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## **Anti-Displacement Neighborhood Preference Policy Summary**

### **Background:**

In March of 2018, the Department of City Development (DCD) released the [Anti-Displacement Plan for Neighborhoods Surrounding Downtown Milwaukee](#). The Plan analyzed a variety of data and metrics to identify whether nearby downtown neighborhoods were exhibiting indicators associated with elevated risk of displacement due to rising housing costs. The Plan made a series of recommendations that should be pursued in impacted neighborhoods to minimize the risk of displacement.

One major recommendation of the Plan was that the City should prioritize the use of city financial resources to create new affordable and mixed-income housing in neighborhoods at risk of displacement. As new affordable housing units assisted with city resources become available, the Plan recommended developing a companion **Anti-Displacement Neighborhood Preference Policy** to allow existing low-income residents of the neighborhoods where housing is developed to access those units, remain in their neighborhoods, and maintain their existing community based safety nets, such as access to schools, religious institutions, and community organizations.

### **Policy Details:**

- 20% of the city-assisted affordable units within a development would be designated under the policy for prioritization of existing residents of the zip code where the development is located.
- This preference would apply at initial lease-up and as units turn over during the City-mandated period of affordability subject to the policy regulations.
- The policy would apply to eligible developments with at least 20 city-assisted units, including projects receiving assistance through Tax Incremental Financing, the Housing Trust Fund, CDBG, or HOME funds (unless otherwise prohibited by State or Federal regulations).

### **Geography:**

The Anti-Displacement Neighborhood Preference Policy would apply to projects in the following zip codes (see attached map):

- 53204
- 53208
- 53212
- 53233

These zip codes were selected because they meet both of the following criteria:

- Contain Census Tracts identified by the Anti-Displacement Plan as exhibiting risk factors for residential displacement.



- Statistical testing indicates that the implementation of the policy will not create a disparate impact based on race.

**Fair Housing Review:**

- DCD conducted statistical testing to develop a narrowly tailored policy that ensures the policy complies with the Fair Housing Act and will not have a disparate impact based on race or national origin by perpetuating existing patterns of racial segregation or limiting access to newly created affordable housing units by a particular racial group.
- The proposed geography and percentage of designated units have both been selected to minimize the potential for the policy to have a disparate impact based on race or national origin.

**Next Steps / Implementation:**

- DCD and CDGA will work to develop the regulations and requirements necessary to implement the policy, and include those within the terms of any development agreement providing city financial assistance to an eligible project.
- The policy is being proposed for a three year, “pilot” basis and will apply to eligible projects that enter into a development agreement to receive city financial assistance between the date of the adoption of the resolution and December 31, 2021. Prior to the expiration of the pilot period, DCD will report to the Council about the implementation of the policy, its effectiveness, and any relevant neighborhood demographic changes that may impact the eligible geography or other terms of the policy, and make a recommendation for whether to continue to policy.