



Community Development Authority
Meeting Minutes
Friday, August 10, 2021 at 9:00 a.m.
via Tele/Video-Conference

Present: Chair Peter Hammond, Jessica Carpenter, Jon Krouse and Tr. Stokebrand

Also present: President Ann McKaig, Teig Whaley-Smith, Gina Stilp; Village Manager Rebecca Ewald; and Planning & Development Director Bart Griepentrog

1. Call to order.

The meeting was called to order at 9:05 am.

2. Consider July 9, 2021 meeting minutes.

Tr. Stokebrand motioned to approve the minutes as drafted; seconded by Ms. Carpenter. Vote 4-0.

3. Presentation – Affordable Housing, Co-presented by Gina Stilp, Executive Director - Zilber Family Foundation and the Chair - Community Development Alliance and Teig Whaley-Smith, Project Manager, for the Collective Affordable Housing Plan led by CDA and its partners.

Village Manager Ewald introduced Gina Stilp and Teig Whaley-Smith.

Ms. Stilp noted that the Community Development Alliance was happy to hear that Shorewood extended TID 1 for the purposes of affordable housing. She stated that the Community Development Alliance was interested in the opportunity to spread its efforts beyond the city of Milwaukee with its suburban partners. She noted that Community Development Alliance was interested in creating a quality affordable home for every Milwaukeean. She noted that the Community Development Alliance was an affiliate group of funders and housing and community economic development implementers.

Mr. Whaley-Smith provided an overview of the Government Alliance on Race and Equity's (GARE) Racial Equity Policy Process. He noted that the Community Development Alliance started their process in February 2021 and was currently at the Development Strategies phase. He pointed out that the Community Development Alliance was focused on serving households in the city of Milwaukee making between \$7.25/hour (\$16,763 annually) and \$32/hour (\$67,050 annually).

Chair Hammond questioned if the Community Development Alliance had considered starting with a smaller geographic scope and identifying proof of concepts. Mr. Whaley-Smith noted that the affordable housing industry was quite mature and proof of concepts, such as low-income housing tax credits and habitat for humanity for example, were well known. He noted that current strategies needed to work on focus and scale to make sure all populations were served in the numbers required to make an impact. He reminded the group that the Community Development Alliance's goal (its "why") was to provide quality affordable housing for every Milwaukeean, but he noted that Shorewood's "why" may be different. He noted that unlike Milwaukee, Shorewood does not have large scale areas available for redevelopment, but that it did have a strong real estate market that could grow vertically.

Tr. Stokebrand questioned how the Community Development Alliance was making choices between rental and homeownership options. Mr. Whaley-Smith responded that it was important to start with the data. He noted that the homeownership rate of Black (27.4%) and Latino (39.5%) households was significantly less than that of White households (68.5%) and that they were also trending in different

directions, up 7% for White households and down 7% for Black households since 1970. He stated that the Milwaukee would need to produce an additional 32,000 Black and Latino households to achieve equity, or 42,000 within the metro area.

Tr. Stokebrand questioned what options were available if Shorewood was not interested in developing vertically. Mr. Whaley-Smith noted this question was operational and suggested that Shorewood first focus on answering why it was interested in pursuing racial equity work not how to do it.

Mr. Whaley-Smith provided an overview of the rental housing market in the city of Milwaukee. He noted that the city has the right number of units, but they are at the wrong price point for many households. He showed data that pointed out that an additional 32,000 housing units were needed for families making between \$7.25-\$15.00/hour. Mr. Whaley-Smith noted that the data relied on the standard calculation that a household should not spend more than 30% of its income on housing. As a result, he said that families may be forgoing other needs or doubling-up their households.

Based on the data, he stated that the Community Development Alliance identified four strategic areas to focus on. In order to lessen the Black and Latino homeowner gap, an offensive strategy to produce, promote and purchase homes was needed alongside a defensive strategy to preserve and prevent displacement. He noted similar strategies were needed to align the rental market by producing or converting higher income units for households making \$7.25-\$15.00/hour, and preserving existing housing in those markets and preventing displacement and evictions.

Mr. Whaley-Smith discussed the operational tactics that have been selected by the Community Development Alliance to address its strategic areas of focus. He noted a belief that investors are beating homeowners to the market in certain areas and are making large portfolio purchases without contingencies, which mitigates individual risk. The creation of an acquisition fund was developed as an operational strategy to compete with those forces and slow down the market. He also noted that alternative homeownership and physical structures need to be developed, along with alternative forms of lending. He stated these strategies will take decades to implement.

Mr. Whaley-Smith reiterated that Shorewood first needed to understand why it was interested in pursuing equity efforts. He noted that the GARE process starts with normalizing the conversation with shared analysis, definitions and priorities. Then organizing internal infrastructure and partnerships is recommended, followed by operationalizing tools and data to drive strategies. He noted that this process was similar to the “start with why” process of tackling big goals. Why are we doing this, followed by how can we act and then what should we do.

Mr. Whaley-Smith provided the following example questions that Shorewood may wish to answer to help understand why equity work should be considered alongside its affordable housing efforts:

- A quality affordable home for everyone already living in Shorewood?
- A quality affordable home for everyone working in Shorewood?
- A quality affordable home so our kids can and want to live near us?
- Racial equity in homeownership rates in Shorewood?
- Racial equity in population in Shorewood?
- A quality affordable home for every Milwaukeean?

Ms. Carpenter stated that suggesting Shorewood first answer its “why” hit the nail on the head for her. She was not sure we had that answered yet. She also noted that property taxes often come up as an important issue with respect to affordability in Shorewood. Mr. Whaley-Smith noted that adjusting tax rates for particular households is not allowed in Wisconsin under its Uniformity Clause, but stated that anti-displacement funds have been set up to help low-income homeowners as their property taxes rise. Mr. Whaley-Smith also suggested that Shorewood may have different “whys” for affordability and racial equity.

Chair Hammond stated that Shorewood could pursue its own path in identifying its “whys,” but acknowledged that Shorewood is also part of the larger ecosystem. He questioned if the Community Development Alliance had considered partnerships with communities where it provided higher level strategic guidance in helping to assure that the overall approach is consistent and additive. Mr. Whaley-Smith stated that was a critical question for the entire region, do we stay in our own silos or work together. He noted that if Shorewood had the same “why” as the Community Development Alliance that it would be easy to add itself to the table as a partner. Shorewood would then just need to understand what role it would play in the larger picture. He suggested that Shorewood may be ahead of the game in some sense in that its school district has been open to students of color from outside of the community. He noted that developing strategies to assist those families to live in Shorewood would not be disruptive in the sense that the families are already part of the community.

Mr. Whaley-Smith discussed the difficulties of focusing equity programs on racial groups. He provided the example of disadvantaged business designations, which has been done for decades and withstood challenges. He noted that same principle is also starting to be applied to housing programs, including targets to Black and Latino homeowners, as well as other potential groups. He noted that a race neutral strategy would be to target families with students in the Shorewood School District.

Chair Hammond questioned if there were any examples of how communities came to consensus on their “whys”. Mr. Whaley-Smith stated that he’s seen it happen in two ways. The first was strong leadership, which was exemplified in Milwaukee County through their declaration of racism as a public health crisis. The second involved broad-based community planning processes. He noted that the geographic scope of what “community” meant in that planning process would likely present difficulties. He stated an understanding that people move to Shorewood because they like the way it is but suggested that may change for future generations. He believed that understanding whether Shorewood saw itself as part of the region or as its own neighborhood would be necessary to drive its strategies moving forward.

Tr. Stokebrand noted that Shorewood was not a city, but rather a village with limited resources. She questioned how Shorewood could break out of its silo into more metro-wide thinking, yet remain Shorewood. Ms. Stilp noted that the Community Development Alliance is still working through its own implementation and that there is room at the table for more partners, but ultimately it would be Shorewood’s decision as to how to move forward. Chair Hammond noted that moving forward will require an understanding of both perspectives: Shorewood’s larger role in the ecosystem as well as its individual issues. He expressed appreciation for being invited to consider participation in the Community Development Alliance’s process.

Chair Hammond noted that Shorewood strives to be an inclusive community. He stated that Shorewood as a community will benefit from increased diversity. He noted that diverse companies deliver better results to their investors and clients, and he believed the same would be true in a community. He stated that we need to live together to break down barriers and everyone wins in that process. He believed that understanding the “why” with that perspective is a good place to start. Mr. Whaley-Smith agreed and stated that a next level question in the process would be to know if the goal is that people of color feel welcomed in Shorewood, actually live in Shorewood and actually feel like they belong in Shorewood.

India McCause commented that she appreciated the conversation and questioned if there was an example of a community somewhat like Shorewood that has taken incremental steps towards a “why.” She also questioned how the Village could keep true to its mission to advance affordable housing as it did with its decision to extend TID 1 while proposals for luxury housing continue to be received. Mr. Whaley-Smith was unaware of a similar suburb that has gone down this process, but did mention Brown Deer as a community that has successfully brought in Black and Latino homeowners and serves people who earn \$7.25-\$15.00/hour. He also noted from a physical development perspective that

Brown Deer is very different than Shorewood. He stated that if Shorewood prioritized maintaining its density and geographic character as its “why” that operational solutions towards racial equity would be limited and expensive. He provided an example of a \$300,000 home requiring a \$150,000 subsidy to make it affordable to a household earning \$60,000. Whereas, he noted that a more dense development with more modern, smaller units could require a subsidy of only \$40,000 per unit for that same household.

Mr. Whaley-Smith referenced The Color of Law as a worthy resource to explain the history of housing policy and its past mistakes, including red-lining. He noted that exclusionary zoning, which is race neutral, but prohibits the development of smaller units, may be seen as today’s version of red-lining in 40-60 years.

Mr. Whaley-Smith stated that if Shorewood chose to go on a racial equity journey and begins to normalize the conversation that discussing the priorities between racial equity and current density could involve a major conversation. He noted that not everyone may agree and tough votes may need to be taken. He reiterated that the Community Development Alliance is available to help Shorewood on its journey.

Ms. Stilp noted that the Community Development Alliance hired the Wisconsin Policy Forum (WPF) to do research for them which identified peer cities for Milwaukee. She suggested that the WPF may be able to do a follow-up from their “Laying the Foundation” report to look at suburban communities as additive research. Ms. Carpenter noted that additional research of similarly sized, inner-ring suburbs would be helpful. Tr. Stokebrand questioned if some of the TID extension money could be used to fund research. Village Manager Ewald noted that she had reached out to the WPF about two months ago to ask if they would have interest in doing a study on how the suburbs around Milwaukee could leverage their TIF extension money. She also stated that it would be critical to identify communities with characteristics similar to Shorewood that have high real estate costs and do not have available land to develop. Chair Hammond also noted that other funds were available. Tr. Stokebrand reiterated her prior concern that the extension money be spent on actual assistance, not administration.

Mr. Whaley-Smith noted that developing affordable housing or racial equity programs will be an incremental journey that could be decades long in the making. He encourages all communities to look at the occupations that people think favorably about and keep the economy going, such as an entry level teacher or health-care professional, and do the calculation if they can live in the community. If they can’t, what strategies should be developed to allow them to live there or understand what is needed to accommodate them. Tr. Stokebrand noted that a lot of our police, fire fighters and teachers do not live in Shorewood because the houses are too expensive, and the taxes are too high.

Sue Bronson appreciated the focus on equity and stated that it was very important but noted that there are also people who have lived in Shorewood for a long time and would like to remain, such as fixed-income older residents. Chair Hammond noted that was a great point and stated that affordable housing means slightly different things to different groups. He pointed out the three groups that have been mostly discussed in these conversations focused on racial equity, aging in place and communities with special needs.

Chair Hammond summarized that today’s presentation should help the CDA to start asking the next level questions necessary to move forward. Ms. Carpenter noted that she would like to see a workshop with residents or listening session be part of the next steps.

Davida Amenta appreciated Mr. Whaley-Smith’s presentation and how he connected belonging and policing and noted that focusing only on one area is not the most holistic approach. She believed that the community generally agrees that it wants equity and diversity and to be a better partner to the city of Milwaukee. She noted that we do need more definition on why and who, but operationalizing will

involve another whole set of questions that should be thought of across issues and functions, not by the CDA alone with housing.

4. CDA Q2 Financial Report.

Village Manager Ewald stated that the Q2 financial report was provided for reference.

5. Update on project page for educational series: The Role of Suburbs in Creating a Diverse and Inclusive Region: Spotlight on Housing.

Village Manager noted that a landing page for all for all of the information on the topic of affordable housing has been assembled. She stated that Mr. Whaley-Smith's presentation would be added. She also noted that if anyone had additional resources or information to add, that they should contact her.

**6. Next meeting: Tuesday, September 14, 2021 – 6:30 p.m. via zoom
Presentation: Affordable Housing 101: What You Need To Know About Affordable Housing
***Registration required via the program link above.**

Opportunities and Challenge

Presenters: Reggie Jackson, Nurturing Diversity Partners

Village Manager Ewald reminded the CDA that the next session to continue the conversation of affordable housing will take place on September 14th in partnership with Nurturing Diversity Partners, the Senior Resource Center and the Shorewood Library, and that pre-registration is required.

Village Manager Ewald also noted that a presentation from Novogradac to re-summarize the findings of the recent Housing Market Study and Needs Analysis is being arranged for a future meeting.

7. Adjournment.

The meeting adjourned at 10:23 am due to loss of quorum.

Respectfully submitted,



Bart Griepentrog, AICP
Planning & Development Director