

November 18, 2021

Ald. Robert Bauman, Chair
Joint Committee on Redevelopment of
Abandoned and Foreclosed Homes
City of Milwaukee
200 E. Wells Street
Milwaukee, WI 53202

Re: Agenda Item 2- Discussion relating to the implementation and execution of housing initiatives funding through ARPA; Agenda Item 3- Discussion Relating to the use of future ARPA funds for housing initiatives

Dear Chairman Bauman,

On behalf of Acts Housing, the Community Development Alliance, Milwaukee Habitat for Humanity, Housing Resources Inc. (HRI), UEDA/Take Root Milwaukee, and the United Community Center (UCC), thank you for your leadership to ensure that the allocation of the City's first tranche of American Resource Plan Act funds resulted in a historic investment in homeownership.

As the Committee considers how housing initiatives funded through ARPA should be implemented and how future ARPA funding should be invested, we ask you to consider the following:

Down Payment Assistance:

In fewer than five months, the City of Milwaukee's new Down Payment Assistance Program, which provides \$5,000-\$7,000 of down payment assistance to City of Milwaukee families who earn below 80% of the CMI and purchase a home in Milwaukee, has been a smashing success. Nearly all of the \$1.4 million that was used to fund this program has already been deployed/reserved. More than 150 families have accessed affordable homeownership, many of whom otherwise would have been locked out. From any angle (and particularly with a racial equity lens), no program in our City's history has been more successful at providing access to affordable homeownership.

Some key that highlight this success:

- Nearly 60% of the homes purchased have been located in CDBG Block Grant Areas; and
- The program has been particularly successful when viewed through a racial equity lens: 68% of homes have been purchased by Black families; 21% by Hispanic families, 6% Asian families, 3% White (non-Hispanic Families), and 1% each by Native American and multi-racial families.

This is a remarkable return on investment for the City, providing access to homeownership, strengthening neighborhoods, and increasing the City's tax base.

There is tremendous need in our community for this type of support, and we know every dollar available could be successfully used, through the Down Payment Assistance Program, to put Milwaukee families in homes. As an example, an investment of \$4.5 million approved for current housing programs to the City's Down Payment Assistance Program would result in 700 additional families achieving homeownership.

Housing Counseling:

As the City of Milwaukee begins to consider how to invest the second tranche of ARPA funds, it is critical that significant resources are focused on expanding access to homebuyer education for Milwaukee residents. The success of the above referenced down payment assistance program proves the massive demand for homeownership when families believe there is a feasible path to success. To continue to advance homeownership, we must also invest in the City's housing counseling agencies, who are best positioned to cost-effectively prepare families in our City for successful homeownership.

Sincerely,

Michael Gosman, Acts Housing

Gina Stilp, The Community Development Alliance

Brian Sonderman, Milwaukee Habitat for Humanity

Trena Bond, Housing Resources, Inc.

Kristi Luzar, UEDA/Take Root Milwaukee

Fernando Campos, United Community Center

CC:: Joint Committee Members