY ABOUT 1,500 ARE AVAILABLE EACH YEAR, AND OVER 40% HAVE BEEN PURCHASED BY INVESTORS

Source: Number of families analyzed by CDA and includes multiplying White homeownership rate to the number of Black and Latino families making \$25,000 - \$50,000/year (see 2019 ACS census tables B19001L and B19001B), less estimated existing homeowners (See 2000 Table HCT035). Property numbers analyzed by CDA and includes information from the City of Milwaukee Assessors office.

Preemption Background

“A municipal ordinance is preempted if: (1) the legislature has expressly withdrawn the power of municipalities to act; (2) it logically conflicts with state legislation; (3) it defeats the purpose of state legislation; or (4) it violates the spirit of state legislation.” *Id.* at 651 (citing *Anchor Savings & Loan Ass’n v. Madison EOC*, 120 Wis. 2d 391, 397, 399, 355 N.W.2d 234 (1984)).

Preemption in Landlord Regulation

In *Apartment Ass'n of S. Cent. Wis., Inc. v. City of Madison*, 2006 WI App 192, 296 Wis. 2d 173, 722 N.W.2d 614, an apartment association challenged an inclusionary housing ordinance that sought to increase the availability of housing choices for low-income families. The court held that the ordinance was preempted by Wis. Stat. § 66.1015, which prohibits cities from regulating rent or fees charged for the use of a residential unit. The city tried to rely on an exception in the statute for “[e]ntering into an agreement with a private person who regulates rent or fees charged for a residential rental dwelling unit[,]” *id.* ¶ 7, by arguing that the ordinance is an agreement between the City and those who apply for zoning map amendments, subdivisions, or land divisions. The court held that, while under the exception, “designated entities are not prohibited from entering into an agreement with a private person whereby that person agrees to regulate rent[,]” it is a stretch to accept the city’s argument that an ordinance constitutes the types of agreements contemplated by the exception.

Areas the State has Pre-empted

Statute	Brief Description
Wis. Stat. § 66.0104(2)(b)	No requirements on landlords with respect to security deposits
Wis. Stat. § 66.1010	No eviction moratoriums
Wis. Stat. § 66.0104(2)(e)4.	Cannot require that a rental unit be certified, registered, or licensed, and cannot require owner to register or obtain a certification or license relating to owning or managing residential rental property
Wis. Stat. § 704.07(5)	Rent abatement ordinances only allowed if related to deficiency in conditions that materially affect the health/safety of the tenant or substantially affect the use and occupancy of the premises
Wis. Stat. § 706.22(2)(a)1m.	Cannot restrict real property owner's ability to sell, transfer title or refinance property by requiring the owner to take certain actions or pay a related fee, to show compliance with certain actions, or a fee for failing to take certain actions

Statute	Brief Description
Wis. Stat. § 706.22(2)(a)2m.	Cannot restrict ability of purchaser to purchase or take title to real property by requiring the buyer to take certain actions or pay a related fee, to show compliance with certain actions, or pay a fee for failing to take certain actions
Wis. Stat. § 66.1015(1)	Cannot regulate amount of rent or fees charged for use of rental unit (see <i>Apartment Ass'n of S. Cent. Wis.</i> case above)
Wis. Stat. § 66.1015(3)	No inclusionary zoning requirement
Wis. Stat. § 138.052	Cannot regulate financial institution's lending/loan practices

Poll Question



1. Should CDA invest in a Policy Coordinator to coordinate efforts of advocacy groups around Predatory Acquisition mitigation, and future collective housing policy priorities?

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Poll Question



1. Do you support the Q1 recommended OKRs?

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