

HOUSING OPPORTUNITY PARTNERSHIP (HOPS) FOR
SOUTHEAST WISCONSIN PARTNERS CONFERENCE

Milwaukee, Wisconsin
February 22, 2002



Report to Partners

I am pleased to welcome you to this important meeting of the Housing Opportunity Partnership for Southeast Wisconsin — known as HOPS.

As you are aware, HOPS is a locally driven, locally led, voluntary effort that brings together many organizations in the community to promote housing opportunities and increase home ownership in Southeast Wisconsin.

Background and local partners

By way of background, in January 2001 HOPS was convened at an all-day conference attended by 160 practitioners representing approximately 100 organizations related to the home-buying process.

At the conference, the participants divided into four task groups focused on:

- Fair housing,
- Mortgage lending,
- Wealth building,
- and regional policies.

The groups committed themselves to developing recommendations and action plans to eliminate obstacles to fair and equal access to housing and credit in the seven-county, greater Milwaukee region.

The partners have gathered here today to issue the HOPS Report. It is the culmination of nearly a year's work by the four task groups. Today we all will review the recommendations and proposed action steps, and set the stage for implementation.

But first, I would like to thank the seven organizations that serve with us as co-conveners:

- Fannie Mae Wisconsin Partnership Office,
- Greater Milwaukee Committee,
- Interfaith Conference of Greater Milwaukee,
- Local Initiatives Support Corporation,
- University of Wisconsin — Milwaukee,
- Wisconsin Housing & Economic Development Authority,
- and Southeast Municipal Executives.

I also should mention that, concurrent with the HOPS initiative, the Milwaukee office of the Local Initiatives Support Corporation commissioned a study of housing issues in the seven-county region. The study — completed by the Public Policy Forum — was released recently. It explores the economic benefits of housing diversity throughout the region. And, it calls for the kinds of leadership and actions contained in the HOPS Report to Partners.

Throughout today's meeting, we will hear from those partners who led the task groups through their work over the past year. They will present the recommendations and action plans and invite all of the partners to help implement them.

On behalf of the co-conveners, we would like to take this opportunity to thank all of our partners. There are too many of you to mention by name, but without your dedication and support, none of this would be happening. We all can be extremely proud of your accomplishments in successfully assembling this partnership and creating this plan of action for the region.

Involvement of Federal Reserve

Now, you might be wondering, "Why is the Federal Reserve Bank of Chicago interested in fair and equal access to housing in Southeast Wisconsin?" So I thought I'd take a moment to explain our role.

The Federal Reserve Bank of Chicago is one of 12 regional reserve banks that, together with the Board of Governors in Washington, D.C., serve as the nation's central bank. The Chicago District serves a five-state area consisting of most of Wisconsin, Illinois, Indiana, Michigan and all of Iowa. Our head office is in Chicago, but we also have a regional office here in Milwaukee, as well as in Des Moines, Detroit, Indianapolis, and Peoria.

The Fed's mission is to help ensure a healthy and growing economy. We do that in several ways:

- by supervising and regulating banks;
- by providing financial services to banks and the U.S. government;
- and by setting monetary policy — the Fed activity that that gets by far the most attention.

While our primary mission is to foster sustainable economic growth on a national level, we also play a role as a catalyst and facilitator in regional economic development. That is why it's important to connect with local civic leaders such as yourselves. We help bring together different groups with common interests, so that they can address issues that directly affect regional communities, businesses, and consumers.

This role includes promoting fair and equal access to credit, and more broadly, financial empowerment — the ability of any person to participate fully in sound and competitive markets.

As I said, we mainly serve as a catalyst or facilitator. In order to be successful, initiatives such as HOPS must be locally driven and locally led.

Foundation of HOPS

Over the last two years, representatives of the Chicago Fed spoke with local government, business and community leaders in the Milwaukee area about a vision for the region's future. In the course of those conversations, it became clear that a major concern was how to deal with the effects of suburban sprawl and concentrations of inner-city poverty.

Like many metropolitan areas, this region's job growth has occurred outside the central cities of Milwaukee, Racine and Kenosha. One problem is that many workers continue to live in the city, where they face limited access to these new jobs, to suitable transportation, and to affordable housing. This results in low-wage workers living in areas further removed from the jobs that would sustain them. Yet employers consistently cite lack of available workers as a primary impediment to future growth of their operations.

Given the implications of the jobs/workforce mismatch, it becomes critical to take an inclusive, proactive approach to improving the housing and economic development of the region. That is why HOPS is so vitally important.

Report of HOPS

HOPS is essentially a three-phase process. As of today, the first and second phases have been completed, and the partners are positioned to move into the third and, really, the definitive phase of the program. To reiterate, here are the steps:

- First, build a partnership of concerned organizations. That has been done by assembling this dynamic group of community organizations; business and municipal leaders; researchers and housing experts; bankers and other professionals.

- Second, encourage the partners to develop practical recommendations and action steps. That is done. Today, the HOPS Report to Partners will be discussed in detail.
- and Third, implement their recommendations. Implementation is the key step. It requires the commitment and involvement of everyone in this room. The HOPS Report is not an end-point, but a beginning — it is a blueprint for action.

HOPS recommendation highlights

In that spirit, I'd like to give a quick overview of the action plans:

The Fair Housing Task Group will aim to provide consistent and timely information to homebuyers, real estate professionals and policy-makers. The intent of this information is to promote diversity in the regional housing market. It will be disseminated in part through a web-based information clearinghouse.

The Mortgage Lending Task Group focused on disparate outcomes in the lending industry. They suggest methods to help consumers better understand the importance of building and maintaining a sound credit history. Also, they will explore intervention measures for households facing foreclosure, or those that have been subjected to predatory lending practices.

The Wealth Building Task Group recommendations are intended to encourage saving and investing as a means of achieving homeownership and financial independence. In particular, this group will work to improve financial literacy for both children and adults.

The Regional Policy Agenda Task Group will pursue the unique opportunity presented by Wisconsin's "Smart Growth" provisions to highlight the importance of regional cooperation and more sustainable housing development policies.

These are complex and challenging issues, and during the course of the past year it's fair to say the task groups conducted a healthy dialogue over specifics. But the overriding spirit was one of cooperation, and these recommendations represent a consensus among the partners about how to work together to achieve the goal of fair and equal access to housing.

Bottom line, as is noted in the forward of the report, "[You] have a unique opportunity to make real changes that can make the dream of home ownership a reality for many in Southeast Wisconsin. By cooperating on the hard work ahead, [I] believe that [you] can create stronger, more sustainable communities throughout the region."

I hope you will agree with me that the action plans submitted in the HOPS Report are worthy of your best efforts, and that they will foster a lasting commitment to the principles of sustainable growth.