



**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

Date: November 3, 2025  
To: Honorable Common Council Members  
CC: CC File No. 250001; Proposed 2026 Budget  
Prepared By: Sam Leichtling, Deputy Commissioner  
Re: Funding Available to Support Milwaukee Home Down Payment Assistance Program | Partnerships in Affordable Housing Funds

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MEMORANDUM

**Overview**

The Proposed 2026 Budget proposes to allocate \$600,000 to the Partnerships in Affordable Ownership Housing Initiatives fund (“Partnerships fund”) for the Milwaukee Home Downpayment Assistance Program (“DPA”). Common Council “Omnibus” Budget Amendment #1E proposes to allocate an additional \$800,000 to the Partnerships fund for DPA. The Administration supports additional funding being directed to the DPA program, and has identified a funding source that could achieve this result without impacts on the 2026 tax levy. This memorandum contains background on this funding source, and previous communications with the Common Council on this item.

**History of Proposed Funding Source**

The City of Milwaukee 2021 Adopted Budget included a budget amendment creating a “Partnerships in Affordable Ownership Housing and Alternatives to Home Ownership Initiative” fund within the Department of City Development (“DCD”) to develop affordable housing units in Milwaukee, and allocated \$3m in funding from an expiring tax incremental district for these purposes, following standard City practice to extend expiring TIDs for one year for city-wide affordable housing initiatives. The Mayor’s 2021 Proposed Budget proposed to utilize this funding for homeownership programs. Via the approved amendment, the Council instead designated these funds to support “leveraged investments from WHEDA and LISC Milwaukee to develop affordable housing units... [and] affordable housing cooperatives that do not rely on a limited equity model.”

Subsequently, the Common Council adopted File No. 201199 on January 19, 2021 that adjusted the allocation of these Partnerships funds and allocated \$1.4m to DCD to launch the DPA program, and \$1.5m to “the development of limited equity homeownership models.”

All of the 2021 Partnerships funding allocated to the DPA program has been expended, and future years Budgets provided additional funding to the Partnerships fund for DPA. A portion of the 2021 Partnerships funding for limited equity homeownership was provided to the Milwaukee Community Land Trust.

Based on a series of discussions with the lead sponsor of the 2021 budget amendment, DCD is aware that the sponsors’ specific desired use of the remaining funds has shifted over time. Further funding was not expended from the 2021 Partnerships Fund in order to allow for ongoing collaboration between



DCD and Council to identify the highest priority use of these funds in alignment with Council members' direction.

On September 23, 2025, the Common Council adopted File No. 250838 that allocated \$500,000 of the funding remaining from the 2021 Partnerships allocation to be used for Code Compliance Loans for victims of the August flooding event.

Currently, \$900,000 of additional 2021 Partnerships funding remains available.

### **Potential to use 2021 Partnerships Funds for DPA**

Between 2022 and 2025, DCD staff have had a variety of discussions with Council members to determine how to allocate the remaining 2021 Partnerships funding in accordance with goals of the Council.

This included the discussions between Council members and DCD and Budget Office staff that led to the allocation of \$500,000 of 2021 Partnerships funds for Code Compliance Loans for flood victims.

In September of 2025, the Finance and Personnel Committee asked for additional information about the remaining balance in the 2021 Partnerships account. DCD provided technical background on the history of these funds and remaining balance and noted that DCD desired to continue dialogue with Council on members highest priority use of the funding and to advance any Council files needed to reflect an updated allocation. Since the initial source of funds was a TID closeout, the funds do need to be utilized for affordable housing and housing stock improvement uses.

During 2026 Budget deliberations, Council members have expressed a desire to increase the amount of funding allocated to DPA in the 2026 Budget based on strong program outcomes and public input. The Mayor's Office, DCD and Budget Office staff also received feedback from housing stakeholders about the priority of DPA and have attempted to identify additional funding sources to address this input.

In an attempt to collaborate to address these goals, on October 7, and October 8, 2025, DCD staff sent emails to Finance and Personnel Committee Chair Ald. Dimitrijevic providing information about the \$900,000 available within the 2021 Partnerships Account and suggested that would be an appropriate source of funding to re-allocate to DPA and offering to work with members to advance any resolutions needed to allocate those funds to be used for DPA.

### **Conclusion**

Based on discussions with the Budget Office, DCD notes that unexpended 2021 Partnerships funds remain the Administration's recommended source of funding to increase 2026 DPA funding, and the available funding could provide the \$800,000 sought through Common Council Budget Amendment #1E without impact on the tax levy. A resolution to effectuate this transfer could occur outside the Budget process and allow for funding to be available for DPA in 2026. The Administration communicated this option prior to the Budget Amendment process and remains supportive of this approach.

The Department of City Development has been committed to the administration of the DPA program in partnership with the three participating local housing counseling agencies and other partners in the Community Development Alliance since the program's launch in 2021 and is incredibly proud of the results of this impactful program which has helped more than 1,100 Milwaukee families achieve homeownership in the past five years. DCD stands ready to continue to implement the Milwaukee Home Downpayment Assistance Program utilizing the funding ultimately allocated by the Common Council for 2026.