

**Sustaining and Expanding  
Affordable Housing:  
*Housing Trust Fund of  
Southeastern Wisconsin***

*Talking Points for Members of the City of Milwaukee HTF to Use  
in conversation or as an outline for future power point presentations, etc.*

## **Basis and Context for Creating the HTF-SW – The Big Picture:**

- Southeastern Wisconsin is a dynamic and increasingly interconnected economic force.
- Currently, several targeted initiatives are underway that seek to position the region nationally as a leader in water technology, information technology, creative industries, and advanced manufacturing.
- For these efforts to succeed, the region must address fundamental infrastructure issues with a real commitment to cross jurisdictional cooperation and collaboration.
- Affordable housing is a key infrastructure issue.
- To create a regional environment that nurtures economic growth and vitality, civic leaders must ensure that all of Southeastern Wisconsin has an array of housing options that can sustain a diverse and dynamic population.

## **Economic Benefits of Building Affordable Housing**

- A 2009 Public Policy Forum report on the housing issues facing Greater Milwaukee noted that, *“a recent analysis of the factors contributing to job growth in 242 metro areas in the United States found that housing availability is one of the most crucial.”*<sup>1</sup>
- Affordable housing must be a primary consideration in overarching efforts to attract, maintain, and expand regional jobs.
- Affordable housing is a powerful independent driver of economic development.
- A publication by the Center for Housing Policy<sup>2</sup> makes a persuasive case for the **specific economic benefits of developing affordable housing**.
  - In a national survey of more than 300 companies, more than half of the companies with more than 100 employees acknowledge a lack of affordable housing nearby, and two-thirds of those companies believe the shortage hurts their ability to hold onto qualified employees.
  - The National Association of Home Builders (NAHB) estimates that building 100 new Low Income Housing Tax Credit units for families can lead to the creation of more than 120 jobs during the construction phase. After construction is complete, new residents continue to support roughly 30 jobs in a wide array of industries.
  - NAHB estimates that 100 Low-Income Housing Tax Credit units occupied by families generate roughly \$827,000 in local revenue immediately, with more than half coming from permit/impact fees and utility user fees.
  - Affordable rent and mortgage payments can significantly increase the disposable income of households by \$500 or more per month in some cases. Low- and moderate-income households are more likely to spend this money for food, clothing, health care, and transportation. Local businesses stand to gain from the increased buying power made possible by affordable housing.

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<sup>1</sup> Ryan Horton, Deborah Curtis, and Laura Million. *Give Me Shelter: Responding to Milwaukee County's Housing Challenges* (Milwaukee, Wisconsin: Public Policy Forum, 2009), p. 6.

<sup>2</sup> Keith Wardrip, Laura Williams, and Suzanne Hague. *The Role of Affordable Housing in Creating Jobs and Stimulating Local Economic Development: Evidence in Brief, + Insights from Housing Policy Research*, January 2011, reproduced as [Appendix A](#).

## **Recommendation for HTF-SW**

- The Housing Trust Fund of the City of Milwaukee (HTFM) recommends establishing a **Housing Trust Fund of Southeastern Wisconsin (HTF-SW)**.
- Housing trust funds provide gap and other no or low-interest financing to support a variety of affordable housing developments.
- Housing trust funds represent *one* important tool that can be used in implementing overall affordable housing plans.
- The HTFM recommends that the existing Housing Trust Fund of the City of Milwaukee, the Milwaukee County Special Needs Housing Trust Fund, and the Milwaukee County Inclusive Housing Fund be merged to form the foundation for the Housing Trust Fund of Southeastern Wisconsin.
- The vision includes expanding the HTF-SW to eventually include other counties, and possibly, the entire seven-county region<sup>3</sup>

## **Four primary benefits of the HTF-SW**

1. An increased pool of capital to invest in high-quality affordable housing initiatives that will meet the needs of the people of Southeastern Wisconsin and support economic growth and development.
2. A resource for civic leaders, private investors, and developers to share ideas, experience, and expertise.
3. A structure for productive and cooperative cross jurisdictional dialogue around the critical issue of affordable housing to ensure that all perspectives, interests, and concerns are collaboratively addressed.
4. Increased government efficiency by reducing duplication of efforts and services.

The 2009 Public Policy Forum report<sup>4</sup> on affordable housing challenges in Greater Milwaukee addressed several solutions to the growing need for affordable housing. One key recommendation in that report was for the consolidation of existing Housing Trust Funds:

*“In an environment of stressed public, corporate, and foundation budgets, it appears to be an appropriate time to consider consolidating the three separate housing funds at work in the county. A combined fund could ease the administrative burden for applicants, spread the funding burden across larger population and tax bases, raise the profile and scale of the fund, and have more potential to attract private donors.” (p. 40)*

*“Consolidation of the city and county trust funds would make it easier to create a stable funding stream for housing by reducing redundancy among the existing funds and by ensuring that the dedicated funding source would be used in a coordinated manner to further...strategic goals.”*

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<sup>3</sup> Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington and Waukesha Counties.

<sup>4</sup> Horton, Curtis and Million. *Give Me Shelter: Responding to Milwaukee County's Housing Challenges*.

*“It seems likely that consolidation of the city’s and county’s trust funds would make it easier to create a stable funding stream for housing, by reducing the “competition” among the three existing funds and...by reducing the red tape that comes with separate levels of governance. A combined city-county fund also could set the stage for more effective and coordinated advocacy by both governments for funding solutions.”(p. 69)*

A regional approach should also build on the success and progress already made by the City and County Housing Trust Funds and follow the guidelines and requirements already in place for developing safe, accessible housing.

### **Two classes of membership in the HTF-SW:**

1. **Voting Membership.** Jurisdictions willing to commit financial resources to the HTF-SW will have the ability to vote on the activities of the HTF-SW.
  - Voting members benefit from the greater economies of scale that collaboration provides, while also retaining control over the funds committed.
2. **Advisory Membership.** Jurisdictions not ready or willing to make a financial contribution to the fund can participate through advisory membership. Advisory members will have the opportunity to participate in discussions about the need and strategies for developing affordable housing throughout the region.
  - Advisory members will gain valuable experience and an understanding of how affordable housing benefits other communities through collaboration.

**All members of the HTF-SW** will develop an understanding of what a regional housing strategy means by participating in discussions on real-world housing development projects.

Members will help to resolve challenging issues such as how to provide ~~w~~workforce housing+that meets the needs of Milwaukee and other communities, and how to use both affordable housing and affordable transportation to improve access to jobs.

A regional HTF-SW will be better positioned to take advantage of federal and state investment opportunities, which place a high value on collaboration, partnership and regional approaches. (One example of a missed opportunity for Milwaukee was HUD’s Sustainable Communities Regional Planning Grant program, which announced awards in 2010<sup>5</sup>.)

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<sup>5</sup> <http://portal.hud.gov/hudportal/documents/huddoc?id=OSHCY10RegAppllist.pdf>

## **Funding**

**Three sources of revenue are currently available to local jurisdictions for investment in the HTF-SW.**

1. Local Appropriations
  2. Tax Incremental Financing
  3. CDBG and HOME funds
- The HTF-SW would also pursue legislative initiatives on the state level to provide additional, and dedicated, funding sources to local communities.
  - The proposed structure should also be flexible to permit and encourage private sector investment in the HTF-SW.
  - The private sector has a vested interest in addressing affordable housing, because it is fundamentally linked to the economic vitality of the region.
  - Private sector expertise and resources will be important components of any long-term strategy to address the region's housing needs.

## **Concluding Statements**

- The Public Policy Forum study on affordable housing concluded, *“Addressing Milwaukee’s affordable housing needs will require greater public sector coordination, greater private sector participation, and recognition of the need for an integrated strategy that addresses both the supply side of the equation (i.e., building or rehabilitating low-income units) and the demand side (providing additional rental assistance).”*<sup>6</sup>
- Creation of the HTF-SW will increase transparency and efficiencies, and strengthen our ability to improve the quality of life and broaden economic opportunities for all citizens.

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<sup>6</sup> Horton, Curtis and Million. *Give Me Shelter: Responding to Milwaukee County's Housing Challenges*, p. 70.