

MINORITY BANKING IN MILWAUKEE & THE DIFFERENCE PARTNERING CAN MAKE

City of Milwaukee ■ Columbia Savings & Loan Association

**Will Martin, Executive Vice President
Community & Economic Development Committee**

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MINORITY BANKING MATTERS

Milwaukee Needs Minority Banking in Order to Grow & Thrive

Proposes City Negro District

Real Estate Board to Study Plans for Re- stricting Blacks

Milwaukee will have a "black belt" if the Real Estate board can find ways and means to make it practicable.

At the weekly luncheon of the board Tuesday noon, the advisability of restricting the negro population in a certain area on the West side was discussed. The members say that the negro population of the city is growing so rapidly that something will have to be done.

W. T. Gumm, chairman of the convention committee, reported on the plans for the Milwaukee delegation at the state convention in La Crosse, Oct. 14, 15 and 16.

MINORITY BANKING MATTERS

- In September 1924, The Milwaukee Journal published an article about restricting African-Americans to a "district." "[T]he negro population...is growing so rapidly that something will have to be done."—the beginnings of codifying redlining.
- African-Americans had tremendous difficulty obtaining mortgages for homes, businesses, and churches.
- Often 3-4 families lived in a dilapidated single-family rental.

MINORITY BANKING MATTERS

- **Columbia Savings & Loan Association was founded 99 years ago because African-Americans could not access capital for homes, businesses, or churches. That challenge remains.**
- **Milwaukee has been recognized as the “Worst City for Black Americans” in part because of homeownership.**
- **68.7% of White Metro Milwaukeeans own homes; as few as 25% of Black Metro Milwaukeeans do.**
- **Black Metro Milwaukeeans have the second lowest homeownership rate among major U.S. metro areas.**
- **Lack of Black & Brown homeownership means fewer opportunities.**

MINORITY BANKING MATTERS



- **Today, Columbia Savings & Loan Association holds nearly \$20 million in residential mortgages, financing low-to-moderate-income families.**
- **It is Wisconsin's only Black-owned bank, the 6th oldest in USA, and one of only 25 in the nation.**
- **It is also Milwaukee's only CDFI-designated bank, meaning Columbia focuses on economically distressed communities often overlooked by others.**

MINORITY BANKING MATTERS



- **Columbia Savings & Loan Association is headquartered in Wisconsin's poorest zip code.**
- **In fact, Columbia is the only bank headquartered in Milwaukee's central city.**
- **Columbia continues its mission of helping low-to-moderate families achieve their American Dream of homeownership.**

CITY OF MILWAUKEE & COLUMBIA

Proposing a Partnership to Accelerate Affordable Housing Development

CITY & COLUMBIA PARTNERSHIP

- **Columbia will celebrate its Centennial next year & has launched its “100 by 100th” campaign.**
- **\$1 million in suburbs may fund two mortgages. In near-north-side/near-south-side Milwaukee neighborhoods, Columbia can fund 10!**
- **Goal: \$10 million to support 100 new homeowners by the 100th anniversary; already raised over \$5.5 million to support mortgages.**



CITY & COLUMBIA PARTNERSHIP

- **At the same time, City of Milwaukee has launched its HOMES MKE initiative & has carefully selected local, experienced developers to rehabilitate 150 City-owned houses into safe, quality, affordable housing.**
- **Some developers need construction loans to begin renovations, but have been turned down by larger banks.**
- **Lack of access to capital means slower redevelopment for the City and low-to-moderate-income families.**



CITY & COLUMBIA PARTNERSHIP

- **To help the City advance affordable housing, Columbia proposes a new partnership with the City of Milwaukee.**
- **Columbia will redirect a minimum of \$500,000 of its resources if the City of Milwaukee will grant the CDFI-designated bank at least \$500,000 in matching funds.**
- **The committed resources will serve as a revolving fund to provide construction loans for developers, thereby accelerating affordable housing production.**



CITY & COLUMBIA PARTNERSHIP

- **Columbia would then use its Centennial fundraising to provide low-to-moderate-income families with mortgages.**
- **Columbia is a member of the Federal Home Loan Bank of Chicago, providing it access to first-time homebuyer grants.**
- **Columbia will help eligible families access \$10,000 grants, helping them cover closing costs, increasing their equity, and reducing their total debt & monthly payments.**
- **100 first-time homebuyer grants = \$1 million in new resources for Milwaukee, costing taxpayers \$0.**



THANK YOU!

For 99 years, Columbia Savings & Loan Association has worked against the odds—often alone—to serve those too often overlooked by other institutions. Columbia is eager to partner with the City of Milwaukee to expand the American Dream through safe, quality, affordable housing.

Warmly,

Will Martin

