



Community Development Authority Meeting Minutes Friday, June 3, 2022 at 9:00 a.m.

Present: Jessica Carpenter, Mike Dawson, Jon Krouse, Joe LeSage, Tr. Kathy Stokebrand and Wesley Warren

Excused: Tr. Arthur Ircink

Also present: Village Manager Rebecca Ewald; and BID Director Janet Henning

1. Call to order.

The meeting was called to order at 9:04 am.

2. Consider December 21, 2021 meeting minutes.

Tr. Stokebrand moved to approve the minutes, as drafted; seconded by Ms. Dawson. Vote 6-0.

3. February 24, 2022 meeting notes.

Notes were provided for informational purposes only.

4. Annual election of CDA Chair and Vice-Chair.

Mr. LeSage moved to approve Jon Krouse as Chair and Jessica Carpenter as Vice-Chair; seconded by Tr. Stokebrand. Vote 6-0.

5. Consider recommendation on affordable housing.

The CDA has been requested to provide a recommendation to the Village Board on how to utilize the TID 1 extension funds for affordable housing. The CDA has acknowledged the Village will not be able to act as a loan agent or program administrator with current staff and limited administrative capacity. Paying another organization to implement and manage these types of programs would also further reduce the amount of funds available to assist those in need. Over the last year the CDA provided a series of presentations to educate its members and the community on affordable housing. The CDA needs to proceed towards identifying what affordable housing strategies can work in Shorewood and which, if any, are agreeable to the CDA as an advisory group to the Village Board. Here is a high-level overview of key findings:

- Members of the CDA desired to review models that could assist them in determining their next steps and other similar organizations that have already acted in the area of affordable housing. Milwaukee County shared they are members of the Government Alliance on Race and Equity (GARE) and have utilized their tools in their strategic plan for equity.
- GARE developed a Racial Equity Tool Kit with a process Shorewood could use to develop an affordable housing goal and action plan.
- The Milwaukee Community Development Alliance was already in the process of utilizing the GARE process to determine their affordable housing goal and action plan, see link for an overview of the Alliance findings.
- The Milwaukee Community Development Alliance adopted a goal: A quality home for every Milwaukeean - creating 32,000-40,000 affordable housing units for Black and Latino families

making \$7.25 - \$15/hr. There were four areas in which the Alliance identified action plans: homeowner offense, homeowner defense, rental offense, and rental defense, see attachment.

- Given Shorewood's limited capacity, the rental offense action plan appears to fall within our capacity. This action strategy may include the creation of new affordable housing units through incentives provided to a developer. It may also include designating funds to allocate affordable housing units within existing multi-unit buildings. While existing buildings may not actually add affordable units to the Village's housing stock, because older units likely already are "naturally occurring affordable housing," this option would guarantee that residents living in such units would qualify for them. The Village could also develop minimum standards, which might help to secure 2- or 3-bedroom units, if desired, for example. Existing property owners may or may not be willing to participate (due to the increased management necessary), but if the funds helped to modernize their buildings (bathrooms, kitchens, accessibility) in exchange for providing affordable housing, it's a strategy that could be considered.

At the meeting, please come prepared to share your thoughts on "What is Shorewood's Why?" The questions below may assist in your reflection. What is Shorewood's Why?

Ms. Carpenter relayed she desire to provide affordable units to people who live in Shorewood and perhaps incentives older rental property owners to update their properties to create affordable units.

Mr. LeSage relayed his why is to benefit diversity, incomes and race; so the people who bag your groceries are also your neighbors, and the kids who come from outside of district to go to school can also live here; allowing others who live in resource poor communities to live in a resource rich community.

Mr. Warren agreed with Mr. LeSage's comments. He noted that diversity and racial equity was his why when voting to extend TID 1 for purposes of affordable housing.

Ms. Dawson agreed with racial diversity. She believed the goal was to use housing to open Shorewood to a more mixed population.

Chair Krouse noted that if we provided affordable housing we would like it to ultimately create a more diverse environment. Ms. Stokebrand noted that Ms. Peregrine from the Wisconsin Fair Housing Council referenced there are ways to encourage diverse housing but was not specific on the mechanism.

Tr. Stokebrand supported economic diversity. She would like to use 25% of the funds to support lead lateral replacement costs. Under state statute 75% of the funds must be used on affordable housing and 25% maybe used for purposes of improving our housing stock. Tr. Stokebrand would like to support homeowner defense, with supporting homeownership and wondered whether providing funding for lead laterals would make a difference. The Village Board is considering programs for lead laterals at their upcoming meeting. Ms. Dawson relayed that she would prefer the funds all go towards affordable housing.

Mr. LeSage noted that he reviewed rental versus home ownership. He found that even if 100% financing was provided at 0% there would need to be a \$200,000 home to meet the government's guidelines for affordable homeownership. And the village has no such homes. Even if we provided this financing for five or six houses, it doesn't guarantee it's maintained as affordable housing because the property can be sold and profit made, ending the home being used for affordable housing. And if we restrict the owner from selling, we are saddling them with the expense of homeownership without wealth accumulation from selling the property at market rate. Mr. LeSage noted we do have a lot of rentals. The Village could consider doing rent assistance to bridge the gap from market rate rental and affordable. The group desired to review Mr. LeSage's information.

- A quality affordable homes 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.
- Other?

After reviewing various options, a rental offense action approach that may include adding additional affordable units and/or modifying existing multi-unit housing stock to become affordable units are viable options. Should the CDA agree, it is recommended that this recommendation be provided to the Village Board for review. If the Board agrees with this direction, it is recommended that staff provide more specific action plan options to the CDA for further review and recommendation to the Village Board.jk

Ms. Dawson moved, seconded by Mr. LeSage to recommend the Village Board consider 1) a rental offense action approach for affordable housing that may include adding additional affordable housing units and/or modifying existing multi-unit housing stock to become affordable units as viable options, and 2) request the CDA to review specific action plans for the rental offense approach, providing a recommendation to the Village Board. Vote 6-0.

6. Consider financial advisor for CDA.

Ms. Carpenter moved to approve Baker Tilly for financial advisor services; seconded by Tr. Stokebrand. Vote 6-0.

7. CDA Q4 Financial Report.

Informational only.

8. Adjournment.

Ms. Dawson motioned to adjourn the meeting at 10:21 am; seconded by Ms. Carpenter. Vote 6-0.

Respectfully submitted,

Rebecca Ewald
Village Manager