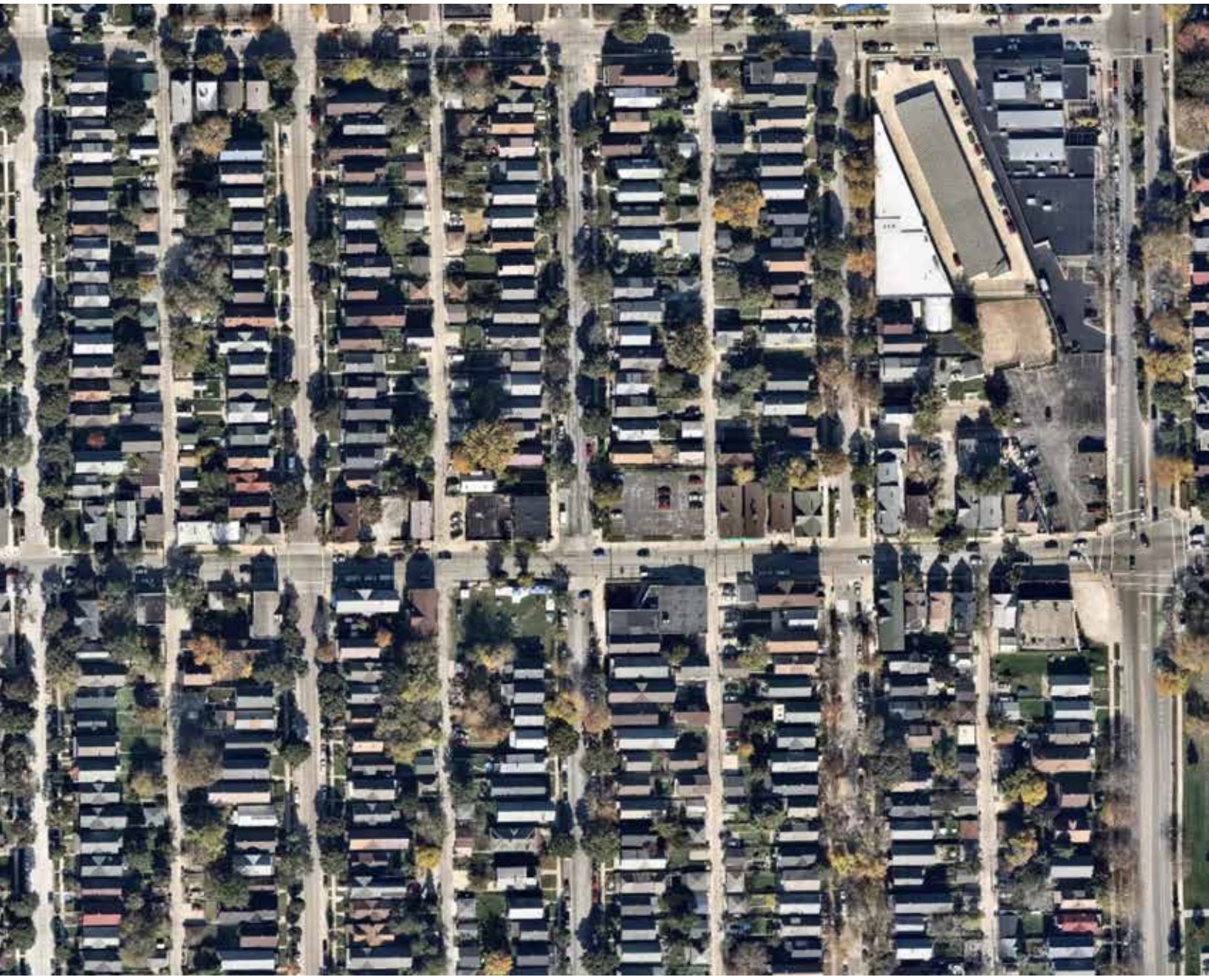
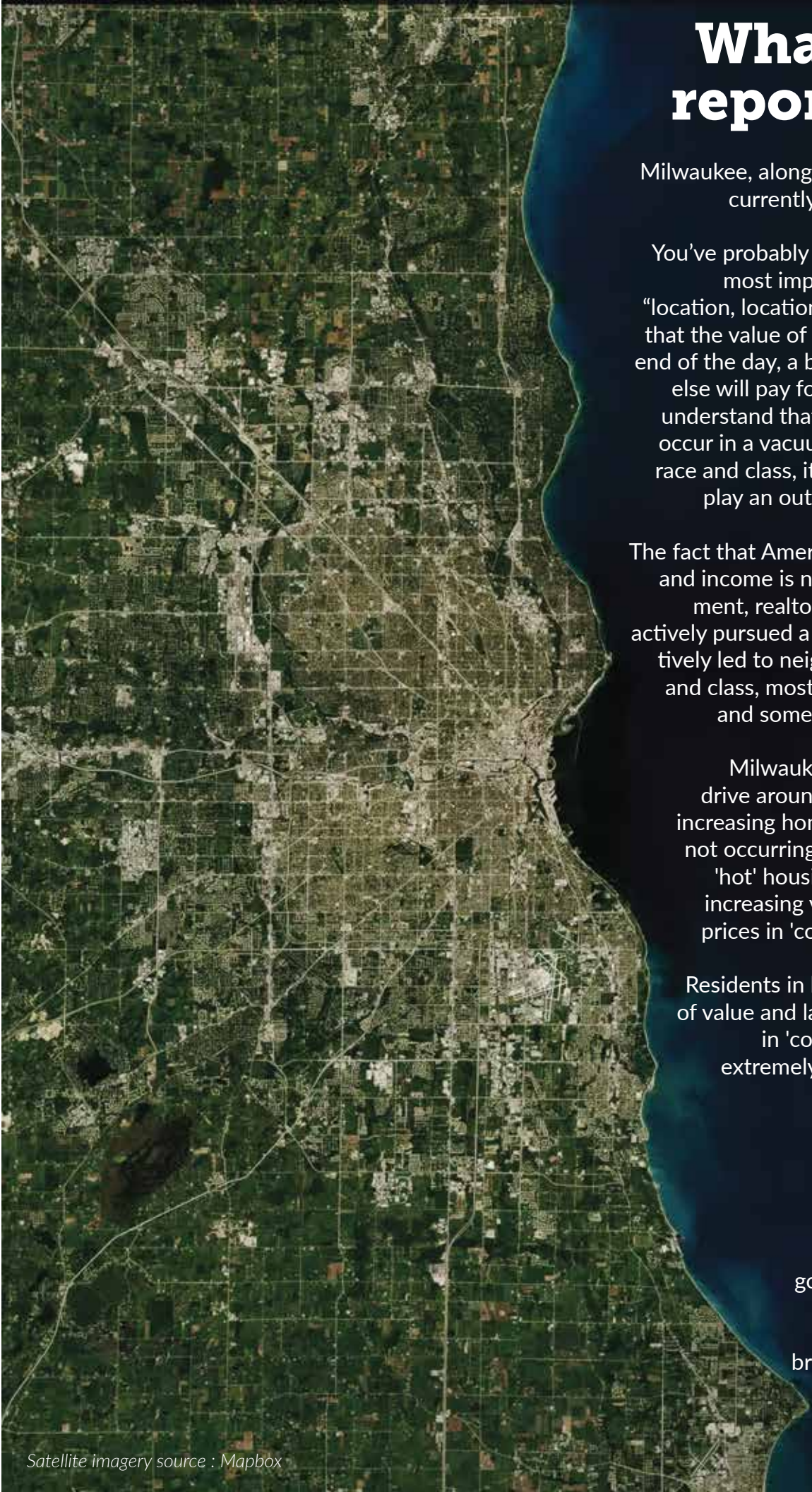
Property Dynamics in Milwaukee



LISC MILWAUKEE

November 2020



What is this report about?

Milwaukee, alongside other Midwestern cities, is currently at a critical point in its history.

You've probably heard the saying that the three most important factors in real estate are "location, location, location." What this tells us is that the value of a property is subjective - at the end of the day, a building is worth what someone else will pay for it. However, it is important to understand that this willingness to pay doesn't occur in a vacuum - in a country obsessed with race and class, it is inevitable that these factors play an outsize part in shaping the market.

The fact that America is highly segregated by race and income is no accident. The federal government, realtors, and buyers themselves have actively pursued a variety of policies that cumulatively led to neighborhoods segregated by race and class, most of which was completely legal, and some of which continues to this day.

Milwaukee is no exception. Even a brief drive around the city will starkly show that increasing home values and reinvestment are not occurring everywhere equally. There are 'hot' housing markets in some areas, with increasing values, and a decline in housing prices in 'cold' housing markets elsewhere.

Residents in both areas have concerns - loss of value and lack of bank lending/investment in 'cold' areas, and displacement and extremely rapid neighborhood change in 'hot' areas.

The purpose of this report is to use data to look into these invisible forces (the property market and evictions) more deeply, **as a starting point**. The goal is to show what's happening in neighborhoods as well as provide a blueprint toward a brighter, more equitable future in whichever neighborhood you call home.

Satellite imagery source : Mapbox

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If anything in this report motivates you and you'd like to know more about getting involved in these issues locally, we'd love to have you.

To get started, please reach out to Matt Melendes, Housing & Community Engagement Program Officer at LISC: mmelendes@lisc.org.

Findings

1. Some neighborhoods are seeing notable gains in property value, while many others are disproportionately falling behind.

Properties along the lakefront and on the western edges of the city are seeing rapid increase in value. Meanwhile, other neighborhoods are not keeping pace.

Dive right in: p.5

2. Neighborhoods where landlords make the greatest profits are also some of the most distressed housing markets.

Because rent prices don't necessarily correspond to structure value, landlords are profiting from the poor and from neighborhoods where buildings are low-cost.

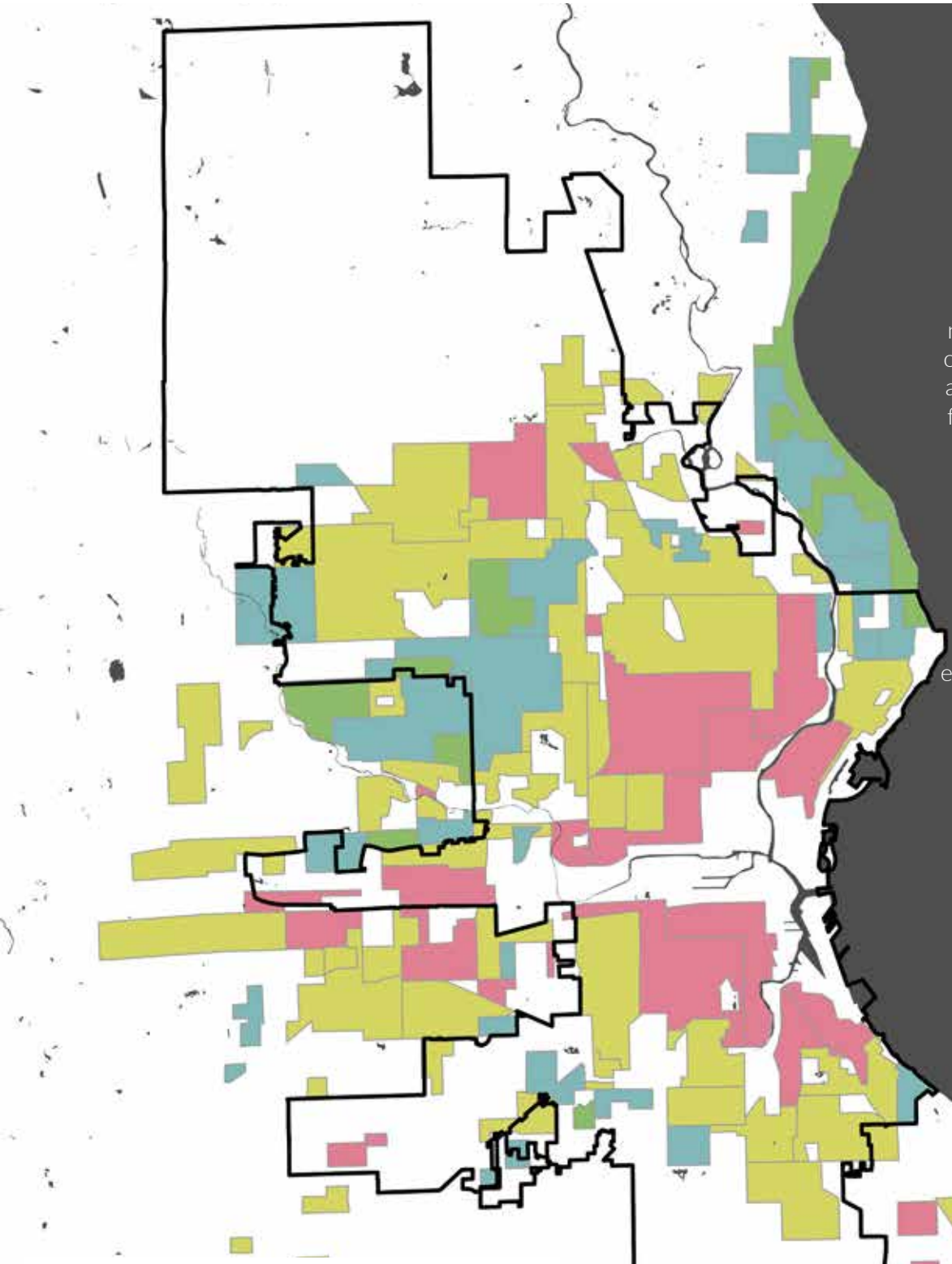
Dive right in: p.11

3. Gathering additional data can help us better understand how to improve neighborhoods.

Being able to visualize data helps us understand, prioritize and more efficiently use the resources we have to improve quality of life for all residents.

Dive right in: p.16

Redlining



Between 1935 and 1940, the federal government (via the Home Owners' Loan Corporation, or HOLC) graded neighborhoods throughout America on an A through D scale.

The effort was intended to quantify how safe or risky a neighborhood was for banks and others who might be approached about lending money in an area - for example if a family wanted to take out a mortgage to buy a house, or if a business wanted a loan to fix up their building.

Among the criteria used to inform these ratings (such as data like recent home sales and rent amounts) was the race/ethnicity of residents in that area. The reasons for doing so were rooted in a long tradition of systemic racism and justified by flawed research which supported these views.

The problem with factoring race as heavily as the HOLC did into the gradings of neighborhoods was that any areas with minority populations were almost automatically dropped into the lowest grades.

This meant that in practice, huge swaths of American cities were starved of credit, effectively cutting these areas off from future investment.

The legacy of this practice is still clearly visible in our cities today, and the harm that it inflicted on minority communities is incalculable.

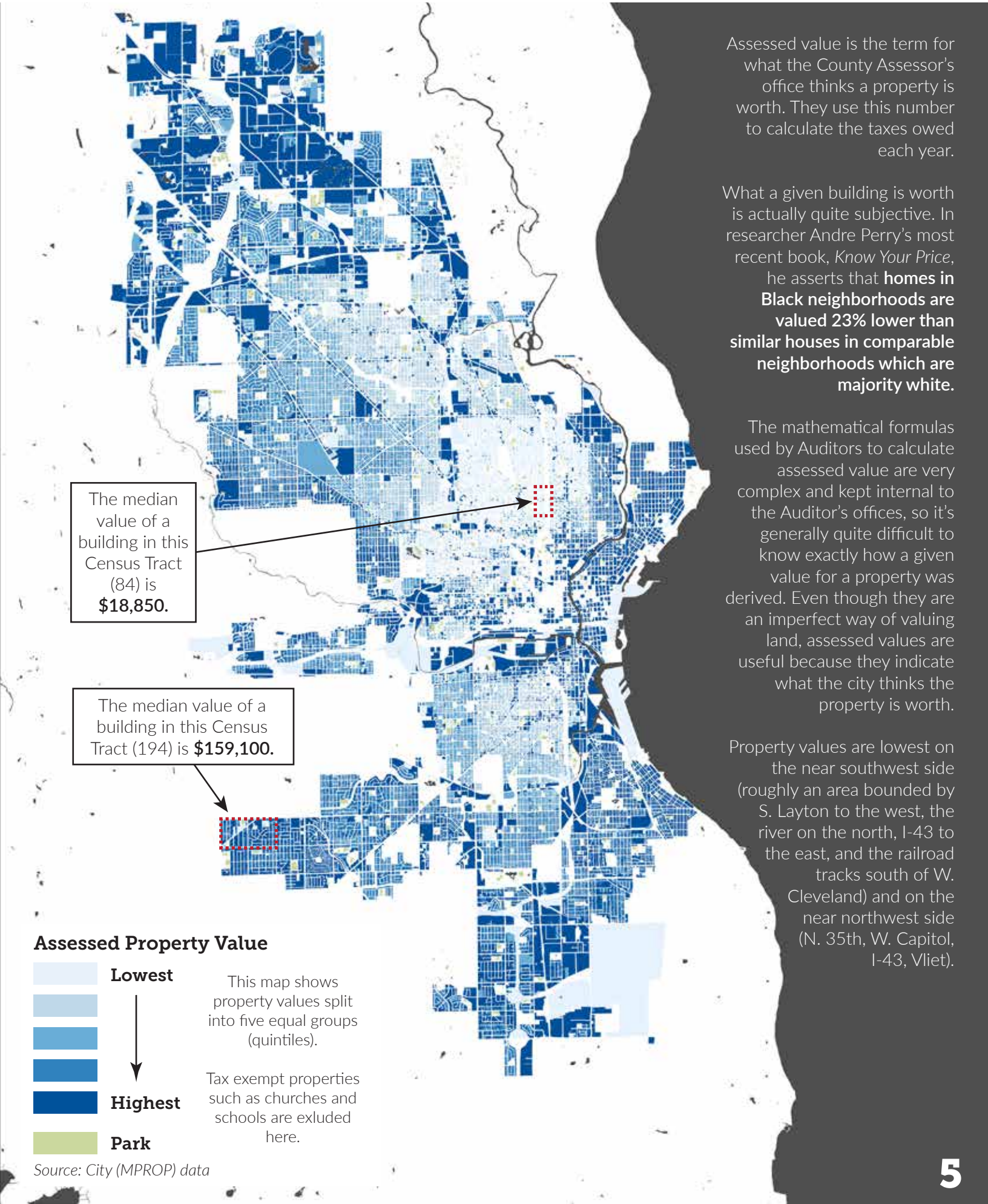
Redlining Map

These categories (and their descriptions) are drawn directly from the original HOLC maps.

- **A: "Best"**
- **B: "Still Desirable"**
- **C: "Definitely Declining"**
- **D: "Hazardous"**

Source: University of Richmond Digital Scholarship Lab

2019 Assessed Value



Source: City (MPROP) data

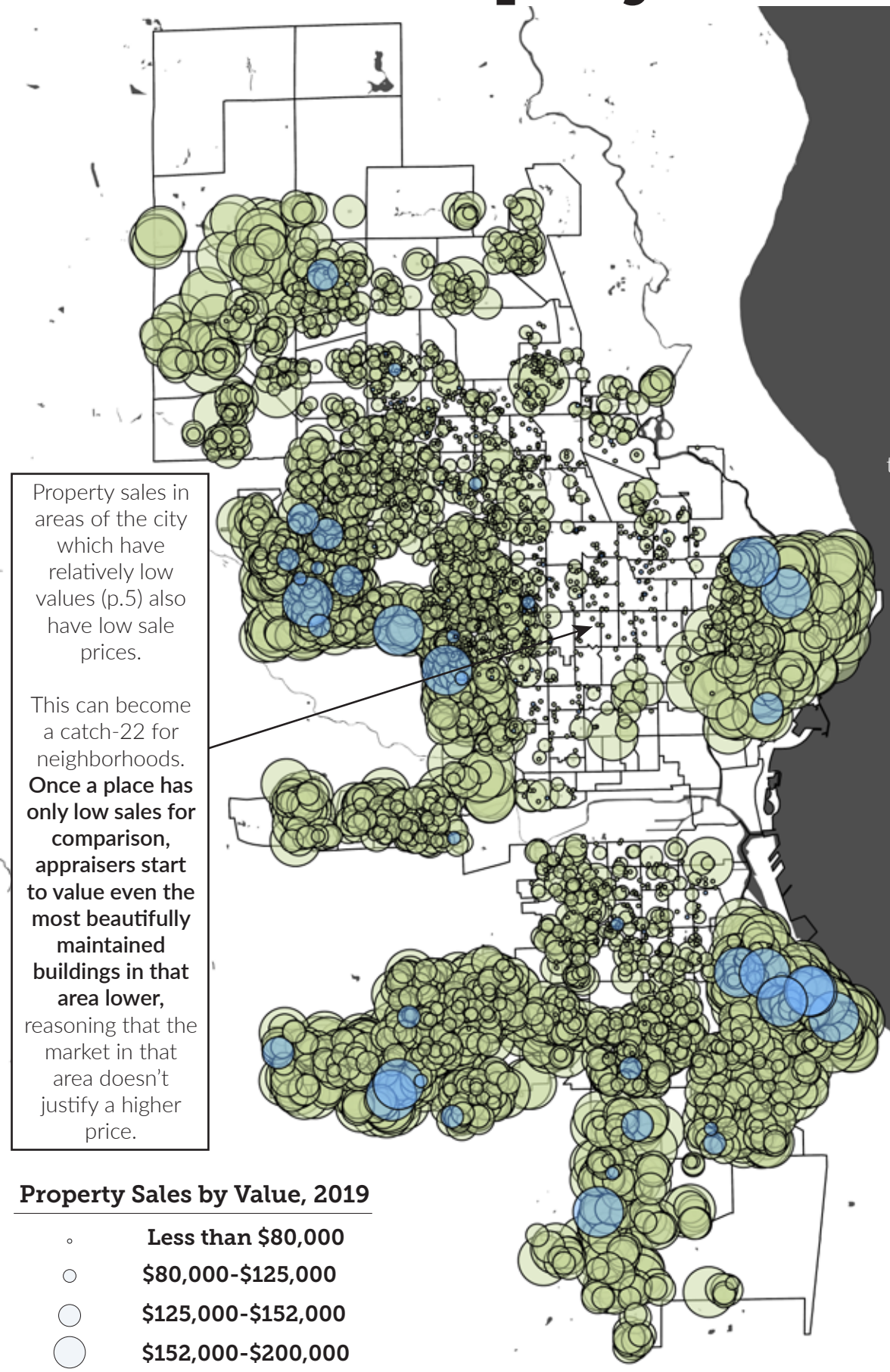
Assessed value is the term for what the County Assessor's office thinks a property is worth. They use this number to calculate the taxes owed each year.

What a given building is worth is actually quite subjective. In researcher Andre Perry's most recent book, *Know Your Price*, he asserts that **homes in Black neighborhoods are valued 23% lower than similar houses in comparable neighborhoods which are majority white.**

The mathematical formulas used by Auditors to calculate assessed value are very complex and kept internal to the Auditor's offices, so it's generally quite difficult to know exactly how a given value for a property was derived. Even though they are an imperfect way of valuing land, assessed values are useful because they indicate what the city thinks the property is worth.

Property values are lowest on the near southwest side (roughly an area bounded by S. Layton to the west, the river on the north, I-43 to the east, and the railroad tracks south of W. Cleveland) and on the near northwest side (N. 35th, W. Capitol, I-43, Vliet).

Residential Property Sales



Property sales in areas of the city which have relatively low values (p.5) also have low sale prices.

This can become a catch-22 for neighborhoods. **Once a place has only low sales for comparison, appraisers start to value even the most beautifully maintained buildings in that area lower,** reasoning that the market in that area doesn't justify a higher price.

Property Sales by Value, 2019

- **Less than $80,000**
- **$80,000-$125,000**
- **$125,000-$152,000**
- **$152,000-$200,000**
- **$200,000 and above**

In this map, we see where residential homes were bought over the last year. As you might expect, areas that are seeing more purchases also tend to see higher purchase prices for those homes.

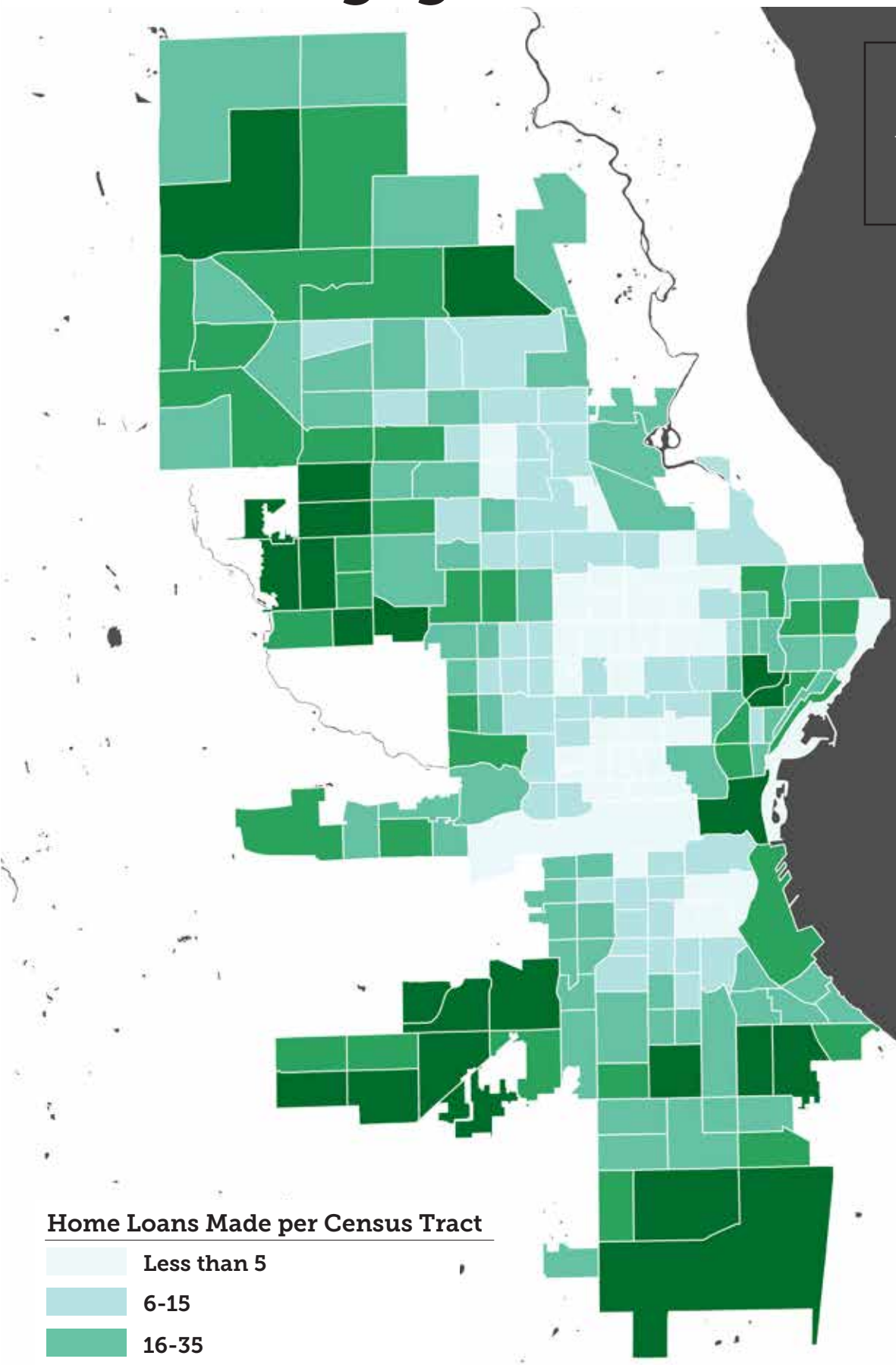
In addition to sales price, this map also shows sale type: Quit Claim (blue) or Warranty Deed (green).

Quit Claim deeds are usually an indication that something is happening outside the traditional real estate market (for example, a property transfer between relatives, or a distressed property that the owner is trying to unload). Warranty deeds, on the other hand, indicate what we'd consider more 'normal' transfers.

What's interesting about breaking sales out by type like this is that it makes clear that in areas of the city that have the most distressed housing market (low values, as seen on the previous page, and low amounts of mortgages, as seen on the next) the property sales themselves are mostly 'normal' Warranty Deeds. This would seem to imply that the values in this neighborhood aren't being dragged down by lots of distressed sales at extremely low prices - or at least, we don't see that reflected in sale type. Access to data on who buyers are and whether the sales were cash-only would provide additional needed context.

Source: Recently Sold Properties (2019), Milwaukee Open Data Portal
Note: this map includes only residential property sales (excluding condos and large multifamily apartments).

2019 Mortgage Loans



Source: 2019 HMDA Data

Not sure what Census Tract you live in? Check out the Census Tract Reference Map at the end of this report - **page 25.**

This map of where home loans occurred in 2019 (the most recent year for which data is available) makes it clear that **some neighborhoods have lots of mortgage activity, while some areas are effectively "mortgage deserts"**. These areas tend to have lower numbers of applications total (as well as higher percentage denied) than in other neighbohoods.

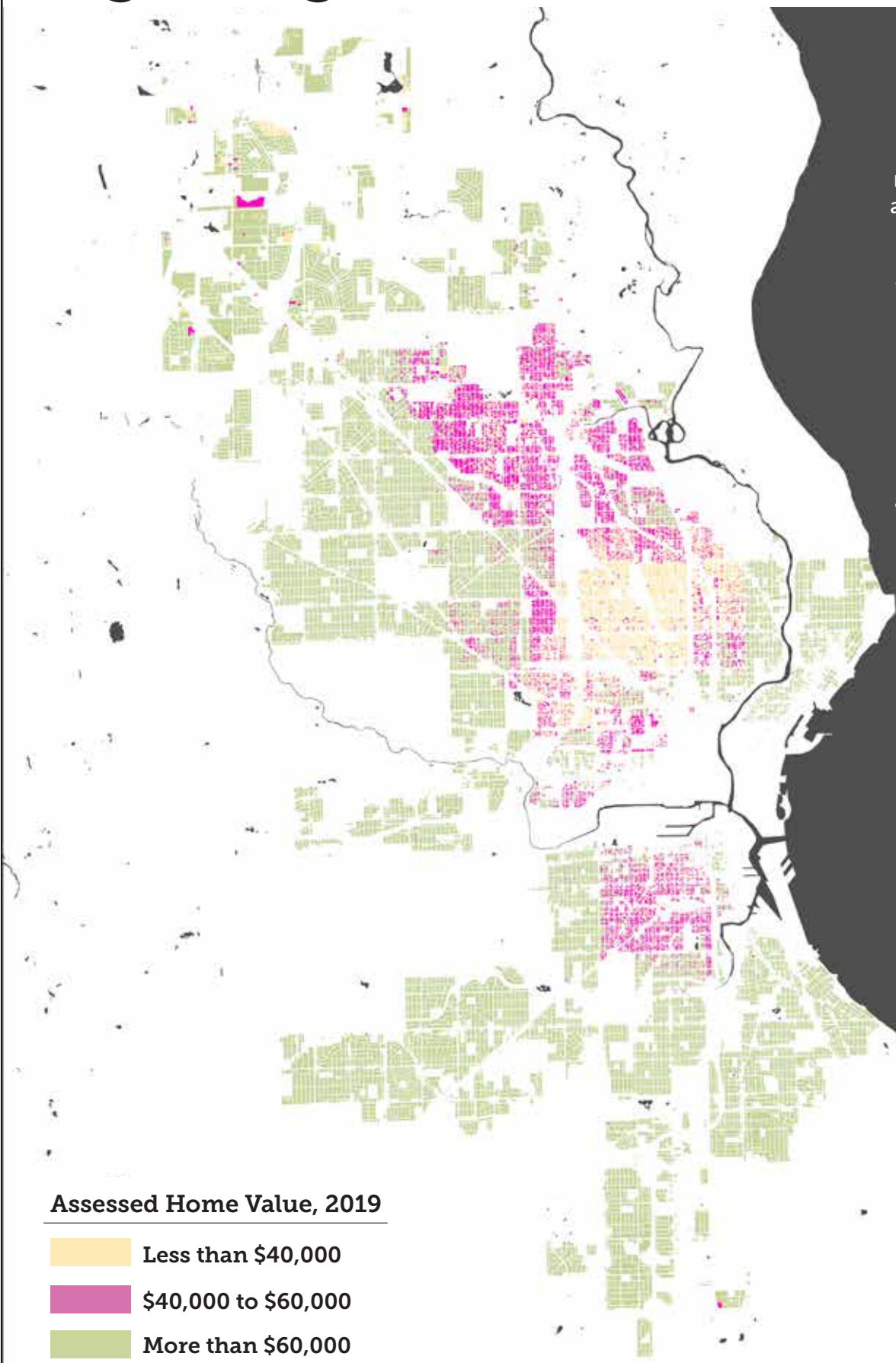
Why is this? Well, more research is needed to untangle such a complex issue, but there are a couple likely factors.

First of all, we know that people of color who apply for loans continue to be denied at higher rates than equally qualified whites (Pew Research, 2017).

Second, we know that distressed housing markets are inherently less desirable as investments because an increase in value over time is far from certain.

Third and finally, Frank Ford's research (next page) indicates that banks would rather make loans on properties worth more, because the profit margin is higher.

Edge Neighborhoods



Properties between $40k and $60k have been highlighted in pink because, if Ford's research holds true in MKE, these are the parcels right on the edge of existing in a primarily cash-only market ($50k and below) and supporting a price at which banks are willing to lend ($60k and above).

Source: City (MPROP) data, 2019

This is a visualization of edge neighborhoods. In some ground-breaking work on the housing market **in Cleveland, researcher Frank Ford identified that neighborhoods where properties are selling for $50,000 or less are effecitvely cash-only markets.** Similarly, the Wall Street Journal was able to put some numbers to this, and in their study found the threshold to be around $70,000.

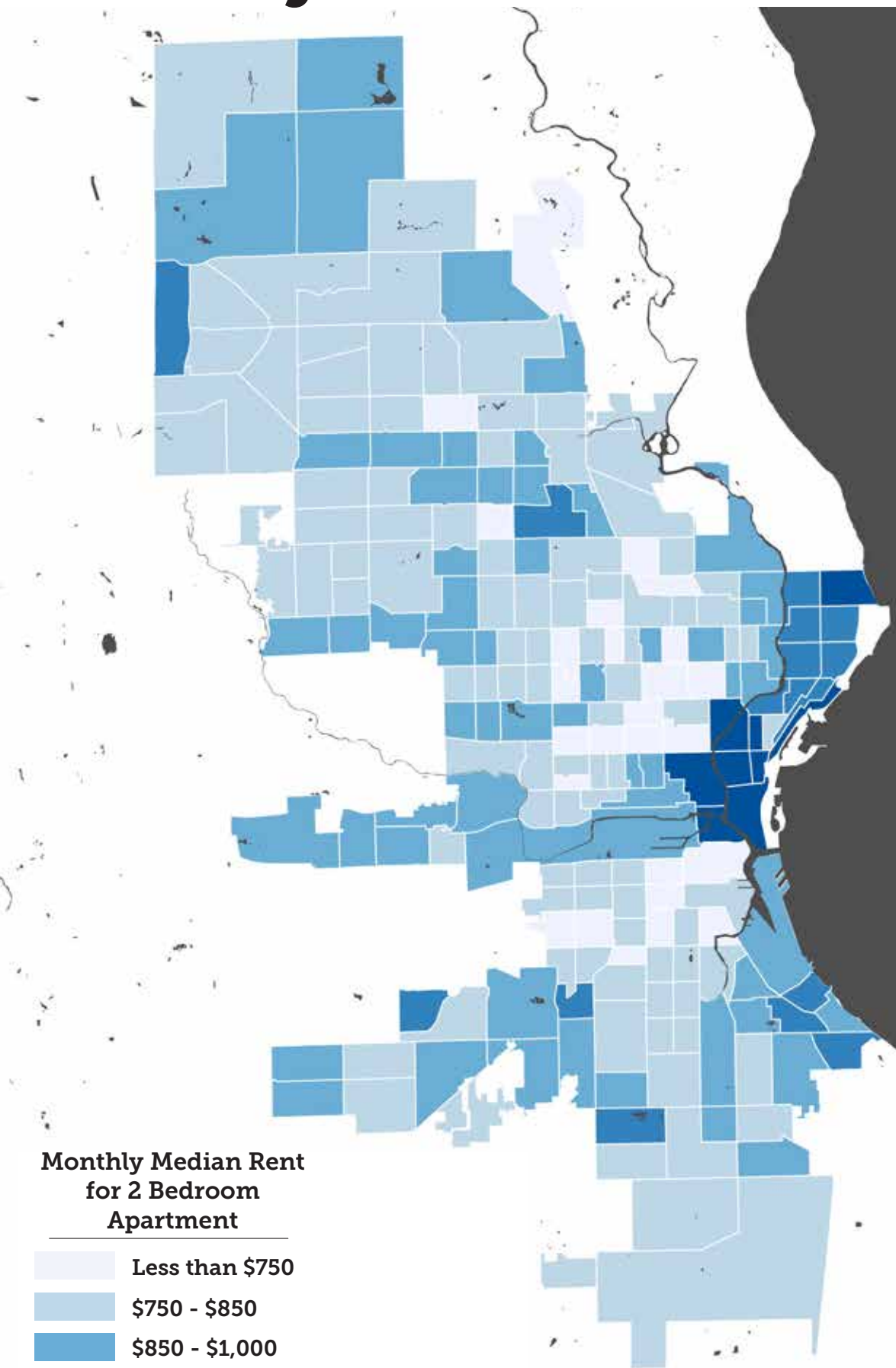
Why is this the case, and why should we care?

Ford found that **banks generally aren't interested in lending (even to qualified applicants) for a relatively small loan of $50k or less** because their return on investment is lower than on loans with higher dollar values elsewhere.

This creates a wide variety of problems. First, most people (and especially those with low or moderate incomes) will need some kind of loan to purchase a house. **A lack of lending effectively prevents people from being able to buy in these areas, even if they want to and are qualified for the loan.**

The other side of the coin is that the people who DO have enough cash on hand to buy in these neighborhoods are almost exclusively investors, many of whom may be more interested in turning a profit on rental properties than in the long-term interest of the neighborhood itself.

Monthly Rents in Milwaukee



Researcher Matthew Desmond analyzed the rental market in Milwaukee and found that the largest profits for landlords were in the poorest areas of the city (Desmond and Wilmers, 2019).

While it had been generally assumed that landlords renting to poorer tenants were bearing additional costs (for example higher unit turnover, more property damage) his research indicates that this was not happening - that in fact, **landlords were making more profit from poor renters than wealthier ones**.

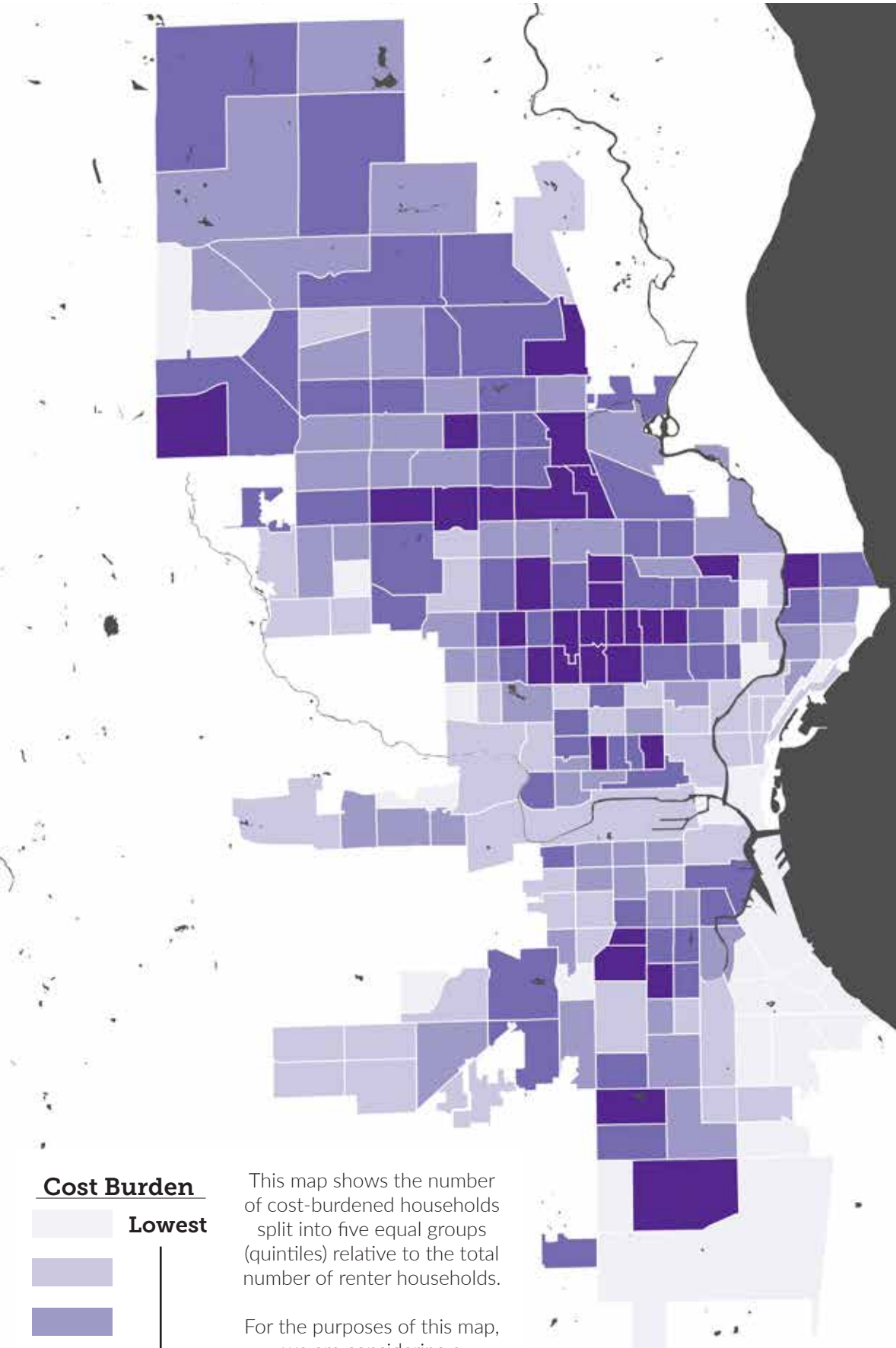
In addition, Desmond's analysis points out that in the lowest tier of rental housing, not only are tenants spending a disproportionately high percentage of their income on rent to start with (see Cost Burden map), but landlords are often able to charge a higher rent than the unit is "worth" on the free market, because landlords know that renters in such a situation are unlikely to have many options to choose from.

Monthly Median Rent for 2 Bedroom Apartment

- Less than $750
- $750 - $850
- $850 - $1,000
- $1,000 - $1,300
- More than $1,300

Source: Census data (ACS 2018 5YE)

Cost Burdened Renters



Cost burden is a measure that shows where households are paying a high percentage of their income to household expenses, especially rent.

Because such a large portion of a cost burdened household's income goes straight to rent, such households have a much harder time saving money that could be used to invest in larger-ticket purchases (good examples might be a more reliable car, a down payment on a house, putting away money for college, etc).

It's worthwhile to compare this map to the Cap Rates map on the following page: what this tells us is that **there substantial overlap between places where renters are paying a large amount of their monthly income to housing costs, and the places where it appears that landlords are making the most profit.**

Cost Burden

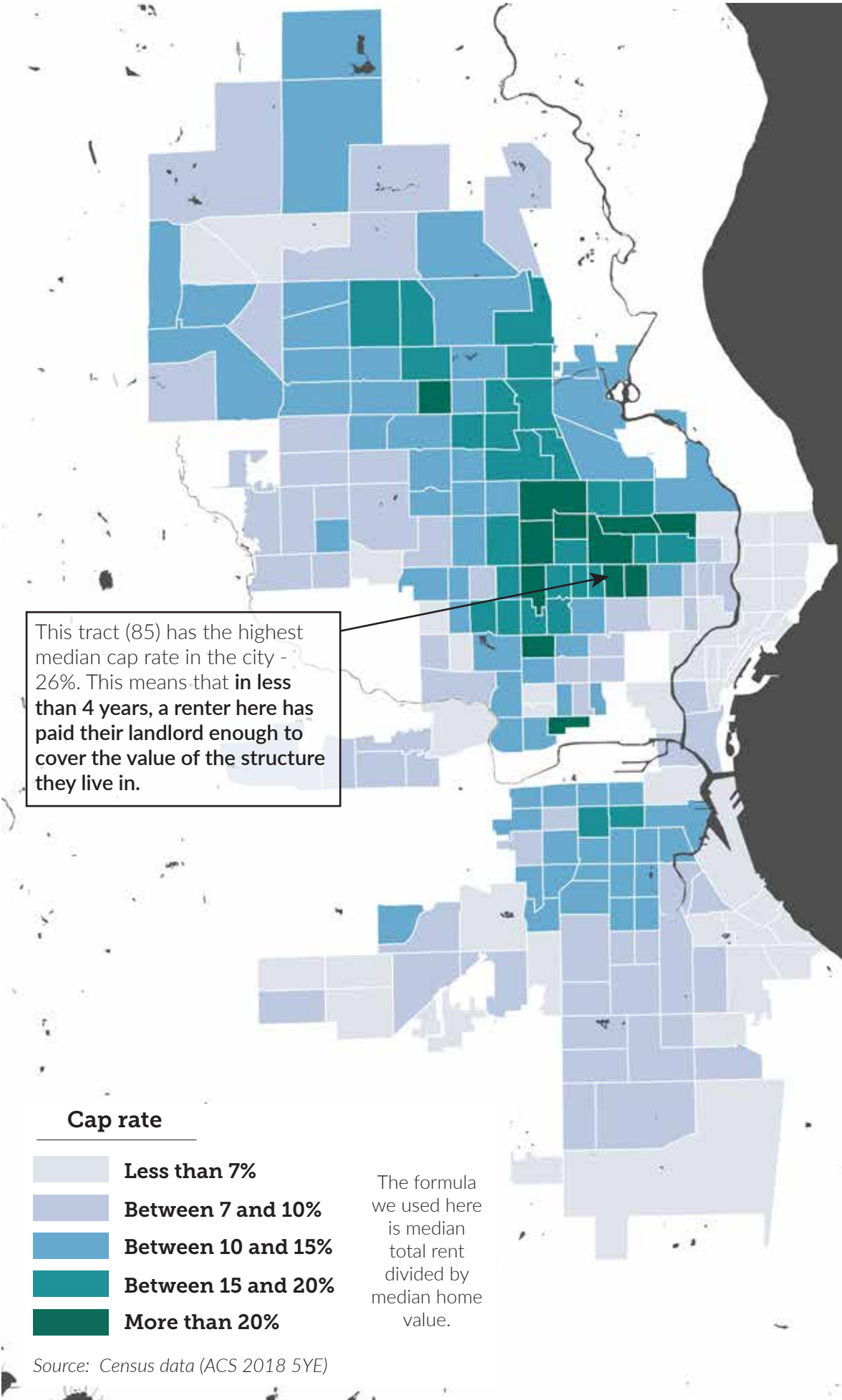
Lowest → **Highest**

This map shows the number of cost-burdened households split into five equal groups (quintiles) relative to the total number of renter households.

For the purposes of this map, we are considering a 'cost-burdened household' one that is paying 30% or more of its income in rent.

Source: Table B5070, American Community Survey, 2018 5YE.

Cap Rate by Census Tract



This tract (85) has the highest median cap rate in the city - 26%. This means that **in less than 4 years, a renter here has paid their landlord enough to cover the value of the structure they live in.**

Cap rate is a term commonly used by the real estate industry as a rough measure of how quickly a given investment can recoup its costs.

For example, if you invest $100 and make $5 back per year, the cap rate is 5% because it would take 20 years to recoup the costs of your invested $100.

Here, that investment is rental properties. Nationally, the expected cap rate for residential rentals is in the range of 5 to 7% (CBRE 2018 survey report). As seen here, Milwaukee routinely sees cap rates that are much higher.

Consider this - in the darkest green areas on this map, tenants are routinely paying enough in rent to equal the value of the house they live in every five years.

Cap rate

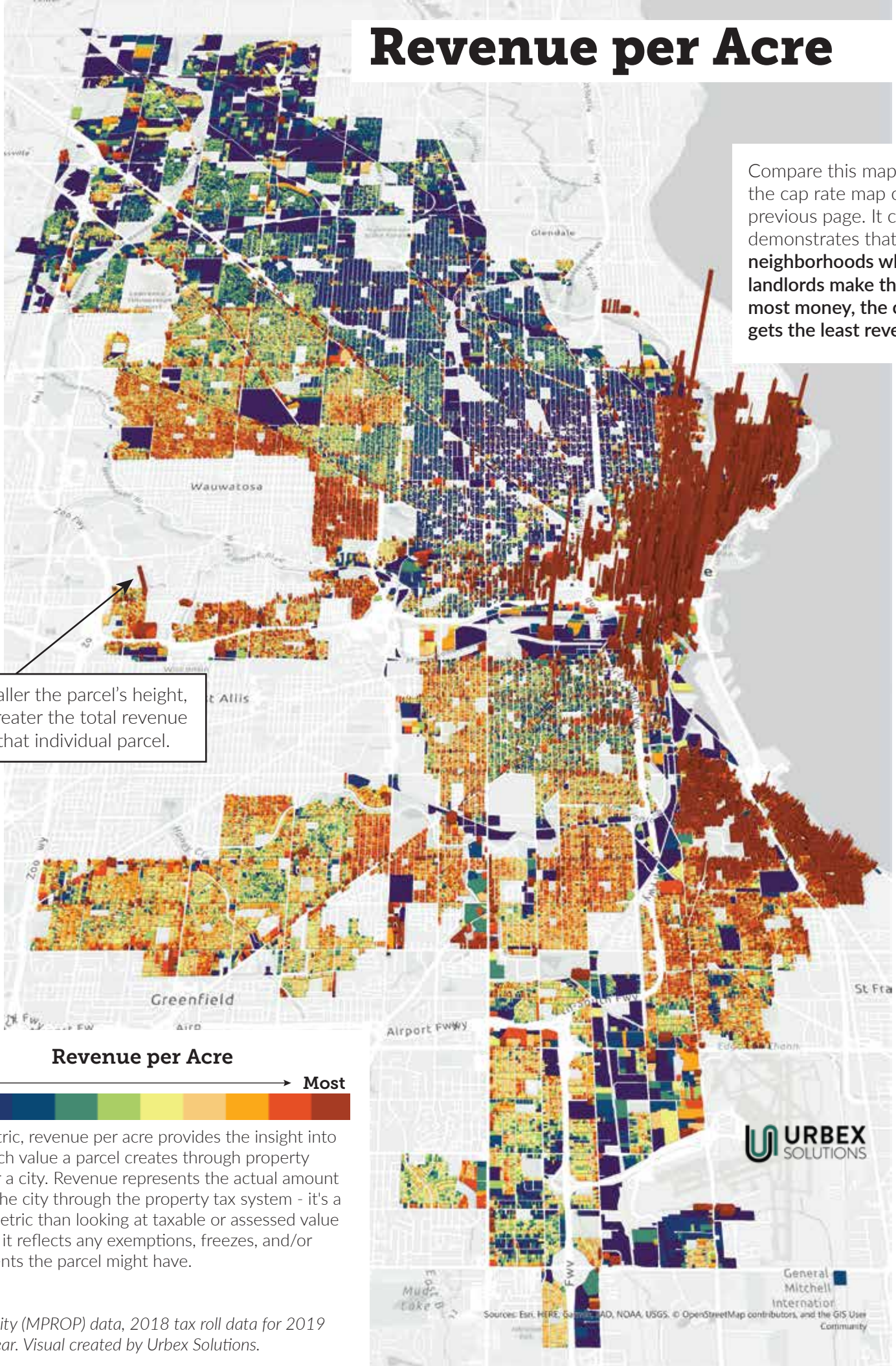
- **Less than 7%**
- **Between 7 and 10%**
- **Between 10 and 15%**
- **Between 15 and 20%**
- **More than 20%**

The formula we used here is median total rent divided by median home value.

Source: Census data (ACS 2018 5YE)

Revenue per Acre

Compare this map to the cap rate map on the previous page. It clearly demonstrates that **in neighborhoods where landlords make the most money, the city gets the least revenue.**



The taller the parcel's height, the greater the total revenue from that individual parcel.

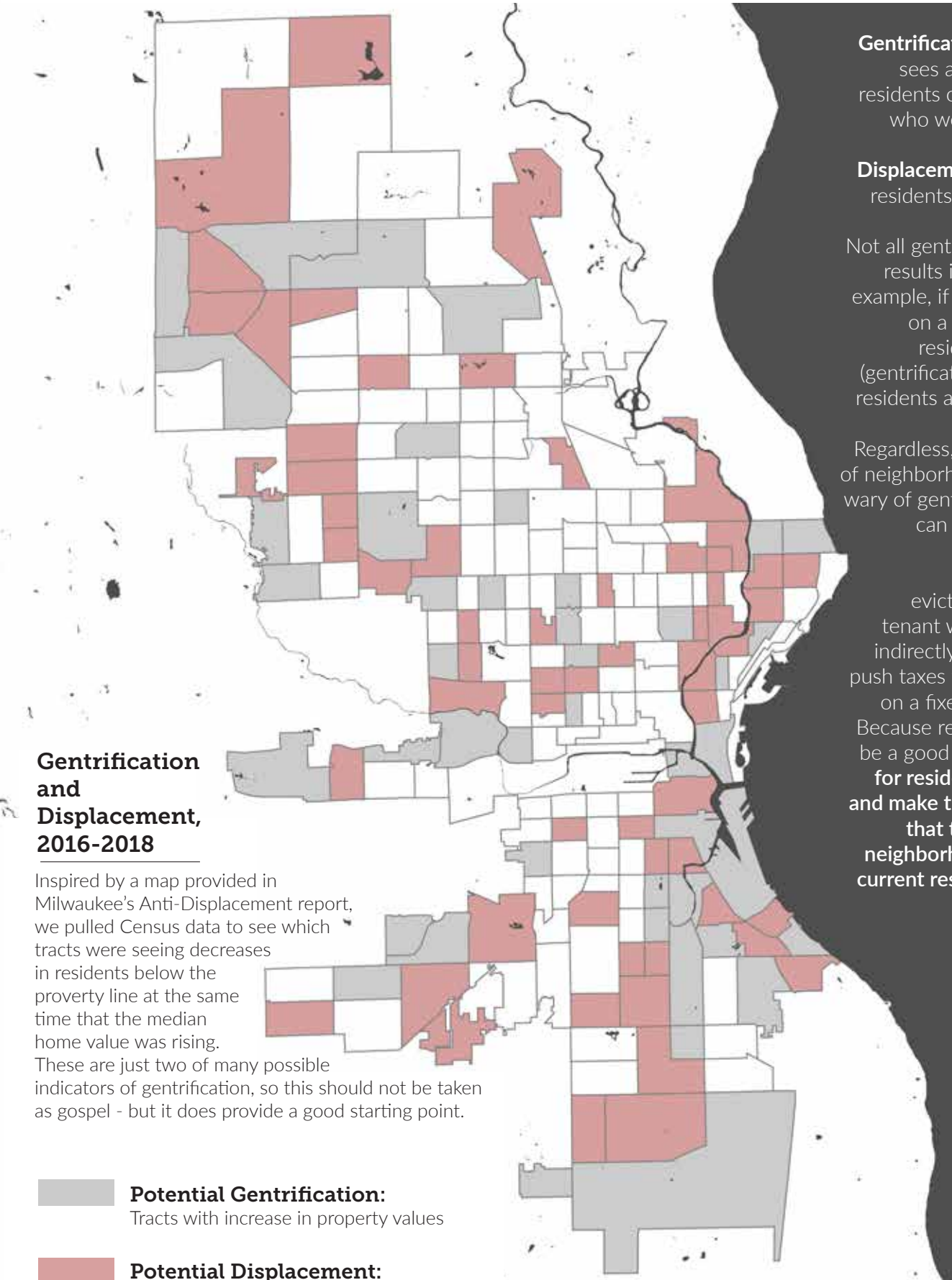
Revenue per Acre

Least → **Most**

As a metric, revenue per acre provides the insight into how much value a parcel creates through property taxes for a city. Revenue represents the actual amount paid to the city through the property tax system - it's a better metric than looking at taxable or assessed value because it reflects any exemptions, freezes, and/or abatements the parcel might have.

Source: City (MPROP) data, 2018 tax roll data for 2019 budget year. Visual created by Urbex Solutions.

Gentrification vs Displacement



Gentrification is when an area sees an influx of wealthier residents over time than those who were there previously.

Displacement is when existing residents are forced to move.

Not all gentrification necessarily results in displacement - for example, if new housing is built on a vacant lot, wealthier residents might move in (gentrification), but no existing residents are getting displaced.

Regardless, long-time residents of neighborhoods are right to be wary of gentrification because it can cause displacement, whether directly (someone gets evicted in favor of a new tenant with more money) or indirectly (rising home values push taxes too high for a senior on a fixed income to afford). Because reinvestment can also be a good thing, **it's important for residents to get involved and make their voices heard so that the outcomes in the neighborhood are things that current residents can support**, not fear.

Gentrification and Displacement, 2016-2018

Inspired by a map provided in Milwaukee's Anti-Displacement report, we pulled Census data to see which tracts were seeing decreases in residents below the proverty line at the same time that the median home value was rising. These are just two of many possible indicators of gentrification, so this should not be taken as gospel - but it does provide a good starting point.

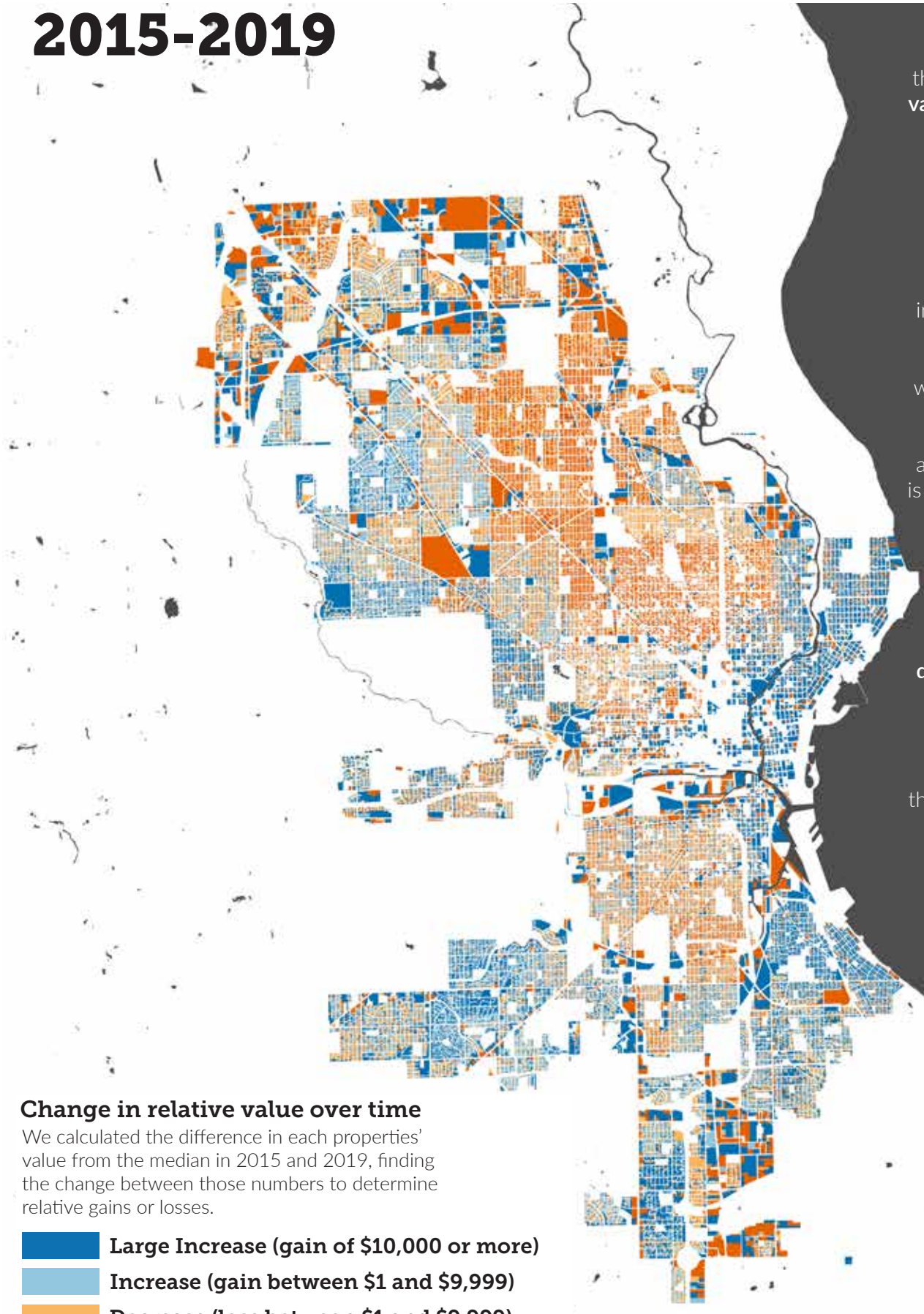
Potential Gentrification:
Tracts with increase in property values

Potential Displacement:
Tracts with increase in property values AND loss of low income population

Want to learn more about gentrification and displacement in Milwaukee? **Check out the Turning the Corner report by Data You Can Use (link available on p.24).**

Source: Census ACS 5 Year Estimates, 2018 & 2016. "Property Values" here defined as median residential value.

Who's losing ground? Relative values, 2015-2019



Between 2015 and 2019, the **median assessed home value in the city of Milwaukee as a whole rose $12,400 (about 11%)**.

Rising values are generally good news for homeowners. This is because although there is an increased amount to pay in taxes, real estate is by far the biggest source of wealth for most Americans; major renovations of 'moving up' to better accommodations over time is often only possible if your current home is gaining value.

This map shows that **recent gains in property value are not evenly distributed across the city.** By calculating the amount that a given property deviated from the median in both years, then finding the difference, we're able to get a good look at which properties are effectively losing ground relative to the city as a whole.

Why is this important? Well, for starters, it makes clear that the opportunities and challenges one faces in real estate vary widely depending where you live - and we know that where you live tends to be very closely tied to your race, ethnicity, and income.

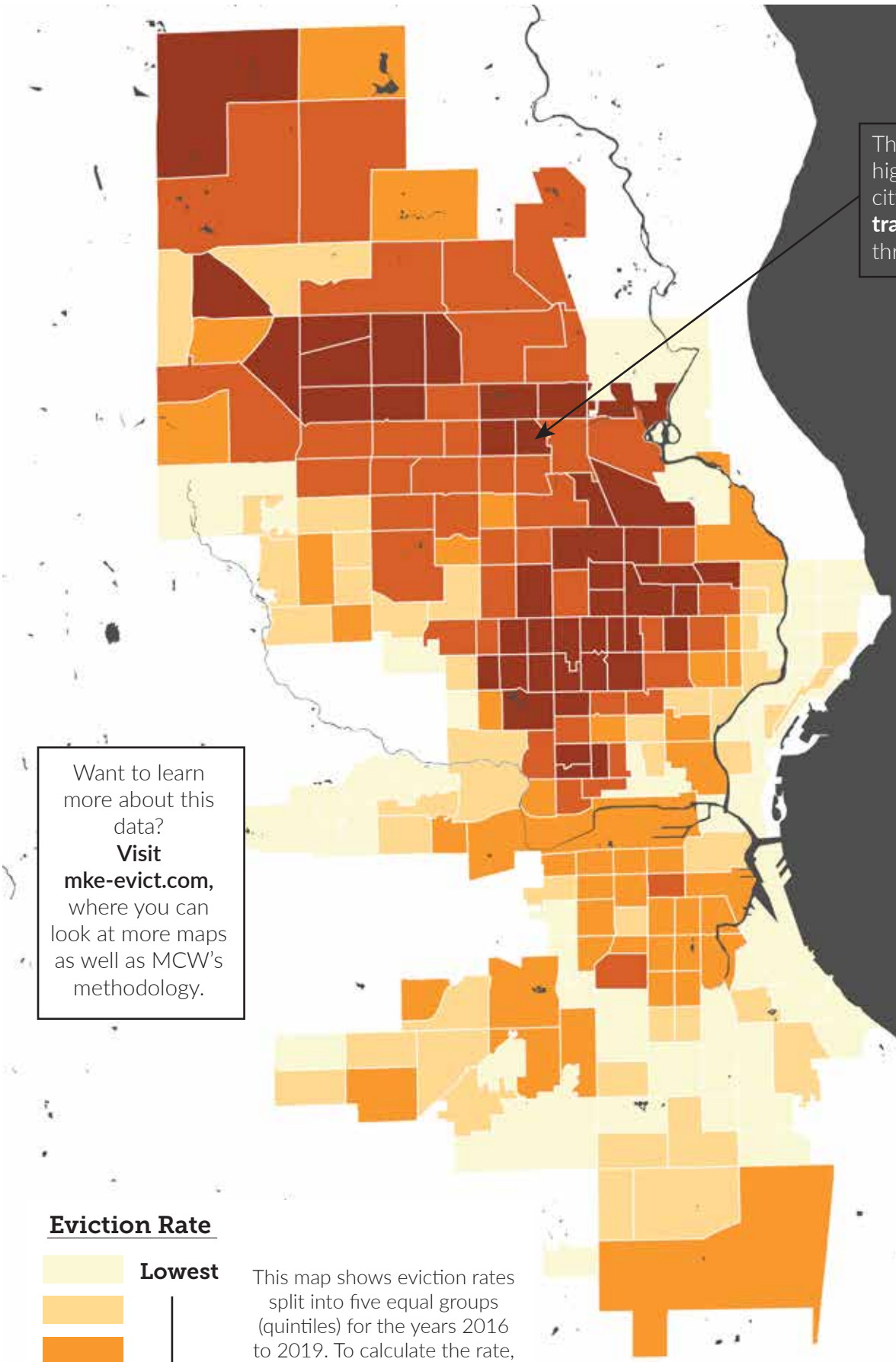
Change in relative value over time

We calculated the difference in each properties' value from the median in 2015 and 2019, finding the change between those numbers to determine relative gains or losses.

- **Large Increase (gain of $10,000 or more)**
- **Increase (gain between $1 and $9,999)**
- **Decrease (loss between $1 and $9,999)**
- **Large Decrease (loss of $10,000 or more)**

Source: City (MPROP) Data
Note: this map excludes properties which had an assessed value of $0 in both 2015 and 2019.

Eviction rates in Milwaukee



This Census Tract (12) has the highest rate of evictions in the city. **34% of all renters in this tract** were evicted over the three-year span studied here.

Evictions are an important indicator of residential displacement.

Households that get evicted tend to bounce from neighborhood to neighborhood, with clear negative impacts for school-age children especially.

Some landlords use eviction filings as a tool to scare tenants into either paying late rent or as an intimidation tactic to prevent tenants from asserting their rights, for example requesting repairs in their units.

This data was compiled and made available thanks to the hard work of the team at the Medical College of Wisconsin.

Want to learn more about this data? **Visit mke-evict.com,** where you can look at more maps as well as MCW's methodology.

Eviction Rate

Lowest → **Highest**

This map shows eviction rates split into five equal groups (quintiles) for the years 2016 to 2019. To calculate the rate, we used Matthew Desmond's methodology: [evictions/number of renters].

Source: Track Milwaukee Evictions. Medical College of Wisconsin, Branden DuPont: https://mke-evict.com/

Tract Typology: Evictions and Value

Learning from Data

One of the most important things about data is that it can help people make better decisions.

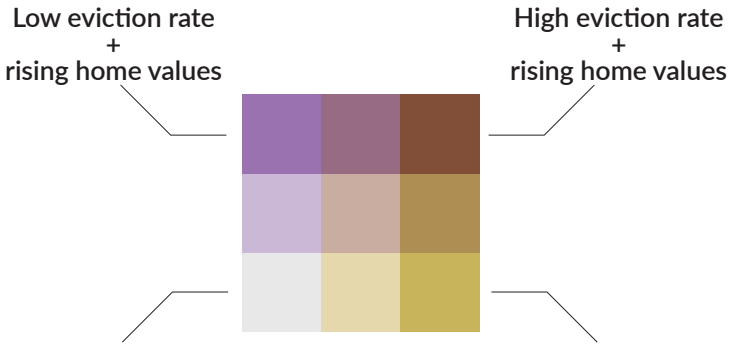
In the next four pages, we use this map as a starting point to understand the various real estate forces at work in different parts of the city.

No matter where your neighborhood falls on this spectrum, there are things it does well, and things that need improvement: we hope that this will be a useful starting point that will empower residents to take action.

Want to see how this map lines up with **political** or **neighborhood** boundaries? Skip to pages 28 & 29.

Evictions and Values by Tract

This map is a combination of the last two maps on the previous pages. Combining them provides a useful way of understanding how housing pressures vary across the city.



Type 1 Neighborhoods

Rising home values, low/mod eviction rates

Strengths:

Real estate prices are going up, generally indicating that these neighborhoods are seen as 'desirable' or at least as a good investment. As a result, buildings see more renovation and updating than in other areas, which translates to long-term stability. Low eviction rates indicate that renters in these neighborhoods are relatively stable (although it's important to note that some of this may be due to the renters themselves being wealthier, rather than more benevolent landlords).

Weaknesses:

Rising home values threaten to price out moderate-income households and displace existing residents who can't afford higher taxes due to rising home values. Neighborhoods of this type attract new residents, some of whom may be more interested in their property as an investment than in the neighborhood itself.

What can we do?

Residents & Organizers

Everyone can help to thoughtfully cultivate a well-balanced neighborhood. For example, working to ensure that your neighborhood has housing at a variety of price points will make sure that everyone, from the downtown lawyer to the guy who works at the corner store, can find a place to live in this neighborhood. Retail diversity is also important - are all the stores geared to a certain income level, and if so, how can you advocate for new stores that cater to others? Finally, **use existing organizations of block clubs and other neighborhood organizations to ensure that all neighbors have a voice.** It takes constant networking and outreach to make sure that all voices are heard, including people who are hard to reach such as people working multiple jobs, with kids, etc.

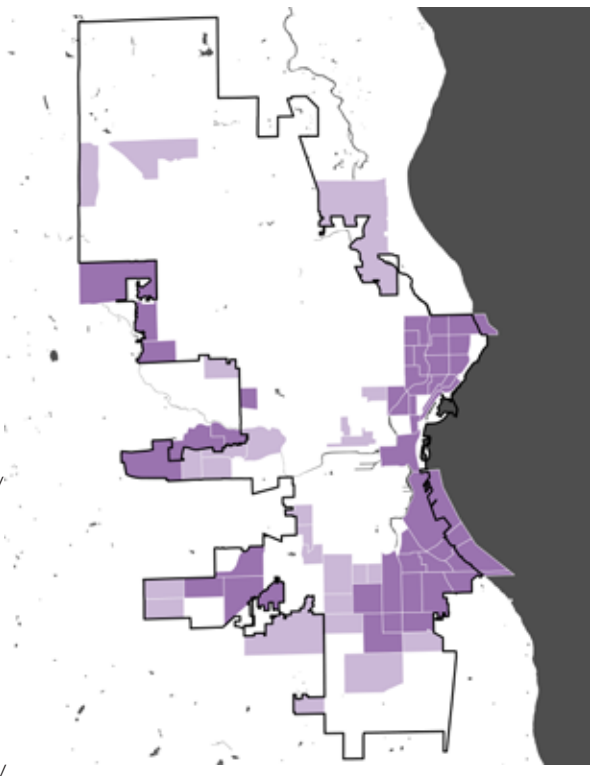
Policymakers

Homeowner assistance programs can give people options to buy in the neighborhood and share in the wealth accumulation that comes with rising values.

'Lock in' affordable housing before prices climb further. This could take a variety of approaches: individual landlords who consciously choose to keep a certain number of units at a reasonable price, a neighborhood association that can advocate for affordable units set-aside when new construction occurs, and others.

Set up ways for homeowners who may struggle to pay rising taxes to get assistance. This could include **Senior stay-in-place programs** to help those on fixed incomes, a **fund created to help households in need** which draws money from sources like Business Improvement Districts, philanthropic dollars, or Community Benefit Agreements put in place when new construction occurs.

Type 1 Neighborhoods



Type 2 Neighborhoods

Falling home values, low/mod eviction rates

Strengths:

Low housing values mean that housing is affordable, as long as you can get a loan or have cash on hand. Lower and middle-income residents can afford to buy houses here, and low eviction rates indicate that the rental population may have more stability and lower turnover.

Weaknesses:

Type 2 neighborhoods are seeing home values declining, which erodes the wealth of homeowners and discourages new buyers from the market. Homes with low values can attract cash buyers who are disproportionately investors rather than owner-occupants, which can ultimately lead to lower rates of homeownership, disinvestment in buildings, and an erosion of the neighborhood's social fabric over time.

What can we do?

Residents & Organizers

Organize your neighbors and **develop a plan to build from your neighborhood's strengths.** This could be a park, a block of especially nice houses, a big employer, or any other thing which residents take pride in and can rally around.

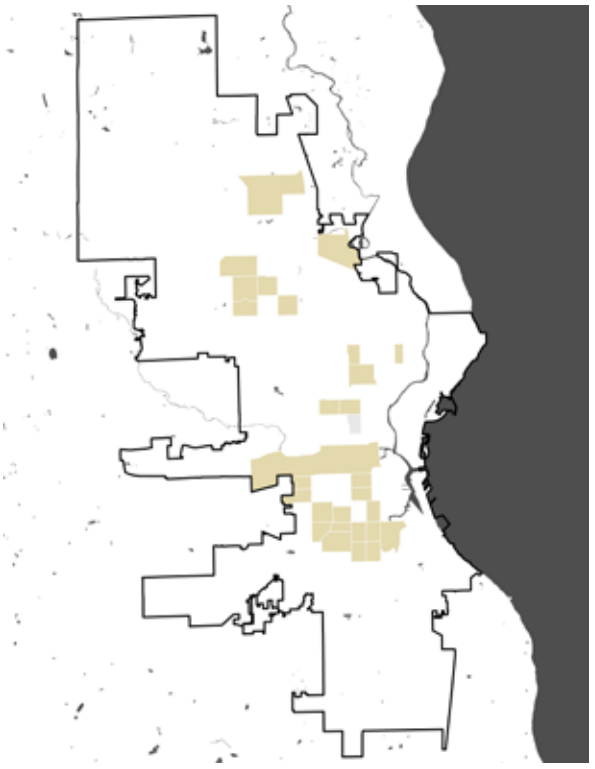
Think strategically about how to get enough new investment that home values stabilize or rise slightly, but not so much that displacement becomes a problem. Especially in areas which have vacant lots/vacant buildings, it is possible to see development occur without displacement. The key to long-term success with this approach is to organize long-term residents so that development happens in a responsible way and enhances - not changes - what makes the neighborhood special in the first place.

Policymakers

Home repair programs which help homeowners finance repairs and keep up their homes can help keep the neighborhood looking good while improving quality of life for those who qualify (often long-time residents). Genearlly, the greatest return on investment for such programs (when looking at neighborhood home values) is in edge neghborhoods, where property values are lower than adjacent areas (Dynamo Metrics).

Acquire and renovate vacant buildings as quickly as possible. Not only are vacant buildings shown to hold down the values of properties around them, but buildings that sit vacant in Milwaukee, with its hot summers and cold winters, quickly start to fall apart. In the span of just a few years, a building can go from salvageable to beyond repair. **Work with existing BIDs, NIDs, neigborhood organizations, elected officials, and others to develop a strategic plan** that works for the neighborhood and a pathway to renovation for vacant buildings.

Type 2 Neighborhoods



Type 3 Neighborhoods

Falling home values, high eviction rates

Strengths:

Low housing values mean that housing is affordable, as long as you can get a loan or have cash on hand. Lower and middle-income residents can afford to buy houses. Vacant lots can be acquired and repurposed for community uses; significant opportunities exist for residents to shape the future development of their communities, especially if it's possible to organize around a shared vision.

Weaknesses:

Homeowners in these neighborhoods are losing equity on their homes due to falling prices. Some may be "underwater" (owing more on their house than it's worth). Cash buyers are likely to dominate the market, meaning potential homeowners might lose out to landlords with cash to spend. The low price of housing means that owners may not invest in renovations because the market seems not to support them. High eviction rates indicate that renter households are moving around a lot involuntarily, making it harder to form strong community ties and having negative impacts on school-age kids.

What can we do?

Residents & Organizers

Neighborhood groups - whether block clubs, churches, community development corporations, etc - should join together to re-imagine their community in an inclusive way. Vacant lots and low property values provide real opportunity for concrete change. Especially because Type 3 neighborhoods are likely to have seen disinvestment in the past, **now is the time to think about creating entirely new community assets, such as parks, community centers, and other spaces that can be built by and for existing residents.**

Quality of Life Plans (QOLP), supported by LISC, have leveraged over $1 billion in investments aligned with community vision. LISC Milwaukee is one of 36 local offices. Quality of Life Plans (QOLP) are designed to strengthen neighborhoods from within through planning, organizing and human development. The QOLP's are visions for a community's future, created and owned by the community, and have served as a guide for investments and actions.

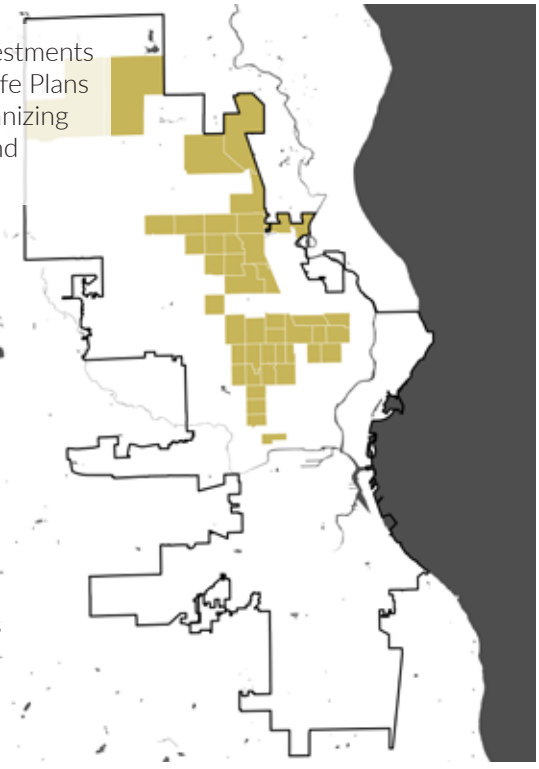
Policymakers

From a policy perspective, **a closer look should be taken at bank lending and mortgage practices in Type 3 neighborhoods.** If it is indeed true that banks are reluctant to make loans below a certain dollar value (see "Edge Neighborhoods" page above) even when buyers are qualified for the loan, then the City, nonprofits, and local institutions should take an active role in encouraging banks to change this practice.

Landlords need to be held accountable if they are found to be taking advantage of tenants. All renters have the right to a minimum standard of quality - that's why building codes and health & safety departments exist. **Where landlords show consistent patterns of failing to meet these standards, they should be held accountable**. Similarly, landlords who are found to file disproportionately large numbers of evictions relative to their peers should be asked to justify why their number of filings is so high.

Finally, **targeted code enforcement** can help to ensure that buildings which are eyesores or sources of issues in the neighborhood get addressed. Political will to keep going after such properties can markedly improve quality of life in the neighborhood, and stabilize home values as well.

Type 3 Neighborhoods



Type 4 Neighborhoods

Rising home values, high eviction rates

Strengths:

As with Type 1 neighborhoods, Type 4 neighborhoods are seeing rising home values. This gain in value can be used as an incentive to encourage property owners (both owner-occupants and landlords) to reinvest money in their properties. Because in Milwaukee most Type 4 tracts are also racially diverse, these areas should be viewed as prime opportunities to facilitate the growth of stable, thriving neighborhoods that would disproportionately benefit people of color, especially Milwaukee's Black population.

Weaknesses:

Although home values are rising, Type 4 neighborhoods still see relatively high eviction rates, which pose obvious problems for renters. Along with the difficulty posed to renters by high eviction rates and potentially also rising rent amounts, rising home values may also threaten to 'price out' those who are interested in purchasing homes in the neighborhood.

What can we do?

Residents & Organizers

As noted for Type 1 neighborhoods, **homeowner assistance programs** and **locking in affordable housing units** are crucial to maintaining an economically diverse neighborhood as home values continue to rise. The creation and maintenance of block clubs is another helpful piece to ensure that all residents are heard while this process occurs. **Where land or buildings remain affordable to purchase, residents and organizers should band together to acquire these and ensure that they serve positive community functions.**

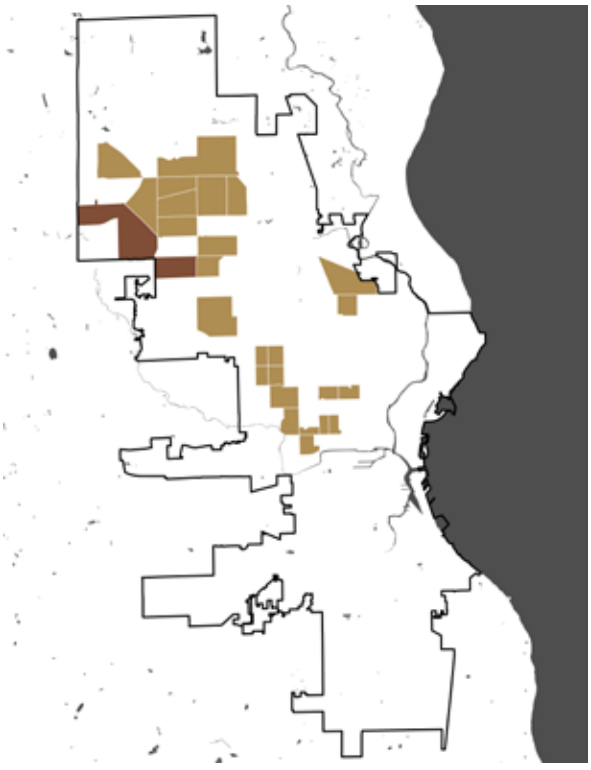
More detailed analysis of eviction patterns would help in figuring out the best path toward reducing the eviction rates in Type 4 neighborhoods. If specific landlords are repeat offenders, there may be opportunities for **creation of a tenants' union or other organization to A) organize renters to negotiate with the landlord to change his practices and/or B) make sure that renters are aware of their rights.** On the other side of the coin, if there are issues related to the renters themselves (ie low-paying jobs make paying rent difficult, etc) **neighborhood organizations can play a valuable role in addressing the root causes of evictions through efforts such as job training programs.**

Policymakers

Homeowner assistance programs combined with **locking in housing unit rents at affordable prices** are crucial to maintaining an economically diverse neighborhood as prices continue to rise.

In addition, it is worth thinking strategically about how **Type 4 neighborhoods can strategically leverage potential investment to maximum benefit - not just for themselves, but also whether such an investment could stabilize adjacent areas.** Especially in cases where the investment is public (parks, streetscape improvements, etc) it's worth thinking about whether those could be thoughtfully located to smooth out the highs and lows of the housing market, rather than reinforcing existing patterns of "haves" and "have nots."

Type 4 Neighborhoods



Citywide Approaches

In addition to the recommendations made on previous pages for areas with specific property dynamics, there are also things that we can do citywide to work toward stronger neighborhoods for all residents.

The suggestions that follow on this and the next two pages are things that could be implemented citywide, with tangible benefits for all.

Policy

Explore policy that encourages rental rates to more closely match structure value in distressed neighborhoods. This would help alleviate the cost burden on poor renters, and at the same time incentivize landlords investing in the properties they own.

Use code enforcement as a targeted tool to force bad actors in the neighborhood to improve their properties. Targeting the worst properties tends to raise the whole block.

Provide a pathway to loans for qualified applicants regardless of the dollar value by pressuring banks to make more small-dollar-value loans. 'Mortgage deserts' do lasting harm to communities in many ways: there are the property-side market effects (lack of comparable sales which depress values, diminished ability to sell property) and there are also community-side effects (potential residents are turned away; homeownership may start to deline), both of which can and should be alleviated simply by minor policy changes on the part of banks and lending institutions.

Research

Take a deep dive into lending practices in Milwaukee. More research is needed to determine whether lenders are indeed reluctant to make small-dollar-value loans, but this is certainly what the data show (Wall Street Journal). Data about payment type, especially cash-ony purchases, would be key as well.

Regularly conduct property surveys. Cities are places that change and evolve constantly. Without parcel-level data, officials, community leaders, and anyone invested in a community are operating without crucial knowledge that can be used to effectively deploy resources for the greatest benefit. There are groups such as the Reclaiming Our Neighborhoods Coalition that have done much preliminary work on this; the task now will be to expand that to the entire city if at all possible.

Explore gentrification's impacts on various neighborhoods locally. Milwaukee's real estate market has very little in common with coastal cities like Los Angeles where much of the existing gentrification research has been conducted, and so we shouldn't assume that phenomena like gentrification would operate the same. Gathering primary data - that is, getting out into the city and collecting firsthand information - is a critical first step to understanding, and ultimately dealing with, this phenomenon.

Continue studying eviction patterns. It seems clear that some landlords file evictions far more than others; looking into this more, and identifying when landlords are using evictions to exploit their tenants, will have long-term benefits for the city as a whole.

Residential Surveying

Gathering data to help neighborhoods thrive

NWSP Survey Data

- **Porch in good condition**
- **Porch: minor paint needed**
- **Porch: major paint needed**
- **N/A (no porch)**

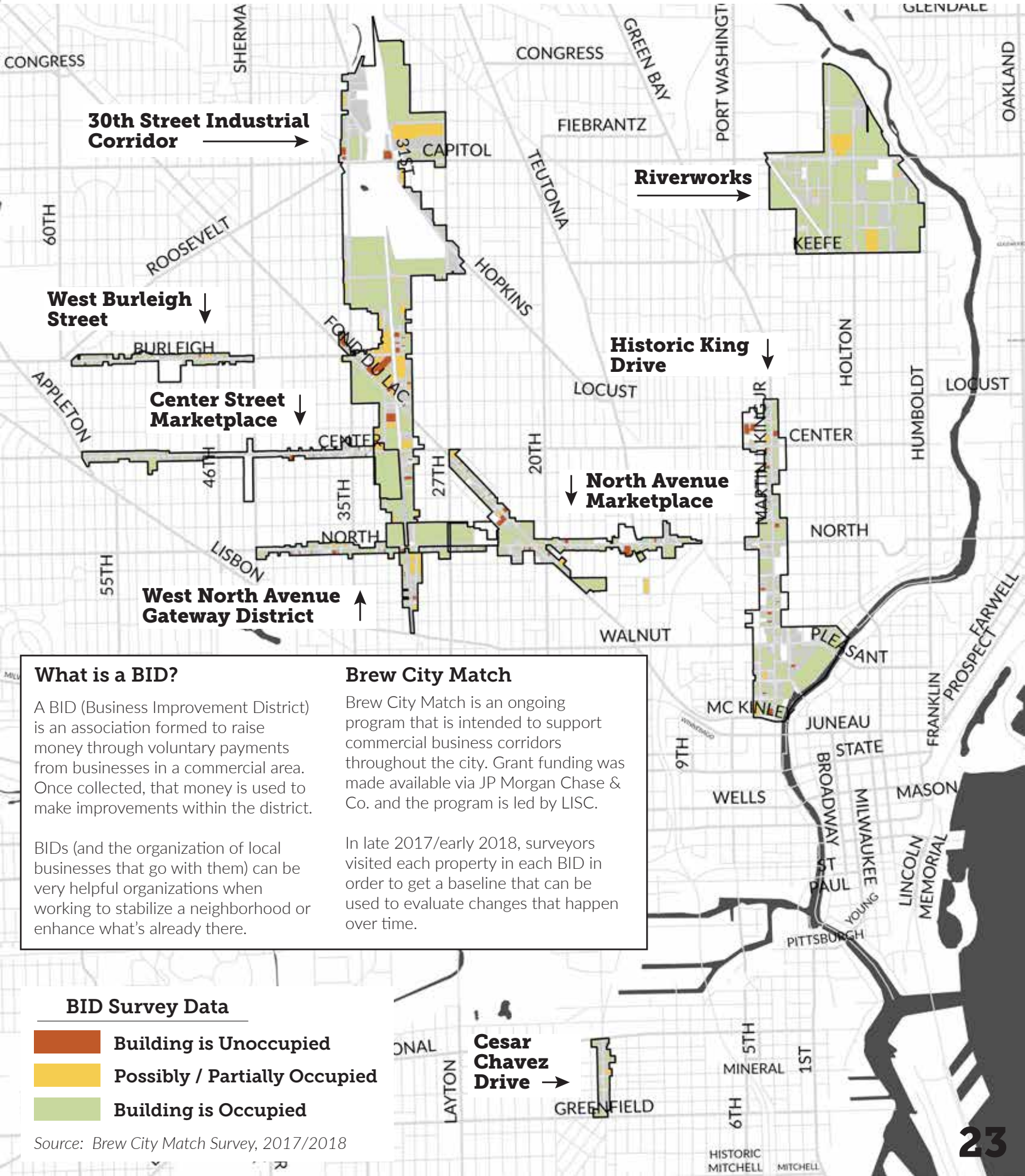
Surveying properties can allow neighborhood groups (or individuals) to gather information about the neighborhood where they live.

In this example drawn from Near West Side Partners' residential surveying effort using Loveland's app, one of the questions asked was whether properties' porches needed paint. Once collected, this data could be used to apply for a grant program that would provide paint to homeowners ("there are X properties that need their porches painted in our neighborhood") or for direct outreach to residents.

An example of a photo collected during NWSP's surveying. Such photos can be collected over time to create a record of how the neighborhood evolves.

Business Improvement Districts

Organizing commercial corridors for community good



What is a BID?

A BID (Business Improvement District) is an association formed to raise money through voluntary payments from businesses in a commercial area. Once collected, that money is used to make improvements within the district.

BIDs (and the organization of local businesses that go with them) can be very helpful organizations when working to stabilize a neighborhood or enhance what's already there.

Brew City Match

Brew City Match is an ongoing program that is intended to support commercial business corridors throughout the city. Grant funding was made available via JP Morgan Chase & Co. and the program is led by LISC.

In late 2017/early 2018, surveyors visited each property in each BID in order to get a baseline that can be used to evaluate changes that happen over time.

BID Survey Data

- **Building is Unoccupied**
- **Possibly / Partially Occupied**
- **Building is Occupied**

Source: Brew City Match Survey, 2017/2018

Partners

Local Initiatives Support Corporation (LISC) Milwaukee is the local office of the nation's leading Community Development Financial Institution. Our work is rooted in a goal to catalyze opportunity for all. We invest in overlapping program areas that reach into every corner of community life. Our approach is comprehensive and rooted in what neighbors want for themselves, their families and the places they call home.

Since 1995, LISC has invested $143 million in Milwaukee by mobilizing resources for neighborhoods and investing these funds through grants, loans and technical assistance to neighborhood-based community development efforts. More information is available at www.lisc.org or www.lisc.org/milwaukee

Loveland Technologies is a Detroit-based company whose goal is to put every parcel in America online, democratize property information, and provide tools for understanding and improving land use.

In Milwaukee, Loveland has partnered with LISC to provide mapping and data capacity to organizations across the city. Nick Downer (nick@landgrid.com) created this report, and is the Loveland project manager for the Milwaukee effort overall. Please don't hesitate to reach out for any questions regarding the data - happy to connect!

Many thanks to the Milwaukee data community for their feedback and assistance throughout the creation of this report, especially Katie Pritchard at Data You Can Use and Branden DuPont with the Medical College of Wisconsin who provided valuable early-stage feedback as well as pointers to relevant data. Special thanks as well to Felix Landry of Urbex Solutions who generously provided the revenue per acre map (p.12).

Further Reading | Citations

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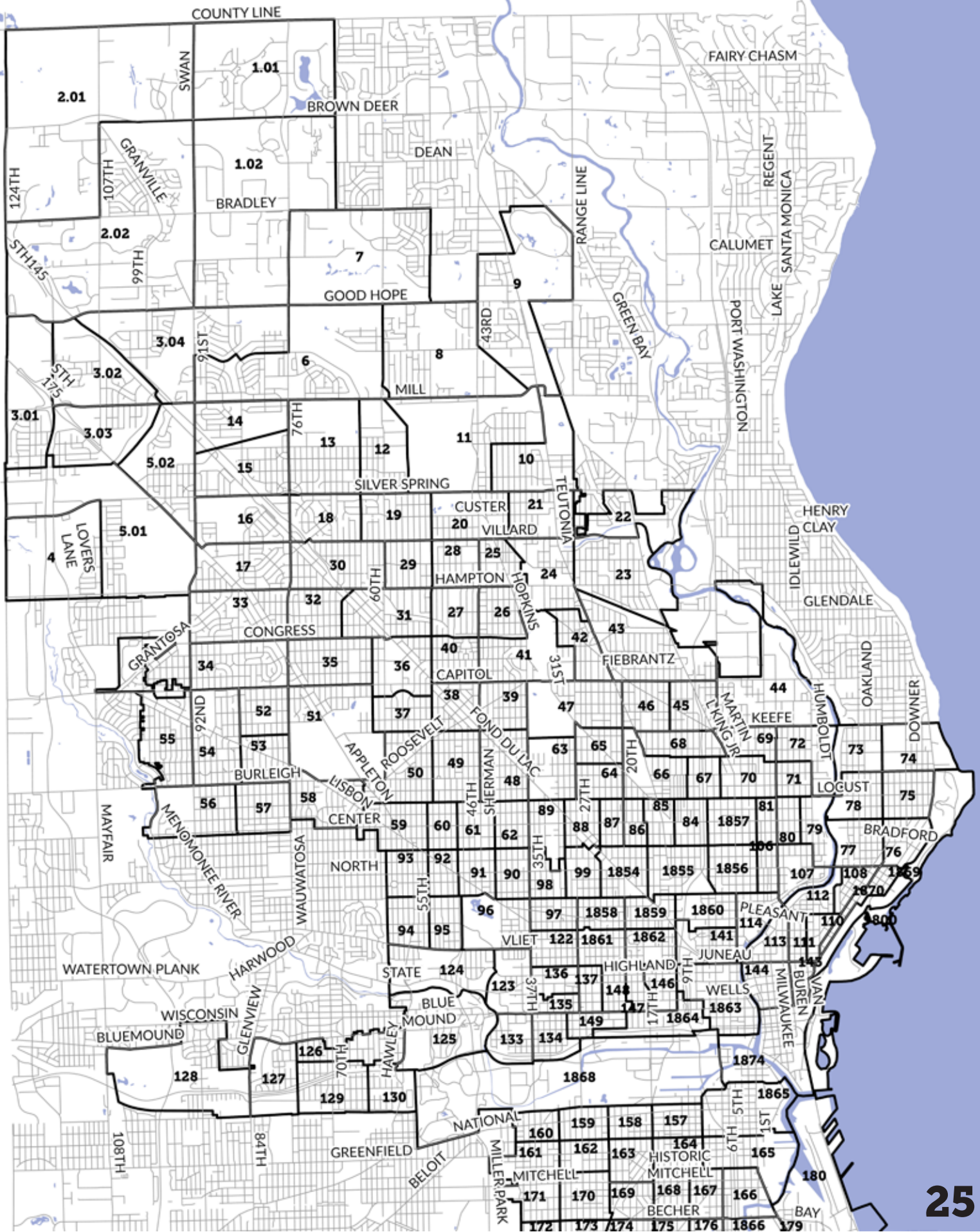
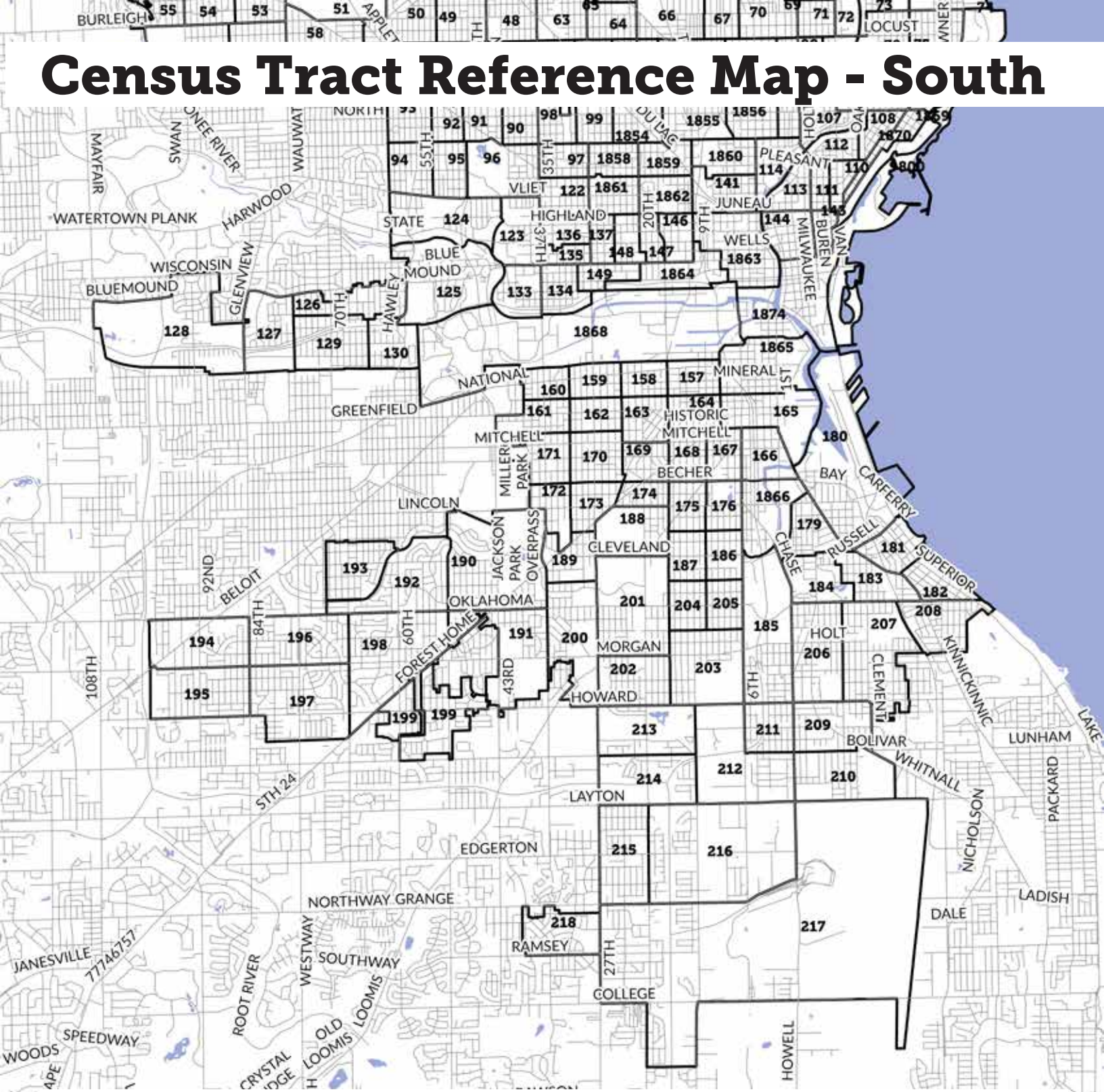
Census Tract Reference Map - North



Census Tract Reference Map - South



These reference maps show the Census Tract number in bold, and major streets in all caps.

Census Tracts are generally designed to be around 4,000 people per tract although it can vary in practice.

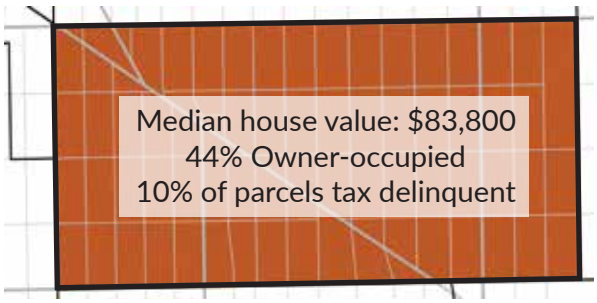
Still having a hard time finding where you live? Check out this tool that will allow you to search your address and find the tract: https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx

A Quick Word on Data Aggregation

When looking at the maps in this report, it's important to understand how and why data is grouped together (aka 'aggregated') or kept separate, because while it doesn't seem like a big deal, how data is used can really impact how maps look and what readers get from them.

There is plenty of data that can only be analyzed at an aggregate level - a good example of this would be Census data, which is grouped so that no individual person can be identified - and there are often good reasons for looking at a place with aggregated data, including being able to see larger 'macro' trends. Many of the maps in this report are aggregated level for that very reason.

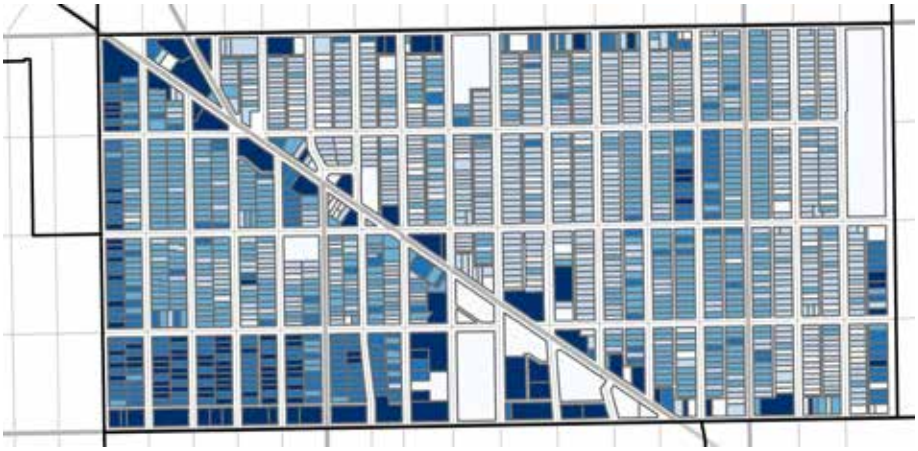
However - there is a lot of other data that can be tied to a specific parcel, like home values, ownership, and pretty much anything that has a coordinate or an address. This type of information can vary widely house to house, so seeing things on this smaller scale can help to visualize trends that aggregation might hide. Why would this matter? Let's take a concrete example.

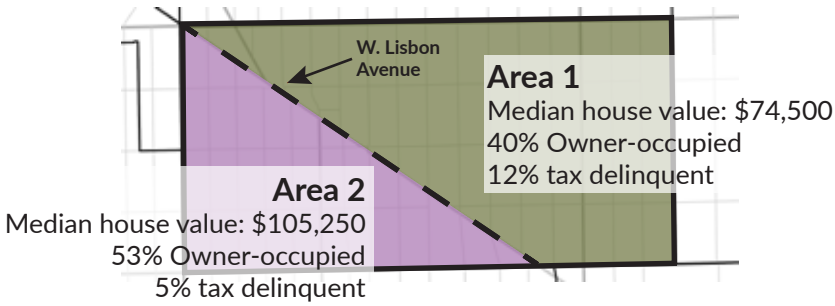


Example: Uptown

Here's the Milwaukee neighborhood of Uptown. It has stats reasonably close to the city as a whole when looking at metrics such as median home value. However, look more closely and it quickly becomes apparent that there are big differences within.

Here's the same area, but at the parcel level (below). Here we see individual properties color-coded, with higher value properties shaded darker blue. Looking at it at this way, it quickly becomes clear that this neighborhood has some blocks where higher values are clustered (in the southwest side especially).



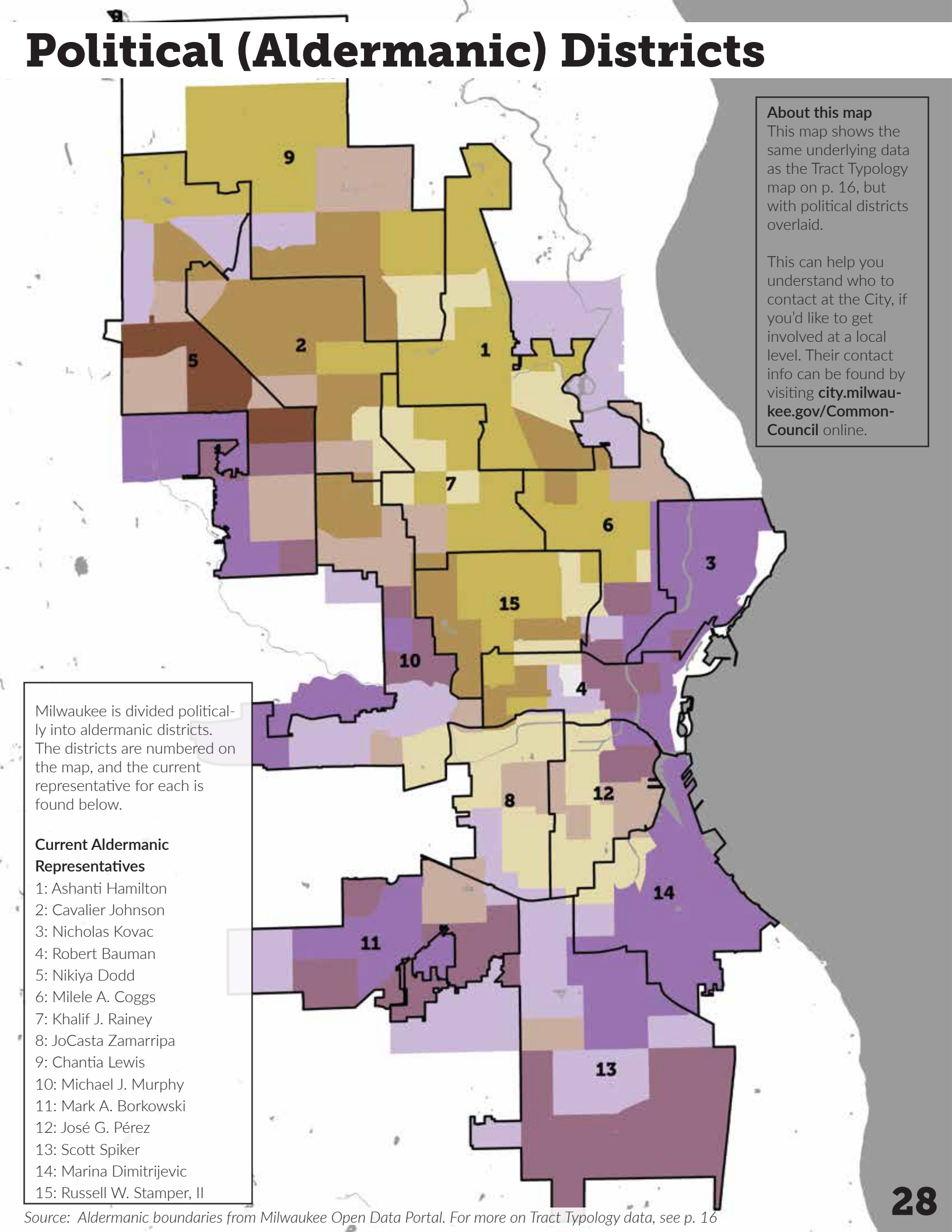


If we take Uptown and divide it along the main street (W. Lisbon) and calculate the same statistics for the two new areas, we find some pretty notable differences: the median house value is $30,000 more in Area 2 and tax delinquency is higher in Area 1.

Implications

If we had simply looked at data aggregated to the neighborhood level, Uptown would likely have been classified as one of many relatively stable city neighborhoods somewhere in the middle of the pack. What we see in this parcel-level data is something that could lead us to different, better targeted approaches to make life better for Milwaukee residents in both areas. This could include, for example, thinking about new ways to encourage the 'bridging' of W. Lisbon to encourage further investment to Area 1 while preventing from prices in Area 2 from rising to the extent that displacement becomes an issue.

Political (Aldermanic) Districts



About this map
This map shows the same underlying data as the Tract Typology map on p. 16, but with political districts overlaid.

This can help you understand who to contact at the City, if you'd like to get involved at a local level. Their contact info can be found by visiting **city.milwaukee.gov/Common-Council** online.

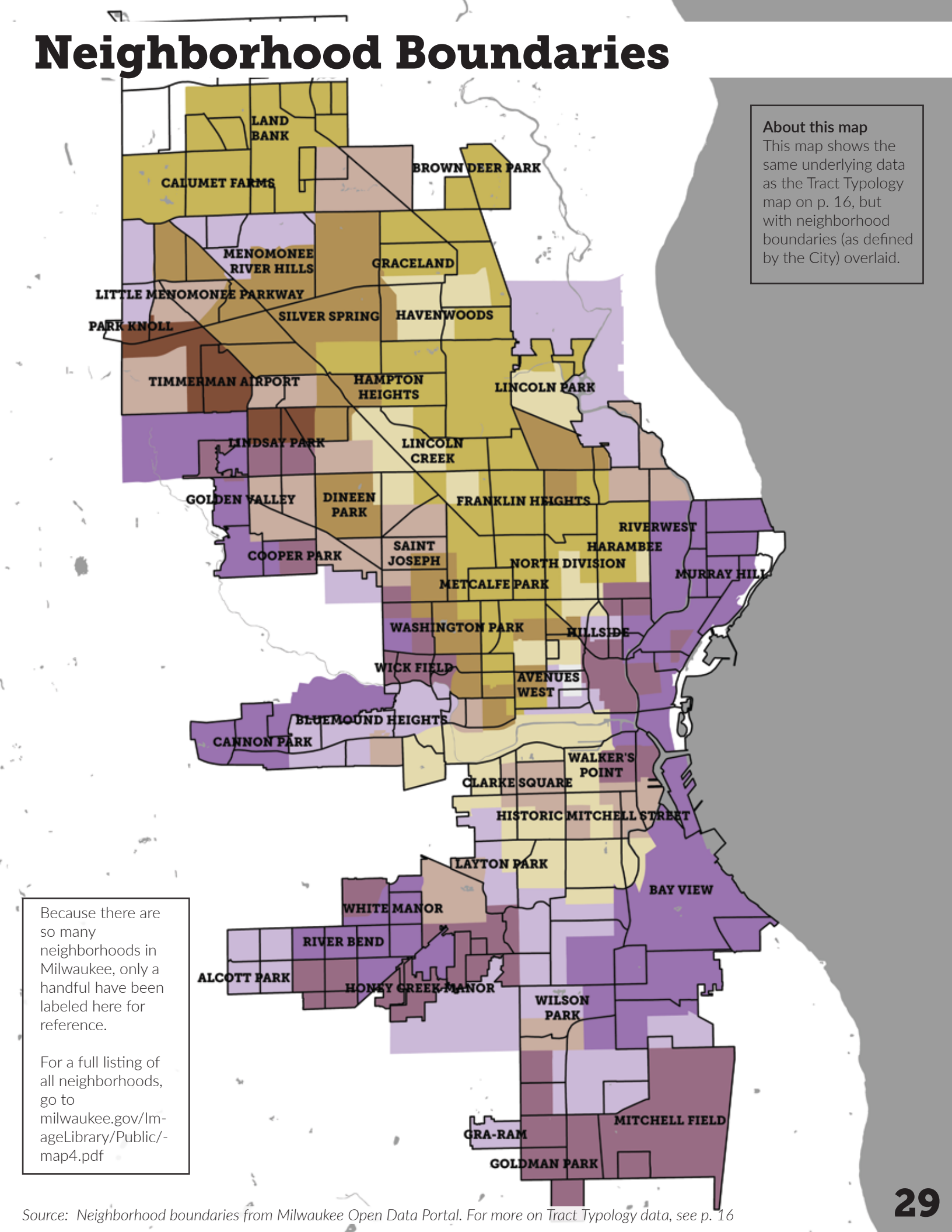
Milwaukee is divided politically into aldermanic districts. The districts are numbered on the map, and the current representative for each is found below.

Current Aldermanic Representatives

1: Ashanti Hamilton
2: Cavalier Johnson
3: Nicholas Kovac
4: Robert Bauman
5: Nikiya Dodd
6: Milele A. Coggs
7: Khalif J. Rainey
8: JoCasta Zamarripa
9: Chantia Lewis
10: Michael J. Murphy
11: Mark A. Borkowski
12: José G. Pérez
13: Scott Spiker
14: Marina Dimitrijevic
15: Russell W. Stamper, II

Source: Aldermanic boundaries from Milwaukee Open Data Portal. For more on Tract Typology data, see p. 16

Neighborhood Boundaries



About this map
This map shows the same underlying data as the Tract Typology map on p. 16, but with neighborhood boundaries (as defined by the City) overlaid.

Because there are so many neighborhoods in Milwaukee, only a handful have been labeled here for reference.

For a full listing of all neighborhoods, go to milwaukee.gov/ImageLibrary/Public/-map4.pdf

Source: Neighborhood boundaries from Milwaukee Open Data Portal. For more on Tract Typology data, see p. 16