



Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

Lafayette L. Crump
Commissioner

Sam Leichtling
Deputy Commissioner

To: Finance and Personnel Committee

From: Benjamin Sanchez, Department of City Development

Date: June 18, 2026

Re: Communication from the Department of City Development related to the feasibility of creating an employee down payment assistance program

1. Purpose

The Department of City Development (DCD) prepared this memo in response to substitute resolution [No. 251449](#) (the "Substitute Resolution") which directed DCD to study the feasibility of creating an Employee Down Payment Assistance (E-DPA) Program for City employees. This resolution was introduced to Common Council on December 16, 2025, heard at the February 24, 2026 Zoning, Neighborhoods & Development (ZND) Committee, adopted at the March 3, 2026 Common Council meeting, and signed by the Mayor on March 6, 2026.

A full copy of this resolution is included in this report as **Attachment A**. The Substitute Resolution references amendment 21 of the 2026 Budget, which placed a footnote stating, *"The Department of City Development [shall] study the feasibility of creating an Employee Down Payment Assistance Program."* The Substitute Resolution states that, *"the Department of City Development is directed to study the feasibility of creating a Down Payment Assistance Program for City employees"*, and that *"the Department of City Development shall collect and evaluate comparable programs, benefits, or incentives offered by peer municipalities and private-sector employers to support employee homeownership, recruitment, and retention."*

This memo presents options for the Common Council's consideration. Down Payment assistance options discussed in the memo specifically focuses on helping City of Milwaukee employees, particularly non-residents and first-time homebuyers, purchase homes within the City of Milwaukee.

2. Background

2a. The Policy Rationale

Down payment assistance benefit to employees can serve as a strategic workforce and community development tool by reducing a significant barrier to homeownership, the upfront cost of purchasing a



home. For municipal employees, such a benefit may help shape home purchase decisions, support recruitment efforts, and strengthen employee retention.

Evidence from housing and workforce policy research¹ suggests that employer-assisted housing programs can produce benefits for employees, employers, and the broader community. For employees, down payment assistance may improve access to homeownership, reduce commute times and transportation costs, and increase residential stability. For the City, it may enhance recruitment and retention, lower turnover-related costs, and strengthen the overall value proposition of public employment.

Where the benefit is structured to encourage residency within city boundaries, it may also advance broader municipal objectives. Increased homeownership among city employees can contribute to neighborhood stability, support the local tax base, and retain a greater share of household spending within the city’s economy. In this way, a down payment assistance program can function not only as an employee benefit, but also as a policy lever to advance workforce, housing, and community development goals simultaneously.

2b. The Residency Gap

Data from the Department of Employee Relations (DER) shows that 36.6% of City employees, the majority of whom are full-time regular employees (35.2%), currently reside outside city limits. Since the residency requirement ended in 2013, the share of non-resident staff in the City’s workforce has grown significantly. Many of these employees, especially first-time homebuyers, face real housing cost barriers to living in the city they serve.

2c. Milwaukee Housing Context

Milwaukee offers a relatively affordable entry point into homeownership while still mirroring national trends in buyer behavior. As of April 2026, Milwaukee city area homes are selling for a median price of approximately \$229,000², and the typical Milwaukee homebuyer puts down 13.3%³. Although this is lower than the 18.6% national median, the number suggests that this could be a hurdle for many buyers. The table below shows the median price of homes in the Milwaukee Metropolitan Area against the national median for different tiers. The highlighted tiers, Starter and Mid, is assumed to be the pricing range preferred by beneficiaries of this program.

Table 1: Median Home Prices Across Different Tiers for Milwaukee Metropolitan Area and Nationally (Feb 2026)

Tier	Milwaukee Median (\$)	National Median (\$)
Bottom (~5%)	82,780	125,384
Starter (5%–35%)	223,724	260,000
Mid (35%–65%)	345,930	375,000
High (65%–95%)	546,655	581,000
Luxury (top 5%)	1,123,255	1,341,493

Sources: Redfin (Milwaukee median, Feb 2026); Stacker/Zillow (tier data, Jan 2026)³.

¹ <https://nhc.org/employer-assisted-housing-a-solution-for-companies-employees-and-communities/>

² <https://www.redfin.com/city/35759/WI/Milwaukee/housing-market>

³ <https://stacker.com/stories/wisconsin/milwaukee/how-much-does-it-cost-buy-house-milwaukee-2026>



The table below illustrates different down payment scenarios against Milwaukee's key price tiers, with the highlighted rows depicted the Starter and Mid price range.

Table 2: Down Payment Scenarios for different Pricing Tiers

Home price	5% down	10% down	15% down
\$200,000	\$10,000	\$20,000	\$30,000
\$223,724	\$11,186	\$22,372	\$33,559
\$250,000	\$12,500	\$25,000	\$37,500
\$300,000	\$15,000	\$30,000	\$45,000
\$354,930	\$17,747	\$35,493	\$53,240
\$400,000	\$20,000	\$40,000	\$60,000

Recognizing the challenges highlighted above, DCD has been successfully administering the Milwaukee Home Down Payment Assistance Program for first-time homebuyers since 2021, helping more than 1,000 City residents become homeowners. Based on information obtained from DER the average city employee may not be income qualified for the existing MKE Down Payment program. The E-DPA program could extend a comparable benefit specifically to City employees, if offered.

3. Research and Analysis

3a. Peer City/County Comparisons

The most common types of down payment assistance program for government employees in the United States provide loans or grants or a combination of both. The following table summarizes the comparable city and county employee DPA programs that informed this analysis. The median sale price of homes in Milwaukee is approximately \$220,000 as of 2024 which makes 5 cities listed below, comparable, while the other 5 provide a snapshot of benefits provide by cities with higher price ranges.

Table 3: Details of Down Payment Assistance Program Provided by Peer Cities and Counties

Jurisdiction	Median HH Income (2024)	Median Home Value (2024)	Amount	Terms
Grants				
Washington, DC	\$109,870	\$707,300	Up to \$20K	0% interest, deferred 5 yrs; converts to grant after 5 yrs occupancy.
Forgivable Loans				
Loudoun County, VA (PEG)	\$177,567	\$691,400	Up to \$25K	Balance forgiven at 20% or \$5000/yr; annual household incomes must fall within 30% to 70% AMI
Baltimore City, MD	\$62,177	\$217,900	Up to \$10K	Permanent employees only; forgivable 20%/yr over 5 yrs; repayment on early move/sale.
Racine, WI	\$57,740	\$161,600	Up to \$10K	Forgivable 14.3%/yr over 7 yrs



Jurisdiction	Median HH Income (2024)	Median Home Value (2024)	Amount	Terms
Waco, TX	\$54,365	\$182,000	Up to \$25K	Forgiven 10%/yr over 10 yrs if employee remains; household income must fall within 80% of AMI
Savannah, GA	\$59,308	\$302,200	Up to \$15K	Forgiven 20%/yr over 5 yrs; repay on departure/sale/refinance.
Interest-Free / Other Loans				
Alexandria, VA	\$119,681	\$735,100	Up to \$10K	Repayable if employee leaves employment within 3 yrs of receiving loan, or upon property, if after 3 yrs.
Flagstaff, AZ	\$71,512	\$552,900	Up to \$20K	2:1 matching funds (\$10k from buyer unlocks \$20k from assistance); \$10K forgiven pro rata over 10 yrs; balance due on sale/exit.
Shared Equity Model				
DC Dept. of Education	\$109,870	\$707,300	Up to 15%	Via Landed: private co-investment up to 15% of price; employee matches min. 5%; shared appreciation at sale.
Ogden, UT	\$72,575	\$360,800	Up to 15%	Zero city cost; private investor funds; shared appreciation model.

Sources: Individual city/county program websites; U.S. Census Bureau ACS 2024; Ogden City Council packet (Dec 2020); DC DHCD program documentation.

Across the cities and counties considered for this analysis, some of the common requirements found are as below:

1. Maintain employment with government entity throughout the period of the loan
2. Be a first-time home buyer with no ownership in a principal residence within that jurisdiction. However, in some cases, the cities/counties allowed for the purchaser to own properties in another jurisdiction.
3. Maintain ownership and occupy the property as the primary residence throughout the period of the loan.

3b. Private Sector Examples

Within Milwaukee, Northwestern Mutual historically offered a 0% forgivable loan of up to \$2,500 for employees purchasing in Milwaukee CDBG target areas. This program reportedly supported 25 purchases in 2003 and typically 18–20 purchases annually. Another example is BMO which currently documents a \$2,500 employee grant for down payment and/or closing costs in eligible states, including Wisconsin and Illinois. The table below provides a quick snapshot.

Table 4: Examples of Down Payment Assistance Program Provided by Private Sector Entities

Employer	City	City Median HH Income (2024)	City Median Home Value (2024)	Assistance	Program Type
Northwestern Mutual	Milwaukee, WI	\$54,234	\$220,000	Up to \$2.5k	Historical employee home



Employer	City	City Median HH Income (2024)	City Median Home Value (2024)	Assistance	Program Type
					purchase plan; 0% forgivable loan
BMO Bank	Milwaukee, WI	\$54,234	\$220,000	Up to \$2.5k	Current employee-only housing assistance grant
BMO Bank	Chicago, IL	\$77,902	\$334,100	Up to \$2.5k	Current employee-only housing assistance grant
Financial-institution participants in REACH Illinois	Chicago, IL	\$77,902	\$334,100	Employer contributions plus state match/tax incentive structure	Regional EAH participation model

3c. Options for Consideration

From the research and analysis presented above, 3 options have been extracted for consideration. The key assumptions across all three options are as below. The benefit will be provided only to:

1. Employees who have worked in the city past the probationary period defined by their respective departments.
2. First time homebuyers who plan to purchase a house with the city limits in Milwaukee. This will include employees who have previously been renting within or outside the city limit but will not include those who own properties outside the city limit.

OPTION 1 — Forgivable Loan *City-funded | Immediate launch | Up to 20 employees/year*

The City establishes a forgivable loan fund modelled on the existing Milwaukee Home Down Payment Assistance Program. Eligible employees receive a loan covering a portion of their down payment and closing costs, forgiven incrementally over a defined service period (example, 20% per year over 5 years). Early departure from City employment, sale of the property, or cash-out refinancing within the forgiveness period would trigger full or prorated repayment. An estimated annual budget of \$200,000 would serve up to 20 employees per year.

Pros Fully City-controlled; proven model (Baltimore, Waco, DC, Savannah, Racine); leverages DCD's existing DPA expertise; works as an actual benefit for employees.

Cons Requires \$200K annual budget allocation; limited reach (~20 employees/year); funds not recycled if most beneficiaries follow requirements during the forgiveness period.



OPTION 2 — Shared Equity *Zero city cost | Private-partner funded | Scalable*

The City partners with a private investment firm (identified via RFP) to co-invest up to 15% of a home's purchase price into an employee's down payment. The employee contributes a minimum 5%, reaching a 20%+ down payment and eliminating PMI — reducing estimated monthly mortgage payments by ~15%. The City bears no financial cost; the private partner recoups its contribution plus a share of home appreciation at time of sale, up to 30 years later.

Pros Zero City cost; larger per-employee benefit than Option 1; eliminates PMI; scalable with partner capacity; precedent in Ogden UT and DC schools.

Cons Longer launch timeline (RFP required); dependent on finding a willing private partner; employees share home appreciation; primary market operator (Landed) has narrowed focus.

OPTION 3 — Hybrid: Closing Cost Grant + Shared Equity *Minimal city cost | Layered benefit*

The City provides a modest grant (\$3,000–\$5,000) specifically to cover closing costs, while a private shared equity partner (as in Option 2) co-invests up to 15% of the purchase price toward the down payment. The two components address the two distinct upfront barriers to homeownership separately, with the City's financial exposure fixed and capped. The grant would be structured as forgivable over 3–5 years of continued employment and owner-occupancy.

Pros City cost is minimal and predictable (closing cost grant only); combined benefit is more comprehensive than either component alone; proven layered approach (DC stacks public grants on Landed); strengthens recruitment message.

Cons Carries Option 2's partner availability risk; two benefit streams add administrative complexity; City grant alone is insufficient if the private partner arrangement falls through.

The table below shows a side-by-side comparison of the three options presented above.

Table 5: Comparison of Options

Variable	Option 1 Forgivable Loan	Option 2 Shared Equity	Option 3 Hybrid Grant + Shared Equity
Cost to City	High	Low	Moderate
Employee Benefit	High	Low	Moderate
Operational and Administrative Complexity	Low	High	High



Note: An additional option of 0% or low interest loans structured as revolving funds was considered during the analysis. The mechanics would involve the City making a one-time seed investment into a revolving loan fund which employees who wish to be first time homebuyers could then claim towards down payment. Because loans are repaid rather than forgiven, the model would enable the same capital to serve successive cohorts of employees over an extended horizon. However, this option was dropped from the list for consideration for two reasons. One, since the option mandates a full repayment of the loan and a small interest in certain, it would not function as a benefit to employees. Two, since the repayment horizon would span several years, the revolving fund would take years to be replenished fully and hence serve the next cohort of beneficiaries.

4. Recommendations and Conclusion

The three options presented in this memo reflect a genuine trade-off between the City's fiscal constraints and its goals of providing an employee benefit. As Table 5 illustrates, Option 1 (Forgivable Loan) strikes the strongest balance. It delivers a high direct benefit to employees at low operational complexity and a cost that a modest pilot appropriation can accommodate. While Options 2 and 3 offer an appealing no- or low-cost profile for the City, both carry meaningful implementation risk tied to securing a private equity partner, and neither provides the same unambiguous, tangible benefit to the employee that a forgivable loan does. It is also worth noting that the Shared Equity model has been adopted primarily in high-appreciating housing markets, particularly in California, which may not reflect Milwaukee's current market conditions. That said, it may remain a viable option worth revisiting internally and with private lenders as the local housing markets evolve.

Based on the research and analysis conducted, one potential initial implementation model that could be explored further is designing a pilot Forgivable E-DPA Loan Fund, with results informing a full appropriation request in a subsequent budget cycle. This effort would serve as a meaningful benefit to all full-time city employees while enabling the City to welcome more of its workforce to live amongst the people they serve. One important caution is that while estimating exact demand for an E-DPA program is difficult, it would likely significantly exceed 20 employees per year. So, while a pilot program could be considered and offered using some form of lottery or “first come, first served” mechanism, scaling the program to meet full employee demand on an ongoing annual basis would likely require a significant ongoing budget allocation to provide this new employee benefit.