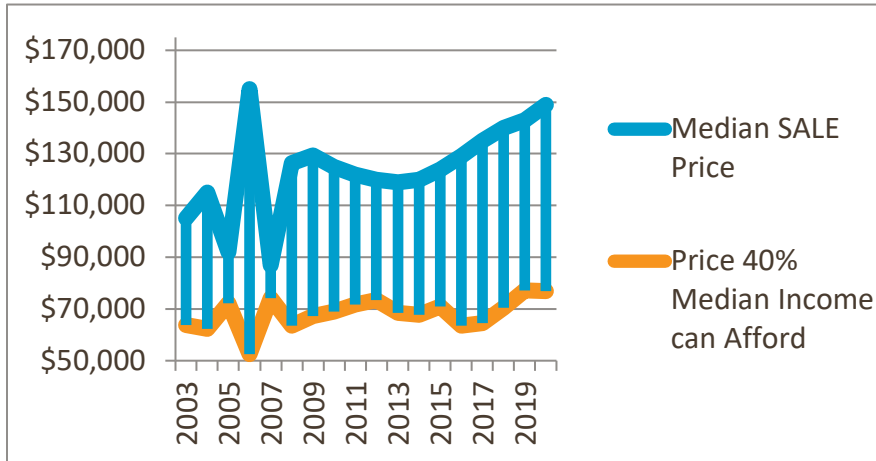




Crises in Our Neighborhoods

It should be no surprise that affordable housing and home ownership crises exist in Milwaukee. We know that a secure place to live provides the foundation for sustainable lives and healthy communities. We know too that owning a home is the primary source of wealth creation for most families. However, there is a severe lack of home ownership opportunities for families earning between 30 -50% of the Milwaukee Area Medium Income (40% AMI = \$33,500), which comprise large segments of Milwaukee’s African American, Hispanic and Asian communities.



According to the US Census Bureau (2019 estimates), White home ownership stands at 56%, Latino at 38% and African American at 27% in the City of Milwaukee. The recent housing plan from the Milwaukee Community Development Alliance calculates the need to support 32,000 new home ownership opportunities to eliminate this racial disparity. The homeownership crisis correlates to a wealth crisis: nationally, median wealth for White families is \$188,000, African American - \$23,000 and Hispanic - \$38,000 (Federal Reserve, 2019).

The Community Land Trust Solution

The failure of many strategies to increase lower-income home ownership has led to a growing interest in community land trusts (CLTs). The approximate 250 CLTs in the United States are community-governed, nonprofit organizations that help low-income families purchase and keep homes using public and private subsidies. Since CLTs own the land, they create *permanent affordability* through resale limitations and subsidies recycled for future homeowners. CLT stewardship programs support homeowners which result, for example, in much lower rates of foreclosure and less neighborhood displacement. CLTs strike the needed balance between affordability and wealth creation: creating a stock of permanently affordable homes while providing the opportunity for wealth creation for those who have been too long excluded.

Milwaukee Community Land Trust

In the past several years the Milwaukee Community Land Trust (MCLT) has built the foundation for launching its shared equity model of home ownership. With a community-led Board of Directors, initial operational funding, expert technical assistance and the hiring of its first Executive Director, Lamont Davis, the MCLT is ready to assist low-income homeowners purchase homes. Initially, the MCLT is targeting five neighborhoods: Amani, Clarke Square, Harambee, Lindsay Heights and Muskego Way and



will be open to other areas in the city as well. The MCLT has ongoing outreach and engagement efforts to organizations and residents in these neighborhoods.

MCLT Solution

Initially, the MCLT has been working with nonprofit developer VIA CDC and its Turnkey Home Program to purchase and sell its renovated homes. MCLT's plans to work with other developers, cooperatives, neighborhood organizations and low-income residents to provide 46 affordable homes by 2024. Below is an example of a purchase transaction that would be both affordable and provide an opportunity for wealth creation.

Newly renovated 1900 square foot 4BR home

- \$90,000 – Estimated market value (including developer subsidy from public and/or private funding)
- \$66,800 – Estimated MCLT price to eligible buyer (including MCLT affordability subsidy from public and/or private funding)
- \$700 – Estimated monthly mortgage payment including taxes, insurance, fees

Resale for that home in 10 years

- \$75,150 – Affordable price to next eligible buyer
- \$21,175 – Estimated cash to seller at closing

This example demonstrates how the MCLT uniquely helps families *accumulate wealth while protecting ongoing affordability* for future low-income homebuyers.

Stewardship Support

Fundamental to CLT operations is stewardship. The MCLT will provide stewardship support to residents throughout the lifecycle of their homeownership experience. These services include:

Pre-Purchase Support	Post-Purchase Support
<ul style="list-style-type: none"> • Homeowner education • CLT orientation • Eligibility assessment • Closing services 	<ul style="list-style-type: none"> • Building protection • Maintenance reserves • Community engagement • Resale services

Next Steps

In addition to helping its first homeowners purchase homes the MCLT is working with neighborhood groups, the City of Milwaukee, developers and funders to raise awareness about the CLT model and how it helps create resident wealth and permanent affordability.

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