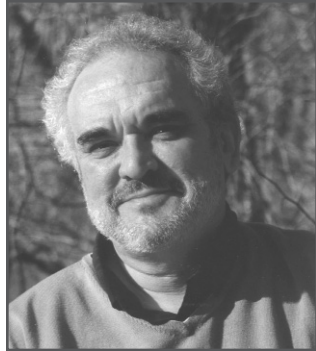


The Way It Looks to Me...

A Tale of Two Cities

Two seemingly unrelated events occurred in July. The City of Milwaukee committed over \$500,000 to implement the first stage of a comprehensive revitalization plan for the Bishop's Creek neighborhood. And



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the Madison City Council approved changes to the City's inclusionary zoning (IZ) ordinance to make it more effective in encouraging mixed-income housing in city neighborhoods. Both events are hopeful signs that we are getting smarter about how affordable housing can build stronger communities.

Bishop's Creek is the prototype of a "challenged" urban neighborhood, but it also has unusual assets. Holy Redeemer Institutional Church of God in Christ is the anchor institution. Since the 1980s, under the leadership of Bishop Sedgwick Daniels, Holy Redeemer has developed

a campus that includes the church itself, a school, a credit union, a community center and an array of social services. In 2004, Holy Redeemer put together a comprehensive revitalization plan that includes new ownership and rental housing, rehabilitation of sub-standard housing, new businesses and economic development opportunities, job training and employment opportunities, youth empowerment initiatives, and family support services.

Madison is the prototype of a "hot" housing market. Dane County is the fastest-growing county in Wisconsin, which combined with a strong local economy is driving up the cost of housing. Meanwhile, pay for many jobs doesn't keep pace with rising housing costs. The City's IZ ordinance was created in 2004, with the leadership of Mayor Dave Cieslewicz and Alderwoman Brenda Konkel. It is designed to ensure that some affordable housing will be created when more expensive housing is built. The intent is that as Madison grows, it will grow as a mixed-income community.

The Partnership is helping Bishop's Creek Community Development Corporation implement its neighborhood strategy. The first step is modest—construction of nine new homes, and rehabilitation of six existing homes, all for sale to new home buyers. The money committed by the City of Milwaukee will fill the gap between the cost of producing housing attractive to home buyers and the prices buyers will be able to pay. The intent is that over time, home buyers will be willing to pay more for homes in the neighborhood, the need for subsidy funds will be decreased and Bishop's Creek will be a mixed-income neighborhood.

Besides the City of Milwaukee and the Partnership, Bishop's Creek is working with other partners including CommonBond Communities, Fannie Mae, Great Lakes Capital Fund, LISC-Milwaukee, West End Development Corporation and WHEDA. They hope to enlist more partners as work proceeds.

Some say Bishop's Creek's strategy flies in the face of market realities, and other groups of committed

people have tried without success to revitalize Milwaukee neighborhoods. Since 1986, the Partnership itself has had mixed results from our efforts in Milwaukee. But we have learned elsewhere that neighborhood revitalization efforts can succeed.

In the late 1990s, as neighborhood programs in Milwaukee were facing serious difficulties, we created and later managed a highly successful neighborhood revitalization program in Racine. When we started, the neighborhood was one of the city's worst, and people were skeptical that it could be turned around. After four years, home ownership had increased to the city average, and property values were increasing faster than in the city as a whole. It worked because the City committed significant funding for a comprehensive program in a single neighborhood, recruited private-sector participants and chose a neighborhood whose size and needs matched the combined resources.

Such a policy requires political courage and community understanding. With limited resources, bringing about meaningful change in some challenged neighborhoods means doing less in others. Those other neighborhoods must believe that their turn will come.

Bishop's Creek hopes to make itself a neighborhood of choice. Madison wants to make affordable housing a viable choice in every neighborhood.

Madison's IZ ordinance has been controversial from the beginning. Some still argue that it won't work because it flies in the face of market realities. Initially, intense debates swirled about whether IZ should apply to high-cost developments, what sale prices and rents were actually "affordable," how to pay for the difference between housing production costs and lower-income people's ability to pay, and whether buyers of IZ homes should accept limited appreciation so that more affordable housing could be created in the future. Late last year, the Mayor of Madison and advocates for IZ proposed changes in the ordinance based on what had been learned from what did and didn't work. Those proposals stimulated a new round of debate, including a proposal to repeal the ordinance.

The City of Madison has had a hard time enlisting partners—especially from the real estate industry—in making IZ work. The Partnership has worked with a for-profit developer of one Madison project, and we certainly understand the real-life challenges IZ presents. Time will tell whether the modified ordinance works better, but the City's commitment to affordable housing and mixed-income neighborhoods is clear.

Bishop's Creek's strategy and Madison's IZ strategy are built around the same essential notion. Neighborhoods are healthier and stronger when people with a range of incomes can live next door to and around the corner from one another instead of in separately "zoned" communities. And affordable housing can be an asset to any community, rather than an inconvenient necessity.

That's the way it looks to me.