Chapter 2

AFFORDABLE HOUSING

INTRODUCTION

The first major housing plan category is affordable housing. SEWRPC states that the availability and location of affordable housing in the Region is one of the primary housing concerns addressed by the plan, and indeed each of the other major housing plan categories stems from the issue of ensuring affordable housing for all the Region’s residents. Affordable housing is discussed in detail throughout the preliminary Regional Housing Plan (RHP), and in relation to each of the other five housing plan categories. It is, in essence, the core of the Regional Housing Plan.

The recommendations for each of the other major plan categories (see diagram above) stem from the concept that first and foremost, measures that support affordable housing support all other major housing plan categories.

Although in design, the RHP has developed separate chapters for each of the other five major housing plan categories, discussions on affordable housing are included throughout the plan. Some of the chapters deal directly with affordable housing whereas some deal with it more tangentially. The chapters that are more direct include Chapters II, V, and XI. Chapter II of the RHP (Objectives, Principles, and Standards) sets forth a formal definition of ‘affordable housing’, while Chapter V (New Housing Development) includes a discussion of current local residential zoning ordinances, plans, and policies which impact the provision of affordable housing throughout the Region. It also provides an extensive discussion on the costs of developing different types of housing that may be affordable to low- and moderate-income households. Chapter XI (Best Housing Practices) provides a discussion of several affordable housing best practices undertaken in the Region as well as in other states.

Each of the other chapters discusses affordable housing tangentially, within the context of the other major housing plan categories. Chapter III (Plans and Programs Related to Housing in the Region) provides an inventory of existing plans, policies, and programs including those related to affordable
housing. Chapter IV (Existing Housing) provides a discussion of population distribution including the
historic distribution by race and ethnicity throughout the Region, an inventory of the existing housing
stock, estimates on monthly housing costs, vacancy rates, and a discussion of foreclosure activities and
issues. Chapter VI (Housing Discrimination and Fair Housing Practices) provides a discussion central to
affordable housing and environmental justice, including a history of housing discrimination and
mortgage lending patterns and their impact on racial distribution patterns and segregation. Expanding
on the information provided in Chapter IV, Chapter VII (Demographic and Economic Characteristics)
provides a detailed discussion on existing and projected socio-economic characteristics, including race,
ethnicity, household income levels, and employment. The chapter also includes information on
households with high housing cost burdens and ‘substandard’ housing throughout the Region.

Chapter VIII (Job/Housing Balance) provides a discussion of the impact that affordable housing could
have on ameliorating the job/housing imbalance and improving economic development. Chapter IX
(Accessible Housing) discusses the need for accessible housing to also remain affordable. Chapter X
(Subsidized and Tax Credit Housing) provides an inventory and discussion of subsidized and tax credit
housing and programs and their impact on affordable housing in the Region, as well as a discussion of
homelessness.

Finally, Chapter XII provides the Recommended Housing Plan for the Region; this sets forth 10
recommendations to improve affordable housing. Chapter XII provides a discussion of how affordable
housing is central to the RHP recommendations, by demonstrating the future overall need for housing
and how affordability is based upon household incomes and the wages of jobs located in each sub-area
(existing and projected). The RHP identifies its related plan objective as the following:

• Provide decent, safe, sanitary, and financially sustainable housing for all current residents of the
Region, and the Region’s anticipated future population.

SEWRPC further explains that all households within the Region should be able to obtain decent, safe,
and sanitary housing at a cost of no more than 30 percent of their household income, and therefore the
key quantitative measure of the Region’s projected housing need is based on affordability determined
by comparing housing costs to household income and job wages.

The socio-economic impact analysis of the RHP will first provide a summary of SEWRPC’s approach to
issues concerning affordable housing and background and context as to the current economic conditions
and their impact on affordable housing. Finally, an analysis of the recommendations set forth within the
RHP is provided in light of current economic conditions including the Great Recession and housing crisis.

PRELIMINARY REGIONAL HOUSING PLAN AND ISSUES IDENTIFIED CONCERNING AFFORDABLE
HOUSING

SEWRPC’s Legacy 1975 Regional Housing Plan
As stated in SEI Chapter 1, starting in the late 1960s, SEWRPC had a housing program prior to the
dissolution of HUD funding in the early 1980s. The program was developed to identify and address
housing problems within the Region, and included a Regional Housing Plan set forth in 1975, now
referred to as the Legacy Regional Housing Plan. The Legacy RHP included a history of housing development in the Region, along with an inventory of the existing housing stock. It identified many of the same issues and problems that continue to this day, including housing discrimination, substandard housing, and barriers to providing affordable housing. It developed a housing allocation strategy and set forth a series of recommendations, divided into two categories (nonsubsidized and subsidized housing). Most of these recommendations were based on the central tenet of preserving and promoting affordable housing.

The current preliminary RHP discusses the recommendations set forth in the Legacy RHP in Chapters III and XII. Tables III-10 and III-11 in Chapter III display the 1975 Legacy recommendations (for nonsubsidized and subsidized housing categories) that directly promote increasing affordable housing as follows:

- **Nonsubsidy Housing Recommendations**
  - Abatement of Economic Constraints
    - Reducing costs associated with housing productions at all levels
  - Abatement of Institutional Constraints
    - Move public school funding from the property tax rolls to some other form of tax to decrease the cost of occupying housing and to eliminate the impacts of low- and moderate-income family housing on the local levy *(partially implemented through State general aids to schools program funding a portion of school costs)*
    - Local governments having substantial concentrations of substandard housing should encourage rehabilitation by exempting physical improvements from local property taxes *(not implemented)*
    - All urban communities should incorporate provisions that allow for a full range of residential structure types (single-, two-, and multi-family), housing sizes, and lot sizes, within their zoning ordinances *(partially implemented)*
    - All local governments should adopt the Wisconsin Uniform Building Code regulating the construction of single- and two-family homes *(implemented)*
    - State of Wisconsin should enact a uniform building code regulating the manufacture and installation of factory built homes in Wisconsin *(implemented)*
    - Local governments should investigate changes to the present system of financing site improvement costs and adopt changes that would result in a saving to prospective housing consumers *(Implemented. Changes include State level programs such as brownfield redevelopment grants and tax increment financing allowable for mixed use commercial/residential development. Local level strategies have also included public-private partnerships to bring together community groups and business partners to invest in redevelopment)*
  - Abatement of Social Constraints

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2 For example, Business Improvement Districts partnering with local businesses and developers for public improvements.
Developers of low-income housing should locate and construct such housing in a manner that physically integrates the units into the neighborhood to the maximum extent possible (use of certain exterior materials or design techniques, or implementing land use techniques). (*partially implemented as some communities have since established design guidelines or architectural review boards to review all residential developments*)

State of Wisconsin should establish a housing appeals board to review applications for the construction or modification of low- and moderate-income housing that are rejected at the local level. The appeals board should be empowered to issue a permit allowing the construction of low- and moderate-income housing in those instances where good cause for the original rejection cannot be shown. (*not implemented*)

**Subsidy Housing Recommendations**

- Abatement of substandard housing
  - When screening applications for subsidy funds for the rehabilitation of housing, administering agencies should give first priority to applications involving the restoration of substandard housing in the Cities of Kenosha, Milwaukee, Racine, and Waukesha (the four largest cities with the greatest concentrations of substandard housing) and should give second priority to applications in select rural areas (where substandard housing also is concentrated). (*Implemented as criteria set forth under HOPE VI program – see Chapter III of the RHP*)

- Prioritizing and implementing new subsidized housing units and programs
  - Prioritization of new subsidized housing construction should be based on area suitability based on a combination of employment opportunities and developable land. Sites for the construction of low- and moderate-income housing should be located within a reasonable travel time from employment centers. (*currently not implemented, but will be included as part of the 2013-2014 QAP criterion through WHEDA*)

- Development of (7) county-level housing agencies to reduce the costs of duplication at the local level. (*not implemented, duplications remain and are particularly problematic for management of the Section 8 Housing Choice Voucher Program – see Chapter III of the RHP*)

Some of the recommendations set forth in the Legacy 1975 RHP were carried over to the current RHP and are discussed in Chapter XII (Recommended Housing Plan for the Region).

**SEWRPC’s Definition of Affordable Housing**

The term affordable housing has often been used interchangeably to describe a wide variety of housing types, including subsidized housing, multi-family units, or workforce housing. Questions often arise about whether or not it includes subsidized housing, market-rate rental housing, or owner occupied housing. SEWRPC sets forth a definition of affordable housing in Chapter II of the RHP. For the sake of consistency, SEWRPC’s Housing Advisory Committee selected the HUD version which defines affordable housing as households paying no more than 30 percent of their gross income for total housing costs.
As the central tenet of the RHP, SEWRPC states that the quantitative measure of the Region’s overall housing need is affordability. All households should be able to obtain decent, safe, and sanitary housing at a cost of no more than 30 percent of their household income. \(^3\) SEWRPC provides data and measures related to household income and affordability thresholds in Chapter VII of the RHP, as documented in the following tables:

- **Table VII–14:** Annual Household Income in the Region by Sub-Regional Housing Analysis Area and County: 2005-2009
- **Table VII – 15:** Median Annual Household Income by Race of Householder in the Region by County: 2005-2009
- **Table VII–18:** Affordability Housing Threshold for Households in the Southeastern Wisconsin Region by Sub-Regional Housing Analysis Area and County: 2005-2009
- **Table VII–19:** Households with a High Housing Cost Burden by Sub-Regional Housing Analysis Area and County: 2005-2009
- **Table VII – 20:** Median Percentage of Monthly Income Spent on Housing in the Region by Sub-Regional Housing Analysis Area and County: 2005-2009

The RHP provides an in-depth discussion and evaluation of affordable housing within the context of the recent nationwide economic recession (Great Recession) and subsequent housing foreclosure crisis, and its impact within the Region (Part 3 of Chapter IV). The RHP identifies it as one of the components of the Region’s housing problem:

- The national economic recession and related housing crisis beginning in 2007, which has resulted in falling home prices, restrictions on credit for home mortgages, foreclosures, and abandoned homes in many neighborhoods, and a lack of funding for affordable housing financed through tax credit programs. \(^4\)

The RHP documents the impacts of foreclosures on borrowers, lenders, and communities, the causes of the current foreclosure crisis, the foreclosure process in Wisconsin, an inventory of foreclosure activity by county within the Region, and federal, state, and local policies and programs aimed at ameliorating the crisis. The foreclosure crisis was identified as one of the components of the Region’s housing problem in Chapter II of the RHP because of the negative family and community impacts associated with foreclosures and abandoned homes. In Chapter IV of the RHP, SEWRPC documents the disproportionately adverse impact that the foreclosure crisis had upon central city neighborhoods, including low-income households and minority populations (environmental justice populations). Table IV-29 compares foreclosure activities in the Region in 2000, 2005, and 2009. As the causes for the foreclosure crisis within environmental justice communities are intertwined with mortgage lending practices, further discussion on the impact and repercussions of lending practices is in SEI Chapter 3 Fair Housing/Opportunity.

In Chapter V of the RHP, SEWRPC notes that market-based housing is the main source of affordable housing in the Region, even though no subsidies are attached to such housing, and that affordability of market based housing is related to housing structure type (multi-family units, duplexes, some condos,

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\(^3\) Preliminary Draft RHP Chapter XII Recommended Housing Plan, page XII-3

\(^4\) Preliminary Draft RHP Chapter II Objectives et al, page II-2
and smaller single-family homes tend to be more affordable). Recent studies\(^5\) by the Joint Center for Housing Studies of Harvard University indicate that the need for subsidized housing or for non-subsidized housing for low-income households has been growing substantially over the past decade, and the impact of the Great Recession and subsequent housing crisis has intensified this need. Further discussion on subsidized housing and how it relates to affordable housing is discussed in SEI Chapter 6.

Chapter VIII of the RHP provides a discussion of job/housing balance, which is a planning goal to create or achieve a ratio of jobs to housing units that supports adequate affordable housing, particularly in communities that lack a balance of low- and moderate-income housing for existing or planned jobs that pay low- or moderate- wages. Further discussion on job/housing balance and how it relates to affordable housing is provided in Chapter 4 of the SEI.

Chapter XII (Recommended Housing Plan for the Region) provides a discussion of how affordable housing is central to the RHP recommendations, by demonstrating the future overall need for housing based upon household incomes and wages of jobs located by sub-area (existing and projected). As stated in the Introduction, SEWRPC explains that all households within the Region should be able to obtain decent, safe, and sanitary housing at a cost of no more than 30 percent of their household income, and therefore the key quantitative measures of the Region’s projected housing need are based on affordability determined by comparing housing costs to household income and wages of jobs located in the sub-area. SEWRPC provides a current affordable housing need analysis in Chapter XII of the RHP, comparing affordable housing needs at low-, moderate-, and high-incomes and job wages to cost levels. Table XII-6 of the RHP provides the detailed results for affordable housing needs by sub-area within the Region based on the analysis. According to SEWRPC, the generalized and region wide approach should be used as a basis for more detailed analysis by communities with sewer service. A more detailed analysis should include specific conditions relevant to the housing stock in that community and should examine the specific prices of both rental and homeowner housing.

### RATIONALE: AFFORDABLE HOUSING AND ENVIRONMENTAL JUSTICE

**Affordable Housing: The Great Recession, Housing Crisis, and Impact on Environmental Justice Communities**

Although the Great Recession ended in June 2009\(^6\), its impacts are still being felt today, with a sluggish global, national, and local economy as well as other persistent problems including a sluggish housing market. The housing market continues to be a drag on the economy, although there are some indications that the end is in sight on both a national and local level. Compared to much of the rest of the country, most local housing markets in the Midwest escaped much of the impact of the housing bubble, and economists generally agree that recovery in at least some portions of the housing market is either imminent or has already begun.

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\(^6\) The National Bureau of Economic Research (NBER), a private non-profit research organization charged with determining the status of recessions, stated that the Great Recession officially began in December 2007 and ended in June 2009.
Within the Region, positive signs of a housing recovery include the decline in the number of new foreclosure filings, an increase in the number of building permits, and some indication that home prices are beginning to increase.\(^7\) Foreclosures in the Region peaked in 2009 with 12,745 and remained steady at 12,271 in 2010. In 2011, however, the number of new foreclosures declined to 9,805 indicating that the worst may be over.\(^8\) Although the initial wave of foreclosures was linked to problems with subprime mortgages, local economists and experts that track foreclosures have identified a second phase of the foreclosure crisis\(^9\), blaming long term unemployment and falling income levels for the continuation of the crisis as more fixed-rate mortgage holders fell into foreclosure due to the long term effects of the Great Recession. This second, and even in some cases third, wave of foreclosures since its inception in 2008 seems to be occurring throughout the U.S. and in the Region, particularly in central city areas such as the City of Milwaukee.

Although the long-term impacts on southeastern Wisconsin’s economy are still unknown, economic indicators have demonstrated that the Great Recession has had a disproportionate impact on minority and ethnic populations, particularly black and Hispanic persons. This is primarily due to the loss of good-paying manufacturing jobs for low-skilled workers but also due to the housing foreclosure crisis that has decimated the wealth of minority households. A study\(^10\) by the National Community Reinvestment Coalition presented to the U.S. House of Representatives Congressional Committee on Oversight and Government Reform illustrates the disparate impact of the Great Recession (including unemployment, access to credit, foreclosures) on minority and low-income persons. This study indicates that minority unemployment has outpaced unemployment rates among whites, not only as a direct impact of the Great Recession, but also due to a lack of employment recovery from the previous 2001 recession. As a double whammy, the foreclosure crisis has had a disproportionate impact on minority communities, particularly the black population, as more than half of the mortgage loans made to black homeowners were subprime or other high cost, high risk lending products. These types of loans, particularly the adjustable rate mortgages (ARMs), were targeted at minority and low-income householders, particularly the black community; these were the loans that failed and led to the first round of foreclosures.

The Great Recession has also exacerbated a long term trend in the decline in both median and mean income as well as the loss in net worth of most households, as the gap between the wealthiest and poorest households has increased significantly, while the overall size of the middle class has been reduced and the ranks of low-income households have swelled. The U.S. Census Bureau reported\(^11\) a 6.4...

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\(^8\) Foreclosure data for Wisconsin counties is available through the UW Extension Center for Community and Economic Development online at http://fyi.uwex.edu/housing/2012/05/02/2000-2011-annual-foreclosure-data-by-county/

\(^9\) Fact Sheet released by the City of Milwaukee Department of City Development and Department of Neighborhood Services, 2011. Accessible online at http://www.sewrpc.org/SEWRPCFiles/HousingPlan/Files/foreclosure-in-milw-progress-and-challenges.pdf


percent decline in median household income between 2007 and 2010 (from about $52,800 to $49,400). The decline in median household net worth also accelerated over the course of the Great Recession. In 2012, the nation’s median household net worth, when adjusted for inflation, fell to 1992 levels. A recent Federal Reserve Bulletin\(^\text{12}\) has shown that racial and ethnic minorities have been disproportionately impacted by the Great Recession and that the share of net worth for white, non-Hispanic households declined by 27.2 percent whereas non-white or Hispanic households lost 31.3 percent. Although the difference of about 4.1 percent may seem marginal, non-white and Hispanic households had much less to lose to begin with. In 2007, the median household net worth for non-white and Hispanic households was $29,400, which dropped to $20,400 in 2010. White households’ median net worth in 2007 was $179,400, dropping to $130,600 in 2010. The Federal Reserve notes that although the declines in the values of financial assets or businesses factored into some of the net worth decline, the decreases in median net worth appear to have been driven most strongly by the collapse in housing prices. As a greater proportion of ethnic and minority household net worth tended to be tied to homeownership, those that owned their homes, either outright or through a mortgage, were disproportionately impacted by the decline in home values.

A Pew Research Center report\(^\text{13}\) from 2011 documents the widening gap in household wealth\(^\text{14}\) between white non-Hispanics and black and Hispanic households in the U.S., and demonstrates how the gap grew during the Great Recession. Additionally, the study points out that because much of the wealth of black and Hispanic households was tied up in home equity, the housing downturn had a proportionally larger negative impact on these two minority groups.

The Great Recession and subsequent housing crisis has most notably reversed the 50 plus year trend in increasing homeownership rates. The Joint Center for Housing Studies of Harvard University published an annual study in June 2012 that demonstrates that the for-sale housing market is beginning to see signs of recovery, and steadier job growth and improving consumer confidence has begun to boost housing sales.\(^\text{15}\) Housing affordability, however, particularly in the rental market, has increasingly become a problem as housing cost burdens have continued to rise. The study notes that the number of renter households has been increasing since 2004 and that changing demographics, beginning to shift toward a more racially and ethnically diverse population, and changing housing preferences have played a major role in shaping the growth of renter households. The recent growth in the rental market has been fueled by the growing percentage of adults 25 to 34 years old who are remaining in the rental market, choosing to rent over purchasing, including an increase in married couple households as well as middle- and upper-income households. Factors include 1) instability within the job market and 2) increasingly scarce credit for purchasing a home. These factors have made adults in this age bracket less likely to move towards homeownership than in past generations, and demand for rental units has greatly increased since the onset of the Great Recession.

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\(^\text{14}\) Pew defines household wealth as the accumulated sum of assets (houses, cars, savings, checking accounts, stocks and mutual funds, IRAs, etc) minus debts (mortgages, auto loans, credit card debts, etc).

The 2012 Harvard study points out that the Great Recession has been especially hard on low-income households (those earning under $15,000 per year). The percentage of households in this income range with a high housing-cost burden has increased significantly over the past decade. As demand for rental units has increased, so have rents. In most metropolitan areas, rental vacancy rates declined in 2011, as excess units were absorbed. The study notes that this tightening in the rental market has significantly raised rents. At the lower end of the market, the Great Recession and housing crisis significantly increased the number of low-income renters, therefore increasing the competition for a diminishing supply of lower cost units.

Coupled with an increase in households with high housing-cost burdens, affordability within the rental market has also been experiencing a long-term trend in erosion that accelerated over the past decade. A 2011 study from the Joint Center for Housing Studies of Harvard University demonstrates that this trend accelerated during the Great Recession due to falling incomes and wages and job losses. Further, a 2012 Harvard study shows the gap between the supply and demand for low-cost affordable units has widened as many more households are in need of affordable housing while the supply of low-cost units has either not increased, or worse, in some metropolitan areas has declined. To add further pressure, higher-income renters are now occupying low-cost units, or the stock of low-cost housing is being depleted either through rising rents or demolitions. Each of the Harvard studies note that these pressures have all impacted the ‘normal’ filtering of properties from higher to lower rents over time. This filtering of properties would usually ensure the replacement of low-cost housing, but this trend has stopped over the past decade. Although multi-family construction permits have increased, almost all of the new construction has added units at the upper end of the rental market. Additionally, since the beginning of the Great Recession, financing for low-cost multi-family housing has been greatly diminished.

The 2012 Harvard study predicts that, barring a major bounce back in home ownership, the rental market should remain strong for the foreseeable future, and demand for multi-family units should continue to increase in most metropolitan markets. While demand is likely to remain strong, private lending and public loan guarantees will impact how this housing market expands. It is also likely that the tighter rental markets will continue to exert pressure on lower-income households, making it increasingly difficult to find affordable housing.

Research from the National Bureau of Economic Research (NBER) has shown that, over the last two decades, low-income renters have experienced both a decline in their relative incomes along with adverse changes in housing outcomes. Written prior to the housing crisis (2006), the economic model suggests that income increases at the higher end of the household renter spectrum raises the price paid by those at the low end of income distribution. Given that there has been a greater influx of higher- and

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16 Joint Center for Housing Studies of Harvard University America’s Rental Housing: Meeting Challenges, Building on Opportunities, April 2011. Accessible online at http://www.jchs.harvard.edu/americas-rental-housing
Affordable Housing: The Dodd-Frank Act, Foreclosures, and Environmental Justice Communities

Undoubtedly, issues surrounding affordable housing, the Great Recession, and foreclosures have had a disproportionately negative impact on environmental justice communities compared to the population at large within the Region. SEWRPC provides a discussion and information about the locations of environmental justice populations in Chapters IV and VII. As stated in the RHP, SEWRPC contends that the national economic recession and the housing crisis are intrinsically linked, which has “resulted in falling home prices, restrictions on credit for home mortgages, and foreclosures and abandoned homes in many neighborhoods”. Further, the housing affordability crisis, particularly in Milwaukee County, has been driven by low household incomes rather than high rents, an indicator of the impact employment opportunities and the larger economy has on housing in the area.\(^{19}\)

If there is a silver lining in the Great Recession and the housing crisis, it may be that it has brought to light the need for lenders, politicians, planners, developers, and consumers to assess the fragility of the housing market and its impact on the economy. The Federal government’s biggest response to both the Great Recession and the housing crisis was the Dodd-Frank Wall Street Reform and Consumer Protection Act, signed into law in 2010 in response to the financial regulatory problems. SEWRPC provides a summary of the Dodd-Frank Act in Part 3 of Chapter IV. The act was designed to promote financial stability within the U.S. by improving transparency and accountability within the banking and financial systems, to protect both U.S. consumers and the Federal government from what looked like a never-ending cycle of bailouts for big banks and big businesses, and set forth regulations intended to protect U.S. consumers from predatory lending practices or abusive financial service practices.

The Dodd-Frank Act is very broad in scope and covers a wide variety of banking and financial regulations, including regulations specifically related to mortgage financing and transparency within the housing market. Dodd-Frank eliminated the Office of Thrift Supervision that had been created following the savings and loan crisis in the 1980s, and replaced it with the Office of Financial Oversight and the Office of Financial Research. Most importantly, it established the Consumer Financial Protection Bureau (CFPB) to oversee financial services and products including credit cards, student loans, and mortgages. The CFPB also provides general oversight of banks, credit unions, securities firms, debt collectors, payday lenders, and most importantly when it comes to the housing market, for mortgage servicers and foreclosure relief servicers.

As summarized by SEWRPC in Part 3 of Chapter IV, foreclosure activity disproportionately affected environmental justice communities. SEWRPC documents, with regard to the credit climate, subprime lending nationwide accounted for 9 percent of the total dollar volume of mortgages in 2003 and ballooned upwards of 20 percent in 2006, one of the primary contributors to the current housing crisis and subsequent collapse.\(^{20}\) Cited in the RHP, the National Association of Realtors (NAR) maintains that in response, lending practices today have become “excessively tight” making it difficult in particular for

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\(^{19}\) Preliminary Draft RHP Chapter VIII Job Housing Balance, page V-III 17
\(^{20}\) Preliminary Draft RHP Chapter XII Recommended Housing Plan for the Region, page X-II 12
lower income communities to secure funds for affordable housing. More on this issue is discussed in SEI Chapter 3 (Fair Housing/Opportunity).

Affordable Housing: Limits of Regional Planning and Impact on Environmental Justice Communities

As stated in SEI Chapter 1, SEWRPC’s authority is in an advisory capacity for specific planning issues, including housing and land use. Although SEWRPC is charged with developing region wide plans for the seven-County southeastern Wisconsin Region, it holds no legal authorities to enforce recommendations set forth in its region wide plans, including the RHP, nor ensure that they are implemented by any individual community. Based upon Wisconsin’s Home Rule, each municipality (cities and villages) is permitted under the State Constitution, to determine local affairs and governments, including its own land use, zoning, and housing policies. Essentially, decisions regarding growth either through development or redevelopment occur at the local level. And this is where the problem with achieving an equitable distribution of smaller, more affordable housing units begins.

Until the Great Recession, with the exception of the Region’s largest cities and communities that were at build out, many of the Region’s suburban communities were in a constant state of growth through development or redevelopment. Pressure to provide higher cost, higher tax generating development won out, particularly in the suburbs and exurbs where land costs, particularly for greenfield development, are significantly less than urban infill. In each of these cases, municipal leaders are in a constant cycle of needing to balance revenues with expenditures. The largest bulk of expenditures go toward municipal services such as education (school districts), and safety (police, fire). SEWRPC provides data from the National Association of Home Builders (NAHB) that compares costs to revenues for the four county Metropolitan Milwaukee area. The NAHB analysis shows the differential impacts that single-family housing has on local income, jobs, taxes and other revenues compared to multi-family housing. Although the costs to service multi-family housing units are considerably less (average of $3,734 compared to $5,550 for single-family units), the revenues (in taxes, fees, and income) generated by single-family homes are considerably higher. Market research indicates that there is an increasing demand for smaller, more affordable units, although financing has become increasingly hard to obtain.

American Planning Association on Affordable Housing

The American Planning Association (APA) is the professional membership organization that represents the fields of regional and municipal planning in the United States. The APA provides professional accreditation for planners and directs and assists planners in the areas of ethics, law, and standards of

21 Preliminary Draft RHP Chapter XII Recommended Housing Plan for the Region, page X-II 13
24 metropolitan Statistical Area for Milwaukee consists of Milwaukee, Ozaukee, Washington, and Waukesha Counties, otherwise known as the MWOW Counties.
25 National Association of Home Builders “Multifamily Housing to Outpace Production”, February 2012. Accessible online at http://speakingofrealestate.blogs.realtor.org/2012/02/16/multifamily-housing-demand-to-outpace-production/
26 Information about the American Planning Association is available online at http://www.planning.org/apaataglance/mission.htm
In 2006, the APA adopted a formal Policy Guide on Housing\textsuperscript{27} which states the importance of providing adequate affordable housing to meet social equity goals and ensure community vitality. The APA points out that housing affordability remains the biggest housing challenge in the US, and that high housing cost burdens, and a need for higher income jobs are currently impacting too many households. The stock of low-cost housing units is dwindling while the need is growing. In addition, the APA recommends that newer measures of housing costs (such as the Housing and Transportation Affordability Index from the Center for Neighborhood Technology) be used to measure housing affordability as a combination of transportation and housing costs.

As its General Policy Position #1, APA Policy Guide sets forth a national goal to provide housing opportunities to all households, regardless of age, race, and income and states that planners should strive to change or eliminate planning policies, regulations, and programs that have a disparate impact on groups identified by race, ethnicity, economic status, or disability. Under Specific Policy Position #1A, it also states that planners should use comprehensive plans and development regulations to reduce rigid housing stratification and spur the development and preservation of affordable housing. Housing stratification exacerbates the problems associated with concentrating poverty and minorities, therefore planners should strive to provide a wide range of housing opportunities in as many locations as possible. Under Specific Policy Position #1B, planners should identify and reform planning policies and zoning regulations at the state and local levels that are barriers to the creation of affordable housing and supportive housing.

In addition, under Specific Policy Position #1C, the APA states that planners must educate officials and citizens on housing needs and issues in order to diffuse community opposition to housing proposals that is often based on prejudice and fear. “Planners must work to address legitimate community concerns regarding housing development proposals, but must educate community residents that opposition to affordable housing based on the income of the households is not relevant to issues concerning the appropriateness of land use and density changes.”

A copy of the APAs Policy Guide on Housing is provided in Appendix __.

**PRELIMINARY REGIONAL HOUSING PLAN RECOMMENDATIONS FOR AFFORDABLE HOUSING**

**Affordable Housing Recommendations**

In total, there are 10 recommendations related directly to Affordable Housing within the preliminary RHP, as follows:

1. Local governments that provide sanitary sewer and other urban services should provide areas within the community for the development of new single-family homes on lots of 10,000 square feet or smaller, with homes sizes of 1,100 to 1,200 square feet, to accommodate the development of housing affordable to moderate-income households. Communities with sewer

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service should also provide areas for the development of multi-family housing at a density of at least 10 units per acre, and 18 units or more per acre in highly urbanized communities, to accommodate the development of housing affordable to lower-income households. Such areas should be identified in community comprehensive plans. In addition, communities should include at least one district that allows single-family residential development of this nature and at least one district that allows multi-family residential development of this nature in their zoning ordinance.

2. It is recommended that the Governor and State Legislature develop a new funding strategy that would eliminate or reduce the heavy reliance on property taxes to fund schools and local government services to help reduce housing costs and to help address concerns by school district and municipal officials that lower-cost housing is not as beneficial as higher cost housing for school district and municipal revenues.

3. Local governments should reduce or waive impact fees for new single-family development that meets the affordability threshold for lot and home size, in accordance with Section 66.0617(7) of the Wisconsin Statutes, which allows local governments to provide an exemption or to reduce impact fees for land development that provides low-cost housing.

4. Comprehensive plans and zoning ordinances should encourage a variety of housing types in urban neighborhoods, including apartments, townhomes, duplexes, small single-family homes and lots, and live-work units. Flexible zoning regulations intended to encourage a mix of housing types (single-, two-, and multi-family) and a variety of lot sizes and housing values within a neighborhood, such as planned unit development (PUD), traditional neighborhood developments (TND), density bonuses for affordable housing, and adaptive re-use of buildings for housing should be included in zoning ordinances in communities with sewer service. Accessory dwellings should be considered by all communities to help provide affordable housing in single-family residential zoning districts.

5. Communities should review requirements that apply to new housing development to determine if changes could be made that would reduce the cost of development without compromising the safety, functionality, and aesthetic quality of new development. For example:
   a. Communities should strive to keep housing affordable by limiting zoning ordinance restrictions on the size and appearance of housing, such as requiring masonry (stone or brick) exteriors or minimum home sizes of more than 1,100 square feet in all single-family residential zoning districts. Home builders and local governments should limit the use of restrictive covenants that require masonry exteriors and home sizes larger than 1,100 square feet.
   b. Public and private housing developers could make use of alternative methods of construction, such as the panelized building process, for affordable and attractive new homes. Local governments should accommodate the use of the panelized building process as a method of providing affordable housing.
   c. Site improvement standards set forth in land division ordinances and other local governmental regulations should be reviewed to determine if amendments could be made to reduce the cost of housing to the consumer while preserving the safety, functionality, and aesthetic quality of new development. Particular attention should be

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28 SEWRPC also recommends that Counties with general zoning ordinances should also consider revising comprehensive plans and zoning and subdivision ordinances to comply with the recommendations for sewered communities if County regulations apply in sewered areas.
paid to street width and landscaping requirements. Recommended street cross-sections are provided on Table V-20 in Chapter V. Landscaping requirements should provide for street trees and modest landscaping to enhance the attractiveness of residential development and the community as a whole. Communities should limit the fees for reviewing construction plans to the actual cost of review, rather than charging a percentage of the estimated cost of improvements.

d. Exterior building material, parking, and landscaping requirements for multi-family housing set forth in local zoning ordinances should be reviewed to determine if amendments could be made to reduce the cost of housing to the consumer while preserving the safety, functionality, and aesthetic quality of new development. Communities should work with qualified consultants, such as architects with experience designing affordable multi-family housing, to review these requirements and develop non-prescriptive design guidelines that encourage the development of attractive and affordable multi-family housing. Landscaping requirements should provide for street trees and modest landscaping to enhance the attractiveness of multi-family development and the community as a whole.

6. Communities with design review boards or committees should include professional architects on the board to provide expertise and minimize the time and cost associated with multiple concept plan submittals.

7. Education and outreach efforts should be conducted throughout the Region regarding the need for affordable housing, including subsidized housing. These efforts should include plan commissioner and board level training regarding demographic, market, and community perception characteristics that impact communities.

8. State and Federal governments should work cooperatively with private partners to provide a housing finance system that includes private, Federal, and State sources of housing capital; offers a reasonable menu of sound mortgage products for both single- and multi-family housing that is governed by prudent underwriting standards and adequate oversight and regulation; and provides a Federal guarantee to ensure that 30-year, fixed-rate mortgages are available at reasonable interest rates and terms.

9. Appraisers should consider all three approaches to value (cost, income, and sales comparisons) to ensure that values, building costs, and other unique factors are considered when conducting property appraisals.

10. Tax increment financing (TIF) could be used as a mechanism to facilitate the development of affordable housing. Wisconsin TIF law (Section 66.1105(6)(g) of the Wisconsin Statutes) allows municipalities to extend the life of a TIF district for one year after paying off the district’s project costs. In that year, at least 75 percent of any tax revenue received from the value of the increment must be used to benefit affordable housing in the municipality and the remainder must be used to improve the municipality’s housing stock. Communities in subsidized housing priority sub-areas (see Map XII-12) and sub-areas with a job/housing imbalance are encouraged to use this program to increase the supply of affordable housing.

In combination, the 10 affordable housing recommendations have been designed to encourage affordable housing options within the existing and proposed sewer service areas (areas of existing and planned urban development), which can support higher-density residential and commercial and industrial development.

Each recommendation was evaluated in light of its potential or probable impact on affordable housing given the existing and projected data provided within the RHP as well as information documented on
current socio-economic and housing trends. Specifically, CED specifically looked at the potential positive or negative impacts that each recommendation could have on environmental justice communities.

ANALYSIS OF AFFORDABLE HOUSING RECOMMENDATIONS

Affordable Housing: Key Objective

The proposed recommendations of the RHP related to affordable housing are designed to further the following principal objective:

- Increase the distribution of smaller homes and higher-density housing options in sewered areas throughout the seven county Region

There is a considerable amount of overlap between the 10 recommendations; additionally, there is a considerable amount of overlap between different recommendations that support different plan categories. In order to evaluate the recommendations in an efficient manner, CED identified key categories or ‘tools’ that the recommendations fall into, that support the overall key objective.

Tools that Impact the Costs of Development and Housing Prices

Applies to Recommendations: 1, 3, 4, 5, 8, 9, 10

Most of the Affordable Housing Recommendations have some element that would either directly or indirectly decrease the costs associated with development, redevelopment, or rehabilitation of housing. Some of the recommendations are tools aimed at reducing the cost of the physical construction of the development while some are aimed at reducing the regulatory costs associated with development. Either way, as long as costs per unit are reduced in order to provide a reduction in cost to the consumer, these tools are likely to have a positive impact on environmental justice communities by providing greater opportunity for purchasing or renting units at a more affordable price.

Recommendations 1, 3, 4, and 5 focus on the impact that regulatory changes could have on reducing housing costs based on structure type, density, and site design requirements. These recommendations would reduce the barriers for developing affordable single-family and multi-family units. Each of these recommendations would likely have a positive impact on environmental justice communities, and recommendation 1 a significantly positive impact given that lowering the costs for housing units would provide more housing opportunities for environmental justice communities.

Recommendation 8 focuses on problems with the lending side of the housing market. CED agrees that State and Federal governments need to work with lenders to shore up the regulatory system, including supporting the Dodd-Frank Act as well as any other forthcoming consumer protection legislation that would lessen the risk of borrowing. Given that the highest rates of foreclosures within the Region tend to coincide with the highest concentrations of environmental justice populations, implementation of any program that would shore up the housing finance system by providing better underwriting systems, better government oversight and regulation, and reasonable rates and terms for fixed rate mortgages would have a positive impact on environmental justice communities. Even though mortgage and other lending rates are at historic lows, much of the response to the housing crisis has been an extreme tightening within the lending market including tightened standards for mortgages. Until this eases, the housing market will likely remain stagnant.
Recommendation 9 calls for appraisers to consider all three approaches to establishing a property’s value costs, revenues (income for multi-unit properties), and sales comparisons. New methods for property appraisals to address some of the issues regarding potential improprieties in the relationship between lenders and appraisers were set forth under Dodd-Frank. These were aimed at changing the dynamic between the appraisers and the financial institutions (lenders) in order to remove any hint of impropriety or collusion in financial transactions, and would require States to develop minimum requirements for appraisals. As stated by SEWRPC in RHP Chapter IV, some concerns were also raised by the National Association of Home Builders, that Dodd-Frank left some issues unresolved regarding the accuracy of appraisals; these include the use of foreclosures and short sales as comparable properties, the use of costs (construction, development) rather than sales to determine the market value of new homes, the establishment of an appraisal appeals process, and developing a process to incorporate energy efficiency features into appraisals. Each of these suggestions would likely increase the accuracy of an appraisal.

There are traditionally three approaches for home appraisals: 1) the cost approach which considers the construction costs and the value of the land, 2) income approach which is typically reserved for multi-family unit housing and 3) the market value approach that compares comparable sales in the area to determine the appraisal value. In a market value approach, despite the good intention to not include distressed properties in appraising home value, in a high foreclosure crisis environment some in the field maintain that they have no choice. If there are only foreclosures in an area, then the market is negatively affected because that is the comparable value. In a report titled “Responding to the Foreclosure Crisis” produced by the Atlanta Neighborhood Development Partnership, an analysis of home values in Atlanta with particular attention on high foreclosure rate neighborhoods shed some light on the disproportionate impact that the appraisal-foreclosure relationship has on low-income communities.

The Home Valuation Code of Conduct (last updated in March 2010) by Fannie Mae resulted from Dodd-Frank and came under scrutiny when unintended consequences of the new regulations came to light. For example, reliance on an appraisal consulting agency instead of in-house appraisers made room for discrepancies based on those who have greater familiarity with a local housing market. Additionally and directly related to the experiences of low-and moderately-low income households, appraisals under this new code have been criticized for supposed devaluation based on the credit scores and history of low-income families. In this sense it is clear that although efforts and processes should be in place to ensure a fair appraisal in the first place, creating an accessible appeals process including education and advocacy resources would likely have a positive impact on environmental justice communities.

Recommendation 10 identifies a unique aspect of the tax increment financing law in Wisconsin; based on State Statute, upon completion of a TIF, there is an opportunity to extend the life of the TIF by one additional year, provided at least 75 percent of any tax revenue received from the value of the increment is being used to fund affordable housing or subsidized developments. Ideally, all communities with job/housing imbalances would support this as an opportunity to increase the

affordable housing stock, as it could be used in combination with other subsidies or tax credit (LIHTC) funding mechanisms. However, given the NIMBY-isms associated with subsidized and low-income housing, coupled with the general public desire to place TIF properties onto the tax rolls, it is unlikely that this TIF mechanism would be used unless its mandated. However, if recommendation 10 is implemented will likely have a positive impact on environmental justice communities. [Note to SEWRPC and Advisory Committee: More is forthcoming - CED needs to assess if any communities have taken advantage of the existing program].

**Tools that Impact Design, Aesthetics, and Safety**
**Applies to Recommendations: 5, 6**

These recommendations focus on changes to existing design and aesthetic guidelines that would support improvements in affordable housing. These tools focus on those that have a direct impact due to the recommended changes.

Recommendations 5 (all parts) and 6 focus on alleviating the impacts that design have on the costs associated with affordable housing. Each of the subparts to Recommendation 5, including size and exterior (masonry) requirements, allowance for panelized housing construction practices, etc, focus on driving down the costs of the review process as well as the actual construction. It is inferred that these savings would be passed along to the consumer.

Although mandating the presence of an architect on an architectural or design review board (per Recommendation 6) for any residential development could enhance or streamline the process, and possibly reduce developer costs that could result in savings for the consumer, Recommendation 6 is found to have no direct impact on environmental justice communities. Whereas Recommendation 5 will have positive impacts on environmental justice populations by reducing housing costs.

**Tools that Impact Policy and Zoning**
**Applies to Recommendations: 1, 2, 3, and 4**

These recommendations focus on changes to land use policies or zoning to increase affordable housing options and/or lower the cost of housing. The evaluation focuses on whether or not the legal ramifications behind proposed policies and/or zoning changes could have a positive impact on environmental justice communities. This includes all recommendations that impact laws, policies, and zoning at State, county, and local levels. Zoning ordinances regulate the use of property, including the height, size, shape, density, intensity of use, and placement of structures or residences within various zoning districts in a community. Recommendations 2 and 3 speak to changes in policy that would need to be enacted at either the local, county, or state level while recommendations 1 and 4 apply to changes in local zoning ordinances.

**Policies: Recommendations 2 and 3**
Recommendation 3 simply reiterates one of the provisions set forth under Section 66.0617(7) of the Wisconsin Statutes, that impact fees may be reduced or waived for housing developments that meet the affordable home and lot size thresholds. Given that this is already policy, it appears that it may actually have no impact on development of affordable housing in suburban and exurban areas, and therefore unlikely to have much of an impact on environmental justice communities. However, as a recommendation, the intention is to draw attention to the policy and therefore encourage its
Recommendation 2 states that the Governor and State Legislature should develop a new funding strategy that would eliminate or reduce the heavy reliance on property taxes; this speaks to the heart of the inequity inherent in a system based on the collection and distribution of property taxes. Newer suburban and exurban residential development has been driven by the heavy reliance on property taxes to fund local municipal services, particularly for school districts. As pointed out within the RHP, under the current property tax system, the majority of local property taxes collected go to support local public school districts in the metro Milwaukee area. A report from the National Association of Home Builders points out that within the four-county metro Milwaukee Area, the average housing unit contributes about 43 percent of its property taxes to education. The average multi-family unit contributes less in property and school taxes than the average single-family unit, which gives single-family housing the edge from a property tax stand point. Pressure to maximize local tax collections places local communities in the position of favoring larger, more expensive units, which provides more support to the tax base. On an acre-to-acre basis, there are typically fewer school age children in single-family developments compared to multi-family developments.

Most communities throughout the U.S. rely on property taxes for their main source of revenue, along with sales and income taxes. In Wisconsin, as in most States, the authority to tax property is executed at the local level, with oversight from the State (Wisconsin Department of Revenue) to ensure property assessments are within a specific statewide margin of error, in order to minimize equity problems between communities (equalization).

Since the Great Recession and housing crisis began, most local governments throughout the US, including Wisconsin, have found themselves in a severe revenue crisis; in addition to reductions in revenue from sales taxes, property assessments have significantly declined. For example, in Wisconsin, legislation was enacted in 2011 to freeze local tax levies to 2010 levels for two years, limiting increases to the value of new construction, followed by subsequent limits to levies based on either 1.5 percent growth or the value of new construction, whichever is higher.31

Throughout the U.S., several municipal or state governments have begun to examine restructuring their tax codes to rely more heavily upon income and sales taxes or alternative sources for revenues. A few of these proposals have included the removal of partial or total school district funding from local property tax rolls. This phenomenon is not widespread, although discussion has been documented.32, 33

32 Florida’s ‘Save Our Homes’ Rule limits the amount that property taxes can increase for a property on an annual basis to a 3 percent adjustment based on consumer price index. Accessible online at http://dor.myflorida.com/dor/property/resources/limitations.html
33 McSherry, Sali School Funding Alternatives Explored, Chagrin (NC) Valley Times, May 2009. Accessible online at http://www.chagrinvalleytimes.com/NC/0/861.html
Currently, school districts or municipalities that have removed partial or total school funding from the property tax rolls and placed them on alternative tax rolls include those within the States of Iowa, Ohio, Kentucky, Michigan, and Pennsylvania. The State of Ohio allows voters within each school district to decide on whether or not to move the school district tax levy from a property tax base to an income tax base.\(^{36}\) As of 2012, only 30 Ohio school districts rely solely on earned income taxes, while the other 152 have some blend of property tax and income tax. The remaining 431 school districts continue to rely on property taxes. The State of Iowa allows the voters within school districts to adopt a hybrid property/income tax format wherein the income tax levy may supplement school programming.\(^{37}\) In Wisconsin, a portion of school funding is provided by the State to local school districts.

Reliance upon income taxes to support school districts has its detractors. In 2009, the New Jersey League of Municipalities began a campaign to remove schools from the property tax rolls, claiming that property taxes shift too much of the financial burden onto lower-income residents.\(^{38}\) Henry Coleman, professor at Rutgers University’s Edward J. Bloustein School of Planning and Public Policy put it this way: "You’d have to double the best year ever with the income tax. And we haven’t had the ‘best year ever’ in a long time." Essentially, Bloustein postulates that although property taxes as a funding source may not be perfect, at least they’re a reliable tax, whereas income taxes are subject to considerably more volatility, especially in any economic downturn.

[Note to SEWRPC and Advisory Committee: CED will continue to look into Recommendation 2 throughout the fall and will extend this into a discussion about sales and income taxes as alternatives - but from our understanding at this point, our concern is whether or not it could be regressive and disproportionately impact low-income households].

Zoning: Recommendations 1 and 4
Recommendation 1 proposes the identification of areas for affordable housing in comprehensive plans and the incorporation of zoning districts that allow for smaller single-family home sizes and lot sizes and multi-family housing units. Each sewered community should allow for at least one zoning district that would accommodate smaller single-family units and one district that would accommodate multi-family units. The RHP provides reasonable rationale to accommodate smaller and denser housing within sewered areas through community zoning regulations.

Under Recommendation 1, the minimum threshold for a single-family home lot size would be 10,000 square feet or smaller, with a home size of 1,200 square feet or smaller. Based on RHP Table V-2,

\(^{34}\) Luce, Paul Taxed to the Max: Alternative Funding Sought for Education, Daily Times (Delaware County, PA), July 2010. Accessible online at http://www.delcotimes.com/articles/2010/07/08/news/doc4c350cb789c2a859370997.txt

\(^{35}\) Clark, Catherine and Lawrence Toenjes Exploring Alternatives for School Based Funding, Texas Center for Educational Research, 1996. Accessible online at http://nces.ed.gov/pubs98/clark.pdf


\(^{37}\) Information from the Iowa Department of Revenue available online at http://www.iowa.gov/tax/taxlaw/taxtypes.html#school

current zoning regulations throughout the Region shows that 76 communities do not currently meet the
10,000 square foot maximum lot size requirement; however, many of these are towns or communities
under county zoning regulations that do not provide sewer or other urban services and are therefore
legally required to meet State and county requirements to support private onsite wastewater treatment
systems (POWTS), as stated by SEWRPC. Most (121) of the 146 communities (cities, villages, and towns)
in the Region currently do allow a 1,200 square foot minimum housing size. CED recommends shoring up
this recommendation by stating that the minimum size should be reduced to 1,100 square feet where
possible given the understanding that a 1,200 square foot house is more realistic for the provision of
accessibility features. Based on information from developers and homebuilders (Metropolitan Home
Builders Association of Greater Milwaukee), the reasoning behind the 1,100 square foot minimum is
based on affordability as well as marketability, and that the costs associated with developing housing
units that are less than 1,100 square feet does not reduce the costs for development. Recommendation
1 can therefore be considered a key recommendation with significantly positive impact on
environmental justice communities.

Setting a threshold for even smaller minimum home sizes or allowing for unique configurations under
‘Planned Unit Development' (PUD) or other such flexible zoning districts would be even more preferred
to allow for more affordable housing. PUD and other flex zoning methods are incorporated into
Recommendation 4. Flexible zoning districts may allow lot sizes and home sizes to be tailored to
accommodate smaller lot and home sizes or allow for a variety of sizes within a subdivision, and
ultimately allow for the incorporation of affordable housing while preserving the quality of the overall
development. Inclusion of a PUD, TND, or other flexible zoning district (per Recommendation 4) can
circumvent the need to set forth a minimum home and lot size (per Recommendation 1). However,
given the intensive review process needed to implement PUD or TND in comparison to the review
process based on traditional zoning practices, it may be preferable to provide zoning districts for even
smaller (micro) housing and lot sizes or provide a streamlined PUD process. Although Recommendation
4 should be revised to address streamlining the PUD process, if implemented would have a positive
impact.

Tools that Impact Planning and Programs
Applies to Recommendations: 4 and 6

Similar to the tools that impact policy and zoning, the tools that impact planning and programs focus on
changes to local and county plans and regulations that impact affordable housing. Given that these
recommendations foster the promotion of affordable housing goals through local planning and
implementation of programs, it is likely that each of these recommendations, if implemented, would
have a positive impact on environmental justice communities within the Region.

Recommendation 4 calls for local or county comprehensive plans to include or encourage a wider
variety of housing types, sizes, and neighborhood designs, including townhomes, multi-family housing,
and live-work units, in order to provide a wider variety of housing choices to appeal to a variety of
income levels. If plans incorporate subsidized housing, they are usually referred to as mixed-income
housing developments. Depending upon how it is implemented, this would likely have a positive impact
on environmental justice communities as it would provide for an increase in the number of affordable
housing units. More information is provided in Chapter 7 (Housing Development Practices).

Recommendation 6 calls for the inclusion of professional architects on local design review boards so that
they can provide expertise and therefore possibly minimize the costs associated with multiple concept
plan submittals. If directed, architects can also provide insight into cutting costs for development. Recommendation 6 could enhance or streamline the permit approval process, and possibly reduce developer costs that could ultimately result in savings for the consumer and if directed, architects can also provide insight into cutting costs for development. However, this recommendation is not likely to have a significant impact on environmental justice communities.

**Tools that Impact Education and Outreach**

*Applies to Recommendation 7*

This recommendation focuses on programs or methods used by either SEWRPC or other regional or State agencies that would promote housing education to both the public as well as to local or county decision-makers, including planners and elected officials.

Recommendation 7 focuses on developing further educational programs aimed at local planning commissions and public officials, specifically to those that are making local level planning and development decisions. It states that education and outreach efforts should be conducted throughout the Region regarding the need for affordable housing and subsidized housing. The Great Recession and housing crisis should serve as a wake-up call for future sustainable development. Based on the projected needs assessment set forth in Chapter XII and the warnings provided in the Harvard housing studies, CED strongly encourages this and it is supported under the APA’s Specific Policy Position #1C. Implementation of this recommendation could have a positive impact on environmental justice communities, if it leads to more development of affordable housing units (particularly rental units) and to a wider distribution of subsidized or tax credit housing. Local officials need to be aware of the economic realities facing their communities; given the need for more housing aimed at lower-income households (both market rate and subsidized), they need to be provided with the tools necessary to combat public opposition.

CED recommends revising this recommendation to include the agencies responsible for public outreach efforts (UW-Extension, Wisconsin Division of Housing, WHEDA, Public Housing Authorities, SEWRPC, Metropolitan Milwaukee Fair Housing Council, and the Metropolitan Builders Association of Greater Milwaukee). This is an important recommendation and efforts should be collaborative and ongoing in order to ensure that the overall message and direction of the RHP is not lost at the local level.

**SUMMARY - AFFORDABLE HOUSING**

FORTHCOMING
**Environmental Justice Impact Matrix: Affordable Housing**

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<th>Recommendation</th>
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*More forthcoming on Recommendation 2
**Recommendations 3 and 10 are both existing State policies that are not widely implemented, and therefore, currently do not have much of an impact on environmental justice populations. The intention of each recommendation, however, is to draw attention to the policy and therefore encourage its implementation in the Region which would bring about positive impacts for environmental justice communities.

- No Impact: recommendation will not have any direct impact, adverse or positive, on environmental justice populations
- Significantly Negative Impacts: environmental justice populations are likely to be negatively impacted in greater proportion to the regional population as a whole
- Adverse Impacts: environmental justice populations are likely to be negatively impacted in proportion to the regional population as a whole
- Positive Impacts: environmental justice populations are likely to receive benefits in proportion to the regional population as a whole
- Significantly Positive Impacts: environmental justice populations are likely to receive a greater proportion of the benefits compared to the regional population as a whole.
- Key Recommendations: CED identifies these select recommendations as likely having the greatest positive impact on environmental justice populations

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