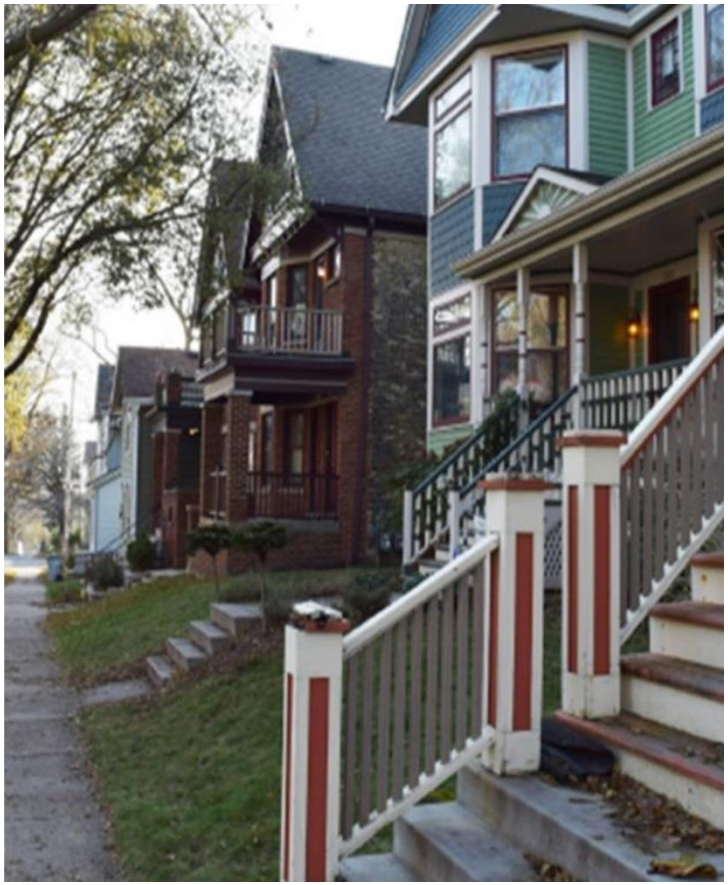
A Place in the Neighborhood

An Anti-Displacement Plan for Neighborhoods Surrounding Downtown Milwaukee



Plan Summary (Full Plan Available at http://city.milwaukee.gov/Anti-DisplacementPlan.pdf)
City of Milwaukee
Department of City Development

February 2018

City of Milwaukee

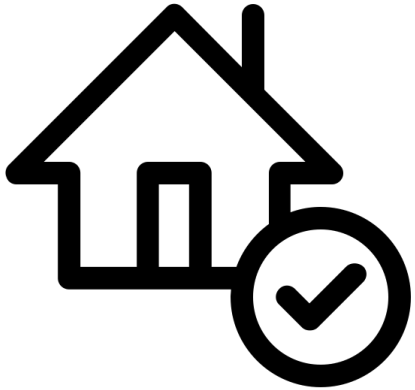
Background & Context

Milwaukee Common Council Resolution #171143 (adopted November 28, 2017) directed the Department of City Development (DCD) to prepare an Anti-Displacement Plan for neighborhoods surrounding Downtown Milwaukee.

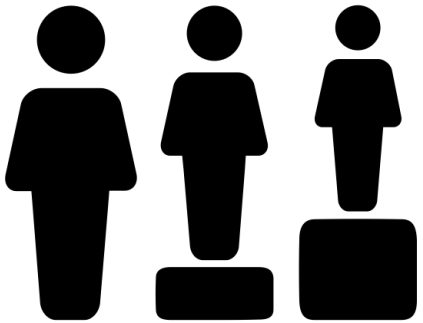
Plan Approach & Goals

1. Provide a foundation for the discussion of the role of local government in crafting policy to address displacement.
2. Acknowledge the historical role of institutional racism in shaping city neighborhoods and work to reduce racial disparities and foster equitable growth.
3. Balance the goal of preventing displacement with the need to attract new investment and increase socioeconomic integration within neighborhoods.
4. Approach the issues with nuance and an eye towards local conditions and data.
5. Recognize that the ability of local government to control the various forces that can lead to neighborhood change is limited.
6. Advocate for changes in Federal and State policy that maximize housing choice for residents at risk of displacement.

Prioritize choice and equity alongside traditional development goals



Prioritizing choice means recognizing that as development occurs, policies and programs should be crafted to minimize the potential of displacement for existing residents and businesses that want to remain in their communities.

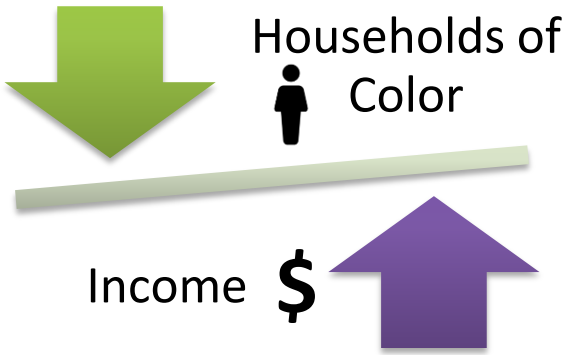


Prioritizing equity means that anti-displacement and related policies and programs should be intentionally designed to ensure that historically disadvantaged groups are able to benefit from and gain access to the wealth-building opportunities provided by development occurring in city neighborhoods.

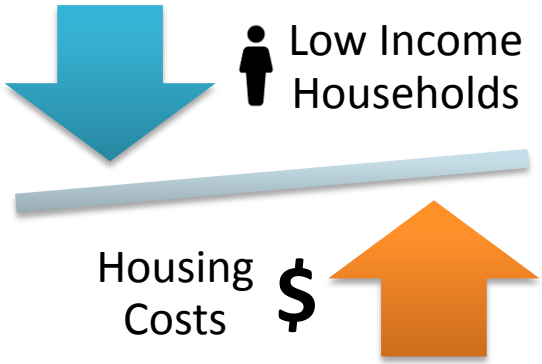
Graphics credit: Housing Choice by Arthur Shlain, Equity by Laura Amaya, Noun Project

Definitions & Methods

Gentrification: A market-driven racial and socioeconomic reconfiguration of urban communities that have suffered from a history of disinvestment.
Gentrification Metrics*: In general, a gentrifying neighborhood will exhibit a reduction in the percentage of households of color within the neighborhood, while at the same time seeing greater than city average increases in household incomes.*



Displacement: The involuntary relocation of established residents or businesses.
Displacement Metrics*: A neighborhood experiencing greater than city average increases in rents or assessed values, while also experiencing a decline in the number of low income households are potential signals of the type of displacement that is the focus of this plan.*



The presence of displacement indicators does not definitively prove that individual households are being displaced from their homes; rather, it suggests neighborhoods are experiencing changes that may create the conditions for displacement.

The Department of City Development evaluated both demographic and housing market conditions in greater downtown neighborhoods in order to determine the degree that neighborhood change that may accompany gentrification or displacement is occurring.

Building upon similar methods other cities have developed to understand gentrification and displacement, the Anti-Displacement Plan proposes a series of indicators to identify neighborhoods that may be at risk of gentrification or displacement. These indicators track data sets that are readily available from the U.S. Census Bureau American Community Survey and City of Milwaukee administrative records.

Data Sources

United States Census Bureau

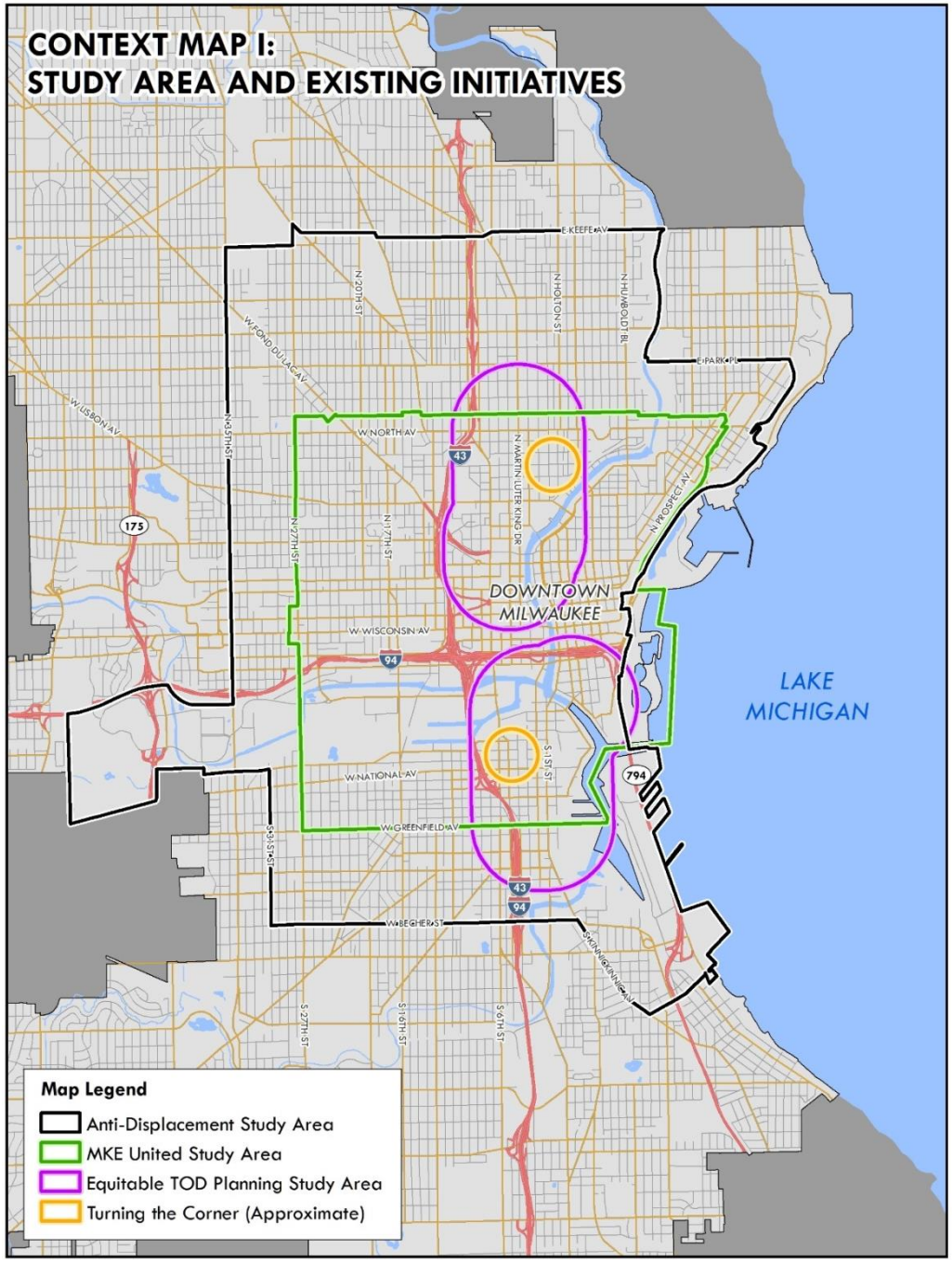
City of Milwaukee

AMERICAN COMMUNITY SURVEY
U.S. CENSUS BUREAU

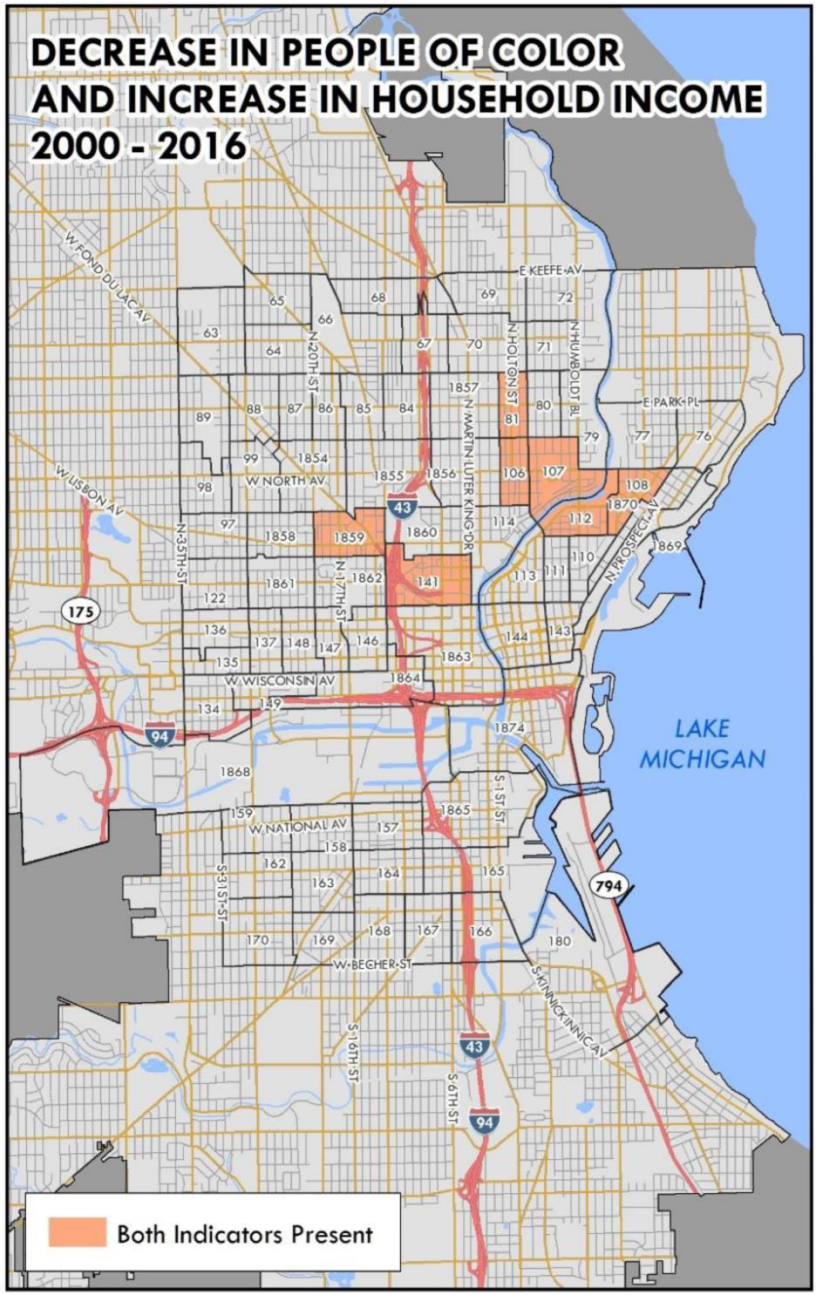
Study Area

The focus area for this Anti-Displacement Plan follows the boundary of the MKE United "greater downtown" neighborhood but is expanded in a number of areas to align more closely with existing neighborhood boundaries.

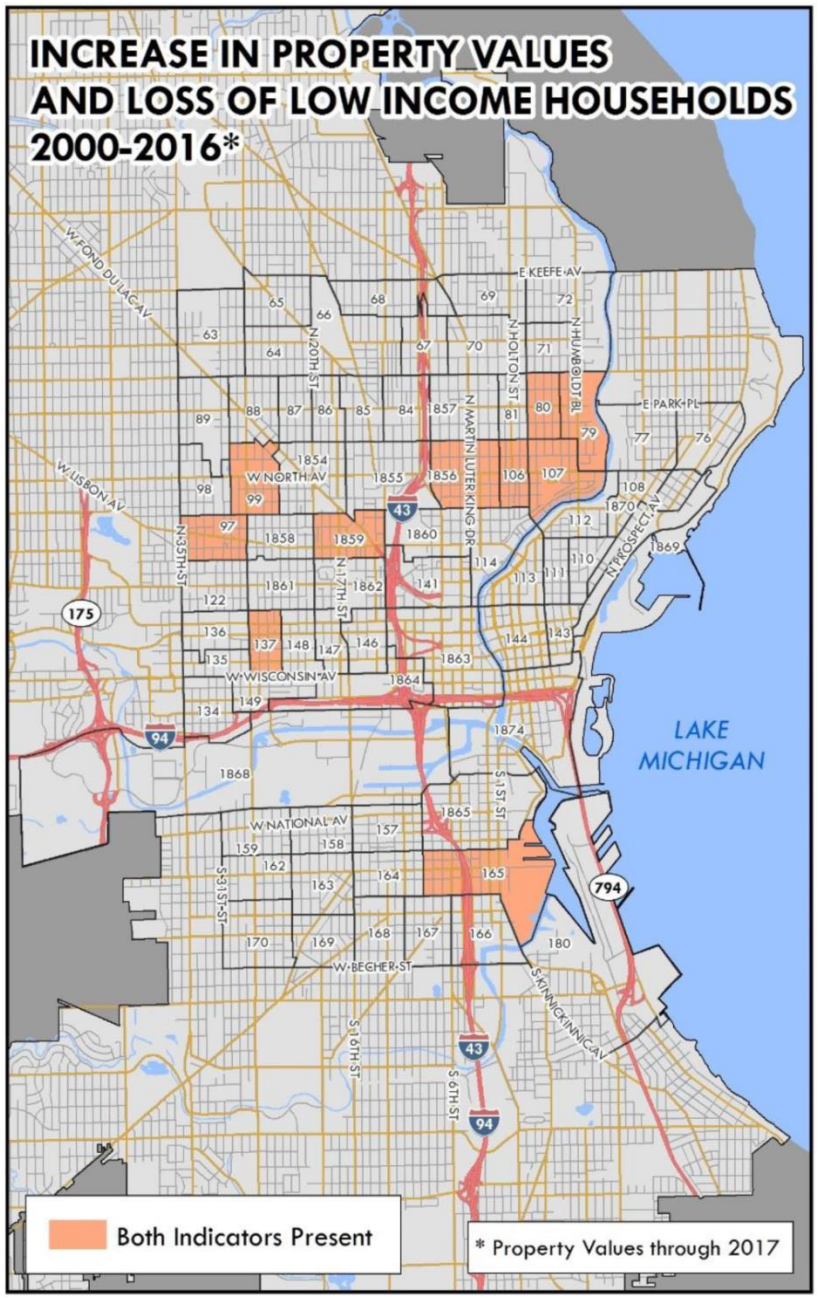
Gentrification and displacement often occur in very small areas – street by street and block by block. The analysis in this Plan is focused at the Census tract level. Sometimes this can be too large of a geography to see smaller trends emerging in neighborhoods. There are also elements of neighborhood change which cannot be directly measured by the demographic and housing market data that accompany gentrification and displacement. Some of those metrics, especially those which may track commercial or cultural displacement, may not be captured in this analysis but may be worthy of future study.



Key Findings



Gentrification: A limited number of census tracts exhibit both indicators used by this analysis to signal gentrification.



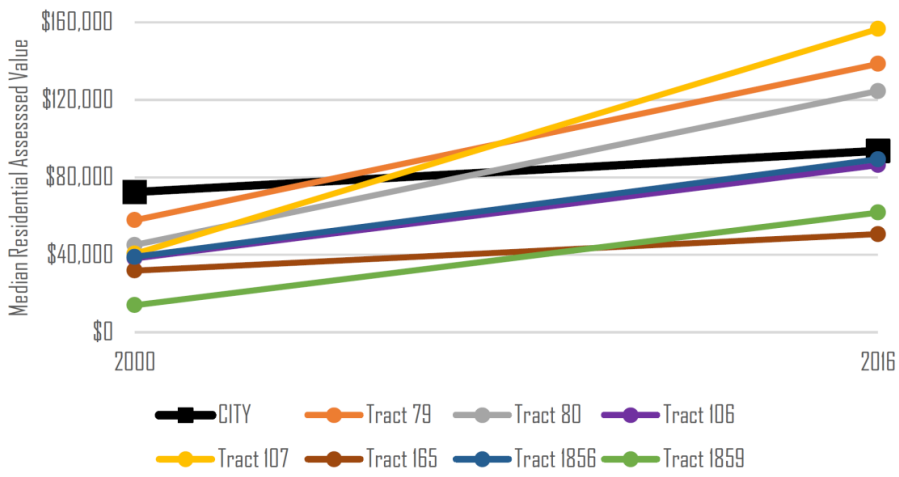
Displacement: The number of tracts exhibiting both indicators that signal the potential for displacement is also limited. In the tracts west of I-43 that exhibit the two indicators, this change is occurring alongside decreases in the overall population and has not been accompanied by the market pressures caused by new market-rate development that may lead to displacement.

Key Findings

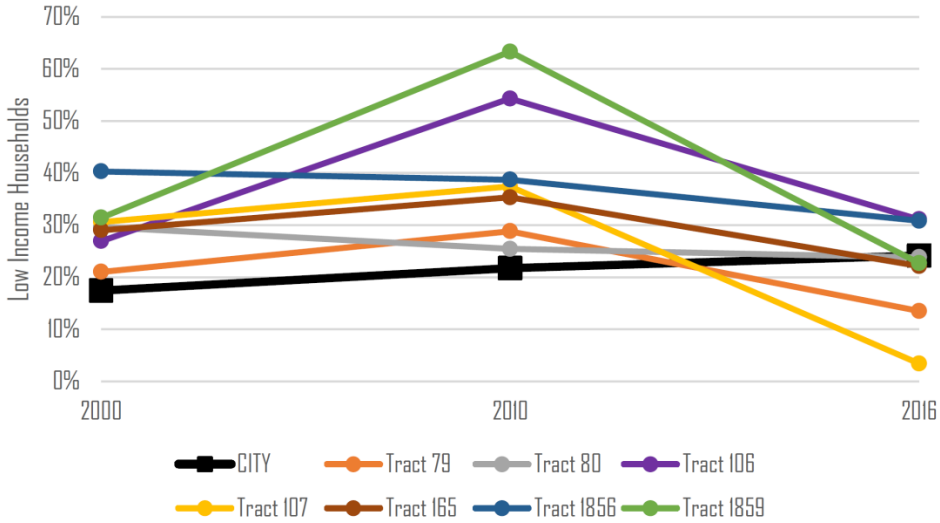
- The majority of greater downtown neighborhoods exhibit a stable or growing percentage of residents of color.
- A limited number of tracts have seen significant increases in household incomes; however, incomes are stable or declining in a majority of greater downtown neighborhoods.
- A number of census tracts, predominantly north and northwest of downtown, have seen decreases in the number of low income households since 2000. In the tracts west of I-43, this has been accompanied by decreases in overall population.
- New market rate development accompanied by property value increases greater than city averages are clustered in a small number of neighborhoods directly north and south of downtown.

	Median Rents		
Geography	2010	2016	Change
City	*$736*	*$798*	*8.4%*
79	$640	$781	22.0%
80	$796	$782	-1.8%
106	$877	$804	-8.3%
107	$726	$879	21.1%
165	$671	$692	3.1%
1856	$642	$679	5.8%
1859	$857	$631	-26.4%

Change in Residential Property Values, 2000-2017



Change in the Share of Low Income Households, 2000 – 2016



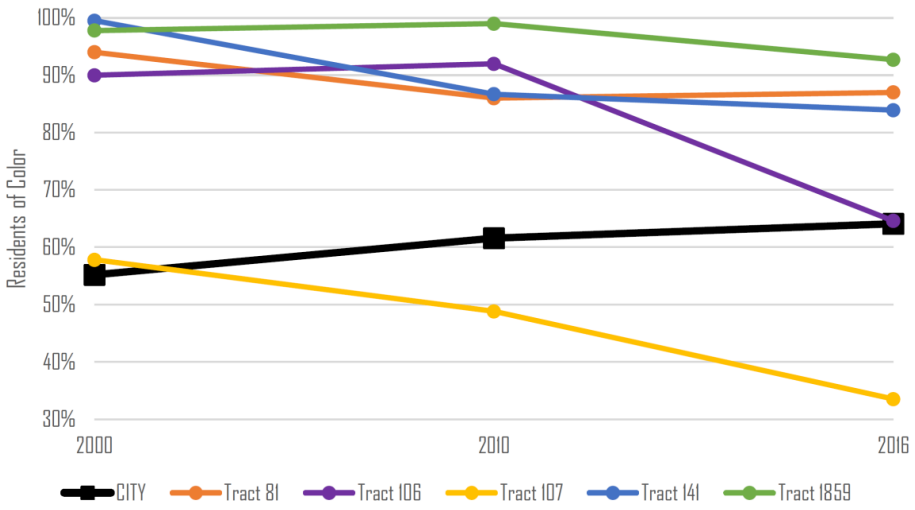
Key Findings

- Many of the housing affordability challenges in study area neighborhoods are caused by low household incomes and not rising rents. The lack of supply of affordable housing units is most acute for the significant number of residents with household incomes below 50% of Area Median Income. Meaningfully addressing housing insecurity for very low income families must be addressed through rising wages or increasing safety net programs such as the housing voucher program.

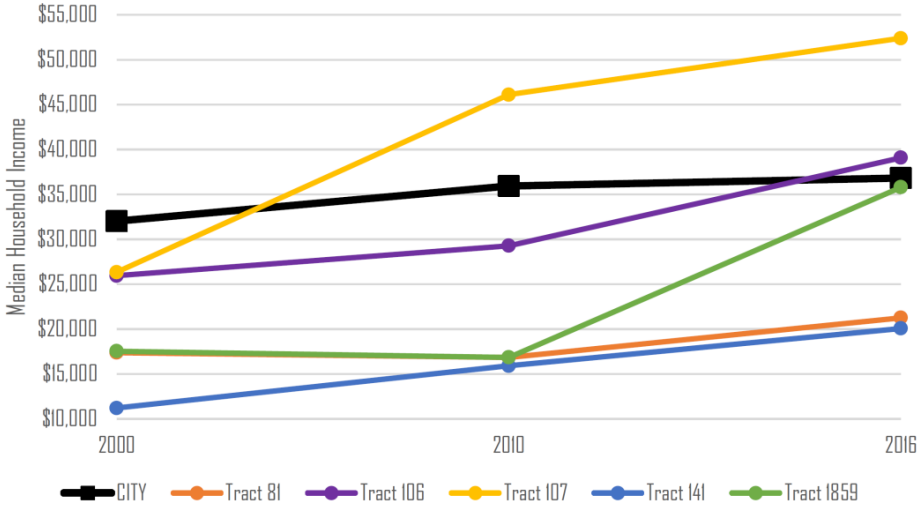
- There is a significant supply of existing affordable housing in the area. Subsidized affordable housing appears relatively stable in the short term, while longer-term preservation strategies will be required in coming years.

- While there is anecdotal evidence to suggest that that portions of the Walker's Point neighborhood may also be experiencing gentrification, the neighborhood does not exhibit all of the indicators used for this analysis. In part, this may be due to the fact that the majority of new development in Walker's Point has occurred in previously vacant land or converted industrial properties in the northernmost portion of the neighborhood, nearest to the Third Ward – an area that previously had very low population (minority or otherwise) and already relatively high incomes among the relatively small number of households that were located there, thus failing to trigger the indicators in this study.

Percent Change in Residents of Color in Target Tracts, 2000 – 2016



Change in Median Household Incomes in Target Tracts, 2000-2016



Additional Analysis

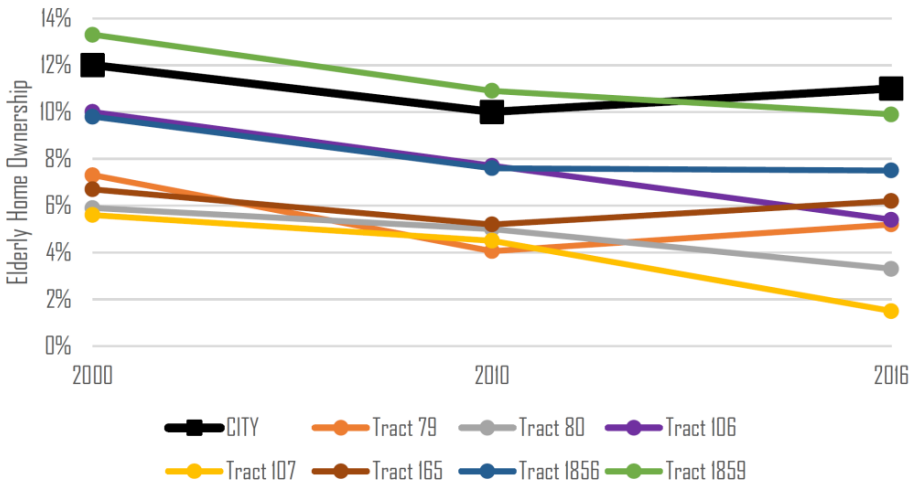
The two primary indicators used to identify neighborhoods where displacement may be occurring are (1) increases in residential property values and (2) reductions in the total number of low income households within a neighborhood. Both indicators occurring at the same time indicate a potential that long-term residents and families are being priced out of the market due to increasing property values. However, a loss of low income families does not necessarily mean that these families are being displaced: people and families move voluntarily for a myriad of reasons; however, when coupled with other displacement and gentrification measures, a reduction in low income households suggests that displacement may be occurring.

Additional Indicators

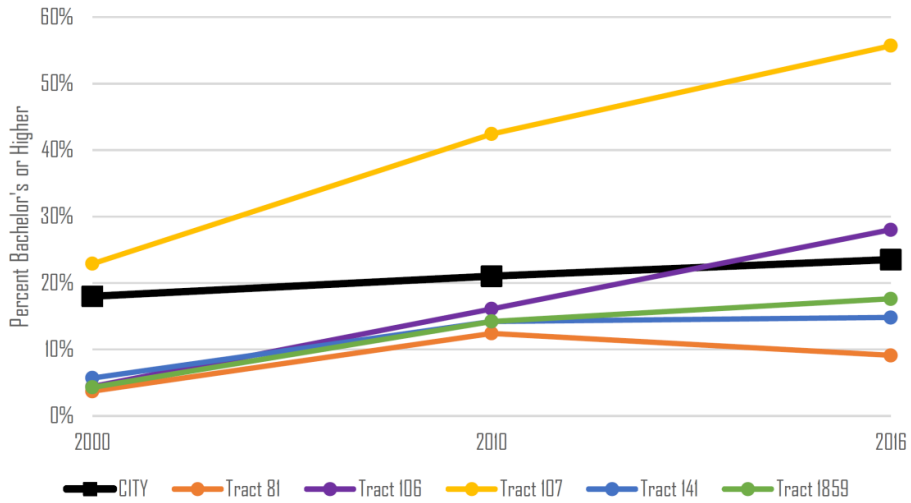
Although not primary indicators, this study also looks at both owner and renter occupancy in the area, educational attainment, and the prevalence of elderly home owners in tracts where displacement may be occurring. Higher rates of home ownership can indicate neighborhood resilience against displacement, since rising rents tend to displace renters faster than rising property taxes displace owner occupants, and recent research suggests that renters represent the overwhelming majority of households displaced due to changing neighborhood conditions. That said, elderly home owners may be at risk of displacement as rising housing values over time can make property taxes unaffordable for home owners who are living on fixed incomes.

Given that an influx of artists, students, or recent college graduates who have yet to secure higher paying jobs are often precursors to changes in neighborhood dynamics, this study also examines increases in college educated residents (bachelor's degree or higher), though this is not one of the formal gentrification measures used in the analysis. The figure to the right shows the increase in households with bachelor's degrees or higher in the city as a whole and five Census tracts where both gentrification indicators are present.

Change in Elderly Ownership (2000-2016)



Change in Households with Bachelor's Degrees or Higher, 2000 – 2016



Existing Initiatives

There are a number of recent and ongoing initiatives and plans that address displacement and affordable housing in the neighborhoods surrounding downtown Milwaukee that can serve as a framework through which to advance many of the Anti-Displacement Plan recommendations.

- **Moving Milwaukee Forward: Equitable Growth through Transit Oriented Development** (City of Milwaukee, King Drive BID, Harbor District Inc., Walker's Point Association)
- **MKE United** (Greater Milwaukee Committee, Greater Milwaukee Foundation, Urban League, City of Milwaukee)
- **Turning the Corner** (Data You Can Use)
- **Eviction and Landlord/Tenant Initiatives** (City of Milwaukee, CommonBond Communities of Wisconsin, Wisconsin Policy Forum, Community Advocates Public Policy Institute)
- **LISC Equitable Development Symposium** (LISC Milwaukee)

City of Milwaukee

COMMUNITY ADVOCATES Public Policy Institute

MKE UNITED GREATER DOWNTOWN ACTION AGENDA

LISC Milwaukee

Recommendations

EDUCATE AND ENGAGE RESIDENTS ON DISPLACEMENT AND RELATED ISSUES

1. Partner with local community based organization and elected officials to provide a venue for residents to discuss findings of Anti-Displacement Plan and recommendations for feedback and refinement.

2. Continue to build capacity and provide mechanisms for neighborhood stakeholders to develop the vision for their neighborhoods and have voice in ongoing neighborhood development.

3. Educate residents at risk of displacement on their rights and available resources.

4. Complete the Moving Milwaukee Forward: Equitable Growth through Transit Oriented Development Planning study.

MONITOR LOCAL MARKET CONDITIONS AND ADAPT STRATEGIES

1. Refine and periodically update the data analysis carried out in the development of this plan to identify neighborhoods experiencing or at risk of displacement.

ASSIST EXISTING HOME OWNERS RETAIN THEIR HOMES

1. Continue to deploy programs to assist low and moderate income homeowners in making needed home repairs.

2. Identify resources to assist low and moderate income homeowners in neighborhoods where rapidly rising values may create a property tax hardship.

HELP EXISTING NEIGHBORHOOD RENTERS BECOME HOME OWNERS

1. Support and grow the capacity of existing organizations and programs to help moderate income renters acquire homes in neighborhoods that are currently affordable and may provide the opportunity to build wealth as values increase.

PRESERVE EXISTING AFFORDABLE RENTAL HOUSING & PROTECT TENANTS AT RISK OF DISPLACEMENT

1. Advocate for measures that protect the rights of tenants at risk of displacement.

2. Ensure high levels of resident outreach during conversion of HACM properties through Rental Assistance Demonstration program.

3. Develop more formalized policies and programs to support the preservation of existing affordable housing (subsidized and naturally occurring).

4. Pursue preference programs in newly created affordable housing units for existing residents at risk of displacement.

PRIORITIZE AFFORDABLE AND MIXED-INCOME HOUSING IN NEIGHBORHOODS AT RISK OF DISPLACEMENT

1. Develop a Strategic Acquisition Fund to acquire sites near current and planned transit routes for the development of affordable and mixed income housing.

2. Advocate for changes to the WHEDA Qualified Allocation Plan (QAP) that prioritize projects in neighborhoods where residents are at risk of displacement.

3. Allocate City and other financial resources for the creation of affordable and mixed income housing.

4. Leverage public land for the development of affordable and mixed income housing.

PRESERVE NEIGHBORHOOD CHARACTER AND BUILD COMMUNITY WEALTH

1. Prioritize local business development and entrepreneurship in commercial districts.

2. Preserve zoning in areas identified in City land use plans to provide opportunities for small business, creative and “maker” entrepreneurs.

3. Explore development models that create permanent affordability and community ownership.

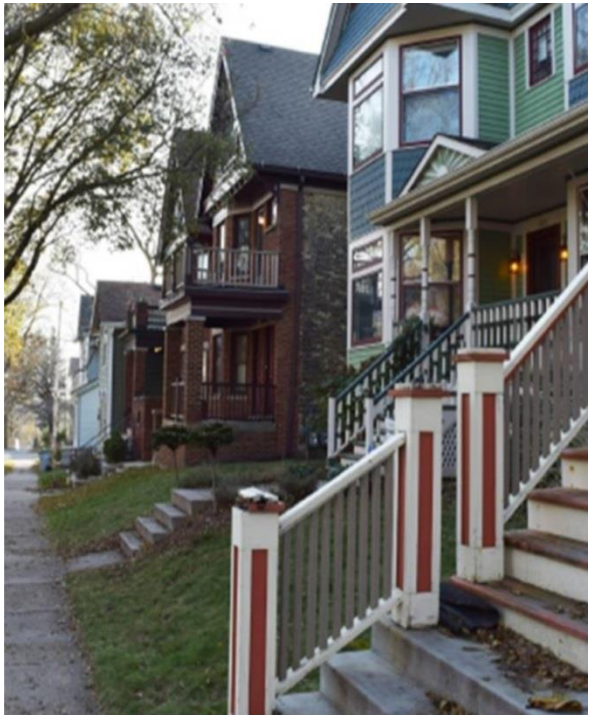
Conclusion

The goal of this Anti-Displacement Plan is not to stop neighborhood change or place barriers to investment. Rather, the Plan acknowledges that in addition to attracting investment and increasing the tax base, the role of local government is also to craft policies and programs that preserve choice and protect the ability of existing residents and businesses to stay in the neighborhoods that they have helped to grow, should they wish to do so.

Cities are dynamic places that are constantly changing as new investment brings positive momentum to neighborhoods in the form of improved housing options, resident-serving businesses and amenities, and high quality public spaces. It is the role of local government to encourage and harness this change to improve the quality of life for all neighborhood residents.

Local government should craft and embrace equitable development policies that are designed to reduce existing disparities and ensure that historically disadvantaged groups are also able to benefit from and gain access to the wealth-building opportunities provided by development occurring in city neighborhoods.

Truly achieving the goals of the plan will require commitment not just from the City of Milwaukee and its residents and community partners, but from other levels of government.



The strategies recommended by this Anti-Displacement Plan should be carried out in city neighborhoods where data indicates that residents may currently be at risk of displacement. They are also relevant in neighborhoods where future investment may create the conditions that lead to displacement, especially in areas adjacent to potential future investments in transit or other potential transformative projects.

The Anti-Displacement Plan is meant to advance, not end, the discussion of these issues. It is the hope of DCD that this Plan will spur additional discussions among residents, business owners, and policy makers about how the City and its partners can preserve choice and promote equity, while attracting ongoing investment and development that is consistent with residents' vision for their neighborhoods.