



From the Ground Up:

A Dialogue with Emerging Developers



OVERVIEW

As part of efforts to bring new energy and diverse voices to expand equity in affordable housing, the Wisconsin Housing and Economic Development Authority convened a group of emerging developers to share their vision for the state's housing future.

Some 50 people participated in the June 2021 event, which featured speakers including Gov. Tony Evers, Wisconsin Department of Administration Secretary Joel Brennan, WHEDA CEO Joaquín Altoro and Maures Development Group President Melissa Allen. The event, "From the Ground Up: A Dialogue with Emerging Developers," was held at America's Black Holocaust Museum in Milwaukee and moderated by WTMJ-TV4 Anchor Shannon Sims.

In addition to the in-person audience, the 90-minute event was live-streamed via Sonic Foundry's Mediasite to a virtual audience of more than 260.

The participating emerging developers were among the first in Wisconsin to hold significant equity stakes in affordable housing projects supported by the award of federal and state housing tax credits. Starting with the 2021 housing tax credit awards, changes to WHEDA's Qualified Allocation Plan increased the competitive scoring for projects submitted by established developers that provided emerging developers with at least a 24% ownership stake.



Melissa Allen from Maures Development.

Together, the emerging developers represented projects in communities including Ashwaubenon, Hayward, Kenosha, Lac du Flambeau, Madison, McFarland, Middleton, Milwaukee, Oconto, Sister Bay, Stevens Point and Two Rivers.

Through the facilitated discussion, the emerging developers were asked to share their stories, contribute their vision for Wisconsin housing 25 years in the future and identify factors necessary to achieve their vision. Participants split into two break-out groups to complete exercises identifying "Housing Headlines of the Future" and the "Future Factors."

The experiences and insights of the emerging developers offer important lessons for eliminating barriers and improving the odds for diverse entrepreneurs while securing a brighter housing future for Wisconsin. What follows is a summary of the emerging developers' contributions during the 90-minute program.

SHARING THEIR STORIES

Many of the emerging developers experienced housing insecurity growing up and those experiences shaped their career choices. The developers' stories, which can be found on [WHEDA's website](#), contain critical themes that speak to the need for expanded equity in affordable housing and economic opportunity.

One of the key themes brought forward relates to the importance of assembling development teams that reflect the diversity of Wisconsin's communities. Without inclusive representation on the development team – including the ability of emerging developers to hold an ownership stake in the projects – affordable housing will fall short of its potential to advance social equity.



Carla Cross (right) from Cross Management Services and Renata Bunger from Lean Design Works.



Brandon Rule from Rule Enterprises.

HOUSING HEADLINES OF TOMORROW

The participating developers were asked to craft a vision for Wisconsin housing 25 years in the future. To bring the vision into focus, the exercise involved creating news headlines.

The discussions that followed in the two break-out groups closely mirrored one-another and touched on the desire among the developers for communities of color to achieve greater economic freedom and self-determination with affordable housing as a foundation for community sustainability. Eliminating the stigma of affordable housing and linking affordable housing with overall improvements in community well-being also arose as key themes.

Following is a summary of the headlines:

- Wisconsin: The best place to live in the world
- Wisconsin: A model for diverse communities
- Wisconsin: A model for sustainable communities and equity
- Wisconsin closes the affordability gap
- Affordable housing design leads the industry in green development
- Wisconsin takes on affordable housing; offers stability for families and builds generational wealth
- Wisconsin housing allows co-mingling of families across the income spectrum
- The stigma of affordable housing is gone!
- Neighborhood equity on the rise
- Wisconsin: A model for diverse developers
- Wisconsin develops 50,000 units of cooperative housing
- Affordable housing decreases mental health concerns
- From plumbers to politicians, diversity in housing is key

FUTURE FACTORS

In addition to sharing their strategic vision for the future, the emerging developers were asked to identify factors necessary to achieve that future. Facilitators in the small group breakouts provided guidance about the types of factors that might be considered, including barriers to be removed, opportunities to be created, resources, partnerships, programs, attitudes/beliefs and behavioral incentives.

The developers quickly picked up on these concepts and shifted their thinking from strategy to tactics in approaching evolving housing challenges. Following is a summary of the responses, grouped by category.

Barriers to be removed:

- Mixed income concerns; NIMBYism
- Eliminate stigmas
- Eliminate brain drain of minority talent
- Zoning codes that discriminate based on income or limit creative solutions
 - ▶ Prohibitions on lot sizes
 - ▶ Neighborhood restrictions on multifamily housing
 - ▶ Limitations on design and material choices that contribute to higher construction costs
- Limited collaboration among different units of government
- Reduce permit and other fees

Resources needed:

- Greater investment in rural and urban communities
- Access to affordable capital, both debt and equity
- High quality schools
- Increase in construction workers
- Access to and availability of private funding
- City-owned land contributed to minority developers
- Support related to pre-development and soft costs
- Additional affordable housing funding from WHEDA
- Rental subsidies
- Lower interest loans
- Forgivable loans dedicated to capital resources
- More WEDC brownfield grants



Lane Manning from DreamLane Real Estate Group.



Programs:

- Incentivize mentors, encourage protégé partnerships
- Policies, neighborhood schools
- State-sponsored affordable housing in affluent suburban communities
- Employer-focused training programs
- Education about racial inequities in our public school system
- More green design programs
- Homeownership
- Re-evaluate the minimum requirements for capital
- Support for emerging businesses and access to support for pro-active planning
- Develop a pipeline/process to prepare renters for cooperative ownership opportunities
- Mentorship program for emerging developers with established developers as part of the ACRE program or some other program
- Establishing a developer peer-support network
- Eviction protection programs to help keep vulnerable residents housed
- Wrap programs, related to offering supportive housing services at an affordable price at an affordable housing project



Partners:

- Black and minority developers needed as lead principals on development projects
- Regional collaborations with Illinois and Indiana
- Improve lender familiarity with cooperative housing and other housing models
- Local municipalities and counties
- Agencies and nonprofits that offer supportive services for at-risk families
- Stronger partnership between Milwaukee Public Schools and the Housing Authority of the City of Milwaukee
- Technical school campaign to build awareness of construction and trade jobs
- Increased opportunities for community members to have a voice regarding affordable housing needs

Policies:

- Approval of key federal policies such as Neighborhood Homes Investment Act; Affordable Housing Credit Improvement Act
- More tax incentives for emerging developers

NEXT STEPS

The bold visions and tactical insights of the emerging developers proved both inspirational and instructive. WHEDA applauds the progress of the emerging developers and the work of the established developers committed to advancing these partnerships. Yet more work and more partnerships are needed.

The experiences and input shared during the event, “From the Ground Up: A Dialogue with Emerging Developers,” set the stage for further efforts to drive systemic change. As the emerging developers recognized, overcoming legacy housing issues requires collaborative, adaptive approaches to remove barriers and leverage the collective strengths of people, partners, programs, policies and practices.

WHEDA’s efforts to advance systemic change are gaining momentum through work to cultivate an ecosystem that supports equitable access to affordable housing and economic opportunity. WHEDA intends to share more on this progress as key takeaways from the emerging developers are incorporated into internal programs and external priorities. WHEDA looks forward to continued dialogue and welcomes feedback on these topics.

DEVELOPERS IN ATTENDANCE:

Daniel Afable, DA Development; Luke Samalya, Danna Capital Corp.; Que El-Amin, Scott Crawford Inc.; Anthony Kazee, KG Development; Rick Banks, Quasar Development Group; Jean Thayer (virtual), Lac Courte Oreilles Housing Authority; Carla Cross, Cross Management Services; Renata Bunker, Lean Design Werks; Malik Cupid, Cupid Development; Greg Davis, One 5 Olive; Michael Emem, Emem Group; Brandon Rule, Rule Enterprises; Lane Manning, DreamLane Real Estate Group



Wisconsin Housing and Economic Development Authority ■ www.wheda.com ■ 1-800-334-6873

