Universities and Affordable Housing

MARQUETTE UNIVERSITY

CASE STUDY
JUNE 2023
The Model: Two Generations of Neighborhood Revitalization via Multi-Anchor Partnerships

INTRODUCTION/OVERVIEW

Marquette University is a private, Catholic, Jesuit university founded in 1881. Located just west of downtown Milwaukee, Wis., its campus has been a long-standing fixture of the legacy city’s urban transformation—from its early urban, industrial growth to its mid-20th century decline to its recent path towards revitalization, as the historic walkable urban fabric is reconnected with legacy employers and new growth (Marquette University 2019). As of 2021, Marquette hosts nearly 11,500 students, of which 7,660 are undergraduates and 9,978 are enrolled full time (enrollments based on 2021 statistics from the Integrated Postsecondary Education Data System; Ginder, Kelly-Reid, and Mann 2018).

Marquette has faced a unique dilemma within the context of its neighborhoods. Whereas many campuses experience tensions with their neighbors due to student housing demands and pressures, Marquette has found community perceptions of students are highly positive and university-affiliated housing demand is not a systemic concern within the neighborhood. As a residential campus, Marquette requires first- and second-year undergraduates to live on campus, while many students continue to live on or near campus during their final undergraduate years. Instead, Marquette’s challenges have historically stemmed from neighborhood conditions that have influenced both real and perceived safety, impacting enrollments and generating concerns over student (and broader community) safety over time. As a result, Marquette has a long history of local engagement and investing in neighborhood revitalization and community development strategies.

Since the 1990s, Marquette has invested in two major anchor institution-led initiatives, both initiated to address institutional and community concerns over safety and neighborhood improvement. Both have emphasized the built environment, though in substantially different ways, and both approaches have embodied a substantial investment of financial resources and institutional capacity to address neighborhood-wide concerns that extend far beyond the university’s campus boundaries. This case study provides an overview of Marquette’s first- and second-generation approaches to its role as an anchor institution within Milwaukee’s Near West Side community, identifying key strategies rooted in partnership and, most recently, community-led change.

BACKGROUND: MARQUETTE UNIVERSITY WITHIN MILWAUKEE’S NEAR WEST SIDE NEIGHBORHOODS

Located immediately west of Milwaukee’s downtown, Marquette University is embedded within the city’s Near West Side. Composed of seven neighborhoods, the area is bounded by Highway 175 (west); Interstate 43 (east); West Vliet Street and West Highland Boulevard (north); and Interstate 94 (south) (see Figure 1). These neighborhoods include approximately 23,000 residents (roughly 4 percent of the city’s total population) who are broadly representative of the city-at-large with respect to race and ethnicity (45 percent white and 39 percent Black for the Near West Side and the city) (data derived from the 2018 5-year ACS estimates, Marquette University, Near West Side Partners, Inc., and Housing Authority of the City of Milwaukee 2021).

Relative to the city as a whole, the Near West Side does claim higher poverty rates (52 percent compared to 27 percent for the city) and a distinctly different housing context. The Near West Side has approximately 11,250 housing units (representing 4 percent of Milwaukee’s total housing), with a concentration in multi-family buildings—26 percent of all units are located within 21 to 50 unit buildings and another 28 percent are found within 50+ unit buildings in the Near West Side (Marquette University et. al. 2021). Relative to a citywide rental rate of 58 percent, nearly 90 percent of housing units were rented in the Near West Side. In addition, vacancy rates were substantially higher (20 percent) than the city (11 percent) with roughly half of those units reported as unlisted or unused.
Compared to many urban centers, including those contained within these case studies, housing within the Near West Side has been relatively affordable. Single-family home values range from $10,500 to $1.4 million with an average assessment of $85,121 (Marquette University et al. 2021). Given the higher share of rentals within the neighborhoods, more than one-third of single-family homes are rentals, which is nearly double the national rate. However, housing costs must also be set relative to resident characteristics and neighborhood need. Given the higher poverty rates within the Near West Side and a median income of less than $19,000 (relative to $38,250 in Milwaukee), housing affordability remains a significant concern for the area. The Near West Side Transformation Plan identified that only 16 percent of the area's rental units offer income-restrictions through public housing developments (376 units located in two multi-family projects and five scattered single-family properties), HUD multi-family properties (approximately 300 rental units in four properties), and developments financed with Low-Income Housing Tax Credits (approximately 350 rental units within 12 multi-family projects) (Marquette University et al. 2021).

**ANCHOR STRATEGIES TO ADDRESS NEIGHBORHOOD REVITALIZATION**

Given the conditions and challenges in the Near West Side, Marquette's approach to an anchor institution initiative has primarily focused on neighborhood stabilization and, most recently, support for durable community revitalization and affordable housing. Shaped by the context of existing conditions, Marquette has invested substantially in two different, but related, approaches to neighborhood revitalization since the 1990s.
TWO GENERATIONS OF MARQUETTE UNIVERSITY’S ANCHOR INSTITUTION STRATEGY

FIRST GENERATION STRATEGY: MARQUETTE UNIVERSITY AND THE CAMPUS CIRCLE INITIATIVE

Marquette launched its initial foray into anchor institution-centered work in 1991, when few universities were actively engaged in neighborhood revitalization and the concept of “enlightened self-interest” as a motivation for engaging beyond the campus walls (literal or metaphorical) was just emerging among institutional stakeholders (Benson and Harkavy 2000). Like other universities who have adopted substantial anchor institution initiatives rooted in neighborhood revitalization, Marquette’s story begins with the start of a new university president: Rev. Albert DiUlio. Known as the Campus Circle Initiative, Marquette’s first generation of anchor work effectively aligned with the duration of DiUlio’s tenure from 1990 to 1996.

Launched in December 1991, the Campus Circle Initiative embodied a $60 million effort to combat safety and deterioration concerns within a 90-block area surrounding Marquette (Carlson 1994). The initiative emphasized residential and commercial development, including the creation of student housing, and the acquisition and rehabilitation of existing housing for the local community. Marquette led the effort as a decisive response to ongoing student safety concerns, including several attacks and murders over a recent period, and intense reputational fallout and trauma associated with the 1991 arrest of a high-profile serial killer who lived within blocks of the campus. While the City of Milwaukee was supportive and served as a partner, it was not positioned to lead a decisive neighborhood revitalization effort and Marquette did not feel as though it could wait or take a more passive stance. That said, Campus Circle was established as a partnership model that included participation from several nearby healthcare facilities and larger employers who were similarly impacted by neighborhood conditions (Carlson 1994).

Given the urgent circumstances, the initiative’s timeline was rapid—within six months of the high-profile arrest, Marquette announced the launch of Campus Circle in an effort to ease parent concerns and stem a rapid decline in enrollment (particularly from those prospective applicants within circulation of Milwaukee-area news) (Carlson 1994; Bruner Foundation 1996). For context, Marquette’s freshman enrollments fell by 25 percent from 1988 to 1991. The effort was led by Patrick LeSage, a former classmate of DiUlio with a background in real estate development and business (Carlson 1994).

A critical component of Campus Circle’s approach involved purchasing deteriorated and/or vacant properties for renovation and/or redevelopment. In some cases, this included targeting properties with negligent property owners and/or evicting problematic tenants to address drug and crime issues. While there was some neighborhood concern about potential displacement and loss of affordable housing, the initiative committed to not raising rents on any properties it renovated, and units were not reserved for Marquette-affiliated tenants (Carlson 1994). To extend the impact of Campus Circle’s work, the organization cycled its rents from acquired and renovated properties back into renovation funds. Within its first year, Campus Circle purchased 150 properties within its target area, electing to securely board up, renovate, and/or demolish each property as deemed necessary through an evaluation. While the organization provided relocation services as part of its process, it was also clear about its overall purpose: Campus Circle was a real estate model and preferred to lean on community partners to provide social service support (Bruner Foundation 1996).

Operationally, Campus Circle consisted of three organizations (Bruner Foundation 1996): Campus Neighborhood Associates, Inc (CNAI) was a 501(c)(3) corporation that held all its residential holdings; Hilltop Enterprises, Inc was responsible for any profit-making commercial property; and Neighborhood Circle was a community-facing organization intended to facilitate community outreach and function as a quasi-advisory board to the larger Campus Circle Initiative and Marquette. Marquette dedicated $9 million to the initiative at its conception, which was matched by an anonymous donor in addition to $850,000 contribution from Ameritech, a major local employer. The remainder of the Campus Circle resources came from: $23.85 million
in bond funding from the City of Milwaukee; $4.17 million in Tax Incremental Financing (TIF) loans from the City of Milwaukee; and $9.19 million in mortgages.

Over its five-year lifespan, Campus Circle produced several tangible results (Bruner Foundation 1996). From a real estate perspective, it held $50 million in real estate, including more than 150 properties and 12 businesses. As part of this portfolio, Campus Circle had developed one major project, Campus Town: a two-block, mixed use project with 88,000 square feet of ground-floor retail and three stories of student housing (153 units). The project also renovated 188 units of affordable housing within the target area, created community spaces, and, in an effort to mitigate neighborhood trauma, purchased and demolished the apartment building associated with the high-profile serial killer. Lastly, the initiative established a community-focused policing station in partnership with the City of Milwaukee’s police force, which contributed to a rapid decrease in crime (approximately 34 percent across all categories within a few years).

By 1996 (coupled with the transition to a new university president), Marquette began to shift away from the Campus Circle Initiative, which involved the sale of its real estate holdings to private partners (Mullins 1997). In discussions about this transition, university representatives highlighted that property ownership and management were not central to the institutional mission. Instead, Campus Circle’s intent was to address safety through acquisition and repositioning of problem properties, create a more unified campus neighborhood, generate university-owned housing for upperclassmen, and support new neighborhood amenities such as grocery stores and restaurants. To this end, the initiative was successful, and Marquette was ready to pursue new priorities.

SECOND GENERATION STRATEGY: MARQUETTE UNIVERSITY AND THE NEAR WEST SIDE PARTNERSHIP

More than 20 years after Campus Circle’s launch, Marquette embarked upon a second anchor institution approach—a 2.0 strategy that coincided with the appointment of former UW-Milwaukee Chancellor, Dr. Michael Lovell, as Marquette’s first lay president (Marquette University et. al. 2021). Near West Side Partners (NWSP) represented a multi-anchor coalition of five major, legacy partners from Milwaukee’s Near West Side, connected via a nonprofit organization. Initially, Marquette and its neighbor anchor, Harley Davidson, came together to discuss their vested interest within the neighborhood. Together, they convened additional legacy anchors (identified below), and as a collective, the coalition established the NWSP, including:

- Marquette University;
- Harley-Davidson, a motorcycle manufacturer founded (1903) and headquartered in Milwaukee’s Near West Side;
- Molson Coors (formerly known as Miller Brewing Company), a major brewing company founded in Milwaukee’s Near West Side (1855) with ongoing brewing and corporate offices in the neighborhood;
Advocate Aurora Health, a nonprofit healthcare provider including more than 15 hospitals in Wisconsin and Illinois with a major medical center in the Near West Side; and
- Potawatomi Business Development Corporation (PBDC), an economic development arm of the Forest County Potawatomi Community with 11 acres of Trust Land in the area and headquarters within the Near West Side.

Alongside these major anchors, NWSP has also maintained several important partnerships that have helped facilitate—and maintain—the organization’s mission. For example, Milwaukee County provided NWSP one of its initial grants, establishing an economic development fund. These resources enabled NWSP to begin acquiring real estate, but was also a signal to other local governments and community leaders that legitimized NWSP’s goals, leading to additional resources and partnerships. Similarly, NWSP has benefited from a number of private sector partnerships. For instance, Town Bank (a Wintrust Community Bank) located two branches within the Near West Side and is a strong financial partner in NWSP real estate initiatives, in addition to providing leadership support (Town Bank President and CEO is a member of the NWSP Board of Directors and Chair of the NWSP Finance Committee). One of Wisconsin’s oldest law firms, Foley and Lardner, has also been an ongoing champion of NWSP from inception, including facilitating introductions between some of the founding anchor partners and providing pro bono legal support to NWSP and leadership support within the Milwaukee community. These foundational relationships are supported by an array of ongoing, day-to-day partnerships that allow NWSP to pursue its goals, including the City of Milwaukee agencies (e.g., the Housing Authority of the City of Milwaukee (HACM)) and a long list of community nonprofits, businesses, places of worship, and community members.

NWSP officially launched in January 1, 2015, seeking to (1) reignite conversations around neighborhood revitalization, (2) facilitate the potential for major anchors to leverage engagement (and investment) around a community-led approach to change, and (3) increase the potential for broad neighborhood transformation (Marquette University et. al. 2021). Broadly, the initiative primarily targets issues related to safety and security, neighborhood revitalization including housing stabilization/improvement and fostering an attractive live-work environment, community health and wellness, and vibrant commercial corridors (Near West Side Partners n.d.). As of 2023, housing remains one of the highest priorities and significant challenges for the organization (see below for a discussion of ongoing initiatives).

The NWSP concept originates from Lovell’s earliest days as Marquette’s president, when he sought to understand the risks and opportunities facing the institution (Goods 2022). Rana Altenburg, Vice President of Public Affairs, quickly pointed to real and perceived safety issues, which prompted a data-gathering effort to understand the breadth of safety concerns. That process revealed crime statistics were far lower and less dispersed than perceived by most in the community. Subsequently, President Lovell led an effort to build a coalition among Near West Side anchors, beginning with Harley-Davidson, to shift the conversation from “What is impeding success at Marquette?” to a more inclusive, multi-stakeholder focus on neighborhood transformation.

Structurally, NWSP is a nonprofit run by an executive director and staff to support the various initiatives, from housing and commercial corridors to community outreach and ambassadors (Near West Side Partners n.d.). The five founding anchor institutions commit to serving on the board of directors and to providing monetary contributions towards a key NWSP initiative (PARC, described below). In addition, several city, county and state stakeholders, local businesses, and other Near West Side stakeholders serve as representatives on the board.

NWSP supports an array of initiatives within Near West Side neighborhoods. Given that crime was a major impetus behind its creation (as it was for the Campus Circle Initiative), a hallmark NWSP program is the
Promoting Assets, Reducing Crime (PARC) initiative (Near West Side Partners n.d.; Marquette University et. al. 2021). Annually, the five anchors commit $100,000 in funding to PARC, which targets safety concerns, community-building and neighborhood perceptions, and economic development opportunities (Marquette University et. al. 2021). Since its 2015 launch, PARC has supported an ongoing community ambassador program, investments in several security strategies (e.g., lighting, mobile cameras in key areas, Ring doorbell discounts for neighbors), and targeted engagement with nuisance properties in the Near West Side neighborhoods. In addition, PARC has addressed housing quality via regular landlord meetings and the creation of a landlord-tenant council, as well as economic development with programs designed to foster business development in the area (e.g., Rev-Up MKE business competition and special events on commercial corridors). Collectively, these efforts have contributed to a more than 30 percent decrease in total crime for the Near West Side between 2015 and 2019.

Beyond PARC, NWSP is also an active partner in the Near West Side Business Improvement District (BID) #10, which includes more than 350 businesses located along the five major commercial corridors within the Near West Side (Marquette University et. al. 2021). The BID includes its own board of directors (many of whom are also members of the larger NWSP board) and primarily focuses on safety, community building, small business development, and commercial corridor revitalization.

In the housing arena, NWSP has pursued programs to improve housing quality and strengthen connections between the neighborhoods and local employers. The Good Neighbor Designation is a program that recognizes multi-family property owners and managers who offer quality rental units within Near West Side neighborhoods (Marquette University et. al. 2021). Initially created by Marquette as a means of matching students with quality residential options, NWSP now provides the designation to landlords and owners throughout its neighborhoods, seeking to recognize proactive contributions towards safety, security, and neighborhood quality. As of 2021, the Near West Side had more than 50 properties with a Good Neighbor designation (Marquette University et. al. 2021). In addition, NWSP offers an employee housing assistance (Live Work Play) program targeted towards those working at Near West Side businesses. The homeownership program provides eligible employees with a $3,000 down payment grant, alongside technical support and financial education, towards the purchase of a home within the Near West Side. For employees who are looking to rent, NWSP offers a $500 rental incentive when an eligible employee signs a lease with a Good Neighbor landlord. While small in scale, the Live Work Play program has supported five renter households and initiated the homeownership process with 16 potential homebuyers (16 expressed interest; eight completed the homebuyer readiness counseling; and, as of 2021, six are in the process of becoming “homebuyer ready” with their financial plan).

MARQUETTE & NEAR WEST SIDE PARTNERS: PROGRESS IN HOUSING & NEXT STEPS

When NWSP launched, the existing community expressed fear and speculation that it would induce gentrification, resulting in the displacement of current residents and long-standing neighborhood social services. The area claims more than 90 nonprofits, which represents the highest concentration of social service agencies in either the city or state. However, this fear has not come to fruition. Since its inception, NWSP has centered affordability, accessibility, and anti-displacement in all of its housing efforts. Eight years after the
NWSP launch, the Near West Side had not experienced a wave of displacement and, generally speaking, there is a mutual sense of trust with the community and across the seven neighborhoods. In addition, NWSP has been successful in building community identity and fostering new growth over time—most recently, Milwaukee’s mayor relocated to the Near West Side with his family into one of the neighborhood’s historic homes (Rovito 2022).

Three recent and ongoing housing-centered initiatives showcase Marquette and NWSP’s contemporary approach to housing. The first effort is connected to a successful Choice Neighborhoods Initiative (CNI) grant from the U.S. Department of Housing and Urban Development (HUD). In 2018, HUD awarded Marquette, in partnership with NWSP and HACM, a $1.3 million grant to create a locally-driven, comprehensive transformation plan for a large HACM-owned public housing development within the Near West Side (Marquette University et. al. 2021; Hess 2018). The process began with HACM approaching Marquette to request their leadership in the effort and represents the first instance of a university receiving a HUD CNI grant as a co-applicant. While housing issues have been difficult to conceptualize and implement within the context of the Near West Side, the CNI grant offered NWSP an opportunity to consider low-income, publicly supported housing in a concrete way. The grant supported a two-year outreach and planning process focused on establishing a plan to transform HACM’s College Court development, an aging public housing project with two, 13-story towers and 251 housing units, into an inclusive community redevelopment project. In 2021, NWSP completed the “Near West Side Transformation Plan,” which outlined several actionable strategies to immediately improve the Near West Side, as well as a strategy for shifting towards project-based vouchers that would relocate College Court residents into renovated or new units within the neighborhoods (Marquette University et. al. 2021). As of April 2022, HACM announced it was allocating 149 project-based vouchers to Near West Side housing projects, including “new construction, rehabilitation, and adaptive reuse projects... [that] were selected through a competitive request for proposals process” (Correspondent 2022).

Second, in July 2021, NWSP (with sponsorship from its anchor, Harley-Davidson) convened a three-day “Appreciative Inquiry Summit” for Near West Side stakeholders with an emphasis on resident engagement (Near West Side Partners n.d.). The goal was to highlight NWSP’s revitalization mission for the Near West Side and prompt productive discussions about the community’s vision for its future. The summit generated five unique projects with the potential to strengthen the Near West Side, including a vision for Concordia 27, a mixed-use project that is now under construction. Located approximately 10 blocks west of Marquette’s campus, Concordia 27 is a $16 million project to redevelop a 97-year-old building into a mixed-use, community-centered project (Tanzilo 2022; Jannene 2022). When complete, the project will include 33 affordable apartments for seniors and low-income families; an 8,000 square foot clinic for Scaling Wellness in Milwaukee, a provider focused on “building a trauma-responsive community that heals trauma and promotes resiliency”; 12,000 square feet of commercial kitchen space, operated by Milwaukee Center for Independence (targeted towards those with intellectual disabilities and previously incarcerated individuals) for commercial training and production of lunches for local K-12 districts; a co-working space for creative professionals operated by Fruition MKE; a shared community space; and a new headquarters for NWSP. The project is spearheaded by

Figure 4 Concordia 27 Redevelopment Project Rendering (Kass 2022)
Wiegand, a developer that owns several properties within the Near West Side. As part of the redevelopment, Wiegand has secured housing vouchers for 25 of Concordia 27’s 33 housing units from HACM. In addition, the project incorporates an array of funding sources, including a $5 million commitment of ARPA funds from Governor Evers; $2.35 million as part of a community funding project request package secured by U.S. Congresswoman Moore; $7 million in private investment tied to an Opportunity Zone designation; and historic preservation tax credits for a portion of the project. The developer had completed the exterior facade restoration as of December 2022, while interior construction remains ongoing and a ribbon-cutting ceremony is anticipated in fall 2023.

Lastly, NWSP is actively exploring a new opportunity to address “missing middle” housing, focusing on the potential for an employee-targeted single-family and duplex initiative. The emergent effort is assessing the potential for housing development within Avenues West, an eastern neighborhood within the Near West Side with two NWSP anchors (Marquette and Aurora Sinai). As of early 2023, the anchors have met with the local alderman and a representative from the City of Milwaukee’s Department of City Development, who are supportive. The preliminary strategy includes tracking vacant city-owned parcels for development opportunities. NWSP has reached out to local developers—including graduates of Marquette’s ACRE program, a 9-month professional real estate program that aims to expand opportunities for people of color in the commercial real estate business—to examine next steps for financial planning and development. In addition, NWSP has received investment interest from Milwaukee Development Corporation, a nonprofit civic developer and economic development organization, creating the opportunity for access to patient, low-interest capital for the initiative.

Today, Milwaukee’s downtown is experiencing a renaissance led by empty-nesters and young professionals, many of whom work in the Near West Side or nearby Menomonee Valley. These households represent an opportunity for downtown-adjacent neighborhoods; however, to date, the Near West Side has limited housing inventory to meet the needs and demands of this incoming demographic.

Since the official launch of NWSP in January 2015, the area has seen a dramatic shift in crime reduction and safety enhancements, a trend of new investment in small businesses by BIPOC and women-owned businesses, growing interest by government and foundation leaders in economic development in the NWS, and a new focus on health and equity for the anchors and partners. NWSP’s commitment to better and more accessible housing is clear, with current and future projects underway. Perceptions of the Near West Side are changing for the positive and NWSP anchors remain optimistic about the opportunity to attract a more permanent residential population through a thoughtful plan to develop walk-to-work housing options for area employees. The Near West Side is a destination neighborhood for jobs, education, social services, and entertainment; it is time for the neighborhood to be a destination of choice for housing for the very people who already choose to experience the Near West Side each day.
REFERENCES


