

HITTING HOME

*Milwaukee's homeownership inequities
and how we compare to peer cities*



WISCONSIN

POLICY FORUM

ABOUT THE WISCONSIN POLICY FORUM

The Wisconsin Policy Forum was created on January 1, 2018, by the merger of the Milwaukee-based Public Policy Forum and the Madison-based Wisconsin Taxpayers Alliance. Throughout their lengthy histories, both organizations engaged in nonpartisan, independent research and civic education on fiscal and policy issues affecting state and local governments and school districts in Wisconsin. The Wisconsin Policy Forum is committed to those same activities and to that spirit of nonpartisanship.

PREFACE AND ACKNOWLEDGMENTS

This report was made possible by the family of Norman N. Gill, who was the director of the Milwaukee-based Citizens Governmental Research Bureau (now the Wisconsin Policy Forum) for 39 years. The Gill family's generous contribution has provided for the creation of the Norman N. Gill Civic Engagement Fellowship, under which the Wisconsin Policy Forum annually hires a graduate student fellow to conduct a research project under the tutelage of its staff. The 2021-22 Norman N. Gill Fellow, Ned Littlefield, was the lead author of this report.



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INTRODUCTION

Low and declining Black and Hispanic homeownership rates in Milwaukee are indicators of the city's acute racial equity challenges. Our 2020 [Laying the Foundation](#) and 2021 [Expanding the Blueprint](#) reports on the city's affordable housing landscape highlighted how the owner-occupancy rates of Black and Hispanic households in Milwaukee lag far behind the rate for white households. Our March 2022 [research brief](#) showed that the city's large racial disparities in homeownership widened over the last decade.

These dynamics are concerning because homeownership is an [important means](#) through which households can build wealth and, therefore, a key way for Milwaukee to become more equitable and prosperous. Advancing racial equity in homeownership is especially important given that Black and Hispanic residents comprise more than half of the city's total population. Doing so now may be particularly urgent and challenging given [rising home prices and mortgage rates](#) are reducing housing affordability in Wisconsin and nationally.

This report builds on our previous research by comparing Milwaukee with 10 demographically and economically similar peer cities throughout the U.S. with respect to owner-occupancy rates, usage of federal resources to promote homeownership, and strategies to advance racial equity in homeownership. We seek to answer three main research questions:

- How does Milwaukee compare with peer cities nationally when it comes to homeownership rates by race/ethnicity, racial disparities in homeownership rates, and recent changes in these rates and disparities?
- How has Milwaukee compared with peer cities in recent years in its use of U.S. Department of Housing and Urban Development (HUD) funds to support homeownership services?
- How does Milwaukee compare with peer cities in its current approaches to advancing racial equity in homeownership?

We attempt to answer these questions by analyzing data from the U.S. Census Bureau's American Community Survey and Decennial Census, HUD's Community Development Block Grant and HOME Investment Partnerships programs, and city government websites. While zoning and other land use policies also influence housing markets and homeownership rates, they are beyond the scope of this study.

Although the data included in our analysis does not allow us to make causal explanations of similarities and differences between cities, it offers valuable perspective on where Milwaukee stands relative to a set of peers and how Milwaukee's approaches to supporting homeownership and to advancing racial equity in homeownership compare to those cities. We hope this analysis provides useful information to local housing stakeholders working to advance racial equity in Milwaukee.



BACKGROUND

Selection of peer cities

In choosing peer cities for our analysis, we used Census data to identify U.S. cities that are reasonably comparable to Milwaukee on several variables: population size; the percentage of residents who are Black and/or Hispanic; median household income; median home value; and (as an indicator of affordability) median household income as a percentage of median home value.

Milwaukee falls around the middle of our 11 selected cities on each of these measures, as shown in **Table 1**. Milwaukee ranks fifth in total population (577,222), sixth in the percentage of its population that is Black and/or Hispanic (58.0%), eighth in both median household income (\$43,125) and median home value (\$134,000), and fifth in median household income as a percentage of median home value (32.2%).

Table 1: Demographic and economic characteristics of Milwaukee and selected peer cities

City	Population Total	% Black & Hispanic Combined	% Black	% Hispanic	Median Household Income	Median Home Value	Median Income as % of Median Home Value
Albuquerque, NM	564,559	50.6%	2.9%	47.7%	\$53,936	\$205,400	26.3%
Baltimore, MD	585,708	65.1%	57.3%	7.8%	\$52,164	\$182,500	28.6%
Cleveland, OH	372,624	60.5%	47.5%	13.1%	\$31,838	\$83,800	38.0%
Detroit, MI	639,111	85.2%	77.2%	8.0%	\$32,498	\$69,300	46.9%
El Paso, TX	678,815	84.4%	3.1%	81.2%	\$48,866	\$145,900	33.5%
Fresno, CA	542,107	57.4%	6.9%	50.5%	\$53,368	\$261,400	20.4%
Kansas City, MO	508,090	37.8%	25.8%	12.0%	\$56,179	\$178,400	31.5%
Memphis, TN	633,104	71.1%	61.3%	9.8%	\$41,864	\$120,700	34.7%
Milwaukee, WI	577,222	58.0%	37.8%	20.1%	\$43,125	\$134,000	32.2%
Tampa, FL	384,959	46.6%	20.9%	25.6%	\$55,634	\$274,600	20.3%
Tucson, AZ	542,629	47.3%	5.1%	42.2%	\$45,227	\$171,500	26.4%

Source: U.S. Census Bureau – 2020 Decennial Census and 2020 ACS 5-year estimates. Note: “% Black” includes residents who identify “Black or African American” as their only race; “% Hispanic” includes residents who identify “Hispanic or Latino origin” as their ethnicity; “% Black & Hispanic combined” aggregates those two groups and may double-count residents who identify both racially as Black and ethnically as Hispanic/Latino.

Milwaukee is among the selected cities with the most balanced racial diversity, with large Black *and* Hispanic populations. Tampa is the only other selected city where the Black and Hispanic populations each account for at least 20% of total population. Most other cities have either large Black populations (Cleveland, Baltimore, Kansas City, Memphis, and Detroit) or large Hispanic populations (Fresno, Tucson, Albuquerque, and El Paso), but not both. An implication is that Milwaukee may have a more challenging task, or at least more factors to consider, in enabling more homeownership among both Black and Hispanic residents.

Although we chose peer cities based on their similarities with Milwaukee, some are more similar than others. On the one hand, Memphis and El Paso are among the cities with the most similar median household incomes and median home values as Milwaukee, though their demographics are

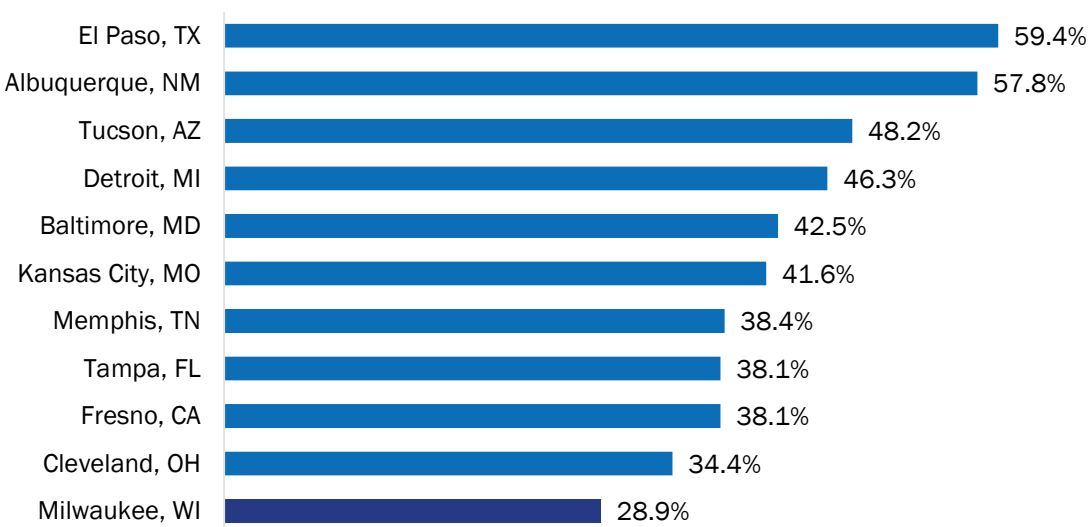


quite different, particularly in the case of El Paso. On the other hand, Tampa and Fresno stand out for having the most expensive and least affordable housing markets among the selected cities, while Cleveland and Detroit have the least expensive and most affordable markets, according to our chosen indicators.

Homeownership in selected peer cities

Milwaukee has the lowest homeownership rate among Black and Hispanic households combined (28.9%) among the 11 peer cities, as **Chart 1** shows. According to 2020 ACS estimates, Milwaukee's 25.2% homeownership rate among Black households also is the lowest, while its 38.5% rate among Hispanic households and 55.8% rate among white households are third lowest. (See **Appendix** for 2020 owner-occupancy data disaggregated by race/ethnicity.)

Chart 1: Combined owner-occupancy rate for Black and Hispanic households in Milwaukee and selected peer cities, 2020

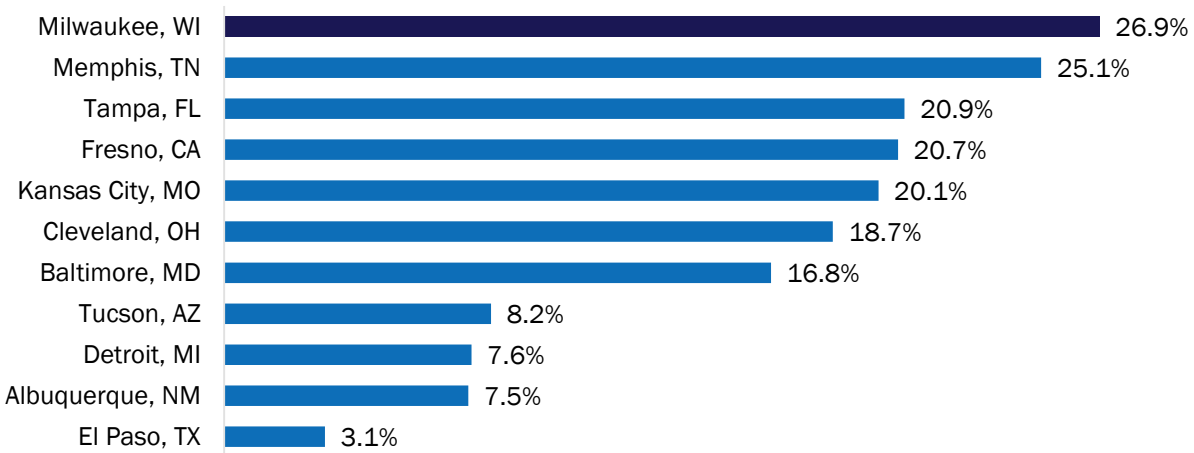


Source: U.S. Census Bureau – 2020 ACS 5-year estimates

Milwaukee also has the largest combined racial disparity in homeownership relative to the selected peers despite the city's low owner-occupancy rate among white households, as shown on the following page in **Chart 2**. In fact, Milwaukee's 26.9 percentage point disparity in owner-occupancy rates between Black and Hispanic households, on the one hand, and white households, on the other, is the largest among the selected cities. Milwaukee's Black-white disparity is 30.6 percentage points (third highest) and its Hispanic-white disparity is 17.3 percentage points (fourth highest).



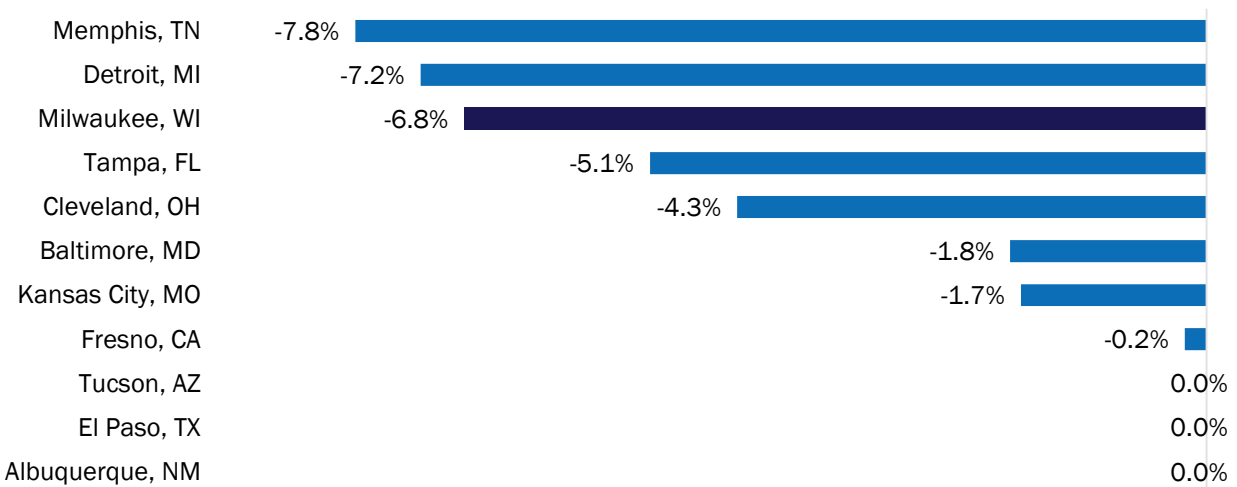
Chart 2: Percentage point disparities in owner-occupancy rates between Black and Hispanic households (combined) and white households in selected peer cities, 2020



Source: U.S. Census Bureau – 2020 ACS 5-year estimates

Since the Great Recession and the resulting foreclosure crisis (2007-2010), Milwaukee has experienced larger declines in homeownership rates among Black and Hispanic households than many selected peers (**Chart 3**). From 2010 to 2020, Milwaukee’s combined Black and Hispanic owner-occupancy rate decreased by 6.8 percentage points, which was the third largest decrease among the 11 cities. Milwaukee’s combined Black and Hispanic owner-occupancy rate decreased by 5.1 percentage points from 2010 to 2015 (tied for second largest decrease). While many peer cities saw their combined rates stabilize or improve between 2015 and 2020, Milwaukee was one of four cities that saw a further decline during that period (an additional 1.6 percentage points).

Chart 3: Percentage point change in combined Black and Hispanic homeownership rates in selected peer cities, 2010 to 2020



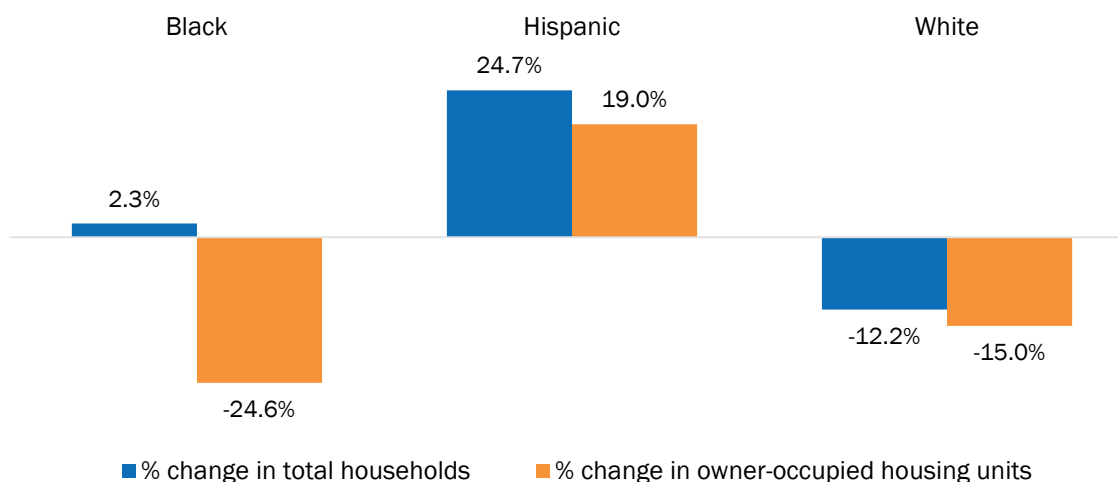
Source: U.S. Census Bureau – 2020 and 2010 ACS 5-year estimates



Milwaukee’s racial inequities in homeownership increased considerably with these changes. From 2010 to 2020, the disparity between Milwaukee’s combined Black and Hispanic owner-occupancy rate and white owner-occupancy rate increased by 5.0 percentage points, which was the largest increase among the selected cities.

During this period, changes in Milwaukee’s owner-occupancy rates did not keep up with changes in the number of households overall – especially for the city’s Black population. As **Chart 4** shows, between 2010 and 2020, percentage change in total households (both renter-occupied and owner-occupied) was greater than percentage change in owner-occupied housing units across racial groups. For example, while the number of Black households increased by 2.3% overall, the number of housing units occupied by Black owners decreased by 24.6% – a dramatic difference. The total number of Hispanic households in Milwaukee increased by 24.7% while the number of housing units occupied by Hispanic owners increased by just 19.0%.

Chart 4: Change in households and homeownership by race/ethnicity in Milwaukee, 2010-2020



Source: U.S. Census Bureau – 2020 and 2010 ACS 5-year estimates

There appears to be some relationship between the economic characteristics we used to select our peer cities, on the one hand, and racial equity in homeownership among these cities, on the other. It is beyond the scope of this report to fully explain that relationship and to exhaustively analyze [additional factors](#) that may influence racial equity in homeownership, such as household characteristics (e.g., marital status, credit score, or educational attainment) and city characteristics (e.g., racial segregation or industry concentrations). That said, our examination of economic characteristics illustrates how some factors that correspond with greater racial equity in homeownership – such as household incomes – lie outside the immediate control of local public policymakers and housing stakeholders.

Our examination suggests that selected peer cities where it is more affordable to own a home than Milwaukee (based on median household income as a percentage of median home value) tend to have higher homeownership rates across racial groups. El Paso, Detroit, and Memphis are among the most affordable cities and the cities with the highest combined Black and Hispanic owner-occupancy rates, the highest Black owner-occupancy rates, and the highest Hispanic owner-



occupancy rates. Several cities with less affordable housing markets have lower Black homeownership rates, such as Fresno, Albuquerque, and Tampa.

Summary

Census data show that, despite Milwaukee's relatively affordable housing market, it has low household incomes and low homeownership rates across racial groups compared with selected peer cities. Milwaukee also has the largest disparity in homeownership rates between Black and Hispanic households (combined) and white households and has made relatively limited progress over the past decade in strengthening homeownership rates among Black and Hispanic households. The data also show that racial equity in homeownership is correlated in several respects with certain demographic and economic factors, such as race/ethnicity and the affordability of homes. Given that such demographic and economic factors are beyond the immediate control of local policymakers and housing stakeholders, we look to other factors that may help Milwaukee at least partially address this urgent and difficult challenge.



USE OF FEDERAL FUNDS IN PEER CITIES

Although some factors that influence racial equity in homeownership – like household incomes and housing costs – lie beyond the immediate control of Milwaukee’s policymakers and housing stakeholders, other factors are easier to influence locally. One such factor is how the city of Milwaukee uses funding from the U.S. Department of Housing and Urban Development (HUD) to support homeownership among Black and Hispanic households.

To understand this factor, in this section we compare the use of HUD’s [Community Development Block Grant \(CDBG\)](#) and [HOME Investment Partnerships \(HOME\)](#) funds in Milwaukee and the selected peer cities. These are flexible grants for participating local jurisdictions that are distributed according to needs-based [CDBG](#) and [HOME](#) formulas. The grants aim to benefit low-income individuals and areas through assistance with a wide range of community development needs, including homeownership. While the HOME program is exclusively focused on housing activities, the CDBG program addresses a wide range of community development priorities described later in this report.

We specifically examine the CDBG and HOME programs for two main reasons beyond the fact that they are the homeownership-related initiatives for which quantitative data is most consistently and widely available

Use of Local, State, and Pandemic Relief Funding to Support Homeownership in Milwaukee

While federal sources accounted for roughly two-thirds of the overall funding used to support the city of Milwaukee’s homeownership-related programs between 2014 and 2018, local funding also was used. Of the \$29.9 million the city of Milwaukee directed to homeownership programs during that period, \$9.5 million (31.6%) came from local funding sources and tax increment financing (TIF). Of that local funding, 79.4% was used to assist homeowners with home maintenance and 20.6% was used to boost homeownership through means like helping buyers purchase city-owned, tax-foreclosed properties.

More recently, the city [dedicated local TIF funds](#) to initiate the new [Milwaukee Home Down Payment Assistance Program](#). This program, established in 2021, provides low-income Milwaukee residents with homebuyer counseling and forgivable grants of up to \$5,000 to purchase their first home. If the home lies within a CDBG-prioritized area of Milwaukee, the maximum forgivable grant is \$7,000. The city also has used federal pandemic relief funds from the American Rescue Plan Act (ARPA) to support its down payment assistance program.

The city dedicated an additional [\\$15 million in ARPA funds](#) to support its Homes MKE Initiative, which is designed to renovate vacant city-owned residential properties. A major goal of this initiative is to provide affordable homeownership opportunities for city residents.

The city of Milwaukee does not receive state funding to support homeownership services. That said, since 2012, the Wisconsin Housing and Economic Development Authority has provided \$43.6 million in direct mortgage assistance to 386 households through its [Transform Milwaukee Initiative](#).



across peer cities nationally.¹ The first is that these programs are major sources of support for the city of Milwaukee’s homeownership-related initiatives. Previous Wisconsin Policy Forum research found that the CDBG and HOME programs constituted approximately 68% of all dollars the city dedicated to homeownership programs and services between 2014 and 2018, as shown in **Table 2**.

Table 2: Funding sources and amounts for city of Milwaukee homeownership programs, 2014-2018

Program	Goal	Funding Source	Funds
Homebuyer counseling	Increase homeownership	CDBG	\$1,304,258
Tenant Transition to Homeownership	Increase homeownership	City of Milwaukee / TIF	\$1,000,000
Strong Neighborhoods Homebuyer Assistance Program	Increase homeownership	City of Milwaukee / TIF	\$950,000
RICH Mortgage Fund	Increase homeownership	CDBG & City of Milwaukee	\$240,000
Neighborhood Improvement Project	Assist homeowners with home maintenance	CDBG / HOME	\$16,195,470
STRONG Homes Loan Program	Assist homeowners with home maintenance	City of Milwaukee	\$4,100,000
TIN Home Rehab Program	Assist homeowners with home maintenance	CDBG / HOME	\$2,700,000
Compliance Loan Program	Assist homeowners with home maintenance	City of Milwaukee	\$2,660,000
TID Home Improvement Loans	Assist homeowners with home maintenance	TIF	\$740,000
Total			\$29,889,728
Total CDBG / HOME			\$20,199,728
CDBG / HOME as % of Total			67.6%

Source: Wisconsin Policy Forum analysis of data provided by the city of Milwaukee ([Laying the Foundation](#) report; page 33)
 Note: “Total CDBG and HOME only” and “CDBG and HOME only as % of Total” calculations exclude the RICH Mortgage Program because it is unclear how much of that program’s funding came from CDBG versus the city of Milwaukee.

Milwaukee specifically used these programs to finance home repair/maintenance assistance for existing homeowners and homebuyer counseling. Because these programs account for over two-thirds of the funds supporting the city’s homeownership initiatives, comparing Milwaukee’s use of those funds to uses in peer cities may be insightful as we consider racial disparities in homeownership rates among the cities.

In addition, Black and Hispanic households tend to be overrepresented among CDBG and HOME participants in Milwaukee. Participants of Milwaukee’s CDBG program ranged from being approximately 62% to 69% Black and from approximately 14% to 27% Hispanic² each year between [2010 and 2019](#). In Milwaukee’s HOME program, about 55% of homebuyers and 56% of homeowners assisted [between 1992 and 2019](#) were Black. According to 2020 Census estimates,

¹ Participating jurisdictions also submit detailed [Consolidated Annual Performance Evaluation Reports](#) to HUD, for example, yet we find little consistency in these reports’ availability and their presentation of quantitative data on our peer cities’ funding, programs, and outcomes with respect to racial equity in homeownership. Quantitative data on usage of state, local, and private funds to advance racial equity in homeownership is not available consistently across peer cities.

² This statistic undercounts Hispanic participants. Because [CDBG data](#) does not aggregate Hispanic participants by race and does not present counts of participants, the statistic only includes Hispanic participants who identify racially as white. White Hispanics were the predominant annual CDBG participant group among all Hispanic participants in Milwaukee for each year between 2010 and 2019, ranging from 70% to 90% of all Hispanic CDBG participants each year.



Black and Hispanic households comprise about 38% and 14% of all housing units (renter- and owner-occupied combined) in Milwaukee. The greater use of the CDBG and HOME programs by Black and Hispanic households in the city suggest these programs are important to consider as we look at how Milwaukee can advance racial equity in homeownership.

Use of CDBG funds

This section discusses how our 11 selected peer cities use HUD’s CDBG funds to advance homeownership. As previously mentioned, HUD uses its [CDBG formula](#) to provide participating jurisdictions with flexible grants that cover a broad range of community development activities. The needs-based CDBG formula considers jurisdictions’ population size and growth, poverty levels, housing stock, and housing overcrowding as HUD attempts to benefit low- and moderate-income people, mitigate blight, and improve health and safety. [CDBG funds](#) may address needs for code enforcement, community center development, economic development, homeowner assistance, housing rehabilitation, infrastructure improvement, public service provision, property clearance and acquisition, small business assistance, and more.

We use HUD’s [CDBG Matrix Code Definitions](#) to analyze CDBG [funding amounts](#) and [number of participants assisted](#) by each of our 11 selected cities in three homeownership-related service categories: housing counseling; homebuyer financial assistance; and home rehabilitation assistance. These categories include funds that peer cities administer to households both directly and indirectly through partner organizations.

Our [housing counseling](#) category includes services like advice and information about homebuying (e.g., budgeting, financial responsibilities, housing needs, housing quality, maintenance requirements, and other costs related to purchasing a home) and homeownership (e.g., debt, default, and foreclosure management and prevention, general financial management, and maintenance management). This category also may include counseling on emergency and rental housing and thus is not exclusive to homeownership.³

Our [homebuyer financing](#) category includes services like deposits, purchases, and subsidies that aim to reduce the burdens of interest rates and mortgage principals, renter-occupied property acquisitions, mortgage insurance premiums, closing costs, and down payments.⁴

Our [home rehabilitation](#) category includes various services to bring an owner-occupied unit to a decent, safe, and sanitary condition. These may include electrical, heating, ventilation, and air conditioning, plumbing, roofing, and structural services. They also may include connecting sewer and water pipes, running sewer and water lines from a house to the street, and installing, repairing, and

³ Our *housing counseling* category combines the “Housing Counseling”, “Housing Counseling (for Homeownership Assistance)”, “Housing Information and Referral Services”, and “Housing Services” CDBG matrix codes. “Housing Counseling (for Homeownership Assistance)” includes advice and information peer cities provide in conjunction with financial assistance and, therefore, is not exhaustive of counseling related to homeownership. The three other codes may include counseling related not only to homebuying and homeownership but, also, to emergency and rental housing.

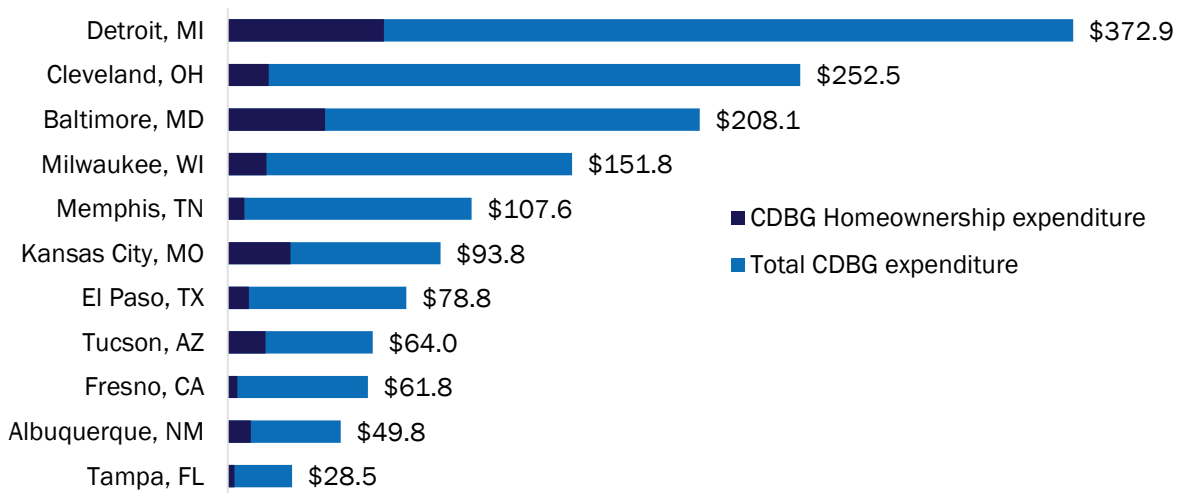
⁴ Our *homebuyer financing* category combines the “Direct homeownership assistance”, “Homebuyer down payment assistance (excluding Housing Counseling)”, “Homeownership assistance (excluding Housing Counseling)”, and “Homeownership assistance (not direct)” matrix codes. Down payment assistance covers up to 50% of accepted offers.



replacing septic drain fields, septic tanks, and wells, as well as converting non-residential structures to housing and installing or replacing driveways, landscaping materials, and sidewalks.⁵

Milwaukee disbursed a total of approximately \$151.8 million in CDBG funds from program years 2010 to 2019, as **Chart 5** shows. Only Detroit, Cleveland, and Baltimore disbursed more overall CDBG funding than Milwaukee during that period. This is primarily a reflection of the amount of funding each city received based on the previously described CDBG program formula. [HUD program years](#), which may vary slightly by city, are 12-month periods beginning on the date when a participating jurisdiction’s grant initially went into effect.

Chart 5: Disbursement of CDBG funding in selected peer cities, 2010-2019
(in millions)



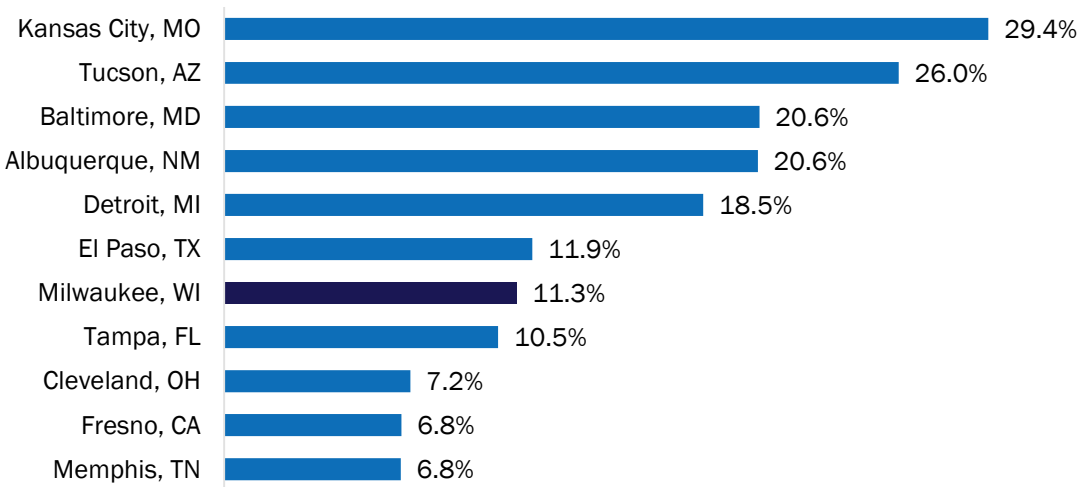
Source: [CDBG Activity Expenditure Reports, 2010-2019](#)

While Milwaukee was near the top in total CDBG funds disbursed, its disbursements for the three homeownership-related programs was below the median among the peer cities, as shown in **Chart 6** on the following page. Milwaukee dedicated \$17.1 million of its \$151.8 million in CDBG funds (11.3%) to those three program categories combined, which was seventh highest among our 11 selected peer cities.

⁵ Our *home rehabilitation* category reflects the “Rehabilitation: Single-Unit Residential” CDBG matrix code.



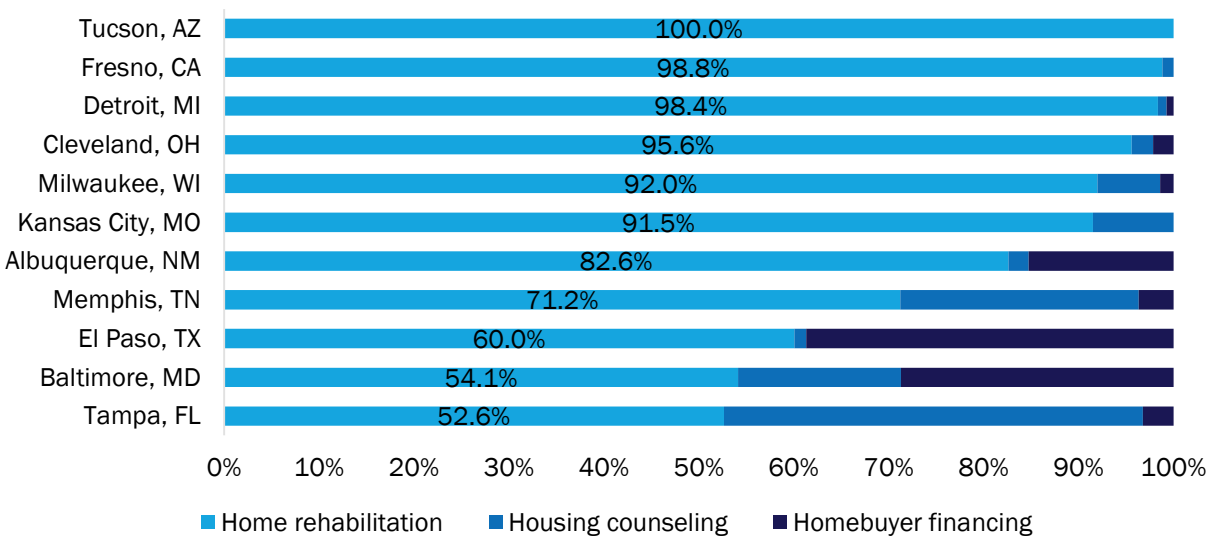
Chart 6: Percentage of CDBG disbursements dedicated to homeownership programs in selected peer cities, 2010-2019



Source: [CDBG Activity Expenditure Reports, 2010-2019](#)

When we break down disbursements among the three homeownership-specific service categories, we find that Milwaukee dedicated \$15.7 million to home rehabilitation (92% of the total amount used for homeownership-related services) from 2010 to 2019, \$1.1 million (6.6%) to housing counseling, and \$240,000 (1.4%) to homebuyer financing, as shown in **Chart 7**. Milwaukee ranks fifth among the 11 cities in the percentage of total homeownership funds dedicated to each of the three areas.

Chart 7: Share of CDBG homeownership expenditures dedicated to each service category in Milwaukee and peer cities, 2010-2019



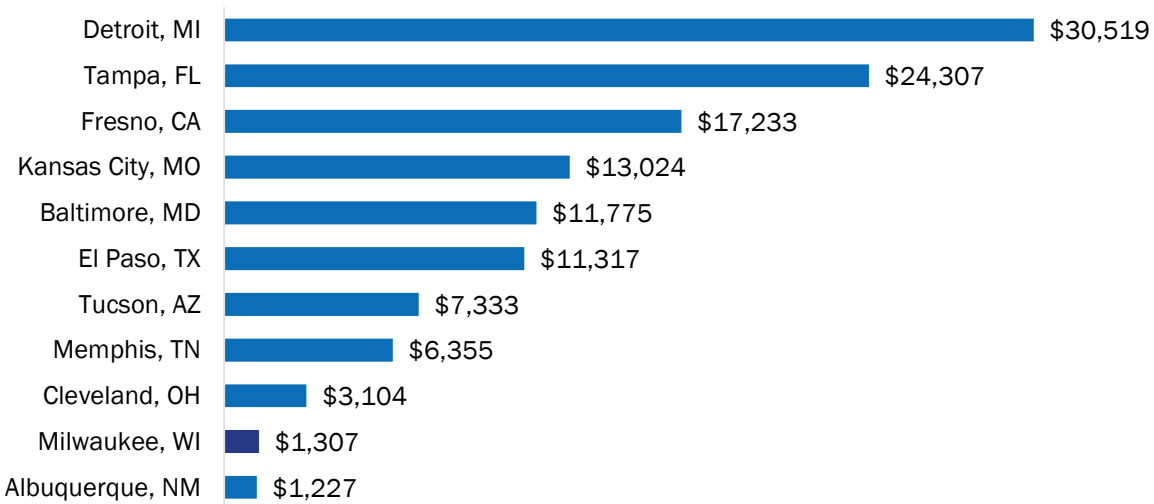
Source: [CDBG Activity Expenditure Reports, 2010-2019](#)



While the city of Milwaukee used CDBG dollars to assist thousands of households with home rehabilitation services between program years 2010 and 2019, it dedicated smaller amounts of funding per household for those services than most of the 10 selected peer cities. Milwaukee used CDBG funds to assist 12,037 household participants with home rehabilitation services, which works out to \$1,307 per household assisted – the second lowest among the selected cities, as shown in **Chart 8**. The relatively small per-household expenditures reflect that these resources largely support smaller home repair services for existing homeowners, though some also is used for rehabilitation of vacant units for sale to new homebuyers.

For both homebuyer counseling and homebuyer financing, in contrast, Milwaukee dedicated more funding per individual/household than most of the selected peer cities. Between program years 2010 and 2019, Milwaukee served 3,744 individual participants with housing counseling (\$302 per individual assisted) and a very small group of five household participants with homebuyer financing (\$48,000 per household).

Chart 8: CDBG dollars used per household for home rehabilitation services, 2010-2019



Source: [CDBG Accomplishment Reports, 2010-2019](#)

In sum, while the city of Milwaukee is in the middle of the pack of peer cities in its overall use of CDBG funds to support homeownership, it has prioritized home rehabilitation services over homebuyer financing to a relatively high degree while dedicating a relatively low amount of funding per participant to home rehabilitation services. Milwaukee has emphasized using smaller amounts of CDBG funding to help current lower-income homeowners repair and remain in their homes over using larger amounts of that funding to help prospective homebuyers finance the purchase of a home.

Use of HOME funds

This section discusses how our 11 selected peer cities use HUD’s HOME funds to advance homeownership. HUD uses its [HOME](#) formula to provide participating jurisdictions with grants to expand affordable housing. The needs-based HOME formula considers jurisdictions’ fiscal capacity, poverty levels, and housing market, including adequacy of housing supply and cost of new

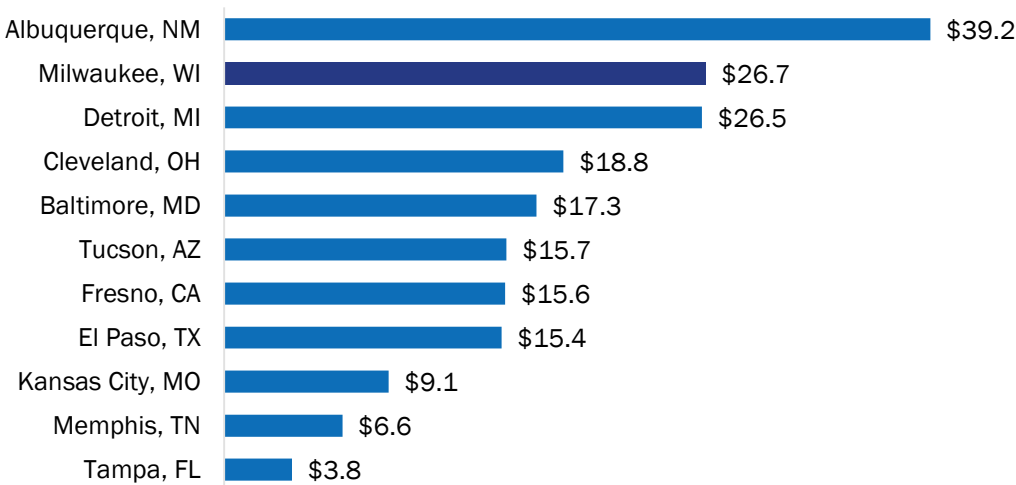


construction. HOME grants support [activities](#) like constructing, purchasing, and rehabilitating affordable owner-occupied and rental units for lower-income households and for rental assistance. Participating jurisdictions may distribute HOME funds through credit enhancements like loan guarantees, direct loans, security deposits, rental assistance, and grants to local nonprofits.

As with our CDBG analysis, we compare how Milwaukee and our selected peer cities have used HOME funds to support services in three homeownership-related categories: *new construction*, or city construction of new units for which there is not necessarily an identified buyer;⁶ *homebuyer assistance*, or city assistance specifically to homebuyers for acquisition of existing units, rehabilitation of existing units, or construction of new units;⁷ and *home rehabilitation*, or city assistance specifically to homeowners for rehabilitation of existing units.⁸ We limit our analysis to *completed units*, or those units that received 100% of their city-allocated HOME funds within a given category from program year 2011 (when [data](#) became available) to program year 2019.

Milwaukee disbursed approximately \$26.7 million in HOME funds to completed homebuyer, homeowner, and rental units during program years 2011 to 2019, as **Chart 9** shows. Only Albuquerque disbursed more HOME funds to completed units over that decade. This is primarily a reflection of the amount of funding each city received based on the previously described HOME program formula.

Chart 9: Total HOME program disbursements in Milwaukee and selected peer cities, 2011-2019 (in millions)



Source: [HOME Activities Reports](#)

Interestingly, Milwaukee was highest among the peer cities in its use of HOME funding to support homeownership-related services, as shown in **Chart 10** on the next page. From program years 2011 to 2019, the city dedicated \$20.4 million of its \$26.7 million in HOME funds (76.3%) to the three homeownership-related categories combined.

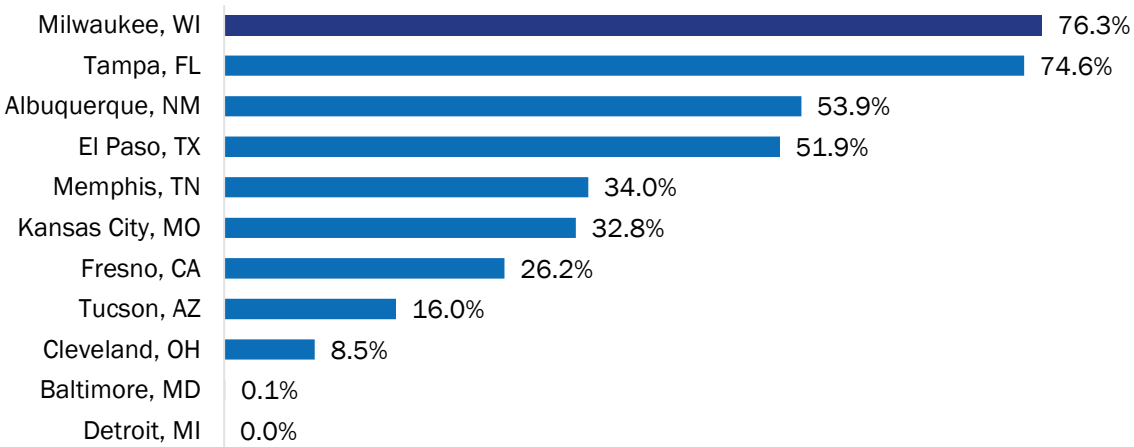
⁶ Our *new construction* category reflects the Homebuyer “NCO” HOME program code.

⁷ Our *homebuyer assistance* category combines the Homeowner “ACQ”, “ACQ NCO”, and “ACQ REH” HOME codes.

⁸ Our *home rehabilitation* category reflects the Homeowner “REH” HOME code.



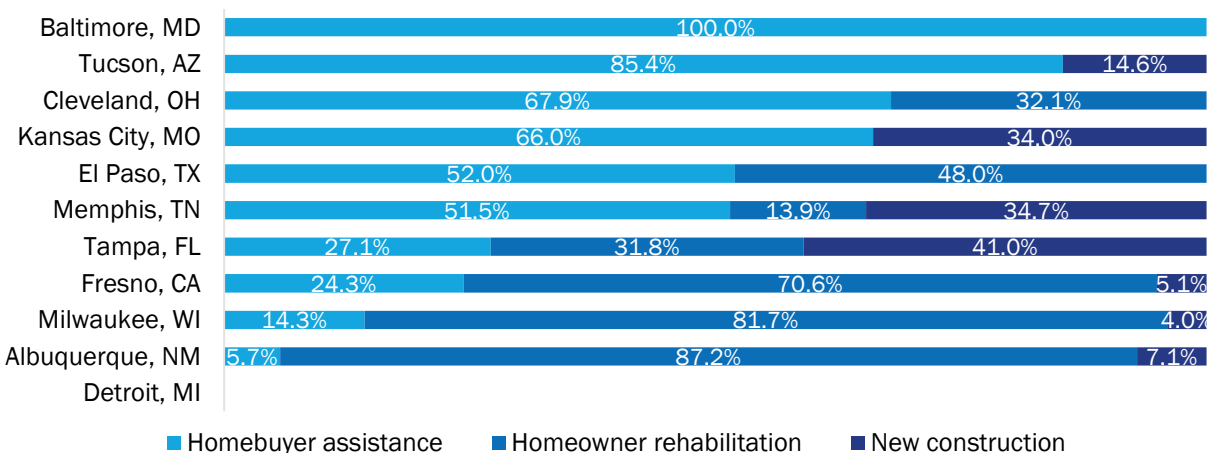
Chart 10: Share of total HOME funds dedicated to homeownership services, 2011-2019



Source: [HOME Activities Reports](#)

Milwaukee dedicated \$16.7 million of these homeownership-specific funds to home rehabilitation (81.7% of the \$20.4 million total), \$2.9 million to homebuyer assistance (14.3%), and \$821,406 to new construction (4.0%). As **Chart 11** shows, Milwaukee dedicated a comparatively large share of its HOME funds to home rehabilitation (second largest among the 11 selected peer cities) and relatively small shares to the homebuyer assistance (second smallest) and new construction (fourth smallest). This analysis excludes Detroit, which dedicated all HOME funds to rental assistance.

Chart 11: Share of homeownership-related HOME dollars dedicated to each service category in Milwaukee and peer cities, 2011-2019



Source: [HOME Activities Reports](#)

Finally, Milwaukee used HOME funds for 615 completed units through home rehabilitation, 49 completed units through homebuyer assistance, and 10 completed units through new construction. This means that Milwaukee dedicated \$82,140 per completed unit through new construction,



\$59,457 per completed unit through homebuyer assistance, and \$27,082 per completed unit through home rehabilitation.

In short, Milwaukee disbursed the highest percentage of its total HOME funds to homeownership-related services among our 11 selected cities and prioritized rehabilitation over construction and homebuyer assistance more than almost all of those cities. Milwaukee emphasized using smaller amounts of HOME funding to support rehabilitation services to help current owners remain in their homes over using larger amounts of HOME dollars to build new homes and help prospective owners prepare for and purchase new homes.

Summary

HUD data show that, to a greater extent than most peer cities, Milwaukee has dedicated a large portion of its federal funds to home rehabilitation assistance over the past decade and placed less of a priority on other types of homeownership services. The city dedicated \$37.5 million of its \$178.6 million (21.0%) in combined CDBG and HOME funds to homeownership-specific programs. Of that total, 86.4% went to various types of home rehabilitation assistance, while 8.4% went to various types of homebuyer assistance, 3% to housing counseling, and 2.2% to new construction.

The data also suggest that Milwaukee has provided smaller amounts of funding per household for home rehabilitation than other types of assistance. On a per-household basis, Milwaukee also has provided smaller amounts of funding for home rehabilitation assistance than peer cities while dedicating larger amounts per households to both housing counseling and homebuyer financing than most peer cities.

Milwaukee's prioritization of home rehabilitation services may reflect the view that sustaining current homeownership by helping owners remain in their homes is a more efficient use of limited resources than increasing homeownership by helping renter households become homeowners. This may be a logical approach. As we indicated in our [Laying the Foundation](#) report, Milwaukee has limited financial capacity, aging housing stock, and a high percentage of owner-occupied households that are housing-cost burdened (i.e., spending at least 30% of income on housing). In addition, other local and state agencies do not offer home repair loans for Milwaukee homeowners. The foreclosure crisis of the late 2000s also made helping homeowners remain in their homes especially urgent.

Policymakers, however, may still wish to gather further information on whether rebalancing federal funds between rehabilitation assistance for current homeowners and assistance types that support prospective homeowners could advance the goal of racial equity. Research by the Urban Institute, for example, suggests that increasing housing supply by promoting new construction while expanding counseling and financial assistance for prospective buyers may increase [Black](#) and [Hispanic](#) homeownership rates at the local level. The question is not straight forward – prioritizing home repair may have prevented homeownership rates from declining further over the past decade and this primarily defensive strategy may remain important going forward. At the same time, expanding homeownership among Black and Hispanic households in the future could call for a different balance of strategies, with additional support for services geared toward new homebuyers, such as the city's recently established down payment assistance program.



HOMEOWNERSHIP SERVICES AND STRATEGIES

While the previous sections examine how Milwaukee and our selected peer cities have used prominent sources of federal funding to support homeownership, this section compares how they orient such programs strategically. Our [Laying the Foundation](#) report underscored the importance of affordable housing strategy by suggesting that clearly defined leadership, stronger organization and coordination, and more consistent policy goals and target populations could help improve the city of Milwaukee's housing programs.

We build upon our previous research here by comparing Milwaukee with our selected peer cities across three variables: whether each city has consolidated its housing programs within a single agency or office; whether each city has a strategic housing plan that explicitly addresses homeownership beyond their [HUD reporting documents](#); and whether each city directly addresses racial equity in homeownership in its strategic housing plan. Although we cannot measure the potential benefits of these elements, each would appear to strengthen the position of a city to advance homeownership in general as well as to reduce racial disparities in homeownership in the coming years.

Consolidated housing agency/office

In [Laying the Foundation](#), we found that the city of Milwaukee does not have a single agency or office overseeing all of its housing programs, which contrasts with peer cities like Detroit and Minneapolis. Administration of Milwaukee's housing programs is spread between the [Community Development Grants Administration](#) (CDGA) office, the [Department of City Development](#) (DCD), and the [Department of Neighborhood Services](#). The report suggested that, although these departments have a reasonable division of responsibilities and do collaborate on housing issues behind the scenes, consolidating such programs within a single agency could help Milwaukee coordinate housing strategies and programs more effectively and help residents navigate programs more easily.

Our suggestion stemmed from the assumption that having effective coordination between local housing programs likely improves outcomes. Having multiple agencies involved in housing services does not necessarily mean that a given city will be less effective at coordinating its programs and efforts, as several well-run agencies might perform better than a single poorly run department. That said, it seems reasonable to expect that, all else being equal, a consolidated department could produce better coordination and might also be easier to navigate for the public.

Our expanded review of city government websites suggests that Milwaukee may be unique or at least unusual in this respect, as all 10 of our selected peer cities have consolidated housing agencies. Four cities have departments with "housing" in their titles (Detroit, Kansas City, Memphis⁹, and Tucson). The other six cities have divisions with "housing" in their titles that are within larger departments focused on planning and community and economic development (Albuquerque, Baltimore, Cleveland, El Paso, Fresno, and Tampa).

⁹ Memphis' Division of Housing & Community Development is the equivalent of a department in Milwaukee.



The selected peer city that is most like Milwaukee with respect to fragmentation is El Paso, where the [Department of Community & Human Development](#) has three housing-focused divisions: CDBG Administration; Housing Programs, which administers the First Time Homebuyer and Single Family Housing Rehabilitation programs; and Neighborhood Services, which, among other programs, develops neighborhood revitalization strategies around topics like housing. Other than El Paso and Milwaukee, none of the 11 selected cities have separate CDBG and housing-focused agencies or divisions.

Two of our selected peer cities offer insights about consolidating housing departments and, within general departments, prioritizing homeownership. First, Kansas City is a recent example of consolidating housing programs into one government agency. [To improve operations](#) and to have staff and resources dedicated specifically to housing [for the first time](#), the city established the [Department of Housing and Community Development](#) in 2021. The department's homeownership-related resources include CDBG-funded Home Repair Services and Programs, the CDBG-funded Targeted Minor Home Repair Program, and the HUD-funded Neighborhood Stabilization Program. The department also administers Kansas City's recently established Affordable Housing Trust Fund, which supports "homeownership retention" among other priorities.

Second, [Baltimore](#) seems to be the only peer city that, within its consolidated housing agency, has an office with an explicit focus on homeownership. Under the Deputy Commissioner of Homeownership & Housing Preservation, the [Office of Homeownership](#) within Baltimore's Department of Housing & Community Development administers homeownership incentives, housing rehabilitation and repairs, prevention and coordination of home sales due to delinquent taxes, and other types of assistance. The Department provided [\\$2 million in such homeownership incentives in 2019](#), "primarily to African-American homebuyers in middle-income city neighborhoods."

Strategic planning to advance homeownership

In 2021, the city of Milwaukee helped to develop a public-private strategic housing plan that takes a comprehensive approach to affordable housing and includes a specific goal of eliminating racial disparities in homeownership. The [Collective Affordable Housing Strategic Plan](#) was developed under the leadership of the Community Development Alliance (CDA), of which the city of Milwaukee is a core member, and involved a wide array of public, private, and philanthropic partners. The Milwaukee Common Council [endorsed](#) the plan in March 2022.

The CDA's *Collective Affordable Housing Strategic Plan* seeks to help 32,000 Black and Hispanic households become homeowners over 10 years through a combination of "offensive" and "defensive" strategies. "Offensive" strategies include expanding homebuyer counseling and down payment assistance and creating an acquisition fund to preserve single-family residences for homeownership in predominantly Black and Hispanic neighborhoods. "Defensive" strategies aim to help existing Black and Hispanic owners remain in their homes. These include mitigation of displacement (due to changing market conditions like increasing rents and taxes and decreasing supply of affordable units), mitigation of foreclosure risk, and expansion of home repair and post-purchase homeownership counseling.

Milwaukee is like most of the 10 peer cities in having a strategic housing plan or document that explicitly addresses homeownership. Our review of city government websites suggests that only [El Paso](#) does not explicitly address homeownership in its strategic housing document. Although they all have strategic housing plans, the other cities vary as most address homeownership within housing-



focused documents (Albuquerque, Cleveland, Detroit, Fresno, Kansas City, and Tampa) while others do so in more general documents about community and economic development (Baltimore, Memphis, and Tucson).

Milwaukee seems to be the only one of our selected cities with a strategic housing plan that was produced not by the city government alone but, rather, by an alliance of public and private sector housing stakeholders of which the city is a member. Because we limit our review of selected peer cities' strategic planning documents to city government websites, however, we may have missed some similarly collaborative plans in other cities. The closest city in this respect appears to be Tampa, where the 2020 [Housing Affordability Advisory Team Recommendations and Final Report](#) resulted from engagement of public, private, and nonprofit stakeholders through Mayor Jane Castor's transition team. This suggests that Milwaukee may be taking a distinctively collaborative approach to advancing homeownership.

Strategic planning to advance racial equity in homeownership

The CDA's *Collective Affordable Housing Plan Strategic Plan* also goes further in making an explicit commitment to “advancing racial equity by providing a quality affordable home for every Milwaukeean.” This goal is further evident in the document's focus on homeownership specifically for Black and Hispanic residents.

Our review of city government websites suggests that, in addition to Milwaukee, only [Baltimore](#) and [Memphis](#) directly speak to racial equity in their strategic housing plans that explicitly address homeownership.

Baltimore's 2021 [Framework for Community Development](#) aims to “promote access and equity,” given “the long-standing income- and race-based barriers that have devastated neighborhoods and disadvantaged the people living in them.” The Framework aims to do so by supporting and expanding homeownership through counseling, multiple down payment assistance programs, grants and loans for repairs and weatherization, remediation of lead paint, and estate-planning workshops.

Meanwhile, one of the 2019 [Memphis 3.0 Plan Summary](#)'s objectives is to “address the disparities in education, employment, income, and wealth that exist among different racial and ethnic groups and neighborhoods in the city.” Strategies to achieve this goal focus on economic development, rather than housing, although the document addresses homeownership elsewhere.

Summary

As **Table 3** shows on the following page, Milwaukee is like most of its selected peer cities in having a strategic plan to advance homeownership but stands out by emphasizing racial equity and by having a distinctively collaborative vision that involves public and private sector organizations. These factors could position Milwaukee comparatively well to advance racial equity in homeownership in collaboration with diverse local stakeholders in the coming years. However, to the extent that fragmentation hampers a city's coordination of homeownership-related programs and services, Milwaukee's lack of a consolidated housing agency may weaken its position relative to peer cities, all of which have such an agency or office.

Table 3: Summary of strategic housing characteristics in Milwaukee and selected peer cities

Peer city	Consolidated housing agency/office	Strategic planning to advance homeownership	Strategic planning to advance racial equity in homeownership
Albuquerque	✓	✓	
Baltimore	✓	✓	✓
Cleveland	✓	✓	
Detroit	✓	✓	
El Paso	✓		
Fresno	✓	✓	
Kansas City	✓	✓	
Memphis	✓	✓	✓
Milwaukee		✓	✓
Tampa	✓	✓	
Tucson	✓	✓	



OBSERVATIONS & CONCLUSION

Overall, our analysis shows that Milwaukee stands out among selected peer cities nationally for its stark racial inequity in homeownership. We also find city government in Milwaukee is unusual in the extent to which it emphasizes home rehabilitation services for existing homeowners – versus other types of homeownership-related services for prospective homebuyers – as well as in its emphasis on racial equity and public-private collaboration in its new strategic housing plan.

Specific key findings from our analysis include the following:

Milwaukee has acute and intensifying racial inequities in homeownership compared to selected peer cities: Milwaukee has the lowest combined Black and Hispanic owner-occupancy rate (28.9%), the lowest Black owner-occupancy rate (25.2%), and the third lowest Hispanic owner-occupancy rate (38.5%) of the 11 selected peer cities. Milwaukee also has the largest racial disparity in homeownership between Black and Hispanic households combined and white households among the selected cities (26.9 percentage points). In addition, Milwaukee had the third-largest decrease in combined Black and Hispanic owner-occupancy from 2010 to 2020 (6.8 percentage points) and the largest increase in the homeownership disparity between Black and Hispanic households combined and white households (5.0 percentage points). Such differences may relate to the economic characteristics in the group of peer cities and some of those factors may lie beyond local housing stakeholders' immediate control. At a minimum, however, these findings suggest that advancing racial equity in homeownership is both urgent and difficult in Milwaukee.

To a greater extent than most selected peer cities, Milwaukee has used federal funds to help current homeowners remain in homes, rather than helping renters become homeowners. The city of Milwaukee has prioritized lower-cost home rehabilitation services over higher-cost services like homebuyer financing and new construction with HUD formula grants. The city dedicated \$37.5 million of its \$178.6 million (21.0%) in combined CDBG and HOME funds to homeownership-specific services from 2010 to 2019, using 86.4% of that for home rehabilitation, 8.4% for homebuyer assistance, 3.0% for housing counseling, and 2.2% for new construction. Comparative analysis of HUD funds suggests that Milwaukee has prioritized home rehabilitation and, when it comes to CDBG funds, has done so with less funding per household than most selected peer cities.

- **CDBG:** Between 2010 and 2019, the city of Milwaukee emphasized home rehabilitation over homebuyer financing with its CDBG funds to a greater extent than all but one selected peer city, dedicating \$64 to home rehabilitation for every \$1 to homebuyer financing.
- **HOME:** Between 2010 and 2019, the city of Milwaukee emphasized homeownership rehabilitation over new construction and homebuyer assistance with its HOME funds to a greater extent than all but one selected peer city, dedicating \$4 to homeownership rehabilitation for every \$1 to the other categories combined.

The city of Milwaukee's prioritization of home repair services may represent a logical approach due to the city's limited fiscal capacity, the fact that no other public sector agency offers home repair assistance in Milwaukee, and the city's aging housing stock and high percentage of



homeowners who are housing-cost burdened. Without this focus on home repair assistance, Milwaukee's Black and Hispanic homeownership rates could have decreased even more over the past decade.

It is worth considering, however, whether expanding Black and Hispanic homeownership might require shifting funds to assistance for prospective homebuyers or taking other steps that might either lower the cost of housing in the city or boost the resources available to prospective buyers to meet that cost. Notably, the city of Milwaukee has used local funding from tax increment financing and pandemic relief funding from ARPA to support a new down payment assistance program for low- and moderate-income homebuyers, and the CDA's strategic housing plan calls for multiple strategies that could help to strengthen homeownership rates and racial equity in homeownership.

Milwaukee stands out among selected peer cities for having a public-private strategic plan explicitly focused on advancing racial equity in homeownership: The Community Development Alliance's 2021 [Collective Affordable Housing Strategic Plan](#) focuses on advancing Black and Hispanic homeownership as a major goal. Of the 11 selected peer cities, only two others explicitly address racial equity in homeownership through their strategic housing plans and only one has a strategic housing plan with such a high degree of public and private sector collaboration.

At the same time, Milwaukee is the only city without a consolidated housing agency or office and one of only two with separate CDBG and housing-focused agencies or offices. These findings suggest that Milwaukee has a comparatively strong strategy for advancing racial equity in homeownership but that implementing and coordinating this strategy across agencies may be more challenging.

Our findings have several policy implications. First, the city of Milwaukee may wish to continue to emphasize helping more Black and Hispanic households become and remain homeowners as a means of advancing racial equity. The involvement of city leadership in the CDA's strategic plan and the support the housing plan has received from the Common Council suggests that city leaders recognize the importance of addressing this problem.

The city has and will continue to have many other competing priorities and challenges to meeting its housing needs. The obstacles range from the city's relatively tight finances and high levels of poverty among its residents to historical challenges in working with state government leaders to achieve its goals to [rising home prices and mortgage rates](#). Despite these potential difficulties, however, the stark racial divide in homeownership in Milwaukee makes it especially urgent to target opportunities for Black and Hispanic residents to own homes.

Second, city leaders may wish to assess whether the extent to which the city traditionally has prioritized services for current versus prospective homeowners has struck the right balance and produced the best possible results in advancing Black and Hispanic homeownership. The city also could consider making information available about the race of households that received HUD-funded and other city services related to homeownership over the previous decade – both for rehabilitation and other services aimed at existing homeowners and programs to support new homebuyers. Publishing this information on a city website could represent one step toward helping residents and housing stakeholders monitor and evaluate the city's efforts.



Third, building upon our [Laying the Foundation](#) report, city policymakers could further assess the extent to which consolidation of housing programs and services into a single agency or office could help advance racial equity and other goals in homeownership, particularly by giving it the capacity and focus to better and more efficiently implement the CDA's strategic plan. The plan gives Milwaukee a vision to help more Black and Hispanic households become and remain homeowners. Part of the plan's potential strength is its collaborative nature, which in turn may suggest that stronger coordination of city services could help further implementation.

Promoting equitable homeownership has been an important part of the city of Milwaukee's work to build a more inclusive and prosperous community for all residents. We hope that, by reinforcing our findings from previous work and adding a comparative perspective across cities, this report fosters discussion about how the city and its housing partners can sustain and bolster their commitment to this goal.



APPENDIX

Owner-occupancy rates by race/ethnicity in Milwaukee and selected peer cities, 2020

City	Combined Black & Hispanic	Black	Hispanic	White
Milwaukee, WI	28.9%	25.2%	38.5%	55.8%
Cleveland, OH	34.4%	34.1%	36.2%	53.1%
Fresno, CA	38.1%	27.8%	40.1%	58.8%
Tampa, FL	38.1%	33.7%	42.1%	59.0%
Memphis, TN	38.4%	38.4%	39.1%	63.5%
Kansas City, MO	41.6%	37.5%	56.7%	61.7%
Baltimore, MD	42.5%	42.8%	37.4%	59.2%
Detroit, MI	46.3%	45.8%	53.2%	53.9%
Tucson, AZ	48.2%	34.2%	50.0%	56.4%
Albuquerque, NM	57.8%	30.2%	59.8%	65.3%
El Paso, TX	59.4%	43.0%	60.2%	62.5%

Source: U.S. Census Bureau – 2020 ACS 5-year estimates

