



A Socio-Economic Impact Analysis of SEWRPC's Preliminary Regional Housing Plan

Prepared by:

The University of Wisconsin-Milwaukee Center for Economic Development

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About this report

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Chapter 1

INTRODUCTION

GOAL OF THE SOCIO-ECONOMIC IMPACT ANALYSIS FOR THE REGIONAL HOUSING PLAN

In May 2012, the Southeastern Wisconsin Regional Planning Commission (SEWRPC) selected the Center for Economic Development at the University of Wisconsin – Milwaukee (CED) to prepare a socio-economic impact (SEI) analysis of the preliminary Regional Housing Plan for Southeastern Wisconsin. The preparation of a SEI analysis for the preliminary draft of the Regional Housing Plan (RHP) is based on the recommendation from SEWRPC’s Environmental Justice Task Force (EJTF). The SEI provides an evaluation of the recommendations set forth in the preliminary RHP in light of potential impacts on socio-economic factors and the principles of Environmental Justice as set forth under Executive Order 12898 (*Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations*) as well as precipitating and subsequent laws and regulations. The purpose of the SEI is to determine whether or not any of the preliminary draft recommendations will have any potential benefits or adverse impacts on minority and low-income populations, and persons with disabilities, otherwise referred to as EJ communities or populations. The SEI Analysis will also assess whether environmental justice populations may be expected to receive a proportionate share of any plan benefits or a disproportionate share of any negative impacts.

SEWRPC’s Preliminary Regional Housing Plan

SEWRPC is the area wide regional planning agency for southeastern Wisconsin, namely Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha Counties. As such, SEWRPC is charged under State law with “*the function and duty of making and adopting a master plan for the physical development of the Region.*” Since its inception in 1960, SEWRPC has been engaged in the development and maintenance of a region-wide master, or comprehensive, plan. The basis for the comprehensive plan lies within its regional land use plan, and includes a variety of elements including transportation, water quality, parks and open space, and natural areas planning. In recent years, it has expanded to include water supply and telecommunications elements.

Early efforts to include planning for housing as part of the regional planning program were initiated in 1968 based upon a request from the City of Milwaukee.¹ In 1969, SEWRPC initiated the creation of a regional Technical Advisory Committee that developed a prospectus and designed the initial housing program. Between 1968 and 1981, planning for housing had been a part of SEWRPC’s comprehensive planning effort. The US Department of Housing and Urban Development (HUD) provided a source of funding for the housing program which included a regional housing study and a 1975 Regional Housing Plan.² However, due to the elimination of HUD funding in the early 1980s, planning for housing (separate from housing included within SEWRPC’s Land Use planning efforts) had been discontinued. Over the next two decades, SEWRPC managers had discussed using a portion of its funding for the land use and transportation planning program for housing planning with Federal and State transportation programs managers with no success. In response to several requests from local elected officials, SEWRPC explored once again with Federal and State transportation program managers the feasibility of

¹ From the preliminary Regional Housing Plan Chapter I.

² SEWRPC Planning Report No 20, *A Regional Housing Plan for Southeastern Wisconsin*, 1975.

conducting a housing plan under the umbrella of SEWRPC's responsibility as the Federally-recognized metropolitan planning organization for transportation planning. In a reversal from previous decisions, an agreement was reached in 2006 that permitted housing planning activities to be eligible for inclusion in the land use and transportation work program of SEWRPC.

The principal objective of SEWRPC's RHP is to ensure the provision of decent, safe, sanitary and financially sustainable housing for all current residents of the Region, and the anticipated future population of the Region.³ This includes addressing a series of identified housing problems, most of which have a direct impact on EJ communities. This socio-economic analysis will identify, measure, and analyze the impacts (positive or negative) of the recommendations in order to determine what long range effects such a plan may have on EJ communities within the Region.

SEWRPC's Definition of the Housing Problem

In Chapter II "Objectives, Principles, and Standards" of the preliminary draft of *A Regional Housing Plan for Southeastern Wisconsin: 2035*, SEWRPC identifies the following seven components of the housing problem within the Region:

- A jobs/housing imbalance within sub-areas of the Region and the Region as a whole, particularly an adequate supply of affordable or 'workforce' housing near employment centers;
- Challenges faced in sustaining the present supply of subsidized housing stock in the Region;
- A need for accessible housing stock to accommodate persons with disabilities;
- Housing discrimination;
- Concentration of low-income and minority populations in the Region's central cities;
- The need to encourage sustainable, or environmentally responsible, residential development practices;
- The national economic recession and related housing crises 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.

SEWRPC recognizes that these components are interrelated and that they are also impacted by other areas of planning, particularly economic development, land use, and transportation. Based on this, many of the preliminary recommendations have incorporated broader remedies based on other areas of planning to address the defined housing problem. Within the context of the SEI analysis, CED extends this approach towards the interrelated nature of the recommendations in its evaluation of the preliminary RHP recommendations. In this SEI, CED provides an evaluation of the 47 preliminary recommendations within the context of how the other aspects of planning are being addressed within the recommendations to resolve, ameliorate, or address the defined housing problem.

Regional Planning and the Limits of Planning in an Advisory Capacity

The Southeastern Wisconsin Regional Planning Commission, as the State-designated area wide planning agency for the seven-County Region and Federally recognized Metropolitan Planning Organization (MPO) for the Milwaukee, Racine, Kenosha, and portions of the Round Lake Beach Urbanized Areas, acts in an *advisory* capacity on specific planning issues. Although SEWRPC is charged with developing region-wide plans for Southeastern Wisconsin, it holds no legal authority to enforce recommendations set forth

³ Note: SEWRPC Planning Report No 48 *A Regional Land Use Plan for Southeastern Wisconsin: 2035* serves as the foundation for the regional housing plan and was designed to accommodate a set of regional employment, population, and household forecasts of growth and change in the Region by 2035.

in many of the region-wide plans, including the RHP, or ensures that they are upheld by any individual community. Recommendations set forth in the Regional Housing Plan are purely advisory recommendations. By developing a series of regional plans including the Regional Land Use Plan⁴, the Regional Water Quality Management Plan⁵, the Regional Transportation Plan⁶, and supporting technical reports including the Economy of Southeastern Wisconsin⁷ and the Population of Southeastern Wisconsin⁸, SEWRPC has developed a cohesive and integrated set of advisory plans and technical reports that each county and local community (town, village, or city) within southeastern Wisconsin can follow to ensure healthy, sustainable growth. Additionally, under certain circumstances, recommendations are based on local or county ordinances, State or Federal laws and in those cases, those recommendations are actionable by law, but are enforceable only by local, county, State, or Federal agencies.

SEWRPC, however, holds no binding legal authority to enforce the recommendations and it is up to each community to act in the spirit of regional cooperation to uphold the recommendations set forth in each of the plans and to incorporate such recommendations into local plans. Although SEWRPC is responsible for developing plans, it is ultimately up to State and Federal agencies, county, town and village boards, and city common councils, and additionally in this case, local or county housing agencies and authorities to ensure that compliance with the recommendations set forth in the RHP are met.

BACKGROUND ON ENVIRONMENTAL JUSTICE PRINCIPLES

Environmental Justice is both a concept and a movement. As a concept, Environmental Justice seeks to rectify any past or present harm or injustices related to environmental issues, and attempts to ensure that the environment and human health are fairly protected for all people regardless of race, color, national origin, or income.

The concept of Environmental Justice is not new; it has its roots in the laws and regulations developed by agencies including the U.S. Department of Housing and Urban Development (HUD), the U.S. Environmental Protection Agency and other Federal, state, and local agencies throughout the 20th Century. These laws and regulations were developed to ensure safe, responsible use of resources and to safeguard the population from the hazards of industry and harmful environmental conditions. Planning as a field, particularly land use planning and zoning, had developed from the need to improve and safeguard the health, welfare, and safety of communities. In 1994, Executive Order 12898, *Federal Actions to Address Environmental Justice (EJ) in Minority Populations and Low-income Populations* was enacted. This formalized EJ by requiring most Federal agencies, including HUD⁹, to consider how Federally-assisted projects may have disproportionately high and adverse human health or

⁴ Southeastern Wisconsin Regional Planning Commission *Planning Report No. 48, A Regional Land Use Plan for Southeastern Wisconsin: 2035*, June 2006.

⁵ Southeastern Wisconsin Regional Planning Commission *Planning Report No. 50, A Regional Water Quality Management Plan Update for the Greater Milwaukee Watersheds*, December 2007.

⁶ Southeastern Wisconsin Regional Planning Commission *Planning Report No. 49, A Regional Transportation System Plan for Southeastern Wisconsin: 2035*, June 2006.

⁷ Southeastern Wisconsin Regional Planning Commission *Technical Report No. 10, The Economy of Southeastern Wisconsin*, 2004.

⁸ Southeastern Wisconsin Regional Planning Commission *Technical Report No. 11, The Population of Southeastern Wisconsin*, 2004.

⁹ Department of Housing and Urban Development webpage on Environmental Justice is accessible at www.portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/review/justice

environmental effects on minority and low-income populations. Since then, Environmental Justice has become integrated into HUD's mission, which includes working with states, tribes, local communities, other grantees, and staff at other Federal agencies to incorporate EJ awareness and planning considerations into program activities.

In 2007, SEWRPC created the Environmental Justice Task Force (EJTF) to oversee issues pertaining to Environmental Justice in the seven county Region. The primary role of the Environmental Justice Task Force is *"to enhance the consideration and integration of environmental justice throughout the regional planning process."* The EJTF was instrumental in advocating and executing the development of a socio-economic impact analysis for the regional housing plan.

Additional information on Environmental Justice is provided in Chapter 8 within the context of the public outreach portion of the SEI. The principles of Environmental Justice and applicable laws are set forth in Appendix A.

DEFINITION OF A SOCIO-ECONOMIC IMPACT ANALYSIS

A socio-economic impact analysis or assessment is a tool typically used to determine whether or not a proposed development will have a negative or positive impact on the social, economic, environmental, and fiscal well-being of a community. To successfully measure socio-economic impacts, the analysis must evaluate how a proposed development will impact the lives of current and future residents of a community. Socio-economic impact analyses typically measure both quantitative and qualitative aspects of a proposed development, by combining measurable indicators along with public perceptions.¹⁰

Normally, the indicators used to measure such impacts include:

- Projected changes in community demographics
- Changes in the demand for public services
- Housing market analyses
- Changes in employment (and often income levels)
- Changes in the aesthetic quality of the community (difficult to quantify)

Measurable indicators usually focus on population and/or job projections related to the development. For example, a proposed commercial or industrial development may increase the number of jobs in a community and therefore create an increase in demand for more housing; given the size of the development (usually given in terms of number of jobs) such data are predictive and measurable. In this SEI analysis, CED focuses on the impacts that the preliminary RHP recommendations have on existing housing and potential housing development within the Region, although consideration is given to how non-residential development (ie industrial or commercial) impacts residential development within the context of job/housing balances. This assesses how the preliminary Regional Housing Plan addresses or resolves any components of the housing problem as defined by SEWRPC, particularly any problems associated with equity and environmental justice.

In general, most socio-economic impact analyses involve a two-step process. The first step is to determine measurable, quantifiable, and predictive data that pertain to the development. The second is gauging community perceptions. Community perceptions regarding a proposed development may not

¹⁰ Mary Edwards *Community Guide to Development Impact Analysis*. University of Wisconsin Extension, 1999. Accessible online at www.lic.wisc.edu/shapingdane/facilitation/all_resources/impacts/analysis_socio.htm

be as easily quantifiable, but are important in analyzing the socio-economic impact that the development could have on the community. Edwards argues that the perceptions of community members towards the development are significant in ascertaining whether the development will comply with community values and how it will affect the lives of the residents.

Regional Socio-Economic Impact Analyses

Typical examples of socio-economic impact analyses revolve around development at a single location, for example a shopping mall or an airport, in which the development may have significant and lasting social, economic, and environmental impacts on the community. Based on a review of existing socio-economic impact analyses, it was determined that the majority of socio-economic impact analyses address issues pertinent to a single, or at most, a few municipalities, focusing on development at the local, rather than regional, level.

To date, most examples of SEI analyses that focus on regional issues or plans in the United States are analyses of the impacts of regional transportation plans on minority and low-income populations. Additionally, a few region wide SEI analyses attempt to describe and measure a project that will impact a larger geographic area, such as a new airport or a large mining or resource extraction operation. These projects or developments typically impact multi-county areas involving numerous communities and municipalities, and may be phased in over decades. CED's recent assessment of the Regional Water Supply Plan (RWSP) for Southeastern Wisconsin would fall under the category of a regional socio-economic impact analysis as implementation of the RWSP includes phased expansion of numerous water utility service areas within the seven-county Region over the next 30 years.

Approach to a Regional Socio-Economic Impact Analysis

Similar to most socio-economic impact analyses that measure impacts of development at a local or community level, a regional socio-impact analysis includes two major components: a quantitative component and a public participation and outreach component. The first component contains various quantitative measures to identify potential benefits and adverse impacts of the preliminary draft recommendations with respect to minority and low-income populations and persons with disabilities, and to help assess whether such populations may be expected to receive a proportionate share of any plan benefits and/or disproportionate share of any negative impacts. The goal of the quantitative component is to assess whether or not implementation of the preliminary RHP recommendations will contribute to any failure of the plan to meet Federal regulations pertaining to civil rights and principles of environmental justice.

The second component involves public participation and outreach. The goal is to identify any concerns or issues regarding the plan from those whose voices may not have been heard during the initial planning process. For this, outreach was specifically designed to target representatives from minority and low-income groups, and persons with disabilities for feedback.

DESCRIPTION OF THE SOCIO-ECONOMIC IMPACT ANALYSIS STRATEGY FOR THE REGIONAL HOUSING PLAN

Review of Scientific Evidence, Standards, Practices, and the Law

In order to address the preliminary Regional Housing Plan, the SEI analysis for the RHP reviewed and considered all appropriate evidence, standards, and practices, along with all applicable Federal and State laws on housing and discrimination. It should be noted that SEWRPC provides an extensive discussion of the Federal and State laws surrounding housing in Chapters VI and IX of the preliminary

RHP. Guidance and standards are developed and set forth by the U.S. Department of Housing and Urban Development (HUD) and the Department of Justice (DOJ).

Federal laws and regulations¹¹ that focus on environmental justice (EJ) communities and housing include:

- Title VI and Title VIII of the Civil Rights Act
- Americans with Disabilities Act
- Title 24 of the Code of Federal Regulations Housing and Urban Development
- Title 40 CFR Protection of Environment
- Title 42 CFR Public Health

Overseeing the regional housing planning process was the Regional Housing Plan Advisory Committee. This committee is comprised of 29 professionals and officials from groups representing housing advocacy organizations; local, county, and State government agencies; home builders; and research and policy organizations and institutions. The Advisory Committee has periodically convened over the past four years to provide guidance for the development of the preliminary RHP. Chapter III of the preliminary RHP sets forth all of the relevant local, State, and Federal plans and programs that impact housing within the Region.

The Socio-Economic Impact Analysis Framework

The SEI is comprised of two components; an analysis component, in which the preliminary recommendations are evaluated to determine potential impacts on environmental justice populations; and an outreach component, used to engage environmental justice populations and their representatives in order to gain feedback and a clearer understanding about the plan recommendations. Ultimately, the findings from the SEI will be used to inform, support, modify, or dismiss the recommendations to be incorporated into the final draft of the Regional Housing Plan.

CED has evaluated each of the RHP recommendations under the scrutiny of a regional socio-economic impact analysis and by addressing the following questions, based on the framework posed by SEWRPC:

1. What positive social and economic impacts to environmental justice populations, if any, would be expected from implementation of the plan recommendation?
2. If positive social and economic impacts would be expected, would environmental justice populations receive a proportionate share of benefits, compared to the regional population as a whole?
3. What adverse social and economic impacts to environmental justice populations, if any, would be expected from implementation of the plan recommendation?
4. If adverse social and economic impacts would be expected, would impacts on environmental justice populations be disproportionately high, compared to the regional population as a whole?
5. If adverse impacts would be expected, what steps could be take to mitigate disproportionately high social and economic effects on environmental justice populations?

This study answers these questions by considering each of the RHP recommendations, individually or collectively, and evaluating their impact on environmental justice populations, segregation patterns,

¹¹ All Federal HUD regulations accessible at www.gpo.gov/fdsys/search/pagedetails.action?collectionCode=CFR&searchPath=Title+24&granuleId=&packageId=CFR-2006-title24-vol1&oldPath=Title+24&fromPageDetails=true&collapse=true&ycord=0 or main page portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/rulesandregs

housing patterns, the fiscal health and well-being of environmental justice communities, and their compliance with Federal civil rights and environmental justice regulations.

Analysis Component

In July 2012, the Regional Housing Plan Advisory Committee completed its review of the draft of the preliminary RHP, including the preliminary plan recommendations. Also, SEWRPC's Planning and Research Committee completed its review of the preliminary recommendations in September 2012. The plan recommendations are based on the following six major housing plan categories:

- Affordable Housing
- Fair Housing/Opportunity
- Job/Housing Balance
- Accessible Housing
- Subsidized and Tax Credit Housing, and
- Housing Development Practices

Each of these categories consists of multiple recommendations (47 total) which speak to the primary objectives of each category. Within this SEI, each of the major housing plan categories was provided a chapter for discussion and analysis. In order to evaluate the recommendations, CED outlined the key objective or objectives for each major category in light of how these could positively or negatively impact environmental justice populations:

- Key Objective (Affordable Housing): *Increase distribution of lower-cost housing options in sewerred areas throughout the seven county Region*
- Key Objective (Fair Housing/Opportunity): *Increase housing options for low-income and minority residents throughout the seven county Region*
- Key Objective (Job/Housing Balance): *Increase affordable housing options in municipalities in proportion to number of moderate and low wage jobs in a given municipality and increase job opportunities near concentrations of existing affordable housing*
- Key Objective (Accessible Housing): *Increase housing options for persons with disabilities throughout the seven county Region, including near major employment centers*
- Key Objective (Subsidized and Tax Credit Housing): *Increase the supply and distribution of subsidized and tax credit housing throughout the seven county Region*
- Key Objective (Housing Development Practices): *Incorporating housing best management practices into planning and design, to lower the long-term cost of housing and provide safe and healthy neighborhoods throughout the seven county Region*

Many of the recommendations are similar and, due to the nature of the plan, there is significant overlap between recommendations within the different categories. Many of the recommendations can be categorized as tools that support the overall objectives set forth within each of the categories. CED developed a straightforward, simplified method for evaluating the recommendations within each of the six housing plan categories, by distinguishing between plan *objectives* and *tools* with which to achieve these objectives. Based on review, the recommendations were categorized as one or more of the following six categories:

- Impacts the Costs of Development and Housing Prices
- Impacts Design, Aesthetics, and Safety
- Impacts Policy and Zoning
- Impacts Planning and Programs
- Impacts Education and Outreach

- Impacts Socio-Economic Barriers

Each of the plan recommendations was evaluated within this framework, and CED classified each of the RHP recommendations into one of the following five categories on the basis of how they would likely impact EJ 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.

In addition to the discussion of recommendations, CED has provided a summary matrix for all recommendations within each of the six major housing plan categories set against the five framework questions within each chapter.

Outreach Component

The second major component of the socio-economic impact analysis is public participation and input to address concerns that specific populations in the Region may not have had the opportunity to express during the planning process, namely minority and low-income populations, persons with disabilities, and representatives or those who advocate on behalf of EJ communities. Assessing community perceptions about regional development is most difficult when portions of that community may not be engaged in the planning process. SEWRPC has done considerable public outreach regarding the RHP through the use of public meetings, the internet, direct outreach and meetings with groups representing or comprised of EJ communities, and other forms of communication feedback. However, and this can be said for all planning efforts, planners must find a way to engage those whose lives and communities could ostensibly be impacted by planning decisions at all levels, particularly in minority and low-income communities. The goal for the public outreach component is to gather feedback from the public in order to further enhance the findings of the SEI analysis.

The public outreach component was designed to commence upon completion of the draft analysis portion of the SEI. CED worked with SEWRPC to develop a strategy to reach members of low income and minority populations, and persons with disabilities, and persons that represent such populations, in order to gain useful feedback. SEWRPC staff members provided additional assistance and input specifically in developing a message regarding the vision and recommendations of the RHP and conveying that message. Between November 2012 and December 2012, CED and SEWRPC cohosted 9 public meetings throughout the Region to gather input from the public. Once the public outreach component was completed, CED reviewed the draft and incorporated necessary changes to the SEI analysis based on the public input.

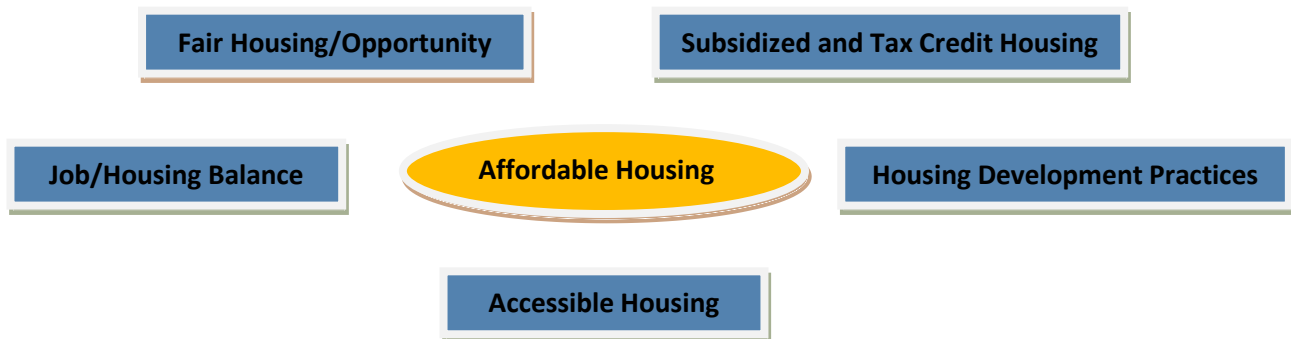
Information regarding the input gained from the public meetings is provided in Chapter 8 of the SEI.

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 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.

This chapter provides a summary of SEWRPC’s approach to issues concerning affordable housing; background, context, and rationale as to the current economic conditions and their impact on affordable housing; and 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.¹² 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

¹² Southeastern Wisconsin Regional Planning Commission *A Regional Housing Plan for Southeastern Wisconsin*, Planning Report No. 20, February 1975. At www.sewrpc.org/SEWRPC/Housing/LegacyRegionalHousingPlan.htm

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*¹³)
 - Abatement of Social Constraints
 - 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

¹³ For example, Business Improvement Districts partnering with local businesses and developers for public improvements.

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.¹⁴ 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* (by owner-occupied and renter households)
- *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

¹⁴ Preliminary Draft RHP Chapter XII Recommended Housing Plan, page XII-3

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.¹⁵

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 EJ 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, and smaller single-family homes tend to be more affordable). Recent studies¹⁶ 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

¹⁵ Preliminary Draft RHP Chapter II Objectives et al, page II-2

¹⁶ Joint Center for Housing Studies of Harvard University *The State of the Nation's Housing: 2012*, June 2012, and *Rental Market Stresses: Impacts of the Great Recession on Affordability and Multifamily Lending*, June 2012.

Region based on the analysis. According to SEWRPC, the generalized and region-wide approach should be used as the basis for a 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 2009¹⁷, 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.

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.¹⁸ 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.¹⁹ 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 crisis²⁰, 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

¹⁷ 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.

¹⁸ Metro Area Home Prices Rising, Real Estate Data Firm Reports, *Milwaukee Journal Sentinel*, July 10, 2012. Accessible online at www.jsonline.com/business/metro-area-home-prices-rising-real-estate-data-firm-reports-ra62onp-161932025.html

¹⁹ Foreclosure data for Wisconsin counties is available through the UW Extension Center for Community and Economic Development online at www.fyi.uwex.edu/housing/2012/05/02/2000-2011-annual-foreclosure-data-by-county/

²⁰ 2011 Fact Sheet released by the City of Milwaukee Department of City Development and Department of Neighborhood Services. Accessible online at www.sewrpc.org/SEWRPCFiles/HousingPlan/Files/foreclosure-in-milw-progress-and-challenges.pdf

decimated the wealth of minority households. A study²¹ 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 reported²² a 6.4 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 Bulletin²³ 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 report²⁴ from 2011 documents the widening gap in household wealth²⁵ 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

²¹ Carr, James *The Silent Depression: How Are Minorities Faring in the Economic Downturn?*, National Community Reinvestment Coalition, September 2009. Accessible online at www.oversight.house.gov/wp-content/uploads/2012/01/20090923Carr.pdf

²² US Bureau of the Census *Income, Poverty, and Health Insurance Coverage in the United States: 2010*. Current Population Report, September 2011. Accessible online at www.census.gov/prod/2011pubs/p60-239.pdf

²³ Board of Governors of the Federal Reserve System *Changes in US Family Finances from 2007 to 2010: Evidence from the Survey of Consumer Finances*, June 2012, Vol. 98, No 2. Accessible online at www.federalreserve.gov/pubs/bulletin/2012/PDF/scf12.pdf

²⁴ Pew Research Center *Wealth Gap Rises to Record Highs Between Whites, Blacks, and Hispanics*, July 2011. Accessible online at www.pewsocialtrends.org/files/2011/07/SDT-Wealth-Report_7-26-11_FINAL.pdf

²⁵ 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).

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.²⁶ 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.

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.²⁷ A 2011 study from the Joint Center for Housing Studies of Harvard University²⁸ 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

²⁶ Joint Center for Housing Studies of Harvard University *The State of the Nation's Housing: 2012*, June 2012. Accessible online at www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son2012.pdf

²⁷ Joint Center for Housing Studies of Harvard University *America's Rental Housing: Meeting Challenges, Building on Opportunities*, April 2011. Accessible online at www.jchs.harvard.edu/americas-rental-housing

²⁸ Joint Center for Housing Studies of Harvard University *Rental Market Stresses: Impacts of the Great Recession on Affordability and Multifamily Lending*, June 2012. Accessible online at www.jchs.harvard.edu/research/publications/state-nation%E2%80%99s-housing-2012

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.²⁹ 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 moderate-income households into the rental market, this does not bode well for EJ communities, particularly those at the lowest end of the household income spectrum.

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 EJ 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.³⁰

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

²⁹ Janna Matlack and Jacob Vigdor *Do Rising Tides Lift All Prices? Income Inequality and Housing Affordability*, National Bureau of Economic Research Working Paper No. 12331, June 2006.

³⁰ Preliminary Draft RHP Chapter VIII Job Housing Balance, page V-III 17

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 CFDB 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 EJ 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.³¹ 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 lower income communities to secure funds for affordable housing.³² 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 Rule³³, 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.^{34, 35} 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

³¹ Preliminary Draft RHP Chapter XII Recommended Housing Plan for the Region, page X-II 12

³² Preliminary Draft RHP Chapter XII Recommended Housing Plan for the Region, page X-II 13

³³ State of Wisconsin Legislative Reference Bureau *Home Rule*, July 2004, Vol. IV, No. 3. Accessible online at www.legis.wisconsin.gov/lrb/pubs/consthi/04consthiiv3.htm

³⁴ National Association of Home Builders *The Metro Impact of Homebuilding in Milwaukee: Comparing Costs to Revenues for Local Governments*, February 2012. Accessible online at www.sewrpc.org/SEWRPCFiles/HousingPlan/Files/NAHB-comparing-costs-to-revenue-202350.pdf

³⁵ Metropolitan Statistical Area for Milwaukee consists of Milwaukee, Ozaukee, Washington, and Waukesha Counties, otherwise known as the MWOW Counties.

by single-family homes are considerably higher. Market research³⁶ 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)³⁷ 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 planning practice. The APA and AICP both require that professional members work to increase and promote social equity and diversity (including EJ communities).

In 2006, the APA adopted a formal Policy Guide on Housing³⁸ 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 B.

³⁶ National Association of Home Builders *Multifamily Housing to Outpace Production*, February 2012. Accessible online at www.speakingofrealestate.blogs.realtor.org/2012/02/16/multifamily-housing-demand-to-outpace-production/

³⁷ Information about the American Planning Association is available online at www.planning.org/apaatag/mission.htm

³⁸ American Planning Association *Policy Guide on Housing*, adopted 2006. Accessible online at www.planning.org/policy/guides/adopted/housing.htm

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 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.³⁹
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.

³⁹ 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.

- 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 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.

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. CED specifically identified any potential positive or negative impacts that each recommendation could have on EJ communities.

ANALYSIS OF AFFORDABLE HOUSING RECOMMENDATIONS

Overall, CED found that 4 of the proposed RHP recommendations related to affordable housing would likely have a significantly positive impact on EJ communities; 5 would have a positive impact but not a disproportionate benefit in comparison to the Region's population as a whole; and 2 would likely have no impact on EJ communities. None of the recommendations were found to likely have either a negative or a significantly negative impact on EJ communities. Specific concerns about the recommendations are discussed below along with suggestions for addressing these concerns.

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 sewerred 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 that the recommendations fall into to address the *key objective*.

Recommendations that Impact the Costs of Development and Housing Prices: 1, 3, 4, 5, 8, 9, and 10

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 EJ communities, given that lowering the costs for housing units would provide more housing opportunities for EJ 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 EJ 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.⁴⁰ In *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 had on low-income communities.⁴¹

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 EJ communities.

Recommendation 10 identifies a 2009 amendment to 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. As of 2012, no communities in Wisconsin have taken advantage of this opportunity therefore the effectiveness of this program is yet unknown. Any updates to the RHP should include a summary of the effectiveness of this aspect of TIF or its use within the Region.

⁴⁰ Elizabeth Weintraub *Foreclosure Sales Affect Home Values – Nearby Homes Feel Effect*, New York Times Company. Accessible online at www.homebuying.about.com/od/4closureshortsales/qt/0507-4-closeval.htm

⁴¹ *Responding to the Foreclosure Crisis* Atlanta Neighborhood Development Partnership. Accessible online at www.andpi.org/UpdatedTaxReport.pdf

Recommendations that Impact Design, Aesthetics, and Safety: 5 and 6

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, and therefore Recommendation 5 will have positive impacts on environmental justice populations by reducing housing costs.

Mandating the presence of an architect on an architectural or design review board (per Recommendation 6) for any residential development could possibly enhance or streamline the process, and possibly reduce developer costs that could result in savings for the consumer; this however, is not a given, and therefore it is most likely that Recommendation 6 would have no impact on EJ communities.

Recommendations that Impact Policy and Zoning: 1, 2, 3, and 4

Policies: Recommendations 2 and 3

Recommendation 3 simply reiterates one of the existing 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 EJ communities. However, as a recommendation, the intention is to draw attention to the policy and therefore encourage its implementation in the Region which would bring about positive impacts for EJ communities.

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 predominantly 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, and on an acre-by-acre basis, there are typically fewer school age children in single-family developments compared to multi-family developments.

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.⁴²

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.^{43, 44, 45, 46} 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.⁴⁷ As of 2012, only 30 Ohio school districts rely solely on 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.⁴⁸

Most communities throughout the U.S. rely on a combination of property taxes, sales taxes, and income taxes for their source of revenues; in Wisconsin communities, there tends to be a heavy reliance on property taxes. Shifting towards a more heavy reliance on sales taxes would likely be a more regressive manner for addressing a gap from property taxes given that lower-income families in Wisconsin pay a much greater proportion of their income towards sales and excise taxes than they do either property or income taxes.⁴⁹ It should also be noted that sales taxes have become less reliable due to the prevalence of online shopping over the past 15 years; estimates indicate that Wisconsin may have 'lost' about \$566M in tax revenue from e-commerce.⁵⁰

Although it would be a more progressive form of taxation and therefore would be more beneficial to EJ communities, reliance upon income taxes to support school districts also has its detractors. In 2009, the New Jersey League of Municipalities began a campaign to remove schools from the property tax rolls,

⁴² Jason Stein *Freeze on Property Taxes Gains Support: State Budget Panel Also Favors Limiting Tax Credit for Poor*, Milwaukee Journal Sentinel, May 2011. Accessible online at www.jsonline.com/news/statepolitics/121714249.html

⁴³ 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 www.dor.myflorida.com/dor/property/resources/limitations.html

⁴⁴ Sali McSherry *School Funding Alternatives Explored*, Chagrin (NC) Valley Times, May 2009. Accessible online at www.chagrinvallleytimes.com/NC/0/861.html

⁴⁵ Paul Luce *Taxed to the Max: Alternative Funding Sought for Education*, Daily Times (Delaware County, PA), July 2010. Accessible online at www.delcotimes.com/articles/2010/07/08/news/doc4c350cb789c2a859370997.txt

⁴⁶ Catherine Clark and Lawrence Toenjes *Exploring Alternatives for School Based Funding*, Texas Center for Educational Research, 1996. Accessible online at www.nces.ed.gov/pubs98/clark.pdf

⁴⁷ Ohio Department of Taxation *Guide to Ohio's School District Income Tax*, 2009. Accessible online at www.tax.ohio.gov/divisions/tax_analysis/tax_data_series/school_district_data/documents/SDITqa.pdf

⁴⁸ Information from the Iowa Department of Revenue available online at www.iowa.gov/tax/taxlaw/taxtypes.html#school

⁴⁹ Institute on Taxation and Economic Policy *Who Pays More? Third Edition*, 2009. Available online at www.itep.org/whopays3.pdf

⁵⁰ Donald Bruce, William Fox, and LeAnn Luna *State and Local Government Sales Tax Revenue Losses from Electronic Commerce* University of Tennessee, 2009. Available online at www.icsc.org/srch/government/briefs/200904_salestax.pdf

claiming that property taxes shift too much of the financial burden onto lower-income residents.⁵¹ 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.*" Coleman also 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.

Schools in Wisconsin are financed through a combination of State aid (from General Purpose Revenue - GPR), local property taxes, federal aid, and other local revenues (fees). GPR contributions consist of individual income taxes (about 50 percent), sales taxes (about 33 percent), corporate taxes (about 7 percent), excise taxes (about 6 percent) and public utility and insurance taxes (about 4 percent). School spending currently constitutes about 40 percent of the GPR. In 2010, about 64 percent of total public school costs were covered by the State through the GPR, with the remainder made up through local property taxes (usually about 33 percent).⁵²

Distribution to individual school districts is based on a formula system, which relies heavily on enrollment and equalized property values; the goal is to provide equity in school district funding throughout the State. Not all districts, however, have the same needs, and therefore, there are numerous aid programs to offset the differences such as school levy tax credits, special adjustment aid, categorical aid, and integration aid. Education advocates including the Association for Equity in Funding⁵³ (AEF) that represents numerous school districts throughout the State (both urban and rural) argue that the aid programs (particularly the school levy tax credit) tend to favor school districts with higher property values and distorts any equity within the formula. In the Fall of 2012, as part of its 2013-2015 state budget request, Wisconsin's Department of Public Instruction (DPI) released its *Fair Funding for Our Future Plan*⁵⁴ which includes its proposal for school finance reform. Within this, DPI is requesting an increase in state aid for all school districts, which would reduce their gross tax rates and levy, and proposes the incorporation of a poverty factor into the formula, again reducing the burden on property taxes. The school levy tax credit would be shifted to the General Aid formula, reducing the inequity between property wealthy and property poor districts. This plan asserts that it would also protect school districts that would receive less aid under the new formula.

Given the complexity of this issue, CED recommends that SEWRPC request the State, either through WHEDA or the Department of Administration, to initiate a study to determine if the proposed DPI plan or any alternative school and municipal funding sources or strategies, such as a change in the GPR formula or increasing reliance upon income taxes, could be implemented to reduce the role that property taxes play in local revenues, without disproportionately impacting lower income households. Potential partners in the study may include WHEDA, the Department of Administration, Department of Public Instruction, Milwaukee Public Schools, Wisconsin Taxpayers Alliance, and the Public Policy Forum.

⁵¹ Karyn Keller *NJ League of Municipalities Push to Pay for Schools Through Income-Based Tax*, Star Ledger December 10, 2009. Accessible online at www.nj.com/ews/index.ssf/2009/12/nj_league_of_municipalities_pu

⁵² Information is available through the Wisconsin Department of Administration online at www.wisconsinbudgetproject.org/

⁵³ Information on the Association for Equity in Funding is available online at www.waef.net/

⁵⁴ Information about DPI's *Fair Funding for Our Future* plan is available online at www.fairfunding.dpi.wi.gov/

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 sewerred 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 sewerred 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, 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.

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. Recommendation 4 should be revised to address streamlining the PUD process.

Recommendations that Impact Planning and Programs: 4 and 6

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 EJ 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, neither positive nor negative, on EJ communities.

Recommendations that Impact Education and Outreach: 7

Implementation of recommendation 7 could have a significantly positive impact on EJ 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. 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. 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

CED recommends minor revisions to several of the Affordable Housing recommendations as noted below.

1. *Housing unit size and density – Significantly Positive Impact, Key Recommendation*

- *Impacts Costs of Development and Housing Prices:* Reduces the costs for development and housing unit prices would provide more housing opportunities for EJ communities.
- *Impacts Policy and Zoning:* Promotes affordable, inclusive housing development through local comprehensive plans and zoning ordinances.

2. *Shift school funding away from property tax – Potentially Significantly Positive Impact, Key Recommendation:*

- *Impacts Policy and Zoning:* Reduces the costs of housing through policy changes. Higher cost housing is more desirable to local school and government officials due to heavy reliance on property taxes to fund local schools and services.

CED recommends that a State level agency (WHEDA or DOA) develop an initiative to study alternative funding strategies for schools and local government services. Any studies should consider reducing the heavy reliance on property taxes to address local school district and government officials' concerns about lower-cost housing.

The issue of local property taxes funding school districts has been one of the key obstacles to providing lower-cost housing units in many of the suburbs. Given the significance of this issue and its impact within the Region, CED recommends that SEWRPC request the State, either through WHEDA or the Department of Administration, to initiate a study to determine if alternative school and municipal funding sources or strategies, such as a change in the formula or increasing reliance upon income taxes, could be implemented to reduce the role that property taxes play in local revenues, without disproportionately impacting lower income households. Potential partners in the study may include the Department of Public Instruction, Milwaukee Public Schools, WHEDA, Wisconsin Taxpayers Alliance, and the Public Policy Forum.

3. Reduce or waive impact fees for affordable housing – Positive Impact

- *Impacts Costs of Development and Housing Prices:* Reduces housing costs and acts as an incentive for developing affordable housing.
- *Impacts Policy and Zoning:* Local government policy change may be required to reduce or waive impact fees.

4. Encourage a variety of housing types – Positive Impact

- *Impacts Costs of Development and Housing Prices:* Reduces the costs for development and housing unit prices.
- *Impacts Policy and Zoning:* Promotes more affordable, inclusive development through recommended changes to some local zoning ordinances.
- *Impacts Planning and Programs:* Promotes more affordable, inclusive development through recommended changes to some local or county planning (Comprehensive plans).

CED suggests that this recommendation be extended to include local strategic area or neighborhood plans, in addition to comprehensive plans.

5. Review requirements that increase housing costs but do not contribute to design or functionality – Positive Impact

- *Impacts Costs of Development and Housing Prices:* Reduces the costs for development and housing unit prices.
- *Impacts Design, Aesthetics, and Safety:* Reduces the costs associated with design, aesthetics, and safety.

6. Include architects on design review team – No Impact

- *Impacts Design, Aesthetics, and Safety:* Although it is likely to improve the design review process, it is unlikely that this would have an impact on EJ communities.
- *Impacts Planning and Programs:* Potentially could streamline the way some communities handle design review.

7. Conduct education and outreach efforts – Significantly Positive Impact

- *Impacts Education and Outreach:* Increasing outreach and education efforts to local public officials and planners on the need for affordable housing.

CED suggests 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.

8. Sound housing finance system – Significantly Positive Impact

- *Impacts Costs of Development and Housing Prices:* Stabilizes the housing market by providing better mortgage underwriting system, a better government oversight of the lending industry, reasonable rates and terms for fixed rate mortgages in order to avoid a repeat of the recent Housing Crisis which disproportionately impacted EJ communities.

9. Appraisers should consider cost, income, and sales comparisons approaches to value – Positive Impact

- *Impacts Costs of Development and Housing Prices:* Changes the dynamic in the relationship between appraisers and lenders, potentially removing any improprieties that could impact appraisals. Increasing the accuracy of appraisals could increase the ability of potential homebuyers to obtain credit.

10. Use Tax Increment Financing to facilitate the development of affordable housing as allowed by Wisconsin Statutes – Positive Impact

- *Impacts Costs of Development and Housing Prices:* Lowers the costs for affordable housing development and housing unit prices.

Although it is likely that this would positively impact EJ communities by adding affordable units to communities that take advantage of TIF, this is a relatively new amendment to the Wisconsin TIF law (as of 2009) and thus far, there are no examples of any community taking advantage of this.

Key Recommendations: 1 and 2

Recommendation 1 states that all communities with sewer service plan for and provide affordable housing, including modest single-family housing and multi-family housing. Each sewer 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. This is the primary recommendation set forth in the RHP, given that it addresses the regulatory framework, or zoning, needed to allow for smaller, more affordable single-family dwellings and multi-family units.

Recommendation 2 calls for the development of a new funding strategy that would eliminate or reduce the heavy reliance on property taxes to fund municipal services including local public schools. As stated, newer suburban and exurban residential development has become driven by the heavy reliance on property taxes, creating a major disincentive to developing more modest and affordable housing. CED recommends that SEWRPC request the State, either through WHEDA or the Department of Administration, to initiate a study to determine if the proposed DPI plan or any alternative school and municipal funding sources or strategies, such as a change in the GPR formula or increasing reliance upon income taxes, could be implemented to reduce the role that property taxes play in local revenues, without disproportionately impacting lower income households.

Environmental Justice Impact Matrix: Affordable Housing

Recommendation	No Impact	Significantly Adverse Impact	Adverse Impact	Positive Impact	Significantly Positive Impact	Key Recommendation
1					✓	✓
2					✓	✓
3*				✓		
4				✓		
5				✓		
6	✓					
7					✓	
8					✓	
9				✓		
10*				✓		

* 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 EJ communities.

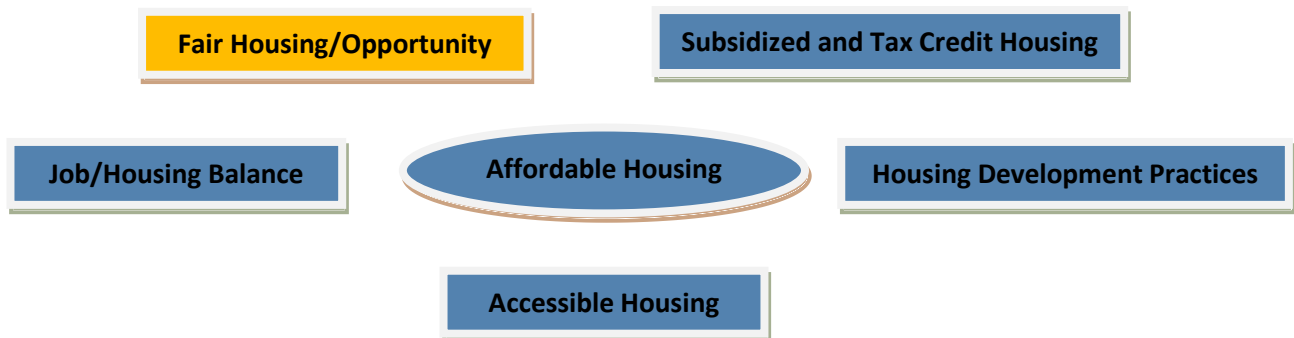
- No Impact: recommendation will not have any direct impact, adverse or positive, on environmental justice populations
- Significantly Negative Impacts: environmental justice populations are likely to be negatively impacted in greater proportion to the regional population as a whole
- Adverse Impacts: 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

Chapter 3

FAIR HOUSING/OPPORTUNITY

INTRODUCTION

The second major housing plan category identified in the Regional Housing Plan (RHP) is fair housing and opportunity. SEWPRC provides a discussion of housing discrimination and fair housing practices in Chapter VI of the preliminary RHP. First, it presents a history of housing discrimination and its impacts and an inventory of racial distribution patterns in the Region¹; second, indicators or signs of illegal housing practices including mortgage lending patterns; third, fair housing laws and requirements; and findings that lead to the preliminary recommendations.



As stated in Chapter II of the preliminary RHP, housing discrimination and the concentration (or rather segregation) of minority and low-income communities were identified as three of the seven components contributing to the Regional housing problem:²

- Housing discrimination
- Concentration of low-income and minority populations in the Region’s central cities
- A need for accessible housing stock to accommodate persons with disabilities

Fair housing practices require a discussion of Federal and State law, much of which is centered around unlawful housing discrimination against persons in protected legal classes, based on race, color, sex, national origin or ancestry, religion, disability or handicap, familial status, age, marital status, family status, lawful source of income, sexual orientation, and victims of domestic abuse or stalking.

Critical to the fair housing/opportunity component is the provision of affordable housing. SEWRPC’s vision of the Plan is to “*provide financially sustainable housing opportunities for persons of all income levels, age groups, and special needs throughout the entire Southeastern Wisconsin Region*”; this is intimately tied to fair housing practices and opportunity to “*ensure that all residents of the Region have equal housing choices...*” which is expected to also support “*equal employment opportunities [in the*

¹ Additional information regarding the racial and ethnic composition of the Region’s population is available in Chapter VII (Demographic and Economic Characteristics).

² Preliminary RHP Chapter II, Objectives, Principles, and Standards, page II-1-2.

Region]”.³ In this manner, and as illustrated in the above diagram, Fair Housing/Opportunity is also an instrument to accomplish the core objective of the RHP to increase affordable housing opportunities.

This chapter provides a brief summary of SEWRPC’s approach to issues concerning fair housing/opportunity; background, context, and rationale regarding current and projected economic conditions and their impact on fair housing and EJ communities; and finally, an analysis of the recommendations set forth within the preliminary RHP in light of current economic conditions (including the Great Recession and housing crisis).

PRELIMINARY REGIONAL HOUSING PLAN AND ISSUES IDENTIFIED CONCERNING FAIR HOUSING/OPPORTUNITY

SEWRPC’s Legacy 1975 Regional Housing Plan

The Legacy Regional Housing Plan⁴ addresses the issue of fair housing opportunity in the recommendations section set forth in 1975. Fair Housing was a relatively new concept when the Legacy RHP was undergoing development. The U.S. Department of Housing and Urban Development (HUD) had recently been established in 1965 and was only beginning to implement fair housing practices which were based on the Civil Rights Acts of 1964 and 1968,⁵ which prohibited discrimination including discrimination in housing. In the current RHP, SEWRPC provides a history of fair housing and its impacts within the Region in Part 1 of Chapter VI; this includes a discussion about fair housing practices and oversight including the creation of the Metropolitan Milwaukee Fair Housing Council in 1977 and recent cases involving housing discrimination within the Region. SEWRPC provides a summary of the fair housing and non-discrimination laws in Appendix F of the preliminary RHP.

The current preliminary RHP addresses 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 unsubsidized and subsidized housing categories) that address many aspects of the defined housing problem, many of which overlap with conditions still prevalent today and that indirectly impact issues of fair housing. However, the specific recommendations that directly promote fair housing are nonsubsidy recommendations and are as follows:

- Nonsubsidy Housing Recommendations
 - Abatement of Social Constraints: Housing Discrimination
 - Expansion of Federal, State and local fair housing laws that prohibit housing discrimination
 - Expansion of public informational programs to spread awareness to discriminated groups about existing legal mechanisms to combat discrimination
 - Regular assessment of fair housing enforcement procedures and processes

The recommendations above 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) in addition to some new recommendations for the promotion of fair housing in the Region which are reviewed at the end of this Chapter.

³ Preliminary RHP Chapter II, Objectives et al, page II-3-4.

⁴ Southeastern Wisconsin Regional Planning Commission, Planning Report No. 20, *A Regional Housing Plan for Southeastern Wisconsin*, February 1975. At www.sewrpc.org/SEWRPC/Housing/LegacyRegionalHousingPlan.htm.

⁵ Civil Rights Act of 1968: Public Law 90-284.

Summary of Fair Housing/Opportunity as it Applies to the Preliminary Regional Housing Plan

Chapter VI of the RHP provides both a history of fair housing in the Region and the context for fair housing and racial housing concentration and discrimination (Part 1), an assessment of the indicators of potential illegal housing practices including discrimination and mortgage lending patterns (Part 2), a discussion of fair housing laws and their applications (Part 3), and a summary of findings (Part 4). A summary of Federal, State, and local fair housing laws and practices is available in Appendix F of the RHP.

Part 1 of Chapter VI focuses on outlining the history of fair housing and discrimination in the Region, including the effects of practices such as red lining, ‘white flight’, ‘NIMBYism’ (Not In My Back Yard), and segregation. Although *de jure* segregation practices like red-lining, discriminatory mortgage underwriting guidelines, and discriminatory property deeds or subdivision covenants have long been outlawed, many of these practices continue to have lingering and detrimental impacts on low-income and primarily minority communities to this day. Currently, *de facto* segregation practices such as ‘white flight’ or ‘NIMBYism’ have replaced the old Jim Crow laws, and other seemingly innocuous practices have had the unintended consequence of continuing the segregation status quo. Zoning ordinances are often used to preclude the development of affordable single- and multi-family units. Local officials, including school district officials, will often oppose development that does not contribute significantly to the property tax rolls. Additionally, there is a long standing practice of public opposition to multi-family or affordable housing development; all too often, elected officials will bow to the often very vocal pressure of their constituents and deny permits.

Part 2 of the RHP provides a discussion and analysis of illegal housing practices and discrimination, such as refusal to rent, sell, insure, or finance housing to members of protected classes. As stated by HUD, most instances of housing discrimination go unreported indicating that the data on housing discrimination complaints from the Metropolitan Milwaukee Fair Housing Council is inconclusive. It is indicative that discrimination based on race and disabilities is likely the most prevalent.

The following tables in Chapter VI are used to illustrate the trends in housing discrimination complaints and racial concentration in housing for the Region:

- *Table VI-1: White and Minority Population in Southeastern Wisconsin Communities: 1970-2010*
- *Table VI-4: Housing Discrimination Complaints Received by HUD in the Southeastern Wisconsin Region: 2000-2010*
- *Table VI-5: Housing Discrimination Complaints Received by HUD by Protected Class in the Southeastern Wisconsin Region: 2000-2010*
- *Table VI-6: Housing Discrimination Complaints Received by HUD by Issue Type in the Southeastern Wisconsin Region: 2000-2010*
- *Table VI-7: Outcomes of Housing Discrimination Complaints Received by HUD in the Southeastern Wisconsin Region: 2000-2010*
- *Table VI-8: Relationship Among HUD Housing Discrimination Complaints, Population Characteristics, and Number of Dwelling Units by County*
- *Table VI-9: Ratio of HUD Housing Discrimination Complaints Compared to Number of Persons in Protected Classes and Number of Dwelling Units: 2000-2010*
- *Table VI-10: Housing Discrimination Complaints Received by the Metropolitan Milwaukee Fair Housing Council in the Milwaukee Metropolitan Area: 2000-2010*
- *Table VI-11: Housing Discrimination Complaints Received by the Metropolitan Milwaukee Fair Housing Council by Protected Class in the Milwaukee Metropolitan Area: 2000-2010*

- *Table VI-12 and Table VI-13: Home Mortgage Disclosure Act (HMDA) Home Purchase Loan Statistics for the Southeastern Wisconsin Region: 2005 and 2008 respectively*

Part 2 provides a discussion of fair lending laws and mortgage lending patterns during the run up to the housing collapse and in its aftermath, including information on legal actions. Home Mortgage Disclosure Act (HMDA) data from 2005 indicates that loan denial rates were disproportionately higher for black and Hispanic populations than whites, and that of the loans that were approved for black and Hispanic persons, there were a disproportionate number that were high-cost, high-risk products such as adjustable rate mortgages (ARMs). SEWRPC summarized a 2009 study that showed that the Milwaukee Metropolitan Statistical Area had the third-greatest racial/ethnic lending disparity in the U.S. with regard to high-cost loans.⁶

In Part 3, SEWRPC provides a discussion of Fair Housing Laws and includes a list and summary of the laws in Appendix F. SEWRPC points out that there is an obligation for recipients of certain Federal Funds to “affirmatively further fair housing”⁷ (AFFH) by identifying and taking action to reverse patterns of discrimination and segregation. This obligation is a condition for the receipt of HUD Community Planning and Development (CPD) programs which include:

- Community Development Block Grant (CDBG)
- Home Investment Partnership (HOME)
- Emergency Shelter Grant (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)

Additionally, Public Housing Authorities (PHAs) that administer public housing and/or the Section 8 Housing Choice Voucher Program must affirmatively further fair housing. For PHAs, the AFFH requirement is imposed by the Quality Housing and Work Responsibility Act (QHWRA) of 1998.

As SEWRPC describes⁸, in order to show compliance with AFFH, an Analysis of Impediments (AI) is how fair housing efforts are determined based on 1) identifying barriers and challenges to fair and open housing choice, 2) taking action to overcome impediments, and 3) maintaining records to show initial analysis and any actions taken. Based on history and racial segregation in the area, SEWRPC acknowledges concerns from housing advocacy groups that some entitlement jurisdictions and sub-grantees may not meet AFFH requirements while also noting that the AI process has its limitations. Appendix I of the RHP includes a summary of impediments to fair housing based on AIs and the recommendations set forth in the AIs for the State of Wisconsin and for the Region’s entitlement jurisdictions.

Part 4 provides a summary of the findings that lead to the development of the plan recommendations set forth in Chapter XII.

⁶ National Council of Negro Women in partnership with the National Community Reinvestment Coalition, *Income is No Shield, Part III, Assessing the Double Burden: Examining Racial and Gender Disparities in Mortgage Lending*, June 2009. Accessible online at www.ncnw.org/images/double_burden.pdf

⁷ Preliminary RHP Chapter VI, Housing Discrimination et al, pageVI-12

⁸ Preliminary RHP Chapter VI, Housing Discrimination et al, pageVI-13

RATIONALE: FAIR HOUSING AND ENVIRONMENTAL JUSTICE

Fair Housing: Segregation, Discrimination, Spatial Mismatch, and Zoning

Segregation

Segregation in housing takes on both a racial or ethnic dimension and an income dimension. SEWRPC provides data on racial and ethnic compositions by tenure for each county and subarea in Chapter VII of the preliminary RHP (Table VII-11). Also provided is data that identifies the number and percent of low-income households (Table VII-13) and household income distribution by county and subarea (Table VII-14). In addition to the tables, maps are provided including concentrations of black population by Census block for 2010 (Map VII-2) and concentrations of Hispanic populations by Census block for 2010 (Map VII-6). In addition, the distributions of other minority groups are shown in Maps VII-3 through VII-5, and the distribution of all minorities combined is shown in Map VII-7. Map VII-8 shows the distribution of white non-Hispanic populations by Census block and Map VII-9 shows a dot map of the distributions by all populations by race and ethnicity. Map VII-10 shows the median annual household incomes by subarea.

Douglas Massey and Nancy Denton are credited with developing a full definition of segregation, outlining the manner in which most social scientists currently view segregation based on a review of 19 different segregation indices.⁹ They argue that segregation is not a one-dimensional construct but has five distinct dimensions of spatial variation, as follows:

- Evenness: refers to the unequal distribution of social groups across a spatial area (like a neighborhood or census tract)
- Exposure: refers to the contact between different groups within neighborhoods of a city
- Clustering: the degree or extent to which areas inhabited by minority members adjoin or are clustered together in space
- Concentration: the degree to which a group is located near the center of an urban area
- Centralization: the density or relative amount of physical space occupied by a minority in an urban environment

Segregation indices measure the degree to which a minority group is distributed differently than non-Hispanic whites across a geographic unit. William Frey, Senior Fellow at the Brookings Institute and Professor at the University of Michigan, has developed what is likely the most highly regarded segregation index, the *dissimilarity index*, which measures the dissimilarity across census tracts, on a scale from 0 (complete integration) to 100 (complete segregation) where the value indicates the percentage of the minority group that needs to move to be distributed exactly like non-Hispanic Whites. Frey's latest findings, which are discussed in Chapter IV of the RHP, show that, the Milwaukee Metropolitan Statistical Area (includes Milwaukee, Ozaukee, Washington, and Waukesha Counties) is THE most segregated Large Metropolitan Area for African Americans in the U.S. based on 2005-2009 American Community Survey data. Additionally, in 2000, it was second only to the Detroit Metro Area in segregation based on the dissimilarity index.¹⁰ The Milwaukee MSA also does not rank well (7th) in terms

⁹ Douglas Massey and Nancy Denton *The Dimensions of Residential Segregation* University of Chicago, 1988.

¹⁰ William Frey *New Racial Segregation Measures for States and Large Metropolitan Areas: Analysis of the 2005-2009 American Community Survey* www.censusscope.org/ACS/Segregation.html

of Hispanic and non-Hispanic White segregation. Methodology for Frey's segregation index measure is available online.¹¹

Another measure of residential segregation is the Diversity Index which is a common measure of income inequality and has been used extensively as a measure of segregation. The Diversity Index¹² relies on a Gini Coefficient which measures the likelihood that two persons chosen at random from the same area (such as a Census Block Group or Tract) will belong to different race or ethnic groups. The numeric value of the Diversity Index increases when both the variety of races and ethnic groups and evenness of distribution increase for the area. The Diversity Index score ranges between zero and 100. A score of zero indicates a concentration of one race or ethnicity, indicating perfect inequality, and a score of 100 indicates perfect equality, or a variety of races and ethnicities being substantively represented and evenly distributed. For example, in the Metro Milwaukee area, the Riverwest neighborhood exhibits some of the highest Diversity Index scores, while both the Northshore communities and the Northside neighborhood exhibit very low scores given their lack of diversity among different races.

Maps 1 and 2 (at end of Chapter) illustrate the 2010 Diversity Index by Census tract for the Southeastern Wisconsin Region and Milwaukee County respectively. For the entire Region, where minorities make up 29 percent of the population, Map 1 shows that the Diversity Index is highest in Census tracts located in Milwaukee, Racine and Kenosha areas where there is the most variety and distribution among race and ethnicity. Map 2 shows Milwaukee County where the total minority population is 46 percent. Map 2 shows that within Milwaukee's Census tracts, it is evident that although there is more diversity overall, areas that appear to have a high concentration of minority populations do not inherently equate to a high Diversity Index because people of various races are not evenly distributed throughout the County.

In addition to a racial component, residential segregation also has an income component. A recent study by the Pew Research Center (released August 1, 2012) has shown that since 1980, residential segregation based on income has grown significantly.¹³ The long term rise in income inequality has led to a decline in the percent of neighborhoods defined strictly as middle class throughout the U.S. and to a rise in the percent that are majority lower income, and a rise in the number that are majority upper income. These increases are related to the long-term rise in income inequality, which has led to a shrinkage in the share of neighborhoods across the U.S. that are predominantly middle class or mixed income— 76 percent in 2010, down from 85 percent in 1980—and a rise in the shares that are majority lower income (18 percent in 2010, up from 12 percent in 1980) and majority upper income (6 percent in 2010, up from 3 percent in 1980).

CED documented the growing income segregation pattern for the metro Milwaukee area in a 2002 study.¹⁴ Based on income tax data, this study shows that almost all of the Region's affluence growth (based on household incomes reported at two levels, at least \$100K and at least \$200K) occurred within the suburbs of Milwaukee.

¹¹ William Frey and Dowell Myers *Racial Segregation Patterns in US Metropolitan Areas and Cities 1990 and 2000: Patterns Trends and Explanations*, Population Studies Center University of Michigan Institute for Social Research, 2005. Accessible online at www.frey-demographer.org/reports/R-2005-2_RacialSegregationTrends.pdf.

¹² CED used ESRI's Business Analyst for 2010 data to create the maps (cite here).

¹³ Pew Research Center *The Rise of Residential Segregation by Income*, August 1st 2012. Accessible online at www.pewsocialtrends.org/files/2012/08/Rise-of-Residential-Income-Segregation-2012.2.pdf

¹⁴ Marc Levine *Metropolitan Polarization in an Era of Affluence: Income Trends in Metropolitan Milwaukee Since 1990*, Center for Economic Development, University of Wisconsin – Milwaukee, 2002. Accessible online at www4.uwm.edu/ced/publications/income_trends.pdf

Discrimination

As stated above, de facto segregation practices such as ‘white flight’ or ‘NIMBYism’ have replaced the old Jim Crow laws. Although no longer institutionalized, it’s the subtle actions of discrimination that continue segregation. All too often at the local level, there is a considerable amount of public opposition to multi-family housing; opponents often use coded language (‘increase in crime or drug use’) to convey their racism – the terms ‘low income’ or ‘workforce housing’ have basically become synonymous with the term ‘those people’. Community opposition to supportive housing for persons with disabilities also occurs. And all too often, local politicians bend to the will of their constituents. In Part 2 of Chapter VI SEWRPC documented recent lawsuits in the Region in which housing discrimination was found to be the outcome (either direct or indirect) of local land use or development practices.

Spatial Mismatch

Spatial mismatch is the term used to describe the socio-economic phenomenon associated with job opportunities often and increasingly being created far from where concentrations of low-income populations live, which reduces access to jobs. A 2005 study by Michael Stoll for the California Center for Population Research indicates that job sprawl has exacerbated racial inequality in the U.S.¹⁵ Stoll’s key findings show: metro areas with higher levels of employment decentralization exhibit greater spatial mismatch between the relative locations of jobs and black residents; greater job sprawl is associated with higher spatial mismatch for blacks but not for whites; blacks are more geographically isolated from jobs in high job-sprawl areas regardless of region, metro area size, or share of metro population; and metro areas with higher job sprawl also exhibit more severe racial segregation between blacks and whites.

In southeastern Wisconsin, the spatial mismatch between minority populations within the Region’s major urban centers (Milwaukee, Racine, and Kenosha) and outlying job centers has been well documented. In 2010, the Social Development Commission (SDC) released a report that identified spatial mismatch as one of the key issues impacting job opportunities for black males in the metro Milwaukee area.¹⁶

CED has been tracking racial and income disparities within metro Milwaukee and has compared disparities and changes within metro Milwaukee to similar metropolitan areas. A 1998 study¹⁷ compares and contrasts economic indicators between Milwaukee (both city and metro areas) and 14 other similar ‘frost-belt’ cities and their corresponding metro areas since the 1950s. This study documents the pattern of growth within the suburbs and exurbs, the decentralization of jobs, and the growing segregation (both income and racial segregation) over the nearly 50 year period. The 1998 study notes that the disparity between black and white unemployment rates in metropolitan Milwaukee remains the widest among the ‘frost-belt’ cities, as has been the case since 1970. CED updated this study¹⁸ in 2010 to reflect the deindustrialization process since 1990. Over this time period, the trends indicate that although Milwaukee fares comparatively well on some of the economic measures such as real per capita income

¹⁵ Michael Stoll *Job Sprawl, Spatial Mismatch, and the Black Employment Disadvantage*, California Center for Population Research, June 2005.

¹⁶ Dave Celata *Structural Issues Impacting Black Male Employment Opportunities in Metro Milwaukee*, Social Development Commission report, June 2010. Center for Economic Development, University of Wisconsin – Milwaukee, 2010. Accessible online at www.cr-sdc.org/DefaultFilePile/StructuralIssuesImpactingBlack.pdf

¹⁷ Marc Levine *The Economic State of Milwaukee*, Center for Economic Development, University of Wisconsin – Milwaukee, 1998. Accessible online at www4.uwm.edu/ced/publications/milwecon/cover.cfm

¹⁸ Joel Rast *The Economic State of Milwaukee: 1990 – 2008*, Center for Economic Development, University of Wisconsin – Milwaukee, 2010. Accessible online at www4.uwm.edu/ced/publications/milwecon_2010.pdf

growth, the metro Milwaukee area continues to score highest in measures of segregation based on both race and income disparities.

An expanded discussion on spatial mismatch as it relates to housing and employment is provided in SEI Chapter 4 (Job/Housing Balance).

Zoning

Zoning is the practice of regulating land uses and densities, as generally stated, for the health, welfare, and safety of the local community. Separating incompatible uses and regulating for densities or the intensities of land use helps to ensure that new development does not negatively impact existing surrounding development and the character of a community is preserved. Having clearly defined zoning districts and boundaries provides stability to neighborhoods and helps to assure businesses and homeowners that their property values will be preserved or enhanced.

Zoning has its detractors and critics, however, as some have come to view it as an instrument to accomplish segregation. A 2009 study¹⁹ by Jonathan Rothwell and Douglas Massey of Princeton University argues that low-density zoning increases black segregation in U.S. metro areas by reducing the quantity of affordable housing in predominantly white non-Hispanic jurisdictions. The authors developed a regression model that showed a strong and significant relationship (correlation) between low-density zoning and black segregation, even after controlling for other zoning and land use policies and a variety of metropolitan characteristics. A 2010 study, also by Rothwell and Massey, demonstrated that of the top 50 largest U.S. metropolitan areas, the suburbs that restrict the density of residential construction tend to be more segregated on the basis of income than those with more permissive density zoning ordinances, perpetuating and exacerbating racial and class inequality.²⁰

A 2006 Brookings Institution study²¹ found that planning can both increase or decrease racial and economic segregation in metro areas. The study reviewed a variety of land use regulations including zoning, comprehensive plans, infrastructure plans, urban containment, building moratoriums, and permit caps for the top 50 largest metro areas. They discovered that there is an inordinate amount of variability between land use regulatory 'regimes' (or combination of strategies) in metro areas, but they were able to classify these regimes into four broad classes (Traditional, Exclusion, Wild Wild Texas, and Reform) with a dozen subclasses, ranging from exclusionary and restrictive to innovative and accommodating. Each produces "a variety of effects on metropolitan growth and density, and on the opportunities afforded to the residents that live there." Ultimately, this study found that some land use regulation strategies can exacerbate segregation (Traditional and Exclusion regimes) while others can ameliorate it (Reform regimes).

In the Brookings study, metro Milwaukee is classified as 'Traditional/Middle America', which is the most common metro area class/subclass. Of the 50 largest metro areas, 32 were classified as such, including

¹⁹ Jonathan Rothwell and Douglass Massey *The Effect of Density Zoning on Racial Segregation in US Urban Areas*, Urban Affairs Review, Vol 44, No 6. 2009. Accessible online at www.thecyberhood.net/documents/papers/uar09.pdf

²⁰ Jonathan Rothwell and Douglass Massey *Density Zoning and Class Segregation in US Metropolitan Areas*, Woodrow Wilson School of Public and International Affairs, Princeton University. 2010. Accessible online at www.ssrn.com/abstract=1322128

²¹ Rolf Pendall, Robert Puentes, and Jonathan Martin *From Traditional to Reformed: A Review of the Land Use Regulations in the Nation's 50 largest Metropolitan Areas*, Brookings Institute, 2006. Accessible online at www.brookings.edu/~media/research/files/reports/2006/8/metropolitanpolicy%20pendall/20060802_pendall

most predominantly, Chicago, Buffalo, Pittsburgh, Norfolk, and Atlanta. Planning in ‘Middle America’ metro areas is dominated by local (as opposed to regional or county) zoning and comprehensive plans as the default land use regulations, with very few growth management measures. These metro areas tend to have more restrictive densities in their zoning ordinances than the national norm, and tend to have a greater proportion of land dedicated to low densities than the national norm.

Second, ‘Middle America’ metro areas tend to have more modest commitments to infrastructure-based growth management such as Adequate Public Facilities Ordinances (APFOs) or impact fees than the national average. Similar to impact fees, APFOs tie growth and development to the services that will be impacted by that development, basically a ‘pay as you grow’ strategy. The major difference between APFOs and impact fees are that APFOs are usually tied to the local community’s comprehensive plan and are used as an effort to phase in the provision of public facilities or utilities, in order to assure that adequate levels of service are in place or reasonably assured when the development occurs. Most communities within the Region impose impact fees for development. Although APFOs are not commonly used, communities that provide sewer service are required by the Wisconsin Department of Natural Resources to adopt sewer service area plans. These plans identify areas that are eligible to receive sanitary sewer service based in part on an analysis of the capacity of sewage treatment facilities.

Finally, and most importantly, Middle America metro areas tend to make very little use of affordable housing mechanisms. Although the share of jurisdictions using incentive programs for affordable housing, including housing trust funds, tends to be about the same as the national average, the amount of land and the number of people being supported under such programs is considerably less (tends to be about half as much) in ‘Middle America’ metro areas in comparison to the national averages. According to the Brookings study, this is likely due to the slower than national average growth these metro areas have experienced and also because the central cities of ‘Middle America’ metro areas are characterized by large numbers of low cost rental units. Combined, this makes regulatory and incentive-based approaches to affordability less attractive than the use of standard Federal subsidies.

Like the Rothwell and Massey report, the Brookings study also found that anti-density zoning in the suburbs is highly correlated with racial and economic segregation including concentrated central city poverty, and a lack of affordable housing outside of the central city areas. The densities in metro areas with ‘Traditional’ land use regimes are also falling much faster than areas elsewhere; with the exception of New York, ‘Traditional’ metro areas are losing density.

The Brookings study also discusses other planning regimes (Reform and Wild Wild Texas) and their impacts on segregation. These two regimes tend to include affordable housing programming and have greater allowance for higher density zoning; the results have been less minority segregation and less concentrated poverty. Additionally, the study showed that there was a tendency for a greater concentration of college graduates living in the central cities and that central cities are high-value places, in contrast to Traditional and Exclusion where central cities tend to be the neighborhoods of last resort.

A 2004 study²² from the Virginia Polytechnic Institute and State University compared the effectiveness of ‘containment’ policies and strategies (like urban growth boundaries or APFOs) against state-imposed

²² Arthur Nelson, Thomas Sanchez, and Casey Dawkins *The Effect of Urban Containment and Mandatory Housing Elements on Racial Segregation in US Metropolitan Areas: 1990–2000* Journal of Urban Affairs, Volume 26, Number 3, 2004. Accessible online at www.onlinelibrary.wiley.com/doi/10.1111/j.0735-2166.2004.00203.x/pdf

housing mandates (those generally executed through comprehensive planning requirements) that aim to open suburban communities up to low- and moderate-income housing development. Such mandates are generally done through higher density zoning, relaxed zoning requirements, or other affordable housing incentives. The authors found that containment strategies are more effective at achieving desegregation than state-imposed mandates. Urban containment programs (urban growth boundaries or UGBs) rein in the outward expansion of urban areas by restricting development of rural lands outside an established boundary either for a specified period of time or once specific development targets are met. Such programs require a considerable amount of coordination in planning public infrastructure investment, land use planning, and regulation, which is usually carried out at a state or regional level rather than a local or county level. Besides Portland, about 100 other communities or metro areas have adopted urban containment strategies; these include Minneapolis-St. Paul, many communities in California, and most communities in Florida, Maryland, and Washington states. Some researchers have argued that there can be some serious downsides to UGBs, including substantially increasing housing costs through market manipulation; slowing economic growth through transference to other communities or metro areas; and UGBs may be ineffective for controlling growth.²³

Fair Housing: Affordable Housing, the Housing Crisis, Mortgage Regulations, and Impacts on Environmental Justice Communities in Southeastern Wisconsin

A National Community Reinvestment Coalition study²⁴ cited in SEI Chapter 2 showed that the Great Recession and subsequent housing crisis have disproportionately and severely impacted minority and low-income populations with higher unemployment rates, limited accessibility to lines of credit, and increased foreclosure rates. As stated, access to adequate and affordable housing is at the center of the Regional Housing Plan; however, the Great Recession and subsequent housing crisis have restricted access to credit for financing housing development and purchases. The recommendations for affordable housing indicate that it is anticipated that fair housing policies will likely be considered and implemented. Increasing the amount and diversity in housing choices within close proximity to suburban and exurban employment centers is anticipated to provide housing opportunities for EJ communities, particularly minorities that are concentrated in the Region's central cities.

Fair Housing and Mortgage Regulations: Impact on Owners

As documented in Part 2 of Chapter VI, minorities within the Region were more likely to have been steered toward and entangled in riskier mortgage products such as Adjustable Rate Mortgages (ARMs) than their majority counterparts during the years prior to the housing crisis. This in turn led to much higher rates of foreclosure for minorities at the same time that minorities were experiencing disproportionately higher unemployment rates due to the Great Recession.

The response to the Great Recession and foreclosure housing crisis in particular has been a tightening up of mortgage lending practices by banks. Prior to the Great Recession, the role of government by way of Government Sponsored Enterprises (GSEs, such as Fannie Mae and Freddie Mac) was thought to have contributed to improving the market for housing finance by guaranteeing the extension of credit lines to households that would otherwise not qualify for traditional mortgages under standard lending practices. Banks responded by flooding the market with 'innovative' subprime mortgage lending products such as

²³ Randall O'Toole *San Jose Demonstrates the Limits of Urban Growth Boundaries and Urban Rail*, Reason Foundation, March 2003. Available online at www.reason.org/files/2fc17f82de57f1126375a389cb464aca.pdf

²⁴ James Carr *The Silent Depression: How Are Minorities Faring in the Economic Downturn?* National Community Reinvestment Coalition, September 2009. Accessible online at www.oversight.house.gov/wp-content/uploads/2012/01/20090923Carr.pdf

ARMs that shifted the risk away from the loan originator and on to some other investment entity. The practice of providing credit to households that would otherwise not qualify, especially during a housing market bubble that ran up housing prices, was not financially sound. Too many households got in over their heads, particularly with ARMs. A working paper²⁵ from the National Bureau of Economic Research (NBER) shows that although there is evidence that the mid 1980s saw an improvement in housing financial markets that may be attributed at least in part to deregulation and the availability of innovative mortgage products, GSEs and their reliance on a secondary housing financial market has “*failed to improve the housing finance environment facing low-income and first-time homebuyers.*” Federal legislation requiring changes to mortgage lending practices has just started to be implemented under the Dodd-Frank Act (2010). Although lending rates are currently at a historic low, the criterion set up by most mortgage lenders currently makes a mortgage out of reach for many potential homeowners. Chapter IV of the preliminary RHP outlines the issues related to mortgage lending practices and recent and current Federal legislation.

In addition to losing equity, low-income homeowners who experience foreclosures may be forced to relocate into lower quality housing. These households are faced with blemishes on their credit score and depleted savings so that finding adequate housing or accessing financial resources through lending institutions become increasingly challenging or not possible at all. EJ populations are particularly vulnerable to the housing and foreclosure crisis as well as being affected by the regulatory and policy response since the crisis abated. Even for those households that have not gone through a foreclosure, the tightened mortgage market has made it difficult if not impossible for lower- and even moderate-income households to either enter the housing market or move up the housing ladder. This has disproportionately hit minority and low-income households given the overabundance of foreclosures specifically within predominantly minority neighborhoods and communities (Cities of Milwaukee, Kenosha, and Racine – see preliminary RHP Figure XII-1).

In response to the foreclosure crisis, HUD developed the Neighborhood Stabilization Program (NSP) that supplies formula grants either directly or through the States to communities impacted by foreclosures and abandonment. The Cities of Kenosha, Racine and Milwaukee, and Milwaukee County and Waukesha County each receive direct funding through the NSP, while all other local communities or counties would have to receive funding through the state dispersion. Chapters III and IV of the preliminary RHP discuss NSP funding throughout the Region.

Fair Housing and the Housing Crisis: Impact on Renters

As shown in Part 1, there is a significantly higher proportion of minority and environmental justice community renters within the Region. Although mortgage lending and foreclosure problems tend to impact property owners more directly than renters, renters have also been negatively impacted. In the short term, the foreclosure crisis has been disruptive to renters and neighborhoods. More significantly, in the long term, it is predicted that the recent trends within the rental market based on the Great Recession and housing crisis will likely increase housing cost burdens for renters, and most disproportionately and negatively impact lower-income households.

Foreclosures of rental units can be very disruptive to the tenants. In a Chicago based study, foreclosures on rental properties are shown to have a disproportionately negative impact on African-American and

²⁵ Kristopher Gerardi, Harvey Rosen, and Paul Willen *Do Households Benefit From Financial Deregulation and Innovation? The Case of the Mortgage Market*, National Bureau of Economic Research, Working Paper No. 12967, March 2007.

Hispanic communities. The data found that in 2010, approximately 5,904 apartment buildings in the city were in foreclosure, having an estimated impact on over 17,000 units of rental housing concentrated in underserved minority neighborhoods²⁶. Referring to a 2009 study by the Urban Institute²⁷, SEWRPC also recognizes that foreclosures contribute to declining property values and physical deterioration, crime, social disorder, and population turnover, and local government financial stress and deterioration of services²⁸.

As the Nation and the Region begin to see hints of a recovery in the housing market, there are a few long term trends that have likely been significantly disrupted. First, the Great Recession and housing crisis have reversed the over 5-decades long trend in increasing home ownership. As stated in Chapter 2 of the SEI, housing affordability in the rental market has increasingly become a problem as housing cost burdens have continued to rise. Harvard's *State of the Nation's Housing* study²⁹ notes that the number of renter households has been increasing since 2004 and that changing demographics, shifting toward a younger and more racially and ethnically diverse population, and changing housing preferences have played a major role in shaping the growth of renter households. Second, the recent growth in the rental market has also been fueled by the growing percentage of adults 25 to 34 years old that are remaining in the rental market, choosing to rent rather than own, including an increase in married couple households as well as middle- and upper-income households remaining in the rental market. Factors such as instability within the job market and reduced credit for purchasing a home are making adults in this age bracket much less likely to move towards homeownership than in past generations, which has increased demand for rental units greatly since the onset of the Great Recession. Third, and most likely impacting low-income and minority populations the most, it is anticipated that housing cost burdens will continue to rise at the same time that the supply of lower-cost units is diminished. Given that the demand for rental units has increased and will continue to increase, the existing stock of rental units (including vacancies) is not going to be sufficient to keep up with demand, therefore it is anticipated that rents will continue to rise. In addition, the tightening credit market that raised rents towards the upper end of the market will likely inhibit or may even prevent development of additional units at the lower end of the market.

American Planning Association on Fair Housing

As stated in Chapter 2, the American Planning Association (APA) is the national organization for planning practitioners and the American Institute of Certified Planners (AICP) is the accreditation and professional development arm for regional and municipal planners in the US. The APA and AICP both require that professional members work to increase social equity, diversity, and minority participation. The Code of Ethics set forth by the AICP strongly and explicitly states that planners have a responsibility to support the needs of underrepresented and disadvantaged people (EJ communities).

In its Policy Guide on Housing³⁰, the APA provides a discussion on housing discrimination based on race and ethnicity, and against persons with disabilities, similar to the one set forth by SEWRPC in Part 1 of

²⁶ Chicago Study: Rental foreclosures threaten minority areas, June 2011 accessed from the UW Extension Center for Community and Economic Development online at www.fyi.uwex.edu/housing/2011/06/09/chicago-study-rental-foreclosures-threaten-minority-areas/

²⁷ *The Impacts of Foreclosures on Families and Communities*, Urban Institute, 2009

²⁸ Preliminary RHP Chapter IV, Existing Housing, page IV-12

²⁹ Joint Center for Housing Studies of Harvard University *The State of the Nation's Housing: 2012*, June 2012. Accessible online at www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son2012.pdf

³⁰ American Planning Association *Policy Guide on Housing*, adopted 2006. Accessible online at www.planning.org/policy/guides/adopted/housing.htm

Chapter VI. It outlines the historic causes and patterns of segregation and their disproportionately negative impacts on the outcomes for members of EJ communities. The APA also notes that housing discrimination against persons with disabilities can take the form of restrictive regulations against group homes, single-family definitions, and burdensome public hearing requirements, and that many communities simply do not understand or enforce Federal fair housing laws including those regarding accessibility, reasonable accommodation, and reasonable modifications.

As its General Policy Position #1, the 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 this position, 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. Planners should identify and recommend changes to planning policies and zoning regulations at the State and local levels that are barriers to the creation of affordable housing and supportive housing.

The APA provides a strong rationale for eliminating barriers to housing opportunities:

As long as discriminatory practices continue, society will continue to pay the costs associated with the spatial separation of whole classes of people, great opportunities will be lost, and the full potential of our nation will be unrealized. Traditional zoning and planning and other land use controls may limit the supply and availability of affordable housing, thereby, raising housing prices. The regulatory environment plays a crucial role in housing production. Large lot zoning, restrictive single family definitions, minimum square footage for single family homes, housing location policies, expensive subdivision design standards, prohibitions against manufactured housing, time-consuming permitting and approval processes are some examples of policies and regulations that constrict the development of affordable and supportive housing.

Demographic trends such as an aging baby boomer generation, an increase in minority households, and the changing composition of households will drive the need for new housing configurations.

Affordable housing and supportive housing need to be viewed as integral components of a comprehensive region-wide housing policy and strategy to optimize the potential impact of local housing programs and ensure their effectiveness. Regulatory policies should be reassessed to ensure that they reflect a range of housing choices — a priority to develop more affordable housing linked with essential supportive services.

– American Planning Association, *Policy Guide on Housing*. Adopted 2006

In addition, the APA sets forth that planners must educate officials and citizens on housing needs and issues in order to diffuse community opposition to housing proposals that are 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.” As stated above, SEWRPC documents some of the recent lawsuits brought about by discrimination in Chapter VI of the preliminary RHP. Further discussion of this issue is provided in Chapter 4 (Job/Housing balance) and Chapter 5 (Accessible Housing) of the SEI.

PRELIMINARY REGIONAL HOUSING PLAN RECOMMENDATIONS FOR FAIR HOUSING/OPPORTUNITY

Fair Housing/Opportunity Recommendations

In total, there are 5 recommendations related directly to Fair Housing/Opportunity within the preliminary RHP, as follows:

1. Multi-family housing and smaller lot and home size requirements for single-family homes may accommodate new housing that would be more affordable to low-income households. A significantly higher percentage of minority households have low incomes compared to non-minority households. Communities should evaluate comprehensive plan recommendations and zoning requirements to determine if their plans and regulations act to affirmatively further fair housing.
2. Concerns have been raised that the conditional use process can be used to prevent multi-family residential development through excessive conditions of approval or the length of the review period. Multi-family residential uses should be identified as principal uses in zoning districts that allow multi-family residential development, subject to criteria specified in the ordinance.
3. Entitlement jurisdictions should explicitly require sub-grantees to certify that they will affirmatively further fair housing as a condition of receiving Community Planning and Development (CPD) funds, which include the Community Development Block Grant (CDBG) and HOME programs.
4. Funding should be maintained for organizations that advocate for fair housing to continue public informational programs aimed at increasing awareness of fair housing rights and anti-discrimination laws and assessing the procedures utilized by agencies charged with the administration and enforcement of housing laws, to ensure that all complaints of discrimination are fairly and expeditiously processed.
5. It is recommended that programs to help low-income families who wish to move to less impoverished areas be established by counties and communities in the Region to help reduce the concentration of minorities in high-poverty central city neighborhoods. Assistance could include help in finding suitable housing, work, enrolling children in school, and other services. Such a program could be established as part of a regional voucher program. It is recommended that the Governor and State Legislature provide State funding to help establish and administer these programs, typically referred to as assisted housing mobility programs.

Each recommendation was evaluated in light of its potential or probable impact on fair housing/opportunity and reducing discrimination given the existing and projected data provided within the RHP as well as information documented on current socio-economic and housing trends. CED specifically identified any potential positive or negative impacts that each recommendation could have on EJ communities.

ANALYSIS OF FAIR HOUSING/OPPORTUNITY RECOMMENDATIONS

Overall, CED found that 4 of the proposed RHP recommendations related to fair housing/opportunity would likely have a significantly positive impact on EJ communities, and 1 would likely have no impact on EJ communities. None of the recommendations were found to likely have either a negative or a significantly negative impact on EJ communities.

Fair Housing/Opportunity: Key Objective

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

- Increase housing options for low-income and minority residents throughout the seven county Region

In combination, the 5 recommendations for fair housing/opportunity have been designed to encourage open housing choices 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.

Recommendations that Impact Policy and Zoning: 1 and 2

Both recommendations 1 and 2 direct local planners to review and evaluate comprehensive plans and zoning requirements for the purpose of providing access for low-income and renter households to affordable housing. Recommendation 1 specifies that zoning policies should be reviewed and adjusted accordingly to consider additional multi-family housing, or accommodate affordable single-family housing so that additional units of affordable housing might be possible. Reviewing comprehensive planning documents and zoning land use policies might identify additional opportunities for affordable housing and access for low-income households. The emphasis needs to be placed on how adequately local zoning and development plans for the area address issues of access for open and fair housing practices. Housing discrimination in zoning and land use may occur with policies that prescribe density requirements including lot and dwelling size. EJ communities would likely be significantly positively impacted by the implementation of Recommendation 1 as long as it ties into zoning districts that allow for affordable housing, as stated under Recommendation 1 of the Affordable Housing section.

Recommendation 2 stresses the importance and significance of multi-family housing to housing plans that incorporate fair housing principles by addressing the manner in which zoning and approval under the conditional use process can act as a barrier to multi-family development. Community zoning ordinances typically identify principal and conditional uses in each zoning district. Permitted uses are typically allowed subject to the restrictions applicable to the zoning district. Conditional uses require additional review and scrutiny compared to principal uses due to the demands placed on infrastructure or other factors that make the use more intense than the principal uses allowed in the district. A conditional use approval typically requires a case-by-case review by the local plan commission, and approval is often contingent on specific “conditions” attached to the permit intended to mitigate adverse impacts of the conditional use on the surrounding area. Concerns have been raised that the conditional use process can be used to prevent certain land uses, such as multi-family residential development, through excessive conditions of approval or the length of the review period. In addition to providing more opportunities for scrutiny, lengthening the process can provide greater opportunity for the public to voice opposition to the project.

SEWRPC correctly identifies that some of the reasoning behind the regulatory-based opposition to multi-family zoning, why it is often challenged and tightly regulated, is based on the perception that multi-family housing places an undue burden on property taxes, in the need to support additional services including the school district.³¹ If a community is found to be stalling or halting multi-family developments under CUP, a case may be made for housing discrimination. Implementation of Recommendation 2 would provide preemptive action and movement towards more fair and accessible housing for EJ communities throughout the Region, and therefore would have a positive impact on environmental justice populations.

³¹ From The Fair Housing Center of Greater Boston. Accessible online at www.bostonfairhousing.org/timeline/1970s-present-Local-Land_use-Regulations-2.html

Recommendations that Impact Planning and Programs: 1, 3, and 5

Given that recommendations 1, 3, and 5 foster the promotion of fair housing goals through local planning and implementation of programs, it is likely that each of these recommendations, if implemented, would have a significantly positive impact on EJ communities within the Region.

Recommendation 1 states that communities should evaluate their local comprehensive plan recommendations as well as zoning codes to determine if their plans and regulations act to affirmatively further fair housing. This reaffirms and goes hand in hand with the findings for Recommendation 1 set forth under ‘Tools that Impact Policy and Zoning’. In addition to the regulatory issues (zoning ordinances), planning and policy issues such as those set forth under the local comprehensive plans should be reviewed to ensure that they foster the promotion of fair housing goals.

Recommendation 3 calls for explicit requirements to affirmatively further fair housing as part of the conditions for entitlement jurisdictions³² and subgrantees receiving Federal funding from programs such as CDP, CDBG and HOME. When implemented, this Recommendation would provide accountability for funding recipients including all subgrantees that receive pass-through funds from an entitlement jurisdiction (such as local governments receiving pass-through funds from a county or the State). HUD Community Planning and Development (CPD) funds are used for a variety of economic development and urban revitalization programs. HOME funds are used to build, buy, or rehabilitate affordable housing or provide rental assistance, while CDBG funds have broader uses for economic development. Ultimately, the accountability requirement would act as an incentive for subgrantees of CDBG and HOME funds to act to further fair housing, and therefore could have a significantly positive impact on environmental justice populations (a key recommendation, given the CDBG requirement).

Recommendation 5 calls for coordination among counties and communities in the Region to establish a program supported by the State to facilitate mobility among low-income households to less impoverished areas. Under this recommendation, the proposed Assisted Housing Mobility Program would be region wide and cross county and local jurisdictional boundaries. The creation of an Assisted Housing Mobility Program highlights the importance of increasing levels of access and opportunities for EJ communities in the preliminary RHP. There are fundamental problems within the Section 8 Housing Choice Voucher program that inhibit the ease of crossing jurisdictional boundaries. The proposed Assisted Housing Mobility Program would help alleviate this problem and open up housing opportunities outside of the Region’s major cities, and therefore would likely have a significantly positive impact on EJ populations.

Recommendations that Impact Education and Outreach: 4

Recommendation 4 focuses on providing continued funding for outreach programs and agencies (Metropolitan Milwaukee Fair Housing Council, for example) that would promote fair housing education to both the public as well as to official local or county decision-makers including planners and politicians. It maintains that funding should be made available for continued community outreach, awareness and education, and advocacy aimed at issues relating to fair housing rights, anti-discrimination laws and access to legal support for accountability and enforcement. This is an important recommendation set

³² Entitlement cities within the Region include: Cities of Kenosha, Milwaukee, Racine, Waukesha, Wauwatosa, and West Allis. Entitlement Counties within the Region include: Milwaukee County and Waukesha County. All county and local governments that are not entitlement jurisdictions may apply for HUD funding administered by the State of Wisconsin, which is also an entitlement jurisdiction.

forth to further fair housing policies and would have a significantly positive impact on members of EJ communities and their advocates in order to redress illegal discriminatory activity.

SUMMARY

CED found no further changes to the proposed five recommendations are warranted.

1. Housing unit structure type and density – Significantly Positive Impact, Key Recommendation

- *Impacts Policy and Zoning*: Promotes more affordable, inclusive housing development including lower-cost housing through changes to some local zoning ordinances.
- *Impacts Planning and Programs*: Supports an evaluation of local plan recommendations and zoning codes to determine if plans and policies act to affirmatively further fair housing.

2. Allow multi-family as principal use in multi-family zoning districts – Positive Impact

- *Impacts Policy and Zoning*: Reduces obstacles such as excessive approval conditions or length of review period to development of multi-family housing based on changes to some local zoning ordinances.

3. Require sub-grantees to Affirmatively Further Fair Housing (AFFH) – Significantly Positive Impact, Key Recommendation

- *Impacts Planning and Programs*: Accountability requirement for sub-grantees would act as an incentive to furthering fair housing goals.

4. NGO public informational programs – Significantly Positive Impact

- *Impacts Education and Outreach*: Furthers fair housing policies and practices.

5. Assisted housing mobility program – Significantly Positive Impact

- *Impacts Planning and Programs*: Eases barriers and opens up housing opportunities outside of the Region’s major cities.

Key Recommendations: 1 and 3

Recommendation 1 proposes that all communities with sewer service plan for and provide affordable housing, including multi-family housing. As discussed in the previous section on *Zoning*, if zoning codes are not designed to include a variety of densities and permitted uses, zoning ordinances can and should be construed as exclusionary. The 2006 Brookings Institution study³³ classified the Milwaukee metro area as ‘Traditional/Middle America’. This category of metro areas tends to have numerous regional problems, including a lack of density due to inadequate zoning, and a lack of opportunities for low-income and minority households to live in the suburbs. They also tend to have fewer opportunities for people to own homes in central cities and their central cities appeal less to college graduates. In addition, this study noted that the Milwaukee metro area has some of the highest rates of concentrated poverty and concentrated black and Hispanic populations (segregation) among large metro areas. In general, this classification describes many of the problems seen in metro Milwaukee, including “a combination of low housing prices, rapid sprawl, a high concentration of disadvantaged people in central cities, and weak home ownership attainment for central city residents compared with their suburban

³³ Rolf Pendall, Robert Puentes, and Jonathan Martin *From Traditional to Reformed: A Review of the Land Use Regulations in the Nation’s 50 largest Metropolitan Areas*, Brookings Institute, 2006. Accessible online at www.brookings.edu/~media/research/files/reports/2006/8/metropolitanpolicy%20pendall/20060802_pendall

counterparts.” Under such circumstances, the Brookings study recommends significant regulatory reform: “The end result is that these places (Traditional/Middle America) fail on multiple indicators. To the extent that their regulatory environments are in part responsible for those failures, wholesale regulatory reform is probably called for.” Regulatory reform should include widespread overhaul of suburban zoning codes to reflect more inclusion across all of the suburbs and considerably more coordination and oversight of suburban land use decision-making.

Recommendation 3 calls for the development of explicit requirements for subgrantees that receive Federal funding from programs such as CDP, CDBG, and HOME to ensure that they affirmatively further fair housing goals. Excluding the Cities of Kenosha, Milwaukee, Racine, Waukesha, and West Allis, which are entitlement communities, most communities within the Region are eligible to receive Federal economic development or housing funding on a pass-through basis, from either the County or the State. Requiring that such communities comply with specific requirements in order to receive public funding acts as an incentive to ensure that such communities act to further fair housing goals or practices. This recommendation, coupled with Recommendations 4 and 5 under the Job/Housing Balance category, may act to place more pressure upon non-entitlement jurisdiction communities that have Type 1 job/housing imbalances³⁴ to further fair housing by providing more housing opportunities for EJ households.

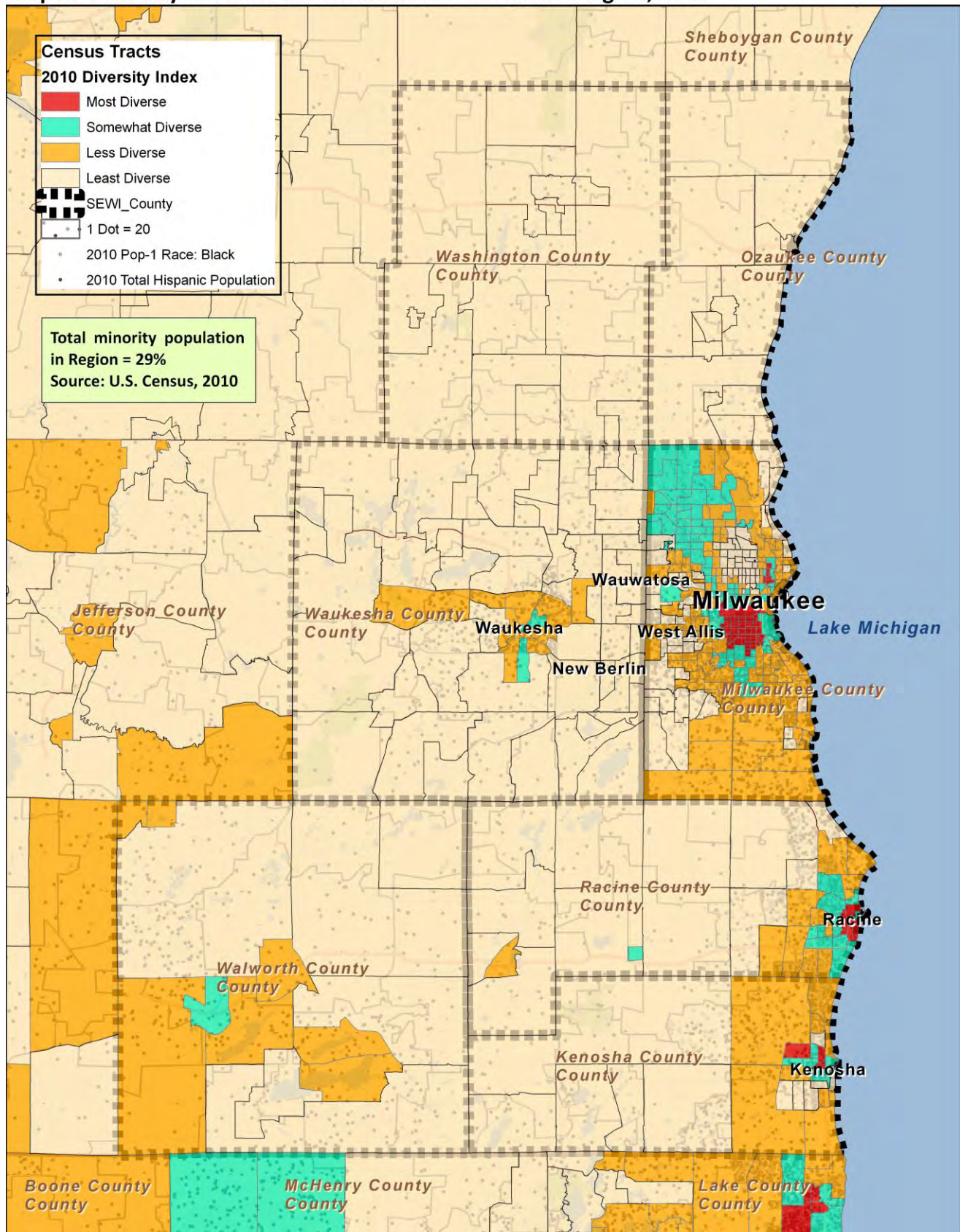
³⁴ A Type 1 (lower-cost) job/housing imbalance indicates that the sub-area has a higher percentage of lower-wage jobs than lower-cost housing.

Environmental Justice Impact Matrix: Fair Housing/Opportunity

Recommendation	No Impact	Significantly Adverse Impact	Adverse Impact	Positive Impact	Significantly Positive Impact	Key Recommendation
1					✓	✓
2				✓		
3					✓	✓
4					✓	
5					✓	

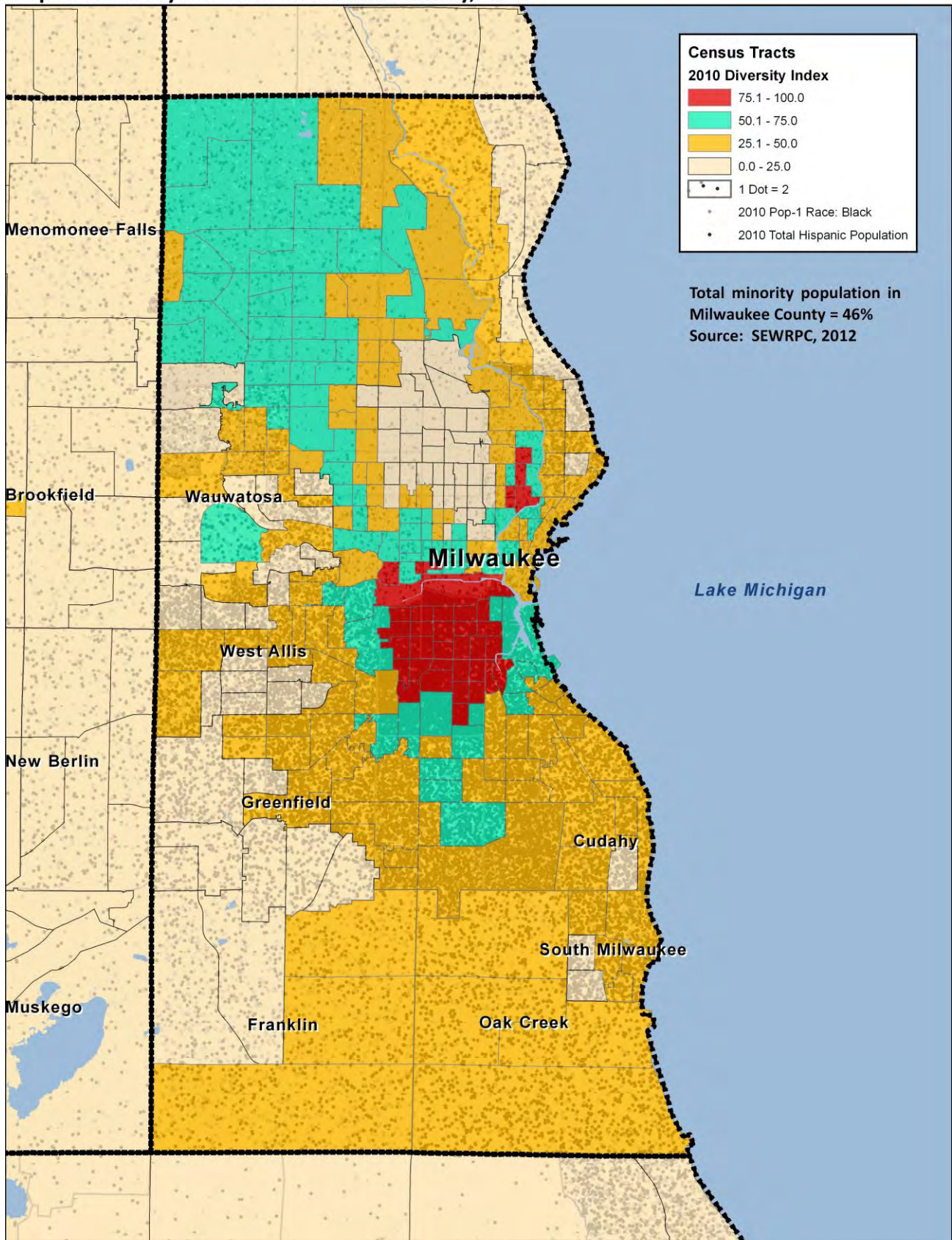
- No Impact: recommendation will not have any direct impact, adverse or positive, on environmental justice populations
- Significantly Negative Impacts: environmental justice populations are likely to be negatively impacted in greater proportion to the regional population as a whole
- Adverse Impacts: 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.

Map 1: Diversity Index for the Southeastern Wisconsin Region, 2010



Note: The Diversity Index from ESRI represents the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The value of the Diversity Index increases both when the number of variety and evenness increases.

Map 2: Diversity Index for Milwaukee County, 2010



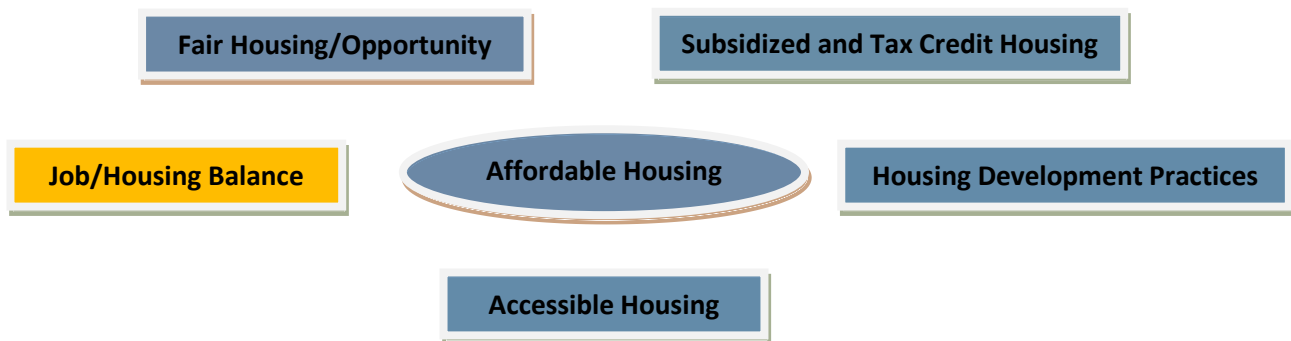
Note: The Diversity Index from ESRI represents the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The value of the Diversity Index increases both when the number of variety and evenness increases.

Chapter 4

JOB/HOUSING BALANCE

INTRODUCTION

The third major housing plan category concerns the concept of the job/housing balance and how it impacts affordable housing. SEWPRC provides a discussion of job/housing balance in Chapter VIII of the preliminary RHP. First, it presents a formal definition of job/housing balances and imbalances, including an inventory of the Region’s major employment centers and an analysis of the current job/housing balance; second, it provides projected job/housing balance issues based on analyses of community comprehensive plans; third, it provides a discussion on affordable housing and economic development; and a summary of the findings that lead to the preliminary recommendations.



Job/Housing balance is a planning goal to create or achieve a preferred ratio of jobs to housing units within a given area or community. Ultimately, it is a way to provide adequate affordable housing opportunities in close proximity to job locations that otherwise lack housing for low- to moderate- wage workers. It is based on the proposition that the jobs available within a community or specific geographic area should match the labor force skills and the household incomes in terms of affordable housing.¹ One of the goals of improving or achieving a job/housing balance is to reduce public costs, such as costs associated with the impacts on transportation infrastructure through the reduction of vehicle miles travelled (VMT) and congestion, in addition to providing housing that is affordable to a community’s workforce.

As stated in Chapter II of the preliminary RHP, SEWRPC identifies job/housing imbalances as one of the seven components of the Regional housing problem:

- A job/housing imbalance within sub-areas of the Region and the Region as a whole, particularly an adequate supply of affordable or “workforce” housing near employment centers

A critical component of the job/housing balance problem is the provision of affordable housing. Job/housing imbalances within most communities are usually caused by a lack of affordable housing

¹ Jerry Weitz *Jobs-Housing Balance*, American Planning Association Planning Advisory Service Report No. 516, November 2003. Accessible online at www.planning.org/pas/reports/subscribers/pdf/PAS516.pdf

near their job centers; communities that have a considerable number of low-wage jobs with few affordable units tend to have higher job/housing imbalances.

A discussion about job/housing balance is set forth in the RHP in Chapter VIII and recommendations are set forth in Chapter XII. Chapter VIII of the RHP presents information on the job/housing balance as it applies to the Region, a discussion of how it impacts EJ communities, an examination of the relationships between employment, housing and transit, a projected job/housing balance analysis, and further discussion on its potential impact on affordable housing and economic development. Chapter XII provides the recommended housing plan for the Region, which includes preliminary recommendations that apply to job/housing balance.

This chapter provides a summary of SEWRPC's approach to issues concerning job/housing balance; background, context, and rationale as to how current economic conditions have impacted efforts to improve job/housing balance; and finally, an analysis of the recommendations set forth within the RHP in light of current and projected housing and economic conditions.

PRELIMINARY REGIONAL HOUSING PLAN AND ISSUES IDENTIFIED CONCERNING JOB/HOUSING BALANCE

SEWRPC's Legacy 1975 Regional Housing Plan

As stated in Chapter 1, SEWRPC set forth a Regional Housing Plan in 1975, referred to as the Legacy Regional Housing Plan, which identified many of the same issues and problems that continue to this day (housing discrimination, barriers to affordable housing) and identified a series of economic, economic, and social constraints as the regional housing problem.² Although the concept of 'job/housing balance' had not yet been created³, the 1975 plan addressed some of the issues surrounding the need to provide affordable housing units in areas located near growing job centers ("*the provision of adequate locational choice of housing*"). The 1975 plan included 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 premise that preserving and promoting affordable housing was the central tenet of the 1975 RHP. Additionally, it included recommendations to improve the job/housing imbalances that had been growing throughout the Region.

The current preliminary RHP addresses 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 unsubsidized and subsidized housing categories) that support improving the job/housing balance. Recommendations related to co-locating housing based on employment are summarized as follows:

- Nonsubsidy Housing Recommendations
 - Abatement of Institutional Constraints
 - 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 ordinance, and Planned Unit Development (PUD) as a conditional use within residential zoning districts

² Southeastern Wisconsin Regional Planning Commission, Planning Report No. 20, *A Regional Housing Plan for Southeastern Wisconsin*, February 1975. At www.sewrpc.org/SEWRPC/Housing/LegacyRegionalHousingPlan.htm

³ Robert Cervero, University of California Berkeley's Department of City and Regional Planning and Institute of Urban and Regional Development, developed the concept of jobs/housing balance, in *Jobs-Housing Balancing and Regional Mobility*, American Planning Association, Spring 1989. Accessible online at www.uctc.net/papers/050.pdf

- Abatement of Social Constraints
 - The State should establish a housing appeals board to review applications for the construction or modification of low- and moderate-income units that are rejected at the local level. In its review, the appeals board should consider the following: any existing need for, or shortage of, low- and moderate-income housing in the area; employment opportunities within the area; transportation facilities; the availability of necessary public services and facilities; and the fiscal capability of the area to absorb such housing in terms of levels of personal income and property values. 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.
- Subsidy Housing Recommendations
 - Priority Areas for Programs Involving New Housing Construction
 - The determination of priority areas with respect to new subsidized housing construction was based on two measures of area suitability: employment opportunities and developable land. Sites for the construction of low- and moderate-income housing should be located within reasonable travel time from employment centers for the prospective inhabitants. In this regard, a housing analysis area was considered a priority area with respect to new subsidized construction only if it generated 4,000 jobs or more. It is recommended that in screening applications for subsidy funds for the construction of new housing, the administering agencies concerned give priority to housing proposed to be located in areas that have both sufficient employment opportunities and sufficient amounts of developable land to support the new residential development
 - Priority areas for New Subsidized Housing Construction were identified as those projected to generate 4,000+ employment opportunities with significant available land for development. Priority areas were concentrated near recently urbanized areas throughout the Region because of employment and land access opportunities. Priority areas include Brookfield, Brown Deer, Burlington, Cedarburg, Cudahy, Darien, Delevan, Elm Grove, Fontana on Geneva Lake, Genoa City, Glendale, Grafton, Greendale, Greenfield, Hales Corners, Hartford, Kenosha, Lake Geneva, Menomonee Falls, Mequon, New Berlin, North Bay, Oak Creek, Oconomowoc, Port Washington, Racine, Slinger, South Milwaukee, Thiensville, Walworth, Waukesha, Wauwatosa, West Allis, West Bend, Williams Bay and Wind Point (subareas 2, 4, 5, 7, 10, 14, 15, 26, 29-34, 39, 40, 43, 44, 49-51, 59, and 60)

Some of the recommendations set forth in the Legacy 1975 RHP related to co-locating housing with employment were carried over to the current RHP and are discussed in Chapter XII (Recommended Housing Plan for the Region). Both the Legacy and current preliminary RHPs set forth recommendations that would require changes to zoning codes that would provide for a wider range of housing and lot sizes and more flexible zoning, such as incorporation of PUD. The Legacy recommendation regarding zoning and housing square footage specified a variable minimum square footage of improved floor area based on number of bedrooms per unit, over a total minimum house size. For example, minimum square footage for a two bedroom house was 700 square feet, and 1,230 square feet for a four bedroom house; page 425 of the 1975 Legacy Regional Housing Plan lists the minimum requirements. Currently,

most zoning codes are not so proscriptive; therefore, this recommendation was not carried over as stated, although the intent, to allow for smaller units, is still valid.

The Legacy recommendation to co-locate subsidized housing with employment locations carries over, somewhat, to some of the recommendations set forth under the Subsidized and Tax Credit Housing section. Due to some changes in law and Federal practices, however, the Legacy recommendation needed to be updated to incorporate the changes; for example, under the Housing and Community Development Act of 1974, subsidized housing is more often provided through vouchers rather than tied to a specific development. Additionally, the advent of tax credits to assist in the development of low-income housing is more relevant today than it was in 1975.

Summary of Job/Housing Balance as it Applies to the Preliminary Regional Housing Plan

Chapter VIII of the RHP provides data on Job/Housing Balance issues within the Region, including a discussion of the relationship between jobs and housing and an analysis of the existing balance of jobs and housing in the Region (Part 1), an analysis of the projected job/housing balance in 2035 (Part 2), and a discussion of how improving the job/housing balance impacts affordable housing and economic development throughout the Region (Part 3).

Part 1 describes the relationship between jobs and housing that includes a discussion of the need for affordable housing near major employment centers, job/housing imbalances throughout the Region, and the need for public transit connections between areas with affordable housing and major job centers. It provides a working definition based on the locations of the Region's 60 existing and proposed major employment centers within the Region's subareas, and median monthly rents. Although it uses rents for the analysis, SEWRPC notes that almost all of the subareas with major employment centers in Ozaukee, Washington, and Waukesha Counties have median monthly housing unit costs (with mortgages) greater than the median cost of \$1,578 per month, reducing ownership options for moderate income workers in those subareas.

SEWRPC's Current Job/Housing Imbalance Assessment

SEWRPC provides a job/housing analysis using the methodology set forth by the American Planning Association (APA) guidelines⁴, based on jobs and housing counts by sub-area. The first step in the assessment (Table VIII-1) explores the ratio of jobs to housing in 2000 to determine which sub-areas are over- or under-abundant or balanced. The second step addresses jobs by wage and housing by cost for each sub-area in 2010 (Table VIII-2).

Based on the methodology set forth by the APA and used by SEWRPC for the purposes of the RHP, SEWRPC identified three major types of job/housing imbalances within the Region. A Type 1 (lower-cost housing) Imbalance indicates that the sub-area has a higher percentage of lower-wage jobs than lower-cost housing. The proposed solution to correct these imbalances in areas with sewer service is to plan for the development of additional multi-family housing units. Lower-cost housing imbalances tend to be in suburban areas of the Region as shown on Map VIII-4 of the RHP. A Type 2 (moderate-cost housing) Imbalance indicates the sub-area has a higher percentage of moderate-wage jobs than moderate-cost housing. The proposed solution to correct these imbalances in areas with sewer service is to plan for the development of additional modest single-family homes (1,100 or 1,200 square foot homes on lots of 10,000 square feet or less). Moderate-cost housing imbalances also tend to be in suburban areas of the

⁴ Jerry Weitz *Jobs-Housing Balance*, American Planning Association Planning Advisory Service Report No. 516, November 2003. Accessible online at www.planning.org/pas/reports/subscribers/pdf/PAS516.pdf

Region, as shown on Map VIII-4 of the RHP. In addition, Map VIII-4 shows that several sub-areas have both lower-cost and moderate-cost housing imbalances.

A Type 3 (higher-cost housing) imbalance indicates the sub-area has a higher percentage of higher wage jobs than higher-cost housing. These sub-areas are not shown on Map VIII-4 of the RHP because the focus of the analysis is the relationship between employment opportunities and affordable housing for lower- and moderate-income households.

It should be noted that the APA identifies an additional type (Type 4) of housing imbalance that is not discussed within the preliminary RHP. Type 4 imbalances are indicative of communities that have higher percentages of highly skilled and well paid labor force members but are job poor (not major employment centers). The SEWRPC analysis focused on sub-areas that provide or are planned to accommodate major job centers and whether or not housing is affordable to the workers employed in that sub-area. Areas with a Type 4 imbalance (no existing or planned job centers) were therefore not analyzed.

As stated in Chapter VIII, some sub-areas with a Lower-Cost Housing Imbalance also have a high percentage of renter households with a high housing cost burden. Most of these sub-areas are located in Waukesha County, Walworth County, and western Kenosha County. Lower-Cost Housing Imbalances with high housing cost burdens coupled with low vacancy rates (under 5 percent) are most at risk for job/housing imbalances; sewerer communities within these sub-areas include Brookfield, Elm Grove, and Mukwonago. These communities also have major employment centers. SEWRPC recommends additional multi-family housing in these communities to help reduce high housing cost burdens and increase housing options for area workers.

Sub-areas with Moderate-Cost (Type 2) Housing Imbalances and major employment centers are also concentrated in Waukesha County. Most of these sub-areas do not have a high percentage of homeowners with mortgages with high housing cost burdens, and homeowner vacancy rates are very low (less than 1.5 percent). As sewerer communities within these sub-areas grow, SEWRPC recommends the addition of modest single-family units to increase housing options near major employment centers for moderate wage workers.

Although some of the highest paying jobs are located in the Cities of Milwaukee and Racine, these cities have adequate amounts of affordable housing, and also have the highest percentage of households with a high housing cost burden in the Region. The solution to decreasing the high housing cost burdens in these communities involves an economic/workforce development and transit access solution rather than a housing solution.

SEWRPC's Projected Job/Housing Imbalance Assessment

SEWRPC analyzed the planned land uses from the most current local (cities, villages, and towns with sewer service) comprehensive (Smart Growth) plans in order to assess the balance of projected jobs and housing units in the existing and proposed sewer service areas throughout the Region. Most of the comprehensive plans have been designed with the projected year of 2035, given that SEWRPC's current Regional land use plan is designed to the year 2035. Based on SEWRPC's assessment, nearly every community had projected an excess of jobs to housing units. Map 2 at the end of the Chapter shows the sewerer communities in sub-areas that have projected job/housing imbalances.

Based on the SEWRPC assessment, most of the sub-areas with existing job/housing imbalances are projected to have a job/housing imbalance in the future if their comprehensive plans are not amended to address this problem, by accommodating areas for moderate- and lower-cost housing. If imbalances continue as projected to the year 2035 without any interventions, the only sub-areas with a job/housing balance will be those that include the cities of Milwaukee and Kenosha and their inner-ring suburbs⁵, as well as Burlington, Kewaskum, Racine, and Whitewater. It should be noted, however, that although unlikely, it is possible that some of the communities within a sub-area projected to have either a Lower- or Moderate-Cost Job/Housing Imbalance may actually be in balance, therefore the recommendation to further study job/housing at the local level would further help identify and refine any job/housing imbalances and housing needs. Communities may have more detailed housing cost data on which to base their analysis, whereas the regional analysis was based on housing types and densities rather than actual costs.

RATIONALE: JOB/HOUSING BALANCE AND ENVIRONMENTAL JUSTICE

Job/Housing Balance: Spatial Mismatch, Transit, and Jobs Access

Chapter VIII Part 1 of the preliminary RHP provides an extensive discussion on the links and interactions, or rather the nexus between jobs, housing, and transit. This section will summarize this nexus and how it relates to EJ communities.

Spatial mismatch is the term used to describe the socio-economic phenomenon associated with job opportunities often and increasingly being created far from where concentrations of low-income populations live. Most of the metropolitan job growth has occurred in the suburbs, far from the residences of many potential employees. To add to this, the lack of transit and/or reductions in transit service has created a jobs access problem for many potential employees that rely on the public transit system. Although addressing job/housing imbalances by providing additional affordable housing is one way to alleviate the problems in jobs access that stem from spatial mismatch, improving transit links between low-income households and jobs is another approach to resolving this spatial mismatch. Both approaches need to be utilized.

SEWRPC discusses the impact of transportation costs on low-income households in Chapter VIII and provides an analysis of housing and transportation costs by Chicago's Center for Neighborhood Technology (CNT). According to data from the American Community Survey (ACS), about nine percent of the Region's population does not have access to a vehicle; this rises to about 20 percent in two of the City of Milwaukee subareas. Transportation costs (either through auto ownership or through transit) are often a household's second largest cost, following housing. For low-income households, auto ownership is cost prohibitive, and many of the subareas with the greatest concentrations of people without access to a vehicle also have higher concentrations of households with high housing cost burdens. As discussed in the report, CNT has developed a Housing and Transportation (H+T) Affordability Index that combines housing and transportation costs as a percentage of Area Median Incomes (AMIs) in order to determine the locations of affordable and unaffordable housing. Map VIII-10 shows the locations of areas that have comparably high housing and transportation costs. Based on this analysis, the mismatch is most likely to impact low-income populations from cities such as Kenosha, Milwaukee, and Racine where the transportation costs to major employment centers that are transit deficient may be insurmountable

⁵ Specifically, the inner-ring suburbs of Milwaukee include Cudahy, Greendale, Greenfield, Hales Corners, South Milwaukee, St. Francis, Wauwatosa, West Allis, and the inner-ring suburbs of Kenosha include Somers and Pleasant Prairie.

(note that data for Walworth County were not available). Given the high transportation costs, transit links are one method for overcoming spatial mismatch; however, transit links may not exist between urban sub-areas and suburban job centers. In such cases, provision of additional affordable housing in suburban areas would help to overcome this spatial mismatch.

SEWRPC states that improving the transit links between affordable housing and jobs is one of the objectives of the RHP. This also serves as one of the primary objectives set forth in the Regional Transportation Plan. One of the key objectives stated in SEWRPC's Regional Transportation Plan (RTP) is the development of a "multi-modal transportation system that provides appropriate types of transportation needed by all residents of the Region at an adequate level of service; provides choices among transportation modes; and provides inter-modal connectivity."⁶ The stated objectives are listed on page 244 of the RTP. The public transit standards on pages 248 through 252 of the RTP call for transit service between medium- and high-density areas of the Region and major job centers.

The recommendations set forth by SEWRPC in the RTP, if implemented, would alleviate some of the spatial mismatch problems surrounding access to jobs. Given the trends over the past decade including transit funding at the Federal, State, and local levels not keeping up with inflation, and subsequent reductions in service for each of the four major transit operators (Milwaukee County Transit System, Racine's Belle Urban System, Waukesha Metro Transit, and Kenosha Area Transit), it is unlikely that an improvement in transit links is on the horizon. In 2008, the Public Policy Forum⁷ documented the challenges facing Milwaukee's largest transit service, Milwaukee County Transit System (MCTS). Over the past decade (or longer) MCTS has had major problems with its operating budget as costs have increased disproportionately to funding streams. Without a new and stable source for funding, it is likely that the decade-long pattern of cutting transit routes and service will continue and that ridership will decline. CED has also been tracking cuts in transit service⁸ in southeastern Wisconsin in order to evaluate the impact of annual cuts on access to jobs in the Region. The CED study and subsequent updates have further illustrated the findings of the PPF study that the annual route and service reductions have led to major declines in transit access; this is particularly troublesome for the 43 percent of MCTS⁹ riders that are fully dependent upon public transit for their mobility.

The evaluation of the impacts of the recommended year 2035 Regional transportation plan on minority and low-income populations documented in Appendix H of the RTP, found that environmental justice populations disproportionately use and depend upon transit service. The recommendations focused on improving transit links between affordable housing and growing job centers need to remain a priority within the Regional Housing Plan in order to have a positive impact on environmental justice populations.

⁶ Southeastern Wisconsin Regional Planning Commission, Planning Report No. 49, A Regional Transportation System Plan for Southeastern Wisconsin: 2035, June 2006, page 244

⁷ Public Policy Forum *Milwaukee County's Transit Crisis: How Did We Get Here and What Do We Do Now?* May 2008. Accessible online at www.publicpolicyforum.org/pdfs/MilwaukeeTransitCrisis.pdf

⁸ Joel Rast *Out of Service: The Impact of Transit Cuts on Access to Jobs in Metropolitan Milwaukee*, Center for Economic Development, University of Wisconsin – Milwaukee. October 2008. Accessible online at www4.uwm.edu/ced/publications/transitstudy08.pdf

⁹ Public Policy Forum *Milwaukee County's Transit Crisis: How Did We Get Here and What Do We Do Now?* May 2008. Accessible online at www.publicpolicyforum.org/pdfs/MilwaukeeTransitCrisis.pdf

Job/Housing Balance: Impact on Environmental Justice Communities

SEWRPC addresses issues concerning job/housing imbalances on minority populations and persons with disabilities in Chapter VIII. As documented in the RHP, minorities tend to live in concentrated, separate areas of the Region (primarily in the Cities of Milwaukee, Racine, and Kenosha). This separation and concentration coupled with job decentralization with limited or diminishing transit linkages (spatial mismatch) has resulted in disproportionately adverse effects, including significantly lower household incomes, high housing cost burdens, and higher unemployment in subareas 13, 14, and 16 in Milwaukee, sub-area 30 in Racine, and sub-area 34 in Kenosha (all areas without a Lower- or Moderate-Cost Job/Housing Imbalance). None of the subareas identified as having a Lower- or Moderate-Cost Job/Housing Imbalance have any significant concentration of minorities.

Providing additional affordable multi-family and smaller single family units in sub-areas with Lower- and Moderate-Cost Job/Housing Imbalances that are host to major employment centers would provide more affordable housing opportunities in such sub-areas. Theoretically, this could help to increase diversity in those sub-areas, although there are no guarantees that the new occupants of the affordable housing would be minorities or work in the sub-area. Such action would, however, provide a possibility for reducing both the imbalance and the possibility for increasing diversity, which did not exist prior to adding more affordable units.

The spatial mismatch between minority populations and jobs due to decentralization of jobs (also referred to as job sprawl), has been studied and the impacts have been very negative, particularly for the black community. As discussed in Chapter 3 (Fair Housing/Opportunity), the results from Michael Stoll's study indicate that job sprawl has exacerbated racial inequality in the U.S., that higher levels of employment decentralization exhibit greater spatial mismatch between the relative locations of jobs and black residents, and that black persons tend to be more geographically isolated from jobs.¹⁰

In southeastern Wisconsin, the spatial mismatch between minority populations within the Region's major urban centers (Milwaukee, Racine, and Kenosha) and outlying job centers has been well documented. In 2010, the Social Development Commission released a report that identified spatial mismatch as one of the key issues impacting job opportunities for black males in the metro Milwaukee area.¹¹ CED has been tracking metro Milwaukee black male employment rates over the past several decades, comparing the employment rates to other comparable metro areas, and has found that metro Milwaukee consistently ranks very poorly in black male employment, and that this has become significantly worse since the 1980s. In his most recent study¹² using 2010 Census data, Marc Levine has found that only two of the 40 comparable large metro areas had higher black male unemployment rates than metro Milwaukee; these are metro Buffalo and metro Detroit. In addition, metro Milwaukee also registered the largest racial disparity gap in employment rates between black and white males in comparison to every other metro area in the US; that gap has not only been persistent since 1970, it

¹⁰ Note: Full report is not accessible online, but Stoll followed it up with a Brookings Institute Brief that is available online. *Job Sprawl and the Spatial Mismatch between Blacks and Jobs*, The Brookings Institute, Survey Series, February 2005. Accessible online at http://www.brookings.edu/metro/pubs/20050214_jobsprawl.pdf

¹¹ Dave Celata *Structural Issues Impacting Black Male Employment Opportunities in Metro Milwaukee*, Social Development Commission report, 2010. At www.cr-sdc.org/DefaultFilePile/StructuralIssuesImpactingBlack.pdf

¹² Marc Levine *Race and Male Employment in the Wake of the Great Recession: Black Male Employment Rates in Milwaukee And the Nation's Largest Metro Areas, 2010*. Center for Economic Development, University of Wisconsin Milwaukee, 2012. Accessible online at www4.uwm.edu/ced/publications/black-employment_2012.pdf

actually has grown. This growing gap is likely due, at least in part, to the spatial mismatch caused by the decentralization of jobs and segregation of blacks in central cities.

The impact of job/housing imbalances on persons with disabilities reflects similar problems related to concentrated populations within areas that would likely require more of an economic solution rather than a housing solution. Like minority populations, persons with disabilities also tend to be most concentrated in the Region's three largest Cities (Kenosha, Milwaukee, and Racine). There are, however, some suburban and rural communities with higher concentrations of persons with disabilities located in sub-areas that have been identified as having Low- and/or Moderate-Cost Job/Housing Imbalances. These include the Town of Somers and Village of Twin Lakes (Kenosha County), rural communities in western Walworth County (includes the Villages of Darien and Sharon, the Cities of Delavan and Elkhorn, and surrounding rural lands), the Village of Kewaskum (Washington County), and portions of the Village of Sussex and the City of Waukesha (Waukesha County).

As reported in the RHP, earnings for persons with disabilities are about half of the earnings of persons without disabilities (about \$16,600 compared to \$30,900 as of 2009). SEWRPC recommends that additional affordable multi-family housing opportunities in sub-areas with a Low-Cost Job/Housing Imbalance may help to provide more housing and employment opportunities for persons with disabilities. Based on State and Federal laws, most new multi-family buildings are required to include accessible units or units with accessible features.

In addition to discussing the impact of job/housing imbalances on minority populations and persons with disabilities, SEWRPC addresses the issue of housing migrant farm workers in RHP Chapter VIII. Although they represent a very small fraction of the environmental justice community, migrant workers face very specific temporary housing needs. Demand for migrant workers varies seasonally and from year to year. The resources for migrant worker aid, including housing, are also unpredictable. The United Migrant Outreach Services (UMOS) recommends the development of dual purpose facilities for housing migrant workers, based on a model in Waushara County (the Aurora Center). The Aurora Center serves as a homeless facility early in the growing season and is used as rental housing later in the season as migrant workers find employment.

American Planning Association on Job/Housing Balance

In its *Policy Guide on Housing*¹³, the American Planning Association (APA) identifies Jobs/Housing Balance as one of its primary issues regarding housing policy. Under General Policy Position #2, APA advocates promoting a better balance between the locations of jobs and housing, and specifically calls for the support of regional fair share distribution of housing, regulatory reforms to achieve job/housing balance, and the incorporation of job/housing strategies into economic development strategies.

Under Specific Policy Position #2A, APA supports a regional level fair share distribution of housing and affordable housing within proximity to major employment centers and moderate- and low-wage jobs. Ideally the jobs available within a community should match the skills of the community's labor force. In most cases, this means that housing should be available at all prices, sizes, and varieties to match the varying budgets of the workforce in order to achieve a better job/housing balance.

¹³ American Planning Association *Policy Guide on Housing*, adopted Spring 2006. Accessible online at www.planning.org/policy/guides/adopted/housing.htm

The APA recognizes that many zoning ordinances act as impediments to job/housing balance; under Specific Policy Position #2B, the APA calls for changes to local regulations and zoning codes including more flexible zoning (mixed use, TOD, and PUD), changes to local home occupation regulations, and voluntary or mandatory inclusionary housing incentive programs.

Under Specific Policy Position #2C, APA advocates that affordable housing should be incorporated into economic development strategies. Economic development strategies should include the preservation of existing housing stock within close proximity to employment centers, performing housing impact studies in conjunction with large employers to analyze the availability of affordable housing, development of employer-assisted housing programs, encouraging employers to spur reinvestment in older neighborhoods to enhance or create stability, and supporting transit and alternative transportation programs that allow low-income households in urban areas to access jobs in surrounding suburbs and exurbs.

The APA points out that improving job/housing imbalances requires a concerted effort for every community within a larger region; although one community's efforts would likely make an impact, better results are achieved through multiple job/housing balancing efforts. This is likely due to issues associated with self-containment. Robert Cervero points out that there is an inherent shortcoming to the job/housing balance; it does not measure nor does it guarantee self-containment.¹⁴ Self-containment refers to the share of local jobs held by local residents. Providing adequate affordable housing may help to achieve an adequate balance of low-paying jobs to low-income housing units; however, it does not guarantee that the employees of local jobs live within the area or that the residents that occupy the affordable housing are employed within the area. Although the goal of improving job/housing imbalances is to provide adequate housing for a local workforce, there is no mechanism in place to guarantee improving self-containment. Like the job/housing balance, self-containment is a matter of scale; a larger area (for example, the seven-county Region) is more self-contained than one of its constituent counties, which is more self-contained than its constituent communities. It is at the local community level that self-containment, like job/housing balance, needs to be improved.

PRELIMINARY REGIONAL HOUSING PLAN RECOMMENDATIONS FOR JOB/HOUSING BALANCE

Preliminary RHP Recommendations

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

1. Increase the supply of modest single-family and multi-family housing to address job/housing imbalances. Communities with sewer service in sub-areas identified as having a potential year 2010 or projected year 2035 job/housing imbalance should conduct a more detailed analysis based on specific conditions in their community as part of a comprehensive plan update. The analysis could examine, for example, the specific wages of jobs in the community and the specific price of housing. If the local analysis confirms an existing or future job/housing imbalance, it is recommended that the local government consider changes to their comprehensive plan which would provide housing appropriate for people holding jobs in the community, thereby supporting the availability of a workforce for local businesses and industries:

¹⁴ Robert Cervero *Jobs-Housing Balance Revisited: Trends and Impacts in the San Francisco Bay Area*. Journal of the American Planning Association, Volume 62(4): pages 492-511, 1996.

- a. Additional lower-cost multi-family housing units, typically those at a density of at least 10 units per acre and modest apartment sizes (800 square feet for a two-bedroom unit), should be provided in communities where the community's analysis indicates a shortage of lower-cost housing in relation to lower wage jobs. The community's comprehensive plan should be updated to identify areas for the development or redevelopment of additional multi-family housing; and zoning ordinance regulations should be updated as necessary.
 - b. Additional moderate-cost single-family housing units, typically those at densities equivalent to lot sizes of 10,000 square feet or less and modest home sizes (1,100 to 1,200 square feet), should be provided in communities where the community's analysis indicates a shortage of moderate-cost housing in relation to moderate wage jobs. The community's comprehensive plan should be updated to identify areas for the development or redevelopment of moderate-cost housing; and zoning ordinance regulations should be updated as necessary.
2. State, County, and affected local governments should work to fully implement the public transit element of the year 2035 regional transportation system plan in order to provide better connectivity between affordable housing and job opportunities. Job-ride shuttle services should be maintained or established to provide transportation options to major employment centers as an interim measure until public transit is made available.
3. It is recommended that the Wisconsin Housing and Economic Development Authority (WHEDA) or other appropriate State agency conduct a job/housing balance analysis.¹⁵
4. Amend State law to prohibit the creation of new TIF districts in communities with a job/housing imbalance, as determined by a Statewide job/housing balance analysis conducted by a State agency, unless the TIF proposal includes documented steps that will be taken to reduce or eliminate the job/housing imbalance. Examples of provisions to reduce or eliminate the job/housing imbalance include use of the one-year TIF district extension authorized by current State law to fund affordable housing; development of a mixed-use project that includes affordable housing as part of the TIF district; contributions to a Housing Trust Fund or other funding for the development of affordable housing; and/or amendments to community plans and regulations that remove barriers to the creation of new affordable housing which would address the job/housing imbalance. To avoid creation of a TIF district that would cause a job/housing imbalance, State law should also be amended to require TIF proposals to include an analysis of the number and wages of jobs likely to be created as a result of the TIF in relation to the cost of housing in the community, and to include steps to address any potential job/housing imbalance identified through the analysis.
5. Job/housing balance should be a criterion considered by administering agencies during the award of Federal and State economic development incentives. Incentives should be directed to local governments that can demonstrate a current or projected job/housing balance, or to communities that will use the incentive to address an existing or projected job/housing imbalance.
6. SEWRPC will provide to communities requesting an expansion of their sanitary sewer service area and amendment of their sanitary sewer service area plan the findings of the job/housing balance analysis conducted under this regional housing plan. For those communities with a

¹⁵ Note: It could be expected that the State's analysis of job/housing balance for each community would be a general analysis, and a community would be permitted to conduct a more detailed analysis to confirm whether a job/housing balance exists in their community.

job/housing imbalance, recommendations for addressing the job/housing imbalance will be identified.

7. Strategies to promote job/housing balance should include the development of affordable housing in areas with sewer service outside central cities and improved transit service throughout the Region to provide increased access to jobs; education and job training to provide the resident workforce with the skills needed by area employers; and increased economic development activities to expand businesses and industries in areas with high unemployment, underemployment, and discouraged workers.
8. SEWRPC should work with local governments, through its Advisory Committees for Transportation System Planning and Programming for the Kenosha, Milwaukee, Racine, and Round Lake Beach urbanized areas and with review by the Environmental Justice Task Force, to establish revised criteria that include job/housing balance and provision of transit for the selection of projects to be funded with Federal Highway Administration Surface Transportation Program - Milwaukee Urbanized Area funding and Congestion Mitigation and Air Quality Improvement Program funding, and for inclusion in the Transportation Improvement Program (TIP).
9. Encourage the development of employer assisted housing (“walk-to-work”) programs through which employers provide resources to employees who wish to become home owners in neighborhoods near their workplaces.
10. The Wisconsin Department of Workforce Development should develop a method to document the number of migrant agricultural workers that come to the Region without a work agreement to help quantify the potential need for temporary housing for workers and their families.

Each recommendation was evaluated in light of its potential or probable impact on ameliorating job/housing imbalances, given the existing and projected data provided within the RHP as well as information documented on current socio-economic and housing trends. CED specifically identified any potential positive or negative impacts that each recommendation could have on EJ communities.

ANALYSIS OF JOB/HOUSING BALANCE RECOMMENDATIONS

Overall, CED found that 6 of the proposed RHP recommendations related to job/housing balance would likely have a significantly positive impact on EJ communities; 2 would have a positive impact but not a disproportionate benefit in comparison to the Region’s population as a whole; and 2 would likely have no impact on EJ communities. None of the recommendations were found to likely have either a negative or a significantly negative impact on EJ communities. Specific concerns about the recommendations are discussed below along with suggestions for addressing these concerns.

Job/Housing Balance: Key Objective

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

- *Increase affordable housing options in municipalities in proportion to the number of moderate and low wage jobs in a given municipality and increase job opportunities near concentrations of existing affordable housing*

As stated earlier, rectifying job/housing imbalances is one of the seven key components of the housing problem as defined within the RHP. The 10 recommendations for job/housing balance have been designed to work in concert to encourage affordable housing options in order to realign residential

development to better match the existing and planned housing development to the number of existing and planned jobs by Regional subarea.

Recommendations that Impact the Costs of Development and Housing Prices: 1 (a and b)

Recommendation 1, parts a and b, aims at reducing the costs of development and housing prices in order to provide more housing options, and likely more affordable housing, to sub-areas in the Region where significant job/housing imbalances are projected. Depending upon the degree of implementation, it is likely that this recommendation would have significantly positive social and economic benefits for EJ communities. Whether or not EJ communities would have a disproportionately significant or higher share of benefits from additional affordable housing likely depends on how extensively the recommendation is implemented throughout the Region. As stated by the APA¹⁶, in order to see any major positive impacts, there would have to be considerable buy-in by many or most of the communities in sub-areas with identified Lower- and Moderate-Cost Job/Housing Imbalances. If only a few communities act to implement strategies to address job/housing imbalances by providing affordable housing, there would likely be a positive but minimal impact on EJ communities, but if most or all of the communities act to correct imbalances, this Recommendation would have a significantly positive socio-economic impact on EJ communities. In order to ensure that this Recommendation would have a significantly positive impact on EJ communities based on the guidelines set forth by the APA, implementation would require a regional strategy and coordination.

Recommendation 1 under Job/Housing is very similar to Recommendation 1 under the Affordable Housing section, as both call for the increased provision of affordable housing for low- and moderate-wage workers (either single- or multi-family units) in areas that are currently lacking in affordable housing. Based on the year 2035 projected job/housing balance analysis, the communities shown on Map VIII-4 of the RHP may need to add affordable housing in sewer areas. Recommendation 1 states that these communities should conduct an analysis based on specific conditions within the community to confirm the Job/Housing Imbalance. If an imbalance is confirmed, the community should update its comprehensive plan accordingly.

Recommendations that Impact Policy and Zoning: 1 (a and b), 4, and 5

Zoning

Recommendation 1 under Job/Housing is nearly identical to Recommendation 1 under the Affordable Housing section in that both propose the incorporation of zoning districts that allow for smaller single-family home sizes and lot sizes and multi-family housing units, by requiring each sewer community to allow for *at least one* zoning district that would accommodate smaller single-family units and one district that would accommodate multi-family units with the recommended densities and home sizes. Under this recommendation, an increased provision of affordable housing for lower- and moderate-wage workers (either single- or multi-family units) is targeted to areas that are currently lacking in affordable housing, exhibit either Lower- and/or Moderate-Cost Job/Housing Imbalances, and would require a change in zoning. These communities are shown in RHP Maps XII-5 and XII-6.

The RHP provides reasonable rationale for the accommodation of smaller and denser housing within sub-areas with a job/housing imbalance, and therefore communities should remedy their zoning codes to allow for smaller single- and multi-units and smaller lots within sewer service areas.

¹⁶ American Planning Association *Policy Guide on Housing*, adopted Spring 2006. Accessible online at www.planning.org/policy/guides/adopted/housing.htm

As stated above, it is likely that the implementation of Recommendation 1 (both parts) would have a significantly positive impact on EJ communities by providing additional affordable housing in communities that have job/housing imbalances. Based on the APA's guidance, EJ communities could have a significantly higher share of benefits from additional affordable housing if this Recommendation is implemented extensively and in a coordinated effort throughout the Region.

Policies

Recommendations 4 and 5 focus on incentivizing affordable housing by addressing job/housing imbalances through existing economic development tools. Both of these recommendations are aimed at widening affordable housing opportunities, particularly in the suburbs, by incentivizing some of the major economic development tools, TIF and CDBG (along with potentially other economic development tools provided by WEDC and WHEDA.

Recommendation 4 calls for amending State law to tie the creation of tax incremental financing (TIF) districts to the provision of affordable housing based upon ameliorating job/housing imbalances. TIF districting is possibly the most powerful economic development incentive that communities have in their toolbox, and is aimed at commercial, industrial, or mixed use developments (any development that generates jobs). This recommendation incentivizes affordable housing in a significant way, therefore, Recommendation 4 is likely to have a significantly positive impact on environmental justice populations and is one of the key recommendations set forth in the housing plan.

Under Section 66.1105 of the Wisconsin State Statutes¹⁷, cities and villages are able to provide the funding mechanism, for public infrastructure improvements (sewer, water, roads), site cleanup (brownfield remediation, demolition), and site assemblage in conjunction with private redevelopment. The increase in property values (growth in Equalized Assessed Valuation) captured over a set period of time (usually from 10 to 25 years) provides the funding mechanism to pay for the improvements. The municipality, along with the other taxing districts including school districts, county districts, park districts and utility districts, forgo the growth in taxes but as the development adds to the tax base, this increase will be seen once the improvements are paid off.

TIF is intended to target areas that are 'blighted' or in need of rehabilitation, or to promote industrial development, based on the 'but for' test, meaning that if not for TIF or public intervention, the area would likely remain blighted and not be able to attract private development or redevelopment. In Wisconsin, it has been used successfully in many urban redevelopment projects including the Menomonee Valley (add more examples here – Kenosha Marina area, Racine Downtown). The use of TIF, however, has come under a significant amount of controversy, particularly its use in wealthier suburban communities that might not meet the 'but for' test¹⁸ as a means to create jobs, and often low-paying commercial sector jobs, without providing for adequate affordable housing for lower wage workers.¹⁹

¹⁷ State of Wisconsin Department of Revenue Division City/Village Tax Incremental Financing Manual Accessible online at www.revenue.wi.gov/pubs/slf/tif/cvmanual.html

¹⁸ State of Wisconsin Department of Revenue Division of State and Local Finance, Chapter 5 Section 1. Accessible online at www.revenue.wi.gov/pubs/slf/tif/5-1.pdf

¹⁹ Kristen Ericksen *Protecting Low Income Residents During Tax Increment Financing Redevelopment*, Washington University of Law and Policy, Volume 36 *Restorative Justice*, 2011. Accessible online at www.digitalcommons.law.wustl.edu/cgi/viewcontent.cgi?article=1047&context=wujlp

Recommendation 5 also focuses on tying other economic development incentives to affordable housing through lessening job/housing imbalances at the local level. Again, as it acts to incentivize affordable housing through the use of economic development programs, Recommendation 5 would also have a significantly positive impact on EJ communities and is a key recommendation proposed in the housing plan. In Part 3 of Chapter XII, it mentions that on request, SEWRPC will work with WHEDA and the Wisconsin Economic Development Corporation (WEDC) to assist with the development of a Statewide Job/Housing Balance analysis in order to incentivize economic development programs; these could include tax credit programs and CDBG economic development funds. Further, and as stated in Chapter 12 Part 3: Plan Endorsement, Monitoring and Updates, SEWRPC will work with WHEDA and the WEDC to monitor the implementation of the recommendation to base the award of funding for economic development programs based on the findings and recommendations of a WHEDA job/housing analysis.

Both Recommendations 4 and 5 would require changes in policy at the State or possibly even Federal level, made by agencies or legislators that are outside of any jurisdiction within the Region, and therefore implementation of these recommendations could be difficult. (Note to SEWRPC and Advisory Committee: CED proposes that Recommendation 4 be clarified to identify which agencies would be charged with ‘amending State law’ regarding proposed changes to tax increment financing, or ‘changing the criterion by administering agencies during the award of Federal or State economic development incentives’. Additionally, Recommendation 5 should be clarified to include examples of specific programs that would be targeted, such as CDBG. Incentivizing multi-family and smaller housing based on economic development programming is likely the most effective way to encourage such development. As stated, neither of these recommendations provides a clear path towards implementation and CED suspects that these would fall by the wayside. On their face, recommendations 4 and 5 could encourage the means to reduce job/housing imbalances, allow for more affordable housing, but without a clear path towards implementation stated within the RHP, this is likely to fail.)

Recommendations that Impact Planning and Programs: 2, 3, 6, 8, 9, and 10

Transit

Recommendation 2 focuses on programs that would improve access to jobs through improvements in transit service. Each of these recommendations are a critical component to providing and expanding the connectivity between existing affordable housing and employment centers. Full implementation of the public transit element of the year 2035 regional transportation system plan would provide significant positive social and economic impacts to environmental justice populations, particularly to those that rely on public transit for access to jobs. And to reiterate, those that rely on public transit tend to be EJ communities. As documented in the PPF report, about 43 percent of MCTS riders are dependent upon bus service; this is similar for riders of the Kenosha, Racine, and Waukesha transit systems.²⁰ The service area reductions over the past decade in each of the systems have disproportionately hit transit dependent persons hardest, by reducing opportunities for job access.

Cuts in transit service have also had a disproportionately negative effect on persons with disabilities that rely on paratransit within the Region. Over the past decade, regular fare-box rates and paratransit service rates have increased to make up for some of the reductions in revenues.²¹ Three of the local transit service agencies in southeastern Wisconsin (Cities of Racine and Waukesha, and Waukesha

²⁰ Results from on-board bus surveys – households with no vehicle available – 33.4% Kenosha (2001); 40.6% Racine (2001); 48.5% Waukesha (2008). Source: SEWRPC Transit Development Plans.

²¹ Public Policy Forum *Milwaukee County's Transit Crisis: How Did We Get Here and What Do We Do Now?* May 2008. Accessible online at www.publicpolicyforum.org/pdfs/MilwaukeeTransitCrisis.pdf

County) have limited paratransit service to the Federal minimum requirement of service within three-quarter miles of existing transit routes. Constant pressures on the transit operating budgets may make such limited service inevitable for the City of Kenosha and Milwaukee County transit services.

Strategic Planning

Recommendations 3, 6, and 8 focus on developing and incorporating job/housing balance analyses into strategic planning by public agencies. Recommendation 3 calls on WHEDA, or another appropriate State agency to conduct and develop a job/housing balance analysis for each community in the State of Wisconsin. This complies with the American Planning Association housing policy guideline position that job/housing imbalances should be identified at the local level for use in regional decision-making. On its own, Recommendation 3 would simply identify which local communities have imbalances and therefore would likely not have any impact on EJ communities other than identifying imbalanced communities. The results, however, of a statewide job/housing analysis are intended to be used for both Recommendations 4 and 5, and therefore Recommendation 3 would be the necessary means to implement both those recommendations.

Recommendation 6 states that SEWRPC will provide the results of the RHP job/housing analysis to communities when they request a sewer service expansion along with recommendations for addressing job/housing imbalances. Although it is important that local communities and developers gain a better understanding about the imbalances within select communities, this recommendation does not directly tie sewer service expansions to affordable housing to remediate job/housing imbalances, because the review and approval of sewer service area expansions by the Wisconsin Department of Natural Resources is limited to water quality considerations under State law. Providing the information on job/housing imbalances from the SEWRPC analysis to communities will not likely deter any changes in current local housing policies or practices, and therefore would likely have no impact on EJ communities. However, incentivizing affordable housing development based on a job/housing balance, as is implied under Recommendation 8 would likely impact development decisions, and therefore would likely have positive impacts on EJ communities.

Recommendation 8 calls for establishing revised project selection criteria that would incorporate the results from a job/housing balance analysis and the provision of transit in a community or county for the selection of projects receiving FHWA Surface Transportation Program (STP) - Milwaukee Urbanized Area funding for the Milwaukee Urbanized Area (and potentially other STP-Urbanized Area funding for the other urbanized areas in the Region), and Congestion Mitigation and Air Quality Improvement (CMAQ) funding in non-attainment areas. The selection of projects is developed by Commission Advisory Committees, which are composed of representatives of the designated communities within the transportation planning urbanized areas, in cooperation with designated State agencies and SEWRPC. Projects funded under the STP-Milwaukee Urbanized Area include highway repaving, reconstruction, and expansion and transit capital projects. Projects funded by CMAQ include public transit improvement and expansion, bicycle and pedestrian facilities, and street operations management. It should be noted that CMAQ funding can be awarded to projects in non-attainment areas which includes areas outside of the SEWRPC Region. Projects selected for funding with STP-Urbanized Area and CMAQ funding are incorporated in the Regional Transportation Improvement Program (TIP). The TIP is a Federally-required list of near-term highway and transit projects, and is developed by Commission Advisory Committees.

A few metropolitan or regional planning organizations have incorporated EJ-related selection criteria for prioritizing projects within their TIPs. The Durham-Chapel Hill-Carrboro (NC) Metropolitan Planning

Organization²² has devised a method to award additional points to projects that aid EJ communities for ranking projects within its TIP. In addition to such prioritization categories as travel demand, safety, environmental and community impacts, and funding status, projects are given points based on how positively (1 through 4) or negatively (0) the project would impact EJ communities. The Boston Region Metropolitan Planning Organization awards up to 10 points to projects that improve transit for EJ communities, if the design is consistent with 'complete streets' policies, and if the project addresses an MPO identified EJ transportation issue. The Wilmington (DE) Area Planning Council²³ awards points to projects if they enhance the environment in locations with a high percentage of EJ communities, and subtracts points for projects that are found to negatively impact EJ communities.

Some methods are less direct. The TIP scoring system for the Nashville Area Metropolitan Planning Organization does not explicitly state or link EJ into the scoring process, but it does pose the question whether or not the proposed project would aid or harm the advancement of social justice and equal opportunity to destinations throughout the region under its criteria linked to Health & Environment.²⁴

Depending upon how Recommendation 8 is carried forward, this recommendation could have a positive impact on EJ communities by expanding affordable housing choices by tying funding for highway improvements and other transportation projects to development of affordable housing. Using SEWRPC's job/housing balance analysis as a criterion for prioritizing projects within the TIP should be considered. Alternatively, awarding points to projects in communities that either have a balance between jobs and housing, or to communities that are taking steps to address any job/housing imbalances, should be considered. If done correctly, it would incentivize affordable housing development and possibly transit in the sub-areas of the Region that need it most.

Program Development

Finally, Recommendations 9 and 10 would require the development of specific programs aimed at co-locating housing with employment. Recommendation 9 aims at local adoption of employer-assisted housing (EAH) programs that would encourage employers to provide resources to employees who wish to become home owners within close proximity to their work places. Overall, EAHs are a good economic development workforce development strategy. Employers are often looking for ways to ensure stability within the workforce; providing a method to achieve homeownership through forgivable or low interest loans is a way to ensure stability. Examples in the Milwaukee area include WHEDA's Wisconsin Housing Works²⁵ program and the Select Milwaukee program.²⁶ The services, which often include lending or consumer counseling, tend to be aimed at low to moderate income households. Based on this recommendation, it is likely that lower- to moderate-income environmental justice populations could receive a higher proportion of the benefits of an EAH program, which would result in a significantly positive impact on environmental justice populations.

²² Documentation of Durham-Chapel Hill-Carrboro Metropolitan Planning Organization's TIP policies are available online at www.dchcmpo.org/dmddocuments/Priority_Methodology_14-20_TIP_-_approved_6-22-2011.pdf

²³ Documentation of WILMAPCO's TIP policies are available online at www.milmapco.org/fy2012/appendix.pdf

²⁴ Documentation of Nashville Area Metropolitan Planning Organization's TIP policies are available online at www.nashvillempo.org/docs/TIP/2011_2015/FY11-15TIP_Adopted.pdf

²⁵ Information about WHEDA's Wisconsin Housing Works program is available online at www.wheda.com/root/BusinessPartners/EmployerAssistedHousing/Default.aspx?id=401

²⁶ Information about Select Milwaukee is available through HUD online at www.huduser.org/periodicals/fieldworks/0603/fworks1.html

Recommendation 10 impacts a very small group of environmental justice persons, migrant workers that work in rural, agricultural communities within the Region. It would require the Wisconsin Department of Workforce Development to develop a method to count or estimate the number of migrant agricultural workers that come to the Region in order to help identify the temporary housing needs within select rural areas. Although Recommendation 10 on its face is not likely to have any impact on EJ communities (specifically migrant workers), if it leads to housing programs at either the State or local level that focus on providing housing for migrant workers, it could potentially have a significantly positive impact.

Recommendations that Impact Socio-Economic Barriers: 2 and 7

Recommendation 2 calls for the full implementation of the transit element of the RTP to provide better connectivity between affordable housing and job opportunities. Given the importance of improved transit access to ameliorating spatial mismatch problems, Recommendation 2 would have a significantly positive impact on EJ communities.

Recommendation 7 calls for the development of a broad-based strategy to promote job/housing balance. As important as it is to provide affordable housing outside of central cities, it is also important to take steps to address increasing access to jobs through improved transit services, education and job training (workforce development), and increased economic development activities in areas with high unemployment, underemployment, and high percentages of discouraged workers. Implementation of Recommendation 7, as an all-encompassing strategy for reducing socio-economic barriers, would have a significantly positive impact on environmental justice populations as it would more fully address economic disparities than simply addressing job/housing imbalances.

SUMMARY

CED suggests future actions related to the Job/Housing Balance section but no changes are recommended as noted below.

- 1. Community job/housing balance analyses – Significantly Positive Impact, Key Recommendation**
 - *Impacts Costs of Development and Housing Prices:* Reduces the costs of development and housing prices in targeted areas lacking specific types of affordable housing.
 - *Impacts Policy and Zoning:* Supports more affordable, inclusive housing development including lower-cost housing through changes to some comprehensive plans and local zoning ordinances.

- 2. Expand public transit – Significantly Positive Impact**
 - *Impacts Planning and Programs:* Improves jobs access through increased public transit service.
 - *Impacts Socio Economic Barriers:* Provides more opportunities to EJ communities through better connectivity between affordable housing and job opportunities.

- 3. Conduct a Statewide job/housing balance analysis – No Impact**
 - *Impacts Planning and Programs:* Recommends support for WHEDA's efforts to develop a program that identifies areas or communities with job/housing imbalances.

Although this recommendation has no direct impact on EJ communities, it is a necessary means to implement Recommendations 4 and 5, two key recommendations.

- 4. Amend state law to prohibit TIF in communities with job/housing imbalance unless imbalance is addressed – Significantly Positive Impact, Key Recommendation**

- *Impacts Policy and Zoning*: Incentivizes more affordable, inclusive housing development including lower-cost housing through changes to TIF practices.

5. Economic development incentives – Significantly Positive Impact, Key Recommendation

- *Impacts Policy and Zoning*: Incentivizes more affordable, inclusive housing development including lower-cost housing through changes to State level economic development programs.

6. Provide findings of job/housing balance conducted under regional housing plan to communities requesting sewer service area expansions – No Impact

- *Impacts Planning and Programs*: Provision of SEWRPC’s job/housing analysis findings to communities during a sewer service area expansion request.

No impact on EJ communities unless acted upon by the local community requesting sewer service area expansion.

7. Economic and workforce development programs – Significantly Positive Impact

- *Impacts Socio Economic Barriers*: Recognizes that in addition to affordable housing outside of the Region’s central cities, other issues most relevant to EJ communities need to be addressed including improved transit services, education and job training (workforce development), and increased economic development activities in areas with high unemployment, underemployment, and high percentages of discouraged workers.

8. Establish revised selection criteria for transportation projects using Surface Transportation Program – Milwaukee Urbanized Area funding or Congestion Mitigation and Air Quality program funding (CMAQ) – Positive Impact

- *Impacts Planning and Programs*: Calls for revising selection criteria for the Regional Transportation Improvement Program (TIP).

This recommendation does not specifically state which changes to the selection criteria would be made, but SEWRPC would work with the Advisory Committees on Transportation System Planning and Programming. Depending upon how this is carried forward, Recommendation 8 could have a positive impact on EJ communities by expanding affordable housing choices by tying job/housing balance and provision of transit to the selection of projects to be funded with FHA STP-Milwaukee Urbanized Area and CMAQ funding, and for inclusion in the TIP.

9. Employer assisted housing programs – Significantly Positive Impact

- *Impacts Planning and Programs*: Supports local adoption of employer-assisted housing (EAH) programs to provide assistance to employees for homeownership near their jobs.

10. Migrant worker housing programs –Positive Impact

- *Impacts Planning and Programs*: Encourages the Wisconsin Department of Workforce Development to develop a method to count or estimate the number of migrant workers that come to the Region without a work agreement to better quantify the potential need for temporary housing.

If this recommendation leads to migrant worker housing programs at either the State or local level, it could potentially have a significantly positive impact. Future Regional Housing Plan revisions should consider adding recommendations that could directly address housing for migrant workers.

Key Recommendations: 1, 4, and 5

Recommendation 1 proposes that communities in areas of the Region with a job/housing imbalance address the imbalance through amendments to comprehensive plans and/or zoning ordinances. This is very similar to Recommendation 1 under the Affordable Housing section, as both call for the increased provision of affordable housing for low- and moderate-wage workers in areas that currently lack affordable housing, by requiring each sewerage community to allow for *at least* one zoning district that would accommodate smaller single-family units and one district that would accommodate multi-family units with the recommended densities and home sizes.

Recommendation 4 acts to incentivize affordable housing by tying it to TIF. TIF is likely the most significant economic development tool that local communities have, therefore tying its use to a balance between jobs and housing could encourage the communities with job/housing imbalances to start taking steps to redress any imbalances.

Recommendation 5 acts to incentivize affordable housing by tying a balance between jobs and housing to economic development tools and programs, encouraging local communities to increase affordable housing. Again, any recommendation that incentivizes affordable housing is considered a key recommendation.

Environmental Justice Impact Matrix: Job/Housing Balance

Recommendation	No Impact	Significantly Adverse Impact	Adverse Impact	Positive Impact	Significantly Positive Impact	Key Recommendation
1					✓	✓
2					✓	
3	✓					
4					✓	✓
5					✓	✓
6	✓					
7					✓	
8				✓		
9					✓	
10				✓		

*Recommendation 1 would likely only have a significantly positive impact on EJ populations *IF AND ONLY IF* it is carried out by local municipalities in a widespread manner throughout the Region. Based on this, it potentially could also be a key recommendation.

** It should be noted that although Recommendation 3 on its own would likely have no impact on EJ communities, it is a necessary precursor to implementing Recommendations 4 and 5, which are both key recommendations within the RHP.

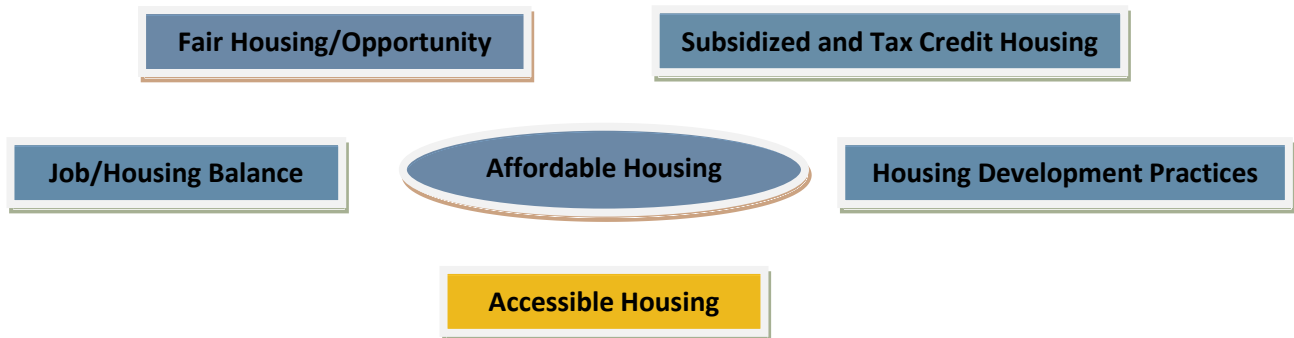
- No Impact: recommendation will not have any direct impact, adverse or positive, on environmental justice populations
- Significantly Negative Impacts: environmental justice populations are likely to be negatively impacted in greater proportion to the regional population as a whole
- Adverse Impacts: 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.

Chapter 5

ACCESSIBLE HOUSING

INTRODUCTION

The fourth major housing plan category identified in the Regional Housing Plan (RHP) is accessible housing. SEWPRC provides a discussion of accessible housing in Chapter IX of the preliminary RHP. First, it presents a summary of the Federal and State laws on accessible housing; second, the construction and design practices that promote and provide accessible housing; third, a discussion about the current demand for and supply of accessible housing units, including a discussion about the different levels of care associated with different types of units; and a summary of the findings that lead to the preliminary recommendations.



As stated in Chapter II of the preliminary RHP, developing an adequate supply of accessible housing was identified as one of the seven components needed to address the Regional housing problem:¹

- A need for accessible housing stock to accommodate persons with disabilities

In addition, the RHP plan objective related to accessible housing states the need to “Provide accessible housing choices throughout the Region, including near major employment centers.”

Like fair housing practices, accessible housing requires a discussion of Federal and State laws, as much of the discussion is centered around unlawful housing discrimination against persons in protected legal classes, in this case referring to persons with disabilities. In addition to discrimination issues, there are specific legal considerations regarding the physical aspects of accommodation for accessible housing development. Issues of accessible housing are intrinsically related to issues of affordable housing and fair housing practices; further discussions are provided in SEI Chapters 2 and 3 respectively.

This chapter provides a brief summary of SEWPRC’s approach to issues concerning accessibility; background, context, and rationale regarding current and projected economic conditions and their impact on fair housing and EJ communities; and finally, an analysis of the recommendations set forth within the RHP in light of current economic conditions (including the Great Recession and housing crisis) is then provided.

¹ Preliminary RHP Chapter II, Objectives, Principles, and Standards, pages II1-2

PRELIMINARY REGIONAL HOUSING PLAN AND ISSUES IDENTIFIED CONCERNING ACCESSIBLE HOUSING

SEWRPC's Legacy 1975 Regional Housing Plan

Neither accessible housing nor any specific references to persons with disabilities are directly addressed in the 1975 Legacy Regional Housing Plan² above and beyond a few recommendations directed towards housing needs of the 'elderly' and 'handicapped' or beyond the discussion of Fair Housing practices. Although the term "accessible housing" had not yet been used, the 1975 Plan did touch on some of the issues tangentially relating to accessible housing. One of the nine original objectives of the 1975 Plan was "*the provision of housing which is designed to be functionally suitable for the occupants residing therein.*"³ This objective, despite not being designated for persons with disabilities, alludes to the need for appropriate housing based on physical needs so should be considered as addressing needs for persons with physical disabilities.

The Legacy plan does discuss at length the social constraints beyond economic barriers to safe, adequate and sanitary housing for low- and moderately low- income households and protected classes under the Fair Housing Act⁴, and racial discrimination and community opposition are the focus of discussion. Persons with disabilities were not added as a protected class until an amendment to the Fair Housing Act in 1988.

The Legacy plan included a housing allocation strategy and set forth a series of recommendations, divided into two categories (nonsubsidized and subsidized housing); intended to help preserve and promote affordable housing. Additionally, it included recommendations that would have improved affordable living circumstances of people with disabilities who are entitled to fair housing practices throughout the Region.

The current preliminary RHP addresses 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 that support accessible housing with persons who live with disabilities in mind, or more generally, for persons of protected classes, are summarized under subsidy and nonsubsidy housing recommendations as follows:

- Subsidy Housing Recommendations
 - Recommendations to Facilitate Utilization of Housing Subsidy Programs at the Local Level
 - Calls for the establishment of county-level housing agencies. Specifically mentioned under item 2 is tasking the county-level agency with determining the number of households in 'housing need' categories including elderly, large family, or handicapped
 - Local units of government should investigate the possibility of utilizing local revenues as a source of public subsidy funds to reduce the cost of housing to households in the need category (note: both 'elderly' and 'handicapped' are identified as 'need categories' and would constitute persons with disabilities)
- Nonsubsidy Housing Recommendations
 - Abatement of Social Constraints: Housing Discrimination

² Southeastern Wisconsin Regional Planning Commission, Planning Report No. 20, *A Regional Housing Plan for Southeastern Wisconsin*, February 1975. At www.sewrpc.org/SEWRPC/Housing/LegacyRegionalHousingPlan.htm

³ Preliminary RHP, Chapter II Housing et al, page II-7

⁴ Southeastern Wisconsin Regional Planning Commission, Planning Report No. 20, *A Regional Housing Plan for Southeastern Wisconsin*, February 1975, Chapter 14.

- Expansion of Federal, State and local fair housing laws that prohibit housing discrimination
- Expansion of public informational programs to spread awareness to discriminated groups about existing legal mechanisms to combat discrimination
- Regular assessment of fair housing enforcement procedures and processes

The recommendations regarding expansion of fair housing laws and programs as well as the needs assessment recommendations set forth in the Legacy 1975 RHP were all carried over to the current RHP as discussed in Chapter XII (Recommended Housing Plan for the Region).

Summary of Accessible Housing as it Applies to the Preliminary Regional Housing Plan

As stated above, the first part of Chapter IX of the preliminary RHP begins with a discussion of Federal and State laws surrounding accessible housing. Given that persons with disabilities are also a protected class, there is a considerable amount of overlap with the Fair Housing/Opportunity section. In addition to the fair housing laws and policies referenced in SEI Chapter 3 and in preliminary RHP Chapter VI, the following additional laws and regulations outline requirements for accessible housing and accessible housing options⁵:

- Fair Housing Accessibility Guidelines
- Fair Housing Design Manual
- Rehabilitation Act
- Federal Code of Regulations
- Americans with Disabilities Act
- Architectural Barriers Act
- Wisconsin Open Housing Law (includes requirements for accessible multi-family unit buildings)
- Wisconsin Administrative Code

Federal laws surrounding accessible housing stem from the Federal Fair Housing Act, Section 504 of the Rehabilitation Act, and the Americans with Disabilities Act (ADA); combined, these provide the Federal framework for accessible housing, including the components to prevent discrimination and the determinants of accessible housing.

As accessible housing laws often include a physical design component which coordinates Federal and State fair housing laws with building codes, Section 504 also includes a discussion of accommodation, development, and compliance requirements. The Architectural Barriers Act and Wisconsin’s Open Housing Law further address issues surrounding compliance with building codes and design modifications. HUD has also developed Fair Housing Accessibility Guidelines and a Fair Housing Act Design Manual, and the U.S. Access Board has developed ADA Accessibility Guidelines (ADAAG) that applies to facilities covered by the ADA.

In the second part of Chapter IX, SEWRPC documents construction practices that promote accessible features in housing, such as Universal Design and Visitability, and provides examples of accessible features.

In the third part of the Chapter, SEWRPC assesses the current and projected demand for accessible housing units in the Region and the dynamics related to disability and housing needs. The current and projected estimates for persons with disabilities by sub-area along with an evaluation of the current

⁵Preliminary RHP Chapter IX Accessible et al, page IX-2-5

accessible housing stock by sub-area indicate that all sub-areas in the Region currently have a shortfall of accessible housing units. Most likely, with the aging of the population (particularly the baby boomer generation), the need and demand for accessible housing throughout the Region will continue to grow over the planning period (to 2035).

Based on the aging baby boom generation, SEWRPC projects the number of persons over the age of 65 years in the Region will increase from about 241,000 in 2000 to about 448,000 persons in 2035. The following tables in the preliminary RHP document the current number of persons with disabilities and conditions for persons with disabilities throughout the Region:

- *Table IX-2 – Persons with Disabilities by County in the Southeastern Wisconsin Region: 2009*
- *Table IX-3 – Type of Disability for Persons with Disabilities by County in the Southeastern Wisconsin Region: 2009*
- *Table IX-4 – Households Reporting One or More Members with a Disability: 2010*
- *Table IX-9 – Veterans by Service-Connected Disability in the Southeastern Wisconsin Region: 2010*
- *Table IX-10 – Median Earnings by Disability Status for Persons 16 Years and Older with Earnings in the Southeastern Wisconsin Region: 2009*

In addition, the Chapter includes estimates of the supply of accessible housing units. It is noted that most of the accessible housing units in the Region are likely to be multi-family housing units constructed since 1991. The number of these units is estimated for each County in the Region.

Tables that give reference to Senior and Assisted Housing are noted as follows:

- *Table IX-6 – Assisted Living Facilities in the Southeastern Wisconsin Region: 2010*
- *Table IX-7 – Number and Percentage of Community and Assisted Living Arrangements in the Southeastern Wisconsin Region by County: 2010*
- *Table IX-8 – Senior Housing Developments in the Southeastern Wisconsin Region: 2010*

SEWRPC's analysis discusses the major issues surrounding the components and dynamics of accessible housing, including the age component; different types of housing needs and services based on different disabilities; the disproportionate concentration of persons with disabilities in the Region's urban centers; and an affordability component. There is a definite age component to disabilities; disabilities tend to be on a spectrum that includes time or life cycle as a factor as they tend to increase significantly with age. A person may experience changing accessibility needs over the course of their life and this may require reasonable adjustments or modifications to their housing.

SEWRPC describes government funding programs for development of accessible housing, and different types of housing and housing alternatives such as community based residential facilities (CBRFs), adult family homes, residential care apartment complexes (RCACs), and continuing care retirement communities (CCRCs or senior housing developments). Such housing alternatives are subject to State licensing regulations along with local zoning ordinances. CBRFs and adult family homes are generally concentrated in the larger urban centers of the Region (Cities of Kenosha, Milwaukee, and Racine) and RCACs and nursing homes tend to be more widely distributed throughout the Region. Regulations related to the establishment of community living arrangements in residential neighborhoods are summarized in Figure VI-4 of Chapter VI. SEWRPC also provides a map of sewered communities in the Region currently having zoning regulations that allow the construction of multi-family units (Map IX-3 of the RHP).

Although not nearly as concentrated as minorities, persons with disabilities tend to live in lower income neighborhoods and more urbanized portions of the Region (see RHP Map IX-2). Part of this is simply an affordability issue and another part is due to accessibility based upon a reliance on public transportation or other services that tend to be located or more concentrated in the Region's larger cities.

Accessible housing also has an affordability component, as persons with disabilities tend to have lower incomes than those without disabilities. The median annual income of persons with disabilities was almost half that of persons without disabilities in the Region in 2009. In addition, many persons with disabilities rely on Supplemental Security Income (SSI) payments from Social Security as their source of income. Based on this, SEWRPC includes information on trends in senior housing, aging in place and universal design components and strategies. Although cost estimates are not included in the preliminary RHP, estimates show that the upfront costs for incorporating Universal Design (UD) and Visibility features into new construction are considerably less expensive than retrofitting existing housing units. Estimates on the costs for adding UD features to new construction generally are in the ballpark of \$500 to \$5,000, or about 5 percent of the total cost of building a new home.⁶

Among the findings by SEWRPC in the preliminary RHP is that the Federal and State fair housing regulations are limited in that they do not address issues of accessibility for persons with sensory or other disabilities that are not physical in nature, that most are focused on persons with mobility-related disabilities.

RATIONALE: ACCESSIBLE HOUSING AND ENVIRONMENTAL JUSTICE

Accessible Housing: Persons with Disabilities, the Elderly, and an Aging Population

The need for accessible housing impacts an economically vulnerable environmental justice subgroup, persons with disabilities. Given the aging of the population, the number and percentages of persons with disabilities are also growing. As SEWRPC has stated, trends show that the number of persons age 65 and over have the highest percentage of persons reporting disabilities as well as the highest total number of disabilities.⁷ As the incidence of disability increases with age, the preliminary RHP takes into consideration the expected increase overall in demand for accessible housing over the planning period.

As the baby boom generation ages and the demand for a wide variety of accessible housing increases, the current supply of accessible housing will need to be increased. Under the preliminary RHP, SEWRPC has identified and documented the key issues surrounding the growing need for accessible housing units throughout the entire Region. Although there is considerable data through the American Community Survey about the number of persons with disabilities, including by disability type and location, there is a dearth of information on the locations of accessible housing units. Although it is possible to inventory some types of facilities and units, the number of accessible housing units and features can only be estimated based on government regulations for multi-family units and Community Living Arrangements (CLAs). In addition, there is limited data regarding accessible single-family homes. This may, however, be changing.

⁶ Various construction websites and AgingCare.com present information showing that incorporating UD features may add between \$500 and \$5,000 to total construction costs or estimate that it can incur costs upwards of 5 percent of the total value of a typical house.

⁷ Preliminary RHP, Chapter IX Accessible Housing, page IX-8

In 2012, Hoffman and Livermore published a study⁸ combining new measures of disability with housing and neighborhood characteristics now available in the American Housing Survey (AHS). In 2009, for the first time, the AHS began including questions about disability; this was expanded in 2011 to include questions on home modifications for persons with disabilities.⁹ Their results confirmed that people with disabilities tend to live in poorer quality housing and neighborhoods compared to people without disabilities even after controlling for income. They confirmed the findings of other studies including tendencies towards residence in lower rated neighborhoods with lower median incomes, lower fair-market rent values, fewer benefits (access to stores and satisfactory police protection), and more problems (higher crime rates, traffic congestion). Additionally, housing and neighborhood characteristics tended to become even less desirable as the severity of a person's disability or number of limitations increased. They also point out that costs associated with managing disabilities likely factor into reductions in housing quality, as disability management costs often outweigh quality of housing cost decisions, and that disabilities might also make it difficult for a person to identify and fix housing deficiencies, leading to lower housing quality.

Accessible Housing: Affordability, the Great Recession, and the Housing Crisis

As noted previously, the Great Recession and housing crisis have had a disproportionately negative impact on EJ communities and their prospects for obtaining affordable housing. For persons with disabilities and the elderly, things have gone from bad to worse due to the high rate of foreclosures and overall inadequate accessible housing stock. Many older adults and people with disabilities are on fixed incomes and disruptions in the economic climate (both macro and micro) have rippling effects on the cost of goods, medication, health care, credit, and housing.

Not all older Americans are on fixed incomes; homeownership rates tend to increase with age, and most of the wealth for older Americans is tied up in housing equity. Although most homeowners age 65 and older own their houses outright, many (40 percent) continue to hold mortgages, and that percentage has increased over the past two decades.¹⁰ A study by the American Association of Retired Persons (AARP)¹¹ notes that older Americans have been hit hard by the foreclosure crisis and found from 2007 to 2011, serious delinquency rates on mortgages grew the fastest for people older than 50. Two major reasons include loss of income through job loss, or due to illness or disability, which tend to disproportionately impact persons over 50. Statistics from the Council for Disability Awareness warn that disability due to medical problems can cause severe financial hardship and in 2007 contributed to 62 percent of all personal bankruptcies filed in the U.S. and to half of all home foreclosure filings in 2006.¹²

The number of people reporting disabilities is a moving target and includes temporary and short term as well as longer term challenges. Recently it was noted that in June 2012 more people applied for Social Security Disability Insurance (SSDI) than the 80,000 new jobs that were created in that month. A representative from the Social Security Administration explains that during an economic downturn and

⁸ Hoffman, Denise and Gina Livermore *The House Next Door: A Comparison of Residences by Disability Status Using New Measures in the American Housing Survey*, Cityscape: A Journal of Policy Development and Research, US Department of Housing and Urban Development, Volume 14, Number 1, 2012.

⁹ More information on the American Housing Survey is available online at www.census.gov/housing/ahs/

¹⁰ AARP *Nightmare on Main Street: Older Americans and the Mortgage Market Crisis*, Public Policy Institute of the American Association of Retired Persons, July 2012. Accessible online at www.aarp.org/money/credit-loans-debt/info-07-2012/nightmare-on-main-street-AARP-ppi-cons-prot.html

¹¹ Ibid.

¹² Council for Disability Awareness accessed at: www.disabilitycanhappen.org/chances_disability/disability_stats.asp

recession, “...people become unemployed and seek a way of continuing to have income. And people who can qualify for our disabled worker benefits, of course, go ahead and apply.” In general, SSDI applications tend to increase during recessions and an analysis of National Bureau of Economic Research data shows that between December 2007 and June 2009 applications for SSDI increased from 2.81 million to nearly 2.88 million with a record high in 2010 of 2.94 million applications.¹³ Certainly an aging population is a factor in these increased numbers; however, the relationship between historical recessions and increased reporting of disabilities is striking.¹⁴

The National Council on Disability (NCD) set forth “The State of Housing in America in the 21st Century: A Disability Perspective”¹⁵ in 2010, a nationwide report on the housing needs for people with disabilities. The report documents trends; provides a comprehensive overview of the state of housing needs; assesses current policies, laws and programs; assesses current and projected needs; and provides recommendations for best management practices and to improve housing for persons with disabilities:

Creating and sustaining safe, accessible, affordable, and integrated housing continues to involve challenging and complex barriers that arise from the interaction of poverty, inaccessibility, funding rules related to acquiring supportive services, and a disability policy system rooted in the outmoded model of segregating people with disabilities from the community mainstream.

– National Council on Disability, 2010

NCD considers affordability the key challenge to overcoming the barriers for attaining accessible housing. But based upon the financial and housing crisis, affordability is getting further out of reach. First, affordability includes issues surrounding securing financing, both for private individuals to purchase accessible housing units or make modifications, and for developers who are no longer readily able to secure funding to develop multi-family (accessible) housing. Second, currently there is too little subsidized housing and inadequate funding for Housing Choice Vouchers to close the gap between low incomes and rental costs; this is unlikely to change. An expanded discussion on Housing Choice Vouchers is provided in SEI Chapter 6 Subsidized Housing.

A report by the Center for Housing Policy¹⁶ demonstrates that the projected demand for accessible housing by the year 2050 should be raising several red flags nationally about the state of preparedness. Individuals who are older are living longer, which means they are living longer often with disabilities that affect their mobility. As the study suggests, by 2050, one in four older adults will require some modification to their housing environment in order to remain safe, comfortable and independent.

Accessible Housing: Urban Centers, Poverty, Transit, and Jobs Access

For persons with disabilities, there is a relationship between urban centers, poverty, and transit. In addition to adequate housing, most persons with disabilities require a network of support, most of

¹³ *Allsup Disability Study: Income at Risk, Examining Income Risk Factors for People with Disabilities*, 2011 Fourth Quarter and Full Year Review, January 2012. Accessible online at: www.allsup.com/Portals/4/allsup-study-income-at-risk-q4-11.pdf

¹⁴ H. Stephen Kaye *The Impact of the 2007-2009 Recession on Workers with Disabilities*, Monthly Labor Review, October 2010. Accessible online at: www.bls.gov/opub/mlr/2010/10/art2full.pdf

¹⁵ National Council on Disability, *State of Housing in America in the 21st Century: A Disability Perspective*, Washington DC, 2010. Accessible online at www.ncd.gov/publications/2010/Jan192010

¹⁶ Barbara Lipman, Jeffrey Lubell, and Emily Solomon *Housing an Aging Population: Are We Prepared?* Center for Housing Policy, 2012. Accessible online at www.nhc.org/publications/index.html?phpMyAdmin=d3a4afe4e37aae985c684e22d8f65929

which is concentrated in the urban centers of the Region. Based on Census data and SEWRPC's analysis, the areas in and around the Cities of Milwaukee, Racine, Kenosha, Waukesha, and West Bend have the highest percentages of persons with disabilities. Given the relationship between disability and poverty, the concentration of low-income persons with disabilities places added demands on services, and has a disproportionate impact on the Region's urban centers.

Transit is an important issue for persons with disabilities as a significant proportion of this population does not drive. An NCD study from 2005¹⁷ reported that about one-third of people with disabilities report a lack of adequate access to transportation. In a recent joint publication from the American Association of People with Disabilities (AAPD) and the Leadership Conference Education Fund¹⁸, equity in transportation for people with disabilities is a significant problem. Adults with disabilities are more than twice as likely as those without disabilities to have inadequate transportation (31 percent versus 13 percent). Persons with disabilities that are transit dependent may prefer to live in one of the four urban areas that have a major bus transit system.

There are four major bus transit systems in southeastern Wisconsin serving the four largest cities and their environs (Kenosha Area Transit, Milwaukee County Transit System, Racine's Belle Urban System, and Waukesha Metro Transit). Ozaukee and Washington Counties provide either county- or municipal-shared ride taxi service, along with some limited bus rapid transit that links select municipalities to destinations in Milwaukee County. In addition to its local fixed route service, Kenosha Area Transit maintains a rural bus route that links the City of Kenosha to the more rural areas throughout Kenosha County and to the City of Lake Geneva in Walworth County; this service is on a limited basis and would not likely be used for the purposes of commuting. Under the ADA, each of the major transit systems is required to provide paratransit service within a minimum three-quarter mile radius of the existing fixed route transit service. As stated in SEI Chapter 4, pressure on operating budgets of the major transit providers in southeastern Wisconsin have had a significantly negative impact on reducing transit service in terms of both the area served and service frequency, having a disproportionately negative impact on persons with disabilities given that they are more likely to be dependent upon public transit. Currently, the Racine and Waukesha transit agencies limit paratransit service to within three quarters of a mile of the current fixed transit routes, the Federal minimum requirement. Kenosha County Transit and Milwaukee County Transit System are able to provide paratransit service anywhere within Kenosha and Milwaukee Counties, respectively. Continued funding shortfalls may threaten this, and reduce the service area to the minimum three-quarter mile radius of the fixed transit routes. Compounding the problems is the limited amount of interurban routing between the four major transit systems, which makes crossing county lines difficult.

Coinciding with transit is the issue of jobs access. The Bureau of Labor Statistics¹⁹ estimates that about 17.8 percent of persons with disabilities are part of the labor force. Many of those do not drive and are reliant on the public transit system, and therefore most likely are limited to jobs within the local transit service area.

¹⁷ National Council on Disability *Current State of Transportation for People with Disabilities in the United States*, 2005. Accessible online at www.ncd.gov/publications/2005/06132005

¹⁸ American Association of People with Disabilities and the Leadership Conference Education Fund *Equity in Transportation for People with Disabilities*, 2011. Accessible online at www.aapd.com/resources/publications/transportation-disabilities.pdf

¹⁹ The most current (2011) BLS news release related to persons with disabilities in the labor force is available at www.bls.gov/news.release/disabl.nr0.htm

American Planning Association on Accessible Housing

A discussion on the APA's General Policy Position #1 is provided in Chapter 3 of the SEI. Again, this states that planners need to support the provision of housing opportunity, should strive to support housing stratification, and work to eliminate barriers to housing opportunity. Additionally, under General Policy Position #3, the APA and its chapters support measures to preserve the existing housing stock, and under Position #3B, they specifically point to the preservation and replacement of assisted housing. Preserving the existing assisted housing stock is a cost effective measure for ensuring affordable accessible housing. Unfortunately, and as SEWRPC points out, many subsidized housing units, some of which may be accessible, are at risk for conversion to market rate units as some of the federal subsidies or contracts expire. For example, LIHTC properties that are at the end of their 15 year cycle are eligible for conversion. Given the additional Federal aid cuts to housing assistance programs along with the growing demand for rental units (as stated in SEI Chapter 2), this will place even more strain on the accessible housing stock.

General Policy Position #5 encourages more innovative housing options for a diverse population; under Specific Policy Position #5B, APA advocates for more accessibility options in new developments, including increased Visitability and Universal Design features within the housing stock.

PRELIMINARY REGIONAL HOUSING PLAN RECOMMENDATIONS FOR ACCESSIBLE HOUSING

Accessible Housing Recommendations

In total, there are 7 recommendations related directly to Accessible Housing within the preliminary RHP, as follows:

1. Communities with sewer service in sub-areas identified as having a household income/housing and/or job/housing imbalance should identify areas for additional multi-family housing in their comprehensive plan, which would help to address both affordability and accessibility needs.
2. Local governments should support efforts by private developers and other housing providers to include construction design concepts such as Universal Design and Visitability. Visitability is a movement to change home construction practices so that all new homes offer a few specific features that make the home easier for people with mobility impairment to live in or visit. Visitability features include wide passage doors, at least a half-bath on the first floor, and at least one zero-step entrance approached by a useable route on a firm surface with an approximate grade of 1:12 grade from a driveway or public sidewalk. Other features that promote ease of use for persons with disabilities include wide hallways, a useable ground floor bathroom with reinforced walls for grab bars, and electrical outlets and switches in accessible locations.
3. It is recommended that the Governor and State Legislature continue to support funding for publically-funded Long Term Care programs such as Family care; Include, Respect, I Self-Direct (IRIS); and Family Care Partnership as these programs provide the major funding for home modifications which allow persons with disabilities and the elderly to maintain their independence in their homes and communities. It is also recommended that State funding be provided to the Department of Health Services or other State agency to develop a database to track housing units known to include accessibility features.
4. It is recommended that public funding be maintained for Independent Living Centers to continue providing services to persons with disabilities.
5. Local governments will have access to estimates regarding accessibility of housing through the American Housing Survey (AHS) beginning in 2012. Local governments should analyze AHS and census data to estimate the number of accessible housing units in the community to help ensure

that there are plentiful housing options for persons with mobility disabilities not only to reside in, but also to visit their families and neighbors. To achieve this, municipalities should prioritize accessibility remodeling with funding from sources such as CDBG, HOME, TIF extensions, and other sources.

6. Local government code enforcement officers and building inspectors should receive training on the accessibility requirements of State and Federal fair housing laws with regard to multi-family housing construction and rehabilitation.
7. A number of government programs refuse to fund accessibility modifications for renters, leaving a large segment of the population with less access than homeowners to funding that may help them remain in their housing. It is recommended that programs be modified to allow renters to use funding sources for accessibility improvements that are available to homeowners, in consultation with the property owner as provided in Fair Housing laws.

Each recommendation was evaluated in light of its potential or probable impact on accessible housing given the existing and projected data provided within the RHP as well as information documented on current socio-economic and housing trends. CED specifically identified any potential positive or negative impacts that each recommendation could have on EJ communities.

ANALYSIS OF ACCESSIBLE HOUSING RECOMMENDATIONS

Overall, CED found that all 7 of the proposed RHP recommendations related to accessible housing would likely have a significantly positive impact on EJ communities, and in this case, specifically for persons with disabilities. None of the recommendations were found to likely have either a negative or a significantly negative impact on EJ communities. Specific concerns about the recommendations are discussed below along with suggestions for addressing these concerns.

Accessible Housing: Key Objective

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

- *Increase housing options for all persons with disabilities throughout the Region*

In combination, the 7 recommendations for accessible housing have been designed to encourage affordable and accessible housing options within the existing and proposed sewer service areas (areas of existing and planned urban development), which have the services needed to support higher-density residential and commercial and industrial development.

Recommendations that Impact the Costs of Development and Housing Prices: 2 and 3

Recommendation 2 directs local governments to ‘support efforts’ by developers to incorporate design features that increase accessibility or Visitability for persons with disabilities. Incentives to encourage increased accessibility features might include density bonuses or reduced permit fees. Although the HUD guidelines as stated under the Fair Housing Accessibility Guidelines and the Fair Housing Act Design Manual are intended to avoid design specifications or modifications for accessibility that would significantly increase the cost of constructing new multi-family housing, accessibility features may increase the costs for development and home pricing to some extent.

The first part of Recommendation 3 directs the State to continue funding for a series of Long Term Care programs. These provide a major funding source for home modifications which allow persons with disabilities to remain in their homes. This recommendation would have a significantly positive impact

on EJ populations on two grounds: first, it assists in the costs of accessibility modifications for households that are most likely low-income and could otherwise not afford modifications, and second, it takes some pressure off of the already pressured accessible housing stock by allowing persons with disabilities to remain or age in place at home.

Recommendations that Impact Design, Aesthetics, and Safety: 2 and 7

Under this, Recommendation 2 would likely have a significantly positive impact on persons with disabilities as it directly addresses the specific design features that would improve access for persons with disabilities to determine how design features are constructed in a more accessible and universal manner. This recommendation focuses on design elements for new construction that include Universal Design features and Visitability guidelines; although neither UD or Visitability is mandated under law, each would contribute towards improving accessibility within the Region's housing stock. SEWRPC does note that the accessibility requirements under State and Federal fair housing laws are currently directed towards addressing the needs of persons with mobility-related disabilities; such modifications may not adequately address the needs of persons with other disabilities (hearing or visual impaired, or other).

Recommendation 7 would also likely have a significantly positive impact on persons with disabilities, given that it would expand resources for providing modifications to renters that would allow persons with disabilities to age in place. Under Fair Housing laws, landlords are required to permit reasonable modifications at the expense of the tenant, although tenants may also be required by landlords to restore the property to its original condition upon vacancy. Most programs that provide modification assistance are directed at homeowners to allow for aging in place, but fail to extend this type of assistance to renters. As many persons with disabilities rent their housing, this cuts off modification funding for a considerable portion of the population. This recommendation would eliminate or lessen the cost burden for modifications and would therefore open up the door to the majority of persons with disabilities. Other states and municipalities have adopted programs that allow renters and/or landlords to apply for loans for modifications that could serve as models for programs provided within Wisconsin, such as the Virginia Housing Development Authority Rental Unit Accessibility Modification Program²⁰ or the Housing Accessibility Modification Program of Baltimore County, Maryland.²¹

Recommendations that Impact Policy and Zoning: 2 and 6

Recommendation 2 considers some of the design aspects of improving access for persons with disabilities that may require flexibility or changes to zoning ordinances, to provide density bonuses or other incentives to developers that include UD features in new single- and two-family housing. Incentivizing the development of features could increase the number of accessible units and would likely have a significantly positive impact on persons with disabilities.

Implementation and execution of Recommendation 6 will likely have a significantly positive impact on EJ communities and persons with disabilities, given that compliance with State and Federal laws would likely increase the number of accessible units throughout the Region. Recommendation 6 addresses education and training of code enforcement officials who would be working in the field to ensure that State building codes requiring accessibility features are adhered to during permitting and construction.

²⁰ Virginia Housing Development Authority Rental Unit Accessibility Modification Program information is available online at www.vhda.com/Renters/Documents/Rental%20Unit%20Modification%20Grant%20Program.pdf

²¹ Housing Accessibility Modification Program of Baltimore County information is available online at www.mdod.state.md.us/Home%20Mods.aspx?id=214#HAMP

Recommendations that Impact Planning and Programs: 1, 3, 4, 5, and 7

Recommendation 1 promotes the incorporation of additional accessible housing into the local or county comprehensive plan by realigning it with the goals set forth to address household income, job and housing imbalances, and affordable housing needs. Currently, most comprehensive plans have or should have some form of multi-family housing and accessible housing recommendations or goals. Given that the comprehensive plans are all slated for periodic updates, this recommendation requires that a closer examination should be paid by the communities within the sub-areas that currently have job/housing imbalances and high housing cost burdens in order to address accessible housing needs. These communities should work to identify the current and projected supply of, and demand for, accessible housing units; in doing so, they should identify areas for additional multi-family housing that would address both affordability and accessibility. Based on this, it is likely that there would be a significantly positive impact on EJ populations, specifically persons with disabilities.

Recommendations 3, 5, and 7 focus on changes to existing programs that support resources for persons with disabilities that would likely improve the services being provided and broaden the scope of funding for modifications. Recommendations 3 and 5 both propose the development of new data resources (State-level databases) on accessible housing including tracking modification grants and loans and developing an inventory. Recommendation 5 goes a step further by encouraging municipalities to develop a method to prioritize accessibility remodeling projects based on an analysis of new data from the American Housing Survey (AHS). Recommendation 7 calls for the expansion of existing modification grant programs to rental housing. Each of the three recommendations would likely have a significantly positive impact persons with disabilities given that new information would help local communities gain a better understanding of the housing needs of persons with disabilities, the number and location of accessible housing units, and expand funding programs available to renters to make accessibility improvements.

Recommendations 3 and 4 focus on maintaining public (State and Federal) funding for accessible housing programs. If implemented at current levels, each of these would maintain the current positive impact on persons with disabilities. Maintaining funding at the current levels may prove to be a challenge, given the state of the economy and the recent trend in significant budget reductions at the Federal and State levels.

In the second part of Recommendation 3, SEWRPC recommends that the State provide funding for the Department of Health Services (or other State agency) to develop a database to track housing units that have received grants or loans for accessibility improvements or modifications. As the APA and NDC point out, the loss of accessible units needs to be addressed, and efforts need to be made to ensure the preservation of all existing accessible units. This would help identify (at least from here on out) which units will need to be preserved and would be available for future use. Developing an inventory and tracking units will help the State and local communities gain a better sense about the need for additional units, and ultimately, this should diminish the costs for future studies.

Recommendation 4 states that public funding should be maintained for Independent Living Centers (ILCs) to continue providing services to persons with disabilities. There are two major ILCs located in the Region, IndependenceFirst and Society's Assets. IndependenceFirst serves Milwaukee, Ozaukee, Washington, and Waukesha Counties, while Society's Assets serves Kenosha, Racine, and Walworth Counties (along with Jefferson and Rock Counties outside of the Region. ILCs are non-profit organizations that are monitored by the Wisconsin Department of Health Services and the Wisconsin Department of Workforce Development (Division of Vocational Rehabilitation). ILCs provide several

important core services to persons with disabilities as well as to their designated communities including peer support, information and referral, independent living skills training, and person and systems advocacy. Some ILCs also provide community outreach and education, ADA training, and personal care and service coordination.

ILCs are coordinated at the State level, and receive Independent Living funds under Title VII of the Federal Rehabilitation Act (1973). Under this, each State must develop and submit a State Plan for Independent Living (SPIL) that sets forth the goals and outlines the needs, services provided, and so on.²² Given the important role that they play for both individuals as well as the community, ILCs should continue to receive public funding. Government action consistent with Recommendation 4, therefore should continue to have a significantly positive impact on EJ populations, and specifically persons with disabilities.

Recommendations that Impact Education and Outreach: 6

Recommendation 6 calls for education and training for those local government employees who will work in the field to help maintain accountability and follow up for accessible housing requirements in State building codes for new multi-family construction and rehabilitation. Further education and training would likely increase the number of accessible units throughout the Region by helping to ensure accessibility requirements are fully understood and implemented. Based on this, Recommendation 6 would have a positive impact on EJ populations, specifically persons with disabilities.

Recommendations that Impact Socio-Economic Barriers: 1, 2, 3, 4, 5, and 7

As mentioned above, if implemented and acted upon, Recommendations 1 and 2 would likely provide a wider selection of accessible housing stock throughout the Region particularly in those communities in sub-areas identified as having a Lower-Cost Job/Housing Imbalance (see Chapter 4 of the SEI). This would have a significantly positive impact on environmental justice populations, particularly persons with disabilities.

Recommendations 3, 4, and 7 each support resources and programming that would impact environmental justice populations such as persons with disabilities and the elderly by providing them continued or increased access to services and possible financial support. Recommendations 3 and 4 simply maintain funding for such programs, while Recommendation 7 requests extending the funding for existing programs for homeowners to persons with disabilities that rent their housing. Overall, each of these will have a positive impact on persons with disabilities.

Implementation of Recommendations 3 and 5 would provide a greater overall knowledge base of the accessible housing stock in the Region. Better, more accurate data will help local level planners, social service agencies, elected officials, decision makers, housing advocates, and other advocates make better, more-informed decisions to support the housing needs for persons with disabilities. Gaining a better understanding about the supply and demand for affordable accessible housing and acting upon it should lead to an increase in the number of accessible housing units, or how funding to support modifications should be distributed. Overall these recommendations, if incorporated into planning and programs, should have a significant positive impact on persons with disabilities.

²² State Plan for Independent Living (SPIL) for years 2011 through 2013 accessible online at www.il-wisconsin.net/council-spil/

SUMMARY

CED recommends several minor revisions to a few of the Accessible Housing recommendations as noted below.

1. Provide for multi-family housing – Significantly Positive Impact, Key Recommendation

- *Impacts Planning and Programs:* Incorporates additional accessible housing into the local or county comprehensive plan by realigning it with the multi-family housing goals set forth to address household income, job/housing imbalances, and affordable housing needs.
- *Impacts Socio-Economic Barriers:* Provides a wider selection of accessible housing units throughout the Region, including in sub-areas identified as having a lower-cost job/housing imbalance.

2. Encourage universal design (UD) and Visitability – Significantly Positive Impact

- *Impacts Costs of Development and Housing Prices:* Could potentially lower the costs of providing UD and Visitability features (see recommendation below) .
- *Impacts Design, Aesthetics, and Safety:* Improves accessibility and the number of accessible units throughout the Region.
- *Impacts Socio-Economic Barriers:* Provides a wider selection of accessible housing units throughout the Region.

CED recommends revising this to specifically state the types of local support measures or provide examples (e.g., density bonuses or developer incentives) that could be used to encourage UD and Visitability. Certain types of changes may impact local or county zoning as it may demand greater flexibility or changes to local zoning codes to accommodate UD and Visitability. It also may require local or county level changes in policy, such as developer incentives or density bonuses to encourage developers to provide accessible units or features.

3. Funding for long term care programs and accessible housing database development – Significantly Positive Impact

- *Impacts Costs of Development and Housing Prices:* Assists in accessibility modification costs, and relieves some of the pressure on accessible housing stock by allowing persons with disabilities to remain in existing housing or persons to age in place.
- *Impacts Planning and Programs:* Develop a method to identify, track, and preserve all existing accessible units, which should diminish the costs for future needs studies.
- *Impacts Socio-Economic Barriers:* Continue or increase access to supportive services for persons with disabilities. Also, increased knowledge base for accessible units would help local communities gain a better understanding of the housing needs for persons with disabilities.

Currently, accessibility features and modifications are not documented in property assessments. CED recommends modifying this recommendation or adding an additional recommendation that would add documenting accessibility features and/or modifications to the residential property assessment. This would have to occur at the State level, but would be the easiest way to develop an inventory for tracking such features.

4. Funding for Independent Living Centers – Significantly Positive Impact

- *Impacts Planning and Programs:* Maintain funding and support for the Region’s ILCs.

- *Impacts Socio-Economic Barriers:* Continue or increase access to supportive services, including housing services, for persons with disabilities.

5. Prioritize funding to retro-fit existing housing– Significantly Positive Impact

- *Impacts Planning and Programs:* Develop a method to prioritize accessibility remodeling projects based on the new American Housing Survey data (starting in 2012) and existing funding programs.
- *Impacts Socio-Economic Barriers:* Increasing the knowledge base for accessible units would help local communities gain a better understanding of the housing needs for persons with disabilities.

6. Building code enforcement for accessibility – Significantly Positive Impact

- *Impacts Policy and Zoning:* Compliance would likely increase the number of accessible units throughout the Region.
- *Impacts Education and Outreach:* Education and training for local government employees to understand and uphold accessible housing requirements. Would likely increase the number of accessible units.

7. Modify government programs to allow renters to use funds – Significantly Positive Impact

- *Impacts Design, Aesthetics, and Safety:* Expands resources for modifications to persons with disabilities that rent.
- *Impacts Planning and Programs:* Expansion of existing modification grant programs to rental housing.
- *Impacts Socio-Economic Barriers:* Extends funding for existing modification programs to persons with disabilities that rent their housing, thereby creating greater opportunities in areas of the Region with limited housing for persons with disabilities.

CED recommends extending this to allow landlord eligibility. Programs from the Virginia Housing Development Authority or Baltimore County (MD) could serve as models for such a program.

Key Recommendation: 1

Recommendation 1 centers on incorporating additional accessible housing into the local or county comprehensive plan by realigning it with the goals set forth to address household income, job and housing imbalances and affordable housing needs. Given that the comprehensive plans are all slated for periodic updates, this recommendation requires that a closer examination should be paid by the communities within the sub-areas that currently have job/housing imbalances and high housing cost burdens in order to address accessible housing needs. These communities should work to identify the current and projected supply of and demand for accessible housing units; in doing so, they should identify areas for additional multi-family housing that would address both affordability and accessibility.

Environmental Justice Impact Matrix: Accessible Housing

Recommendation	No Impact	Significantly Adverse Impact	Adverse Impact	Positive Impact	Significantly Positive Impact	Key Recommendation
1					✓	✓
2					✓	
3					✓	
4					✓	
5					✓	
6					✓	
7					✓	

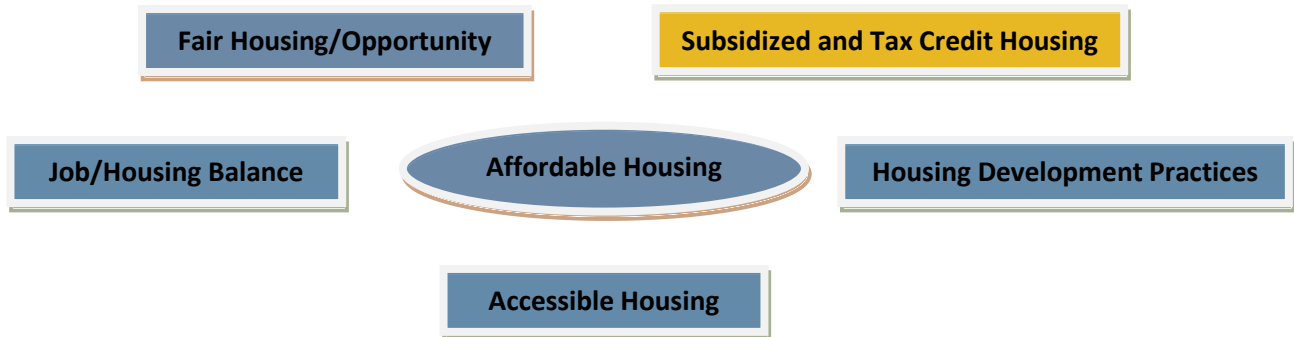
- No Impact: recommendation will not have any direct impact, adverse or positive, on environmental justice populations
- Significantly Negative Impacts: environmental justice populations are likely to be negatively impacted in greater proportion to the regional population as a whole
- Adverse Impacts: 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

Chapter 6

SUBSIDIZED AND TAX CREDIT HOUSING

INTRODUCTION

The fifth major housing plan category identified in the Regional Housing Plan (RHP) is subsidized and tax credit housing. SEWRPC provides a discussion of subsidized and tax credit housing in Chapter X of the preliminary RHP. First, it presents an inventory and analysis of subsidized and tax credit housing; second, it provides an historical perspective including Federal legislation since the 1930s, a history of public housing within the Region, and the development of subsidized housing since the 1970s; third, a discussion about the current challenges facing subsidized housing in the Region; fourth, it includes a discussion about homelessness and emergency shelter needs and facilities; and, finally, a summary of the findings that lead to the preliminary recommendations.



As stated in Chapter II of the preliminary RHP, developing and maintaining an adequate supply of subsidized housing was identified as one of the seven components contributing to the Regional housing problem:¹

- Challenges faced in sustaining the present supply of subsidized housing stock in the Region

Subsidized and tax credit housing refers to *“the government financial assistance (is) needed to effectively reduce the economic constraints to housing for the lowest-income households in the Region.”*² SEWRPC notes that although the vision for the Regional Housing Plan (RHP) is to create the necessary conditions within the Region that would encourage the provision of financially sustainable housing opportunities for persons of all ages, incomes, and needs through the private housing market, not all needs for all of the Region’s citizens can be met through the private market. There will be a continuing role for government assistance for those most at risk for losing housing or not having adequate housing. Subsidized and tax credit housing require a discussion of Federal programs, current and projected funding, and the impact of the Great Recession and housing crisis. Issues of subsidized and tax credit housing are intrinsically related to issues of affordable housing and fair housing practices; although touched on here, further discussions on these topics are provided in SEI Chapter 2 (Affordable Housing), Chapter 3 (Fair Housing/Opportunity), and Chapter 5 (Accessible Housing).

¹ Preliminary RHP Chapter II, Objectives, Principles, and Standards, page II-1-2

² Preliminary RHP Chapter X, Subsidized and Tax Credit Housing, page X-1

This chapter provides a brief summary of SEWRPC’s approach to issues concerning Subsidized and Tax Credit Housing; background, context, and rationale regarding current and projected economic conditions and their impact on subsidized and tax credit housing and EJ communities; and finally, an analysis of the recommendations set forth within the RHP in light of current economic conditions (including the Great Recession and housing crisis).

PRELIMINARY REGIONAL HOUSING PLAN AND ISSUES IDENTIFIED CONCERNING SUBSIDIZED AND TAX CREDIT HOUSING

SEWRPC’s Legacy 1975 Regional Housing Plan

The 1975 plan included 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 Legacy plan also discusses the social constraints such as racial discrimination and community opposition that go beyond economic barriers to safe, adequate and sanitary housing for low- and moderately low- income households and protected classes under the Fair Housing Act.³

The current preliminary RHP addresses 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 Plan subsidy and nonsubsidy housing recommendations related to subsidized and tax credit housing as follows:

- Subsidy Housing Recommendations
 - Priority Areas for Programs Involving Rehabilitation of Substandard Housing
 - In brief, when screening applications for subsidy funds for the rehabilitation of housing, the administering agencies concerned give first priority to applications involving the restoration of substandard housing in the Cities of Kenosha, Milwaukee, Racine, and Waukesha, and second priority to applications in select rural subareas (*no longer applies – housing rehabilitation funding is currently available through the HOPE VI program which is administered directly to the entitlement communities or by the Wisconsin Department of Administration Division of Housing for non-entitlement communities*)
 - Recommendations to Facilitate Utilization of Housing Subsidy Programs at the Local Level
 - In brief, calls for the establishment of county-level housing agencies and directs them to develop neighborhood level needs analyses and plans, and develop relationships with local stakeholders (*partially implemented – most counties have a PHA, however, so do some of the larger cities*)
 - Local units of government should investigate the possibility of utilizing local revenues as a source of public subsidy funds to reduce the cost of housing to households in the need category (*implemented through public-private partnerships and alternative programs*)
 - Role of the Southeastern Wisconsin Regional Planning Commission
 - In brief, SEWRPC should establish a monitoring system for the provision of subsidized housing, provide for the collection, analysis, and dissemination of housing-related information, and undertake a major reevaluation at regular

³ Southeastern Wisconsin Regional Planning Commission, Planning Report No. 20, *A Regional Housing Plan for Southeastern Wisconsin*, February 1975, Chapter 14

intervals (*implemented until funding was eliminated by HUD in the early 1980's; – monitoring is now up to HUD and administering agencies*)

- Recommendations to State Agencies
 - In brief, two agencies were asked to provide technical and financial support to the county housing authorities and local governments (*implemented - recommended agencies no longer exist, but the Division of Housing within the Department of Administration was established to provide support to local governments and HUD provides support to PHAs*)
- Recommendations to Federal Agencies
 - Subsidy programs administered by HUD and the USDA Farmers Home Administration should be sufficiently funded to facilitate a significant reduction in the existing housing need in the shortest possible time (*implemented; however, none of the HUD and USDA programs have ever been sufficiently funded*)
 - Called for the reinstatement of HUD funding under Section 235 of the Housing Act of 1968.⁴⁴ (*not implemented - the Section 235 program had been one of several HUD programs placed in moratorium in 1973 and was subsequently replaced by other programs*)
 - The Federal Housing Administration and Veterans Administration insure and provide loan guarantees to eligible (and usually moderate income) households and provide low down payments to obtain financing; these agencies should continue to administer such programs (*loan guarantees continued through the Veterans Administration and the FHA through Fannie Mae and Freddie Mac – in 2008, the Federal Housing Finance Agency took oversight of Fannie Mae and Freddie Mac and placed them under conservatorship*)
- Nonsubsidy Housing Recommendations
 - Abatement of Social Constraints: Housing Discrimination
 - Expansion of Federal, State and local fair housing laws that prohibit housing discrimination (*implemented*)
 - Expansion of public informational programs to spread awareness to discriminated groups about existing legal mechanisms to combat discrimination (*implemented through the formation of the Metropolitan Milwaukee Fair Housing Council and by HUD*)
 - Regular assessment of fair housing enforcement procedures and processes (*implemented through the formation of the Metropolitan Milwaukee Fair Housing Council and by HUD*)

The recommendations regarding expansion of fair housing laws and programs as well as the needs assessment recommendations set forth in the Legacy 1975 RHP were all carried over to the current RHP as discussed in Chapter XII (Recommended Housing Plan for the Region). Only a few of the Legacy plan

⁴⁴ Note: The Section 235 program of the 1968 Housing Act has since been studied and criticized for reinforcing segregation. It did so by shifting aid away from local housing authorities for the development of public housing and providing it to the private sector which would provide assistance for home ownership. Under this, however, whites were generally provided subsidies for new housing in the suburbs while nonwhites and the poor were provided subsidies for existing housing in urban 'transitional' areas (redlining).

See Kevin Fox Gotham's *Separate and Unequal: The Housing Act of 1968 and the Section 235 Program*, Sociological Forum. 15(1): 13-37. March 2000. Accessible online at www.tulane.edu/~kgotham/Separate&Unequal.pdf

recommendations regarding subsidized housing were carried over to the preliminary RHP, but that is likely due to the changes in public programs for subsidized housing. Much has changed since 1975 including the programs that provide subsidized housing support as well as the dynamics in which subsidized housing programs are provided. Historically, many of the Federal subsidy programs were aimed at publicly owned and operated project-based housing programs where the funding was tied to physical housing units or developments; this began to change in the late 1960s with the growth in number of privately owned and operated units. HUD funding changed towards more of a tenant- or household-based program under the Section 8 Housing Choice Voucher Program in the early 1980s, and subsidies became tied to the households rather than the physical units. Still, many of the existing Section 8 project-based housing developments in Southeastern Wisconsin were constructed in the late 1970s and are still in operation.

Summary of Subsidized and Tax Credit Housing as it Applies to the Preliminary Regional Housing Plan

As stated above, the first part of Chapter X of the preliminary RHP provides an inventory and analysis of subsidized and tax credit housing. To briefly summarize, there are two main types of housing subsidies; voucher-based, in which the subsidy is tied to the household or persons receiving the assistance, and project-based, in which the subsidy is attached to the housing unit. As of 2011, there is a mixture of both in the Region; about 13,061 or 29 percent are voucher-based and 32,615 or 71 percent are project-based subsidies. SEWRPC provides information on the number and distribution of Section 8 vouchers as of 2011 in Table X-2 and shows the voucher locations as of 2008 in Maps X-1, X-1a and X-1b. Most are located within Milwaukee County, concentrated primarily in the City of Milwaukee. SEWRPC also provides information on the number of project-based housing units in Tables X-3 and X-4 and shows these locations in Maps X-2 and X-3. Again, most are located within Milwaukee County, and most predominantly in the City of Milwaukee.

Tax credit housing refers to the development of low-income housing units using Federal tax credits allocated to Wisconsin under the Low Income Housing Tax Credit (LIHTC) program. The LIHTC program works by awarding Federal housing tax credits to developers for selected developments, who then can sell the tax credits to private investors to raise capital for the selected developments. In Wisconsin, WHEDA awards the LIHTC under its annual Qualified Allocation Plan (QAP), which awards proposed developments for low-income housing based on a set of criteria. The QAP scoring criteria are shown in Table X-5 of the preliminary RHP. It should be noted that under the QAP, additional points can be allocated based on the inclusion of features that would favor persons with disabilities including supportive housing, elderly assisted living (RCACs), and Universal Design. SEWRPC provides information on the number of LIHTC housing units in Tables X-6 through X-8 and shows these locations in Map X-4. Most are located within Milwaukee County, and most predominantly in the City of Milwaukee. This applies to family complexes in particular.

The USDA Rural Development Program provides loans and grants to develop single- and multi-family affordable housing in rural areas, or in communities with populations under 20,000 outside of urbanized areas. In total there are about 580 USDA multi-family units within the Region. SEWRPC provides information on the numbers and locations of USDA Rural Development program housing units in Table X-9 and shows these locations in Maps X-5.

In addition to the HUD, USDA, and LIHTC programs, there are other programs or financing tools that encourage the development or rehabilitation of low-income housing and can work with any of the above listed programs; these include tax exempt bonds, tax increment financing (TIF), housing trust funds, Community Development Block Grants (CDBG), HOME, and non-profits (for example, Habitat for

Humanity or other faith-based organizations). SEWRPC discusses tax exempt bonds, which are another vehicle for encouraging private development, and are often used in conjunction with tax credits or other financing tools for the development of low-income housing. Based on this, the interest earned by the bondholder is exempt from Federal (and usually State and local) taxes, which lowers the interest rate on the debt.

As subsidized and tax credit housing is aimed at assisting households with the lowest incomes in the Region and therefore the most at risk, each of the programs discussed have income thresholds that need to be met. Public Housing Authorities (PHAs) determine the eligibility of households under the voucher program; as a general rule, households must earn no more than 50 percent of the county's or metro area's median household income, adjusted for family size. PHAs usually also require that qualifying households pay about 30 percent of their household income towards rent while the PHA would pick up the difference, based on allowable Fair Market Rents (FMRs). PHAs also determine the eligibility for project-based subsidies, using income limits developed by HUD; the low-income threshold is 50 to 80 percent and the very-low income threshold is 50 percent or less of a county or metro area median income. LIHTC tax credits require that at least 40 percent of the units developed must be occupied by households whose incomes are at or below 60 percent of the county's median household income. Again, rents which are referred to as the Total Tenant Payment for project-based units are about 30 percent of a household's monthly income.

In the second part of Chapter X, SEWRPC documents the history of Federal housing legislation since its inception in the 1930s, and its history within the Region, including development patterns since 1973. Included is a discussion of the programs that were enacted under the legislation along with their impact on the Region. An inventory of public housing units throughout the Region is provided along with a discussion of the historical HUD programs that helped develop the housing.

In brief, early housing efforts focused on urban redevelopment through slum clearance and creation of project-based public housing units, while there was a major shift in the late 1960s and early 1970s towards a system designed to include more involvement from the private sector. In addition to Section 8 subsidies, this shift also included the development of the Community Development Block Grant (CDBG) program that replaced the urban renewal programs aimed at slum clearance. In the 1980s, the LIHTC program was created to stimulate private development for low-income affordable housing units. In the 1990s, HOPE VI was established to provide funding for much needed revitalization efforts of the existing public housing stock.

SEWRPC also documents the changes in the socio-economic characteristics, including the racial and ethnic compositions of households living in public housing units in 1970 and 2011 for the City of Milwaukee. This snapshot shows that, when adjusted for inflation, the average household income for low-income public housing tenants in 2011 was lower than the average household income in 1970. Additionally, the racial composition of public housing units has changed significantly. In 1970 about half of the family households were white and half were minorities; by 2011, this changed to about 3.5 percent white and 96.5 percent minorities. No racial composition was provided for the voucher-based programs or for LIHTC units, since these programs did not exist in 1975.

In the third part of Chapter X, SEWRPC assesses the current challenges facing subsidized and tax credit housing. SEWRPC points out that the subsidy programs are not entitlements, and there is considerably more demand than supply. Based on SEWRPC's estimates, combined there are a total of 45,676 subsidized vouchers and public units, but the current need is 187,395 units, based on 100,111

households that are at or below 30 percent of the regional median income (or \$16,164 per year) and 87,284 households with income between 30 and 50 percent of the median income. Although the need remains great, and will likely continue to grow, most of the Federal funding mechanisms and programs are at risk. This is, in part, due to the Great Recession and housing crisis, but primarily because the growth within the programs has not kept up with the need or the demand, and decades of use and wear on the existing stock requires funding for rehabilitation and revitalization, which otherwise is not going towards assistance for additional households.

SEWRPC documents some of the changes or cuts to the voucher- and project-based subsidies. The voucher program (Section 8 Housing Choice Voucher) began in 1974 and had grown incrementally up until 2002, the first year new vouchers were not issued. In fact, prior to the Great Recession, between 2004 and 2007, the program lost 150,000 vouchers nationwide. Incremental vouchers have again been added since 2008, but rising rents and decreasing household incomes have resulted in increased funding needs throughout much of the US.

In addition to the need for more vouchers, there is a significant problem regarding overlapping jurisdictions and administering PHAs, making the process difficult and confusing for both renters and landlords. In the preliminary RHP, SEWRPC cites a 2009 Public Policy Forum report⁵ that demonstrates that there is a mismatch between the administration of vouchers and the regional nature of the housing market; transferring vouchers across PHAs means an increase in administrative costs and likely furthers concentration of vouchers within the issuing PHA, concentrating voucher households within the Region's urban centers.

Project-based assistance programs face significant cost problems, primarily due to the aging of public housing units. Although there has been a shift from public to private ownership of public housing units, there is still a significant number of public housing units; most are very old and in need of rehabilitation and upkeep. The HOPE VI program has provided funding for rehabilitation of publicly owned projects and units. In addition, the Transforming Rental Assistance (TRA) Initiative is under development to provide funding to both aging public and private housing units for rehabilitation, as well as address some of the problems associated with overlapping HUD programs.

Most of the privately-owned public housing units (Section 8 project-based units) were constructed in the 1970s and face the threat of being 'opted out' of the program. Under this, private developers are allowed to convert the subsidized units to market rate units after their 30 year contracts expire.⁶ HUD attempted to address this problem by developing the voluntary Mark to Market and Mark-Up to Market Initiatives in the 1990s, and the TRA Initiative will also address this issue.

The LIHTC program has been successful at creating an incentive for private funding for new low-income housing developments throughout the State. Table 1 charts the annual distribution of LIHTC funds to Wisconsin since 2000.⁷ With the exception of 2010, there was a slight and steady increase in LIHTC

⁵ Public Policy Forum *Give Me Shelter: Responding to Milwaukee County's Affordable Housing Challenges*, 2009. Accessible online at www.publicpolicyforum.org/sites/default/files/2009AffordableHousing.pdf

⁶ Most contracts are between five and thirty years with the average being twenty years. Accessible online at www.policylink.org/site/c.lkIXLbMNJrE/b.5136981/k.A41A/Expiring_Use.htm

⁷ For a complete archival breakdown of LIHTC funding for the state of Wisconsin since 1999, visit the Affordable Housing Resource Center data. Accessed online at www.novoco.com/low_income_housing/lihtc/federal_lihtc.php

funding between 2000 and 2012. In 2010, the Federal government responded to the Great Recession through emergency stimulus programs that provided loans in lieu of tax credits and an unused tax credit exchange program to WHEDA through the Tax Credit Assistance Program (TCAP) and the 1602 Exchange Program, both funded through the American Recovery and Reinvestment Act⁸. However, with funding levels returning to previous levels, the need is not being met and the competition for LIHTC credit has grown since 2008, given that for most housing developers, these were the only available credit for multi-family housing.

Table 1 LIHTC distribution to Wisconsin, HUD 2012

2012	\$ 12.5 million	<p>In addition, SEWRPC notes that one of the major challenges to LIHTC projects is the opposition from community residents (NIMBYism) towards family housing, although such opposition has generally not been associated with elderly LIHTC housing. SEWRPC notes that although this has been the most successful program for developing low-income housing, it does not create units that are affordable to extremely low-income households (those below 30 percent AMI). SEWRPC also notes that low-income housing advocates have indicated concerns over the criteria used by WHEDA for awarding LIHTC. Suggestions for revised criteria include awarding allocation points based on a lack of affordable housing in a community and removing allocation points based on ‘community support’ in light of the NIMBYism problem.</p> <p>The USDA Rural Development also is facing serious funding constraints and loss of units. Since the 1990s, the program has not added many new units, and private units are under the threat of conversion to market rate. Also, given the ages of many of the units, rehabilitation and revitalization are a major problem.</p>
2011	\$ 12.2 million	
2010	\$ 43.6 million	
2009	\$ 12.3 million	
2008	\$ 11.1 million	
2007	\$ 10.5 million	
2006	\$ 10.3 million	
2005	\$ 10.3 million	
2004	\$ 9.5 million	
2003	\$ 9.5 million	
2002	\$ 9.4 million	
2001	\$ 8.0 million	
2000	\$ 6.5 million	
TOTAL	\$ 165.8 million	

The fourth part of Chapter X focuses on emergency shelter and transitional housing needs for housing the homeless. SEWRPC provides an assessment of homelessness including a definition and identification of persons most at risk, documents the demographics of homelessness (gender, age, employment), provides estimates on the numbers of homeless that have disabilities or are veterans, and provides an inventory of homeless persons and families that have received services throughout the Region. SEWRPC also provides an inventory of homeless shelter facilities and their capacities, a discussion of the supportive services that are also needed, and information on homelessness assistance programs and administration throughout the Region and the State (Continuum of Care – COC – programs).

Finally, the Findings section summarized the concerns and problems associated with subsidized and tax credit housing leading to the recommendations set forth in Chapter XII.

RATIONALE: SUBSIDIES AND TAX CREDIT HOUSING AND ENVIRONMENTAL JUSTICE

Subsidized and Tax Credit Housing: Urban Centers, Poverty, Neighborhood Quality and Satisfaction

There has been some debate over whether or not subsidized (in this case, Housing Choice Voucher program) and tax credit housing developments are effectively lessening the concentrations of very low-income households in the urban centers of metro areas. The historic pattern of locating large public

⁸ Information on the Emergency Economic Stabilization Act of 2008 that enabled such action can be accessed online at www.gpo.gov/fdsys/pkg/BILLS-110hr1424enr/pdf/BILLS-110hr1424enr.pdf

housing projects in inner city areas has largely been deemed a failure due to its further concentrating households in poverty. This realization led to the development of the Housing Choice Voucher program in the 1970s with the intention of no longer tying public housing to a specific development, but allowing tenants the ability to move to neighborhoods of their choice. Further, in the 1980s, the LIHTC program was developed to provide mixed incomes within the same multi-unit developments and to encourage much needed private development of low-income housing. It could also be argued that LIHTC has a tendency to lessen some of the problems associated with developing low-income housing, such as community opposition. LIHTC was intended to appeal to the suburbs, therefore removing some of the burden of concentrating lower-income households in urban centers. SEWRPC documents this in Part 2 of Chapter X.

A 2011 Brookings Institution study⁹ by Kenya Covington, Lance Freeman, and Michael Stoll looked at the impact that the Housing Choice Voucher program has had on suburbanization rates. This study compared Housing Choice Voucher recipients from 2000 and 2008 in the top 100 US metro areas and found that the percentage of voucher recipients living in the suburbs increased slightly by 2008, to about 49.4 percent, and that black voucher recipients suburbanized faster than any other group at 5 percent, Hispanic recipients increased by 1 percent, while the suburbanization rate for White Non-Hispanic recipients actually declined.

The Brookings study shows that the Milwaukee metro area (Milwaukee, Ozaukee, Washington, and Waukesha Counties) had a 2.4 percent increase in voucher suburbanization between 2000 and 2008, considerably higher than other Midwestern cities as most experienced declines. It should be noted that suburbanization varied by U.S. region, that suburbanization rates were greatest in Western metro areas (an increase of 4.1 percent), while they were the lowest (actually declined by 1 percent) in Midwestern metro areas.

Overall the data suggests that voucher recipients moved toward higher income and job rich suburbs over this time period, although the poor and low-income households not receiving vouchers have also suburbanized over this time period, towards similar kinds of low-income suburbs, and at a faster pace than voucher households, indicating that the suburbs likely have the capacity to absorb more voucher households.

This leads to the question of whether or not subsidy recipients (particularly voucher recipients) are able to move into better neighborhoods. Lauren Ross, Anne Shlay, and Mario Picon produced a study¹⁰ for HUD examining housing satisfaction rates for subsidy recipients. Based on data from the 2009 American Housing Survey, Ross et al have found that public housing and voucher tenants have higher levels of housing satisfaction and choose more desirable dwellings than do unassisted low-income renters, but that housing assistance does not necessarily enable recipients to locate to better neighborhoods.

⁹ Kenya Covington, Lance Freeman, and Michael Stoll *The Suburbanization of Housing Choice Voucher Recipients*, Brookings Institute, October 2011. Accessible online at www.brookings.edu/~media/research/files/papers/2011/10/11%20housing%20suburbs%20covington%20freeman%20stoll/1011_housing_suburbs_covington_freeman_stoll

¹⁰ Lauren Ross, Anne Shlay, and Mario Picon *You Can't Always Get What you Want: The Role of Public Housing and Vouchers in Achieving Residential Satisfaction*, US Department of Housing and Urban Development, Office of Policy Development and Research, *Cityscape: A Journal of Policy Development and Research*, Volume 14, Number 1, 2012.

Brent Mast conducted a similar study¹¹ for HUD using data on neighborhood and housing quality from the 2009 American Housing Survey to compare housing quality between public housing units and Housing Choice Program units. Mast examines several assumptions surrounding the benefits of the Voucher program over public housing units: that the neighborhood and housing quality within the Voucher program would be better, given that the program provides more choice in neighborhoods, and that the program would provide for greater social and economic opportunities. Mast's findings show that although there is a slight increase in the positive perceptions that Voucher participants hold toward the quality of their neighborhoods, the increase is not statistically significant, which is somewhat disconcerting given that the rents tend to be much higher for Voucher tenants than public housing tenants.

Subsidized and Tax Credit Housing: Subsidies, Low-Income Housing Development, the Great Recession, and the Housing Crisis

SEWRPC documents the impacts that the Great Recession and housing crisis have had on subsidy and LIHTC programs in Part 3 (*Challenges Facing Subsidized Housing*) of Chapter X. The Great Recession and housing crisis has had an enormously negative impact on the incomes of U.S. households. As stated in Chapter 2 (Affordable Housing), the demand for subsidized and low-income housing has significantly grown and is projected to continue to grow creating even greater burdens and more pressure on EJ communities. As stated in Chapter 3 (Fair Housing/Opportunity), there is a significant and growing need to increase the stock of multi-family housing units, and this need is likely to continue to grow as more households opt out or are forced out of the housing ownership market. At the same time (and even prior to the beginning of the Great Recession) the Federal government has responded by maintaining funding levels¹² for the HUD voucher subsidy program but cutting CDBG and other HUD programs. The current trend at the Federal level is to maintain the level of services for existing recipients, but by maintaining current funding levels, this is likely to be short-lived.

Based on an ongoing HUD¹³ study that uses American Housing Survey data, HUD looked at very low-income un-assisted rental households and found that there was a significant increase (20 percent) between 2007 and 2009 in the number and percentage of households earning less than half of the AMI that paid more than half of their monthly income on rent, lived in severely substandard housing, or both (defined as 'worst cases'). The report shows a link between unemployment, loss of income, and lack of affordable housing including rent increases due to increased competition for fewer affordable housing units. 'Worst Cases' grew by about 1.2 million households, from 5.9M in 2007 to 7.1M in 2009. This cut across all races, ethnicities, ages, family and non-family households, disabilities, and impacted households in urban, suburban, or rural areas similarly. The increase represented the largest two year jump since the study began reporting on the variables since 1985, and clearly reflects the impact that the Great Recession and unemployment or under-employment has had. Of note, and as corroborated

¹¹ Brent Mast *Comparing Public Housing and Housing Voucher Tenants with Bayesian Propensity Scores*, US Department of Housing and Urban Development, Office of Policy Development and Research, *Cityscape: A Journal of Policy Development and Research*, Volume 14, Number 1, 2012.

¹² The total Tenant-Based Rental Assistance HUD budget for fiscal year 2007 was just less than \$15.9 million and the FY 2011 allocation was approximately \$18.4 million. Accessed online from portal.hud.gov/hudportal/HUD

¹³ Barry Steffen *Worst Case Housing Needs 2009: A Report to Congress*, US Department of Housing and Urban Development Office of Policy Development and Research, February 2011. Accessible online at www.huduser.org/portal/publications/affhsg/wc_HsgNeeds09.html

with the Harvard University housing study¹⁴, higher- and middle-income families are competing for a limited number of affordable rental units which is further driving down already low vacancy rates for the lowest-cost rental units, and it estimated that only 36 percent of extremely low-income renters have affordable units nationwide, although in the Midwest, this increased to about 87 percent.

The LIHTC program has become extremely competitive since the dawn of the Great Recession. Developers primarily rely on bank loans for development, but as banks have become very stringent in their lending practices (particularly for residential development), it has become very difficult for developers to get any projects off the ground. Many of the programs or other supportive funding mechanisms for low-income housing development have also been hit hard by the Great Recession. LIHTCs are usually combined with some other funding mechanism for development including tax-exempt bonds, CDBG, HOME, and other non-profit programs, but again, funding for these programs has either declined (CDBG and HOME) or become more competitive adding further financial constraints on development.

In March 2012, the U.S. Government Accountability Office (GAO) issued a report¹⁵ that stated that there are considerable inefficiencies within HUD's Section 8 Housing Choice Voucher program. Between 2003 and 2010, there was a 29 percent increase in expenditures for the voucher program. The GAO cited that the major factors that accounted for this increase were rising rents and declining household incomes; although program expansion played a role, it was not significant as only a small number of households were added, therefore most of the increase went towards maintaining assistance for existing program participants. During this time period, Congress kept the expansion rates very low, moving away from providing PHAs with the funding based on the number of vouchers they were authorized to subsidize and toward using each PHA's prior year's funding level.

Based on their study, the GAO was able to identify possible options that could cut costs, reduce the need for new appropriations, or increase the number of households assisted:

- **Reduce PHAs' subsidy reserves:**
Combined, all PHAs under HUD have accumulated about \$1.8 billion in subsidy reserves. HUD has sought the authority from Congress to offset future budget requests or needs through the excess subsidy reserves, but HUD needs to develop a strategy that Congress would approve for how those reserves would meet current and near future needs.
- **Implement administrative reform:**
HUD officials note that some of the administration requirements could be streamlined for cost effectiveness. HUD is currently conducting an administrative fee study in order to identify specific reforms to increase efficiencies and reduce administrative burdens, and to suggest methods to align the program administrative fee formula with the functions that housing agencies perform.
- **Implement rent reform and consolidate voucher administration:**
Consolidating voucher administration under a reduction in the number of agencies and developing some kind of rent reform (for example, requiring households to pay more towards

¹⁴ Joint Center for Housing Studies of Harvard University *Rental Market Stresses: Impacts of the Great Recession on Affordability and Multifamily Lending*, June 2011. Accessible online at www.jchs.harvard.edu/research/publications/state-nation%E2%80%99s-housing-2012

¹⁵ US Government Accountability Office *Housing Choice Vouchers: Options Exist to Increase Program Efficiencies*, March 2012. Accessible online at www.gao.gov/products/GAO-12-300

rent) could yield substantial cost savings which would allow housing agencies to serve additional households. The downside, however, would likely increase the concentration of assisted households in high poverty areas, and increase the rent burdens for low-income households in the program.

Unfortunately, none of the GAO's options include expanded funding for the program, even to keep pace with the rate of inflation. It assumes continued funding at the current levels, or rather the same levels since 2007, which in essence are really reductions due to inflation. Therefore the long term viability of the Housing Choice Voucher program is somewhat in question once all inefficiencies are removed.

American Planning Association on Subsidized and Tax Credit Housing

The APA has found that the existing stock of rental units that are affordable to low-income households is being lost to redevelopment, gentrification, and deterioration. The APA relies on findings from Harvard's Joint Center for Housing Studies¹⁶, citing the loss of 100,000 affordable housing units per year, and observing that the values of any replacement units are considerably higher. HUD estimates that there has been a loss of about 200,000 subsidized units since 1996, further adding to rising housing cost burdens for renters.

In its Policy Guide on Housing¹⁷, the American Planning Association (APA) advocates several policy positions that support affordable housing, including affordable subsidized and tax credit housing. A discussion on the APA's General Policy Position #1 regarding affordable housing is provided in Chapter 3 the SEI. Again, this position states that planners need to support the provision of housing opportunity, should strive to support housing stratification, and work to eliminate barriers to housing opportunity.

General Policy Position #3 states support for the preservation of existing housing stock. Under #3A, the APA notes that older units tend to be more affordable for low-income households, and therefore housing preservation should be a goal of any housing plans or strategies. As observed in the Harvard study¹⁸, there has been a recent fundamental shift in the rental market that is negatively impacting lower-income households. The demand for rental housing has grown significantly due to the Great Recession, yet the supply has not been able to keep up with demand. Newly constructed units that serve to replace units lost due to deterioration and age are aimed at the upper end of the rental market, while older units would successively provide housing for median- and lower-income rental households. In the past, this normal lifecycle of rental housing would serve the needs of most renters at different income levels; however, the rental market has lost that 'trickle down' aspect due to the demand by median-income renters. Further, under #3B, the APA calls for the preservation of private assisted housing against the threat or demand of conversion to market rate rentals, condo conversions, or other non-residential uses.

APA's General Policy Position #5 focuses on encouraging a diverse and innovative housing stock to meet the needs and demands of the growing populace. Under this position, the APA encourages local communities to begin thinking outside of the single-family to multi-family unit box, to look at

¹⁶ Joint Center for Housing Studies of Harvard University *The State of the Nation's Housing: 2012*, June 2012. Accessible online at www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son2012.pdf

¹⁷ American Planning Association *Policy Guide on Housing*, adopted Spring 2006. Accessible online at www.planning.org/policy/guides/adopted/housing.htm

¹⁸ Joint Center for Housing Studies of Harvard University *America's Rental Housing: Meeting Challenges, Building on Opportunities*, April 2011. Accessible online at www.jchs.harvard.edu/americas-rental-housing

alternatives like single-room occupancy developments, mixed-income housing, shared residences, accessory apartments, and so on, in order to create more housing opportunities for low-income households, elderly households, or households with at least one member with a disability.

PRELIMINARY REGIONAL HOUSING PLAN RECOMMENDATIONS FOR SUBSIDIZED AND TAX CREDIT HOUSING

Subsidized and Tax Credit Housing Recommendations

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

1. Support Federal initiatives to simplify subsidized housing programs to make more efficient use of resources. Public Housing Authorities and entitlement jurisdictions should continue working with Federal agencies and Congress to maintain funding levels for housing and related programs.
2. Administrators of voucher programs, county and local governments, and housing advocates should continue to work with Federal agencies and Congress to increase funding levels for additional housing vouchers to help meet the demand for housing assistance in the Region. There are currently 45,676 housing choice vouchers and subsidized housing units in the Region, compared to a potential need for 187,395 vouchers to help provide housing for 100,111 extremely-low income households (incomes less than 30 percent of the Regional median income, or less than \$16,164 per year) and an additional 87,284 very-low income households (incomes between 30 and 50 percent of the Regional median income, or \$16,164 to \$26,940 per year).
3. Communities with major employment centers should seek and support new multi-family housing development using LIHTC and other available funds to provide workforce housing for households earning 50 to 60 percent of the Region's median annual household income.
4. Communities in economic need priority sub-areas and subsidized workforce housing need priority subareas should work with HUD or their entitlement jurisdiction to secure HUD Housing and Community Development Program and other available funds to provide additional housing in the community that is affordable to extremely and very low-income households. Local public housing authorities whose jurisdictions include priority sub-areas shown on Map XII-12 should seek to provide assistance through subsidy programs that can encourage housing development for households at a variety of income levels, such as the Section 8 Housing Choice Voucher program, LIHTC developments, and the Choice Neighborhood program.
5. WHEDA should study models in other states of how to best reach extremely-low income households and incorporate that target population in the Qualified Allocation Plan (QAP) used by WHEDA to award LIHTC funding.
6. HUD should consider modifications to the Section 8 Housing Choice Voucher program to remove financial disincentives for administering vouchers regionally. Administrators of voucher programs in the Region should work together to develop a regional Section 8 Housing Choice Voucher program if modifications are made to the program at the Federal level.
7. It is recommended that the Governor and State Legislature amend the Wisconsin Open Housing Law to recognize housing vouchers as a lawful source of income.
8. WHEDA should consider revising the criteria used to determine LIHTC awards to potentially award allocation points based on a lack of affordable housing in a community and/or the type of jobs and associated income levels in the community, to award points in communities identified as priority areas on Map XII-12, and to award points to non-elderly housing developments in

communities with a job/housing imbalance. Projects should not be penalized if there is a lack of community support for the project.

9. In order to provide housing for very-low income households, communities should develop partnerships with non-profit organizations to provide affordable housing, and/or assist in assembling small parcels, remediating brownfields, and disposing of publicly-owned parcels at a reduced cost for development of new affordable housing.
10. Establish a regional Housing Trust Fund for Southeastern Wisconsin (HTF-SW) with a focus on county-specific policy goals that will help achieve the objectives of the regional plan, e.g., to assist in the acquisition of land and development of affordable housing. Addressing the Region's housing needs will require greater public sector coordination, greater private sector participation, and interjurisdictional collaboration that address both the supply side of the equation and the demand side. The foundation of the HTF-SW could be formed initially through the merger of the existing Housing Trust Fund of the City of Milwaukee, Milwaukee County Special Needs Housing Trust Fund, and Milwaukee County Inclusive Housing Fund, and expanded to communities in other Counties, and ultimately all seven Counties in the Southeastern Wisconsin Region. A combined fund could ease the administrative burden for applicants, spread the funding burden across larger population and tax bases, raise the profile and scale of the fund, and have more potential to attract donors.

Each recommendation was evaluated in light of its potential or probable impact on providing financial assistance for housing given the existing and projected data provided within the RHP as well as information documented on current socio-economic and housing trends. CED specifically identified any potential positive or negative impacts that each recommendation could have on EJ communities.

ANALYSIS OF SUBSIDIZED and TAX CREDIT HOUSING RECOMMENDATIONS

Overall, CED found that all 10 of the proposed RHP recommendations related to subsidized and tax credit housing would likely have a significantly positive impact on EJ communities. None of the recommendations were found to likely have either a negative or a significantly negative impact on EJ communities. Specific concerns about the recommendations are discussed below along with suggestions for addressing these concerns.

Subsidized and Tax Credit Housing: Key Objective

The proposed recommendations of the RHP related to subsidized and tax credit housing are designed to further the following principal objective:

- *Increase distribution of subsidized housing units throughout the Region*

In combination, the 10 recommendations for subsidized and tax credit housing have been designed to encourage housing affordable to low-income households 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.

Recommendations that Impact the Costs of Development and Housing Prices: 1, 2, 3, 4, 6, and 9

Reducing Overhead Costs within Subsidized Housing Programs: Recommendations 1 and 6

SEWRPC clearly demonstrates that the need for public and voucher housing is not being met within the Region and that one of the methods to meet the need is to improve the efficiencies within the system for providing public housing, vouchers, and their supporting services. Although some of the

inefficiencies should be dealt with at the PHA, local, or regional level, coordination with Federal and State administering agencies is also necessary.

As stated above, the Government Accountability Office (GAO) has determined that inefficiencies within the Housing Choice Voucher program and the administration of the program do exist. Under this report, the GAO recommends possible implementation of administrative reforms aimed at streamlining the process and reducing costs within the voucher program. As HUD has an administrative fee study¹⁹ underway, the results should be monitored by the State Division of Housing, WHEDA, and local PHAs.

Recommendations 1 and 6 both call for supporting more efficient and likely cost-effective uses of Federal resources. Cutting administration costs while maintaining current funding levels for the Region's PHAs would provide more support for low-income tenants, and therefore would benefit EJ communities greatly within the Region. Removing the financial disincentives for administering vouchers on a regional basis through cooperation between the local PHAs would likely streamline the voucher process and cut down considerably on administrative costs. For this to be effective, however, funding would need to be maintained at least at current levels so that more low-income households can be served or could participate in either the public housing or voucher program.

Based on the GAO study, although HUD and Congress are looking at ways to reduce costs, it is unclear as to how future funding, including the voucher program, is to be handled at the Federal level. Although both Recommendations 1 and 6 would have a significantly positive impact on EJ populations if implemented, realistically, the impacts of the recommendations may largely depend upon the results of the forthcoming HUD study and the Federal budget.

Maintaining or Increasing Funding Levels for Public Housing and Voucher Programs: Recommendations 1, 2, and 4

Recommendations 1, 2, and 4 focus specifically on maintaining or increasing the funding levels for Federal housing programs. Increasing the funding levels throughout the Region would undoubtedly have a positive impact on EJ communities. Given the state of the national economy, as well as the political environment in Congress, maintaining current Federal funding levels may be difficult.

To reiterate, based on the GAO study, although HUD and Congress are looking at ways to reduce costs in order to maintain assistance for existing program recipients, it is unclear how future funding of public housing and the voucher program will be handled at the Federal level. The most recent Transportation and Housing and Urban Development (T-HUD) appropriations bill passed by the House of Representatives for FY 2013 (H.R. 5972 passed June 29, 2012) capped most spending on public housing and voucher programs at FY 2012 levels. The Senate version (S.2322) increases funding for vouchers that matches the President's budget request. The Senate bill has not been acted upon. The National Low Income Housing Coalition published *Changing Priorities, The Federal Budget and Housing Assistance 1976-2005*, in 2004²⁰, prior to the Great Recession, and noted that despite the increased need for affordable housing options for the low-and moderately-low income households in the country, "*housing assistance funding decisions, which presumably reflect housing policy priorities, take place within a broader budgetary context.*"

¹⁹ More information on HUDs Administrative Fee Study is available online at the following:
portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/adminfee

²⁰ The National Low Income Housing Coalition *Changing Priorities, The Federal Budget and Housing Assistance 1976-2005*, October 2004. Accessed online at nlihc.org

Recommendations 1 and 2 call for maintaining or increasing funding for existing programs which would both have a positive impact on EJ communities, or significantly positive impact if funding levels can be increased to provide subsidies to an increased pool of participants.

Recommendation 4 specifically calls for the increase and/or the expansion of housing programs to the Region's priority sub-areas, including CDBG funding and LIHTC for the development of additional housing units, and the expansion of the Housing Choice Voucher program. Additionally, it calls for exploration into HUD's Choice Neighborhood Program. The Choice Neighborhood Program is a competitive grant program that provides planning and implementation grants for public projects that transform distressed neighborhoods with public housing into mixed-income neighborhoods that link housing improvements with appropriate services, schools, public assets, transportation, and access to jobs. This is a relatively new program, beginning in 2010, and the awards are relatively small, but can be combined with other planning efforts for neighborhood revitalization. Again, Recommendation 4 would likely have a significantly positive impact on EJ communities IF it can expand housing choices and opportunities to low-income households.

Supporting Development of Multi-Family Housing Units that Use LIHTC or other Funding Mechanisms: Recommendations 3, 4, 8, and 9

Recommendations 3, 4, and 8 encourage the use of LIHTC particularly in priority areas; specifically, these recommendations focus on lowering the direct costs associated with developing affordable housing units through the use of tax credits and therefore would likely increase the available affordable multi-family unit housing stock. Recommendation 9 focuses on the indirect costs associated with development or redevelopment such as parcel assemblage, brownfield remediation, and discounting publicly-owned lands. The actual costs would be absorbed by other public entities (local communities would likely absorb parcel assemblage while brownfield remediation costs might be local, State, or Federal if grants are applicable).

As stated above, any programs that increase the number of housing units for qualified low-income renter households will significantly and positively impact EJ communities. The development of additional rental units will relieve some of the pressure that is building up in the rental market that undoubtedly is having an increasingly negative impact on very-low income households, given that the supply is not likely to meet the demand. Recommendations 3, 4, 8, and 9 would likely achieve this, and therefore it is likely that implementation would significantly and positively impact EJ communities.

Recommendations that Impact Policy and Zoning: 7

Recommendation 7 states that the Wisconsin Open Housing Law (Section 106.50 of the Wisconsin Statutes) should be amended to recognize housing vouchers as lawful sources of income. Housing Choice Vouchers increase a household's housing budget and therefore should be considered income for the recipients, so that private landlords would not be able to dismiss a voucher tenant based solely on their source of income. This would allow voucher recipients to gain access to housing that they otherwise may not be eligible for, simply based on their income. This would have a significantly positive impact on the EJ communities that participate in the Housing Choice Voucher program.

Recommendations that Impact Planning and Programs: 1, 2, 3, 4, 5, 6, 8, 9, and 10

Local Programming: Recommendations: 1, 2, 3, 4, 6, and 9

Recommendations 1, 2, 3, 4, 6, and 9 concern local level changes or improvements in local PHA programs, including working with HUD to improve efficiencies within the existing programs, maintaining funding levels, securing funding that would provide greater housing opportunities region-wide, and

investigating and implementing new methods for encouraging more private or non-profit development and partnerships.

At the heart of these combined recommendations is the notion that communities and PHAs in the Region are not likely to see any significant influx of additional funding from the Federal government any time in the near future. This means that all efforts should be made to identify and correct inefficiencies within the programs so that the current funding levels can go as far as possible. Additionally, these recommendations suggest that communities and PHAs continue to secure existing funding streams (subsidies and LIHTC). It has also become imperative that they identify alternative methods of funding (such as public-private partnerships) in order to provide greater housing opportunities region-wide.

Although improvements in local programming would likely lead to positive impacts for EJ communities, much of this will depend upon directives from HUD and Congress and future Federal funding for the subsidy and LIHTC programs. Currently, it is unlikely that additional Federal funds will be available for program expansions, and given that the need has greatly increased over the past decade, and that the demand for low-income housing is projected to increase significantly, it is unlikely that implementation of any of the recommendations without a significant influx of external funding will have much of an impact on EJ communities for Recommendations 1, 2, 3, 4, and 6.

Implementation of Recommendation 9 would not depend upon external funding with the exception of remediating brownfields; only local municipal or non-profit resources, and therefore, would likely have a significant positive impact on EJ populations. Currently the City of Milwaukee's Department of City Development has developed partnerships with numerous local non-profits including economic development corporations (EDCs) and Business Improvement Districts (BIDs) to facilitate the provision of affordable housing. For example, Riverworks Development Corporation and the Martin Luther King Business Improvement District work with the City of Milwaukee to aid redevelopment efforts that include housing.

State and Regional Programming: Recommendations: 5, 8, and 10

These recommendations set forth program changes to State and regional housing programs. Recommendations 5 and 8 are directed at WHEDA. Recommendation 10 would require local ordinances and/or intergovernmental agreements for units of government choosing to participate in a regional Housing Trust Fund.

Recommendations 5 and 8 call for changes to the QAP and the criteria that WHEDA uses to allocate LIHTC tax credits. As stated above, the LIHTC program is not geared towards very low-income households and tends not to support housing for those most in need. Recommendation 5 states that WHEDA should study other models to determine a better method for reaching extremely-low income households in order to incorporate those persons into the QAP. Specifically, this targets Category 6 under the QAP, which states the criteria for lowest income residents as households at least 50 percent or below the County median income. Based on this criterion, approximately 37.7 percent of total²¹ households would qualify in Milwaukee County.

Recommendation 8 states that WHEDA should revise its LIHTC allocation criteria to award points to non-elderly developments (Category 8) and to address job/housing imbalances in suburban communities. It also recommends that WHEDA not penalize projects with no community support within the QAP

²¹ Accessed online at www.usa.com/milwaukee-county-wi-income-and-careers.htm

(Criteria 3). Given the backlash that many suburban communities have exhibited toward LIHTC developments in the Region, this recommendation would have a significant positive impact on EJ communities. As stated, the LIHTC program should encourage development where it is most needed, and based on other recommendations within this plan, particularly those in relation to job/housing balance and affordable housing, add or remove criteria that would address job/housing imbalances. As SEWRPC points out in Chapter X, LIHTC developments usually garner public support when the focus is on elderly housing development, but tend to create opposition when the development is for family-centered units. Given the goals of job/housing balance, it is critical that family-centered LIHTC housing maintain priority over elderly housing in suburban areas that are job/housing imbalanced and that the public support criterion be waived for cases that support rectifying job/housing imbalances.

Recommendation 10 calls for the establishment of a Regional Housing Trust Fund for Southeastern Wisconsin. A Regional Housing Trust Fund can streamline the process for development of multi-family housing, remove the administrative burdens for funding applicants, spread the funding burden across multiple jurisdictions, and raise the profile of potential affordable housing projects in order to attract more private investment. Additionally, it would set regional priorities for addressing housing problems rather than county or local level priorities that may work against other communities within the Region. This would have a significant positive impact on the Region's EJ communities.

SUMMARY

In addition to the ten proposed recommendations, CED proposes that SEWRPC and the Housing Advisory Committee add two additional recommendations, based on the American Planning Association Housing Guidelines. First, CED suggests adding a recommendation similar to Recommendation 4 that includes the Choice Neighborhood Program (successor to HOPE VI) funding for the rehabilitation and preservation of existing housing units in priority areas. Second, at least one recommendation that addresses emergency shelter and housing for the homeless should be developed. One aspect of homelessness that should be considered, either in the current plan or plan update, should be the needs of homeless veterans. Studies by the US Department of Veterans Affairs indicate male and female veterans²² are significantly overrepresented among the homeless population.

CED recommends several minor revisions to a few of the Subsidized and Tax Credit Housing recommendations as noted below.

1. Simplify and maintain Federal subsidized housing programs – Significantly Positive Impact

- *Impacts the Costs of Development and Housing Prices:* Supports more efficient and cost-effective uses of Federal resources. Maintaining funding levels is imperative.
- *Impacts Planning and Programs:* Local PHAs are unlikely to see a significant influx of additional funding from the Federal government in the near future, therefore efforts should be made to identify and correct inefficiencies within the programs so that the current funding levels can serve as many qualifying EJ households as possible.

2. Increase funding level for Section 8 Housing Choice Vouchers – Significantly Positive Impact

- *Impacts the Costs of Development and Housing Prices:* Increasing funding levels for vouchers is imperative.

²² US Department of Veterans Affairs *Prevalence and Risk of Homelessness among U.S. Veterans: A Multisite Investigation, 2011*. Accessible online at www.va.gov/HOMELESS/docs/Prevalence_Study.pdf

- *Impacts Planning and Programs:* Given the increased need for deeper subsidies over the past decade, local PHAs need to work with the Federal government to ensure that current funding levels are achieved or increased; local PHAs are unlikely to see a significant influx of additional funding from the Federal government in the near future, therefore efforts should be made to identify and correct inefficiencies within the programs so that the current funding levels can serve as many qualifying EJ households as possible.

3. Seek and support new LIHTC housing – Significantly Positive Impact

- *Impacts the Costs of Development and Housing Prices:* Encourages the use of LIHTC in areas with job centers, lowering the direct costs associated with developing affordable housing units, thereby increasing the number of available affordable housing units.
- *Impacts Planning and Programs:* Efforts should be made to identify and correct inefficiencies within the programs so that the current funding levels can serve as many qualifying EJ households as possible.

4. Seek and support HUD subsidized housing – Significantly Positive Impact, Key Recommendation

- *Impacts the Costs of Development and Housing Prices:* Encourages the use of all types of subsidies in priority areas, lowering the direct costs associated with developing affordable housing units thereby increasing the number of available affordable housing units, and lowering tenant’s costs for renting units.
- *Impacts Planning and Programs:* Efforts should be made to identify and correct inefficiencies within the programs so that the current funding levels can serve as many qualifying EJ households as possible.
- *Key Recommendation:* Given the continued need for more affordable housing, particularly for extremely- and very low-income households, communities and PHAs in priority areas need to ensure that funding levels for all of the HUD housing programs (including Housing Choice Voucher, LIHTC development, and Choice Neighborhood) are maintained, if not increased.

5. Study models in other states to target extremely low-income population in LIHTC application process (QAP) – Significantly Positive Impact

- *Impacts Planning and Programs:* Provides an opportunity for LIHTC developments to target extremely low-income populations, those most in need of affordable housing.

6. Administer voucher program regionally – Significantly Positive Impact, Key Recommendation

- *Impacts the Costs of Development and Housing Prices:* Supports more efficient and cost-effective uses of Federal resources, streamlines the voucher process, and reduces administrative costs
- *Impacts Planning and Programs:* Modifications that maximize efficiency in the Section 8 Housing Choice Voucher program should include removing the financial disincentive for regional administration; local PHAs are unlikely to see a significant influx of additional funding from the Federal government in the near future, therefore efforts should be made to identify and correct inefficiencies within the programs so that current funding levels can serve as many qualifying EJ households as possible.
- *Key Recommendation:* Removing the geographic barrier to vouchers could help to reduce the current segregation patterns and would promote efficiencies within program administration.

7. Amend Wisconsin Open Housing Law to recognize vouchers as a source of income – Significantly Positive Impact

- *Impacts Policy and Zoning:* Allows voucher recipients to gain access to housing that they otherwise would not be able to afford, based on income.

8. Revise LIHTC application (QAP) – Significantly Positive Impact

- *Impacts the Costs of Development and Housing Prices:* Encourages the use of LIHTC in areas with significant job opportunities, lowering the direct costs associated with developing affordable housing units, thereby increasing the number of available affordable housing units.
- *Impacts Planning and Programs:* Removing the community support criteria of the QAP would encourage LIHTC developments outside the City of Milwaukee.

9. Form affordable housing partnerships – Significantly Positive Impact

- *Impacts the Costs of Development and Housing Prices:* Lowers the indirect costs associated with assembling developable or redevelopable parcels, thereby increasing the number of available affordable housing units.
- *Impacts Planning and Programs:* Streamlines the process for assembling developable or redevelopable parcels.

10. Establish a Housing Trust Fund for Southeastern Wisconsin– Significantly Positive Impact, Key Recommendation

- *Impacts Planning and Programs:* Development of a regional Housing Trust Fund would ease administrative burdens for applicants, spread the funding burden across multiple jurisdictions, and raise the profile of potential affordable housing projects in order to attract more private investment.
- *Key Recommendation:* Prioritization for addressing housing problems on a regional basis, rather than local or county level.

Key Recommendations: 4, 6, and 10

Recommendation 4 requests that local communities and PHAs in the Region’s priority areas continue to work to ensure that funding levels for all of HUD’s housing programs (including Housing Choice Voucher, LIHTC, and Choice Neighborhood) be maintained or increased as needed. Given the continued need for more affordable housing, particularly for extremely- and very low-income households, and given the likelihood that Federal funding levels will not increase anytime in the near future, it is imperative that all efforts be made to ensure existing funding levels are, at minimum, maintained, and that PHA administrators work to identify and correct any program inefficiencies so that current funding levels can go as far as possible.

Recommendation 6 calls for more efficient and cost-effective uses of federal resources, including the removal of financial disincentives for administering the Housing Choice Voucher program on a Regional basis. This would both promote efficiencies within program administration, making dollars stretch even farther, but it would also remove the geographic barriers that exist, opening up opportunities for housing in suburban communities.

Recommendation 10 calls for the development of a regional Housing Trust Fund that would help achieve the objectives of the RHP. This would create greater efficiencies for public programs, but would also

provide a means for greater public sector coordination and inter-jurisdictional collaboration, and would provide a place for private sector participation.

Environmental Justice Impact Matrix: Affordable Housing

Recommendation	No Impact	Significantly Adverse Impact	Adverse Impact	Positive Impact	Significantly Positive Impact	Key Recommendation
1					✓	
2					✓	
3					✓	
4					✓	✓
5					✓	
6					✓	✓
7					✓	
8					✓	
9					✓	
10					✓	✓

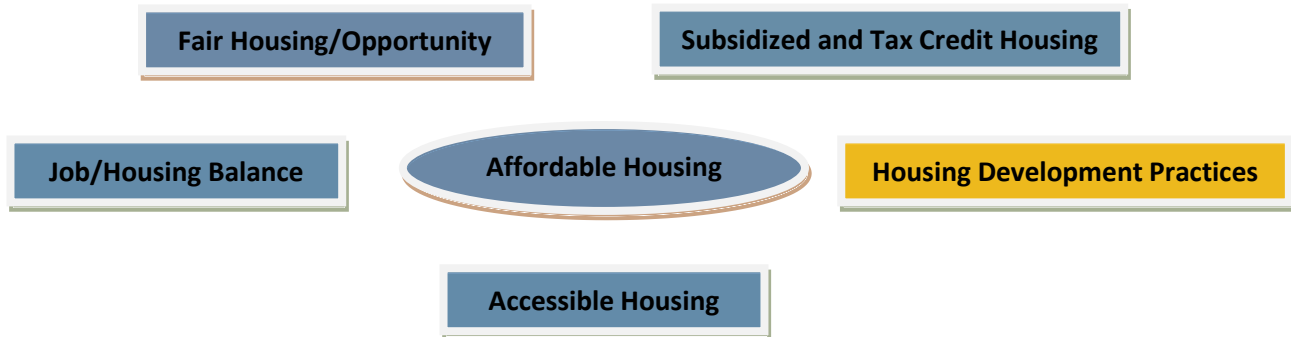
- No Impact: recommendation will not have any direct impact, adverse or positive, on environmental justice populations
- Significantly Negative Impacts: environmental justice populations are likely to be negatively impacted in greater proportion to the regional population as a whole
- Adverse Impacts: 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.

Chapter 7

HOUSING DEVELOPMENT PRACTICES

INTRODUCTION

The sixth major housing plan category identified in the Regional Housing Plan (RHP) is housing development practices. SEWPRC provides discussions of new housing development in Chapter V and best housing practices in Chapter XI, and provides a summary of projected housing needs and the recommendations related to housing development practices in Chapter XII of the preliminary RHP.



As stated in Chapter II of the preliminary RHP, the need to address problems associated with developing and maintaining an adequate housing supply based on financially and environmentally responsible practices was identified as one of the seven components contributing to the Regional housing problem:¹

- The need to encourage sustainable, or environmentally responsible, residential development practices

Just as each of the other plan categories identifies problems associated with the current supply of housing, Housing Development Practices identifies problems with current development practices and presents potential solutions or Best Management Practices (BMPs) that could aid in the development of an affordable and sustainable housing stock. The past five years have demonstrated that there is a great need to develop and sustain a Regional housing stock that meets the affordability needs of the Region's current and projected population. Achieving a sustainable and affordable housing stock in the Region requires a discussion of current housing development practices along with BMPs as potential solutions to problems identified with current development practices.

This chapter provides a brief summary of SEWRPC's approach to issues concerning housing development practices; background, context, and rationale regarding current and projected economic conditions including a discussion of proposed BMPs and EJ communities; and finally, an analysis of the recommendations set forth within the RHP in light of current economic conditions is provided (including the Great Recession and housing crisis).

¹ Preliminary RHP Chapter II, Objectives, Principles, and Standards, page II-1-2

PRELIMINARY REGIONAL HOUSING PLAN AND ISSUES IDENTIFIED CONCERNING HOUSING DEVELOPMENT PRACTICES

SEWRPC's Legacy 1975 Regional Housing Plan

The Legacy Regional Housing Plan² addresses issues related to housing development practices in the recommendations section set forth in 1975. Although not formally listed as BMPs, these are recommendations that focus on changes to land use and building codes that would lead to an increase in affordable housing development, provide a wider range of housing types and choices in greater affordability ranges, and provide more flexibility for development within local zoning ordinances (for example, inclusion of Planned Unit Development practices).

The current preliminary RHP addresses 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 unsubsidized and subsidized housing categories). The specific recommendations that directly promote best housing development practices are as follows:

- Nonsubsidy Housing Recommendations
 - Abatement of Institutional Constraints: Land Use Controls and Building Codes
 - All urban communities should incorporate provisions for a full range of residential structure types (single-, two-, and multi-family), house sizes, and lot sizes within zoning codes (*partially implemented*)
 - Allowance for Planned Unit Development (PUD) within zoning ordinance (*partially implemented – Table V-4 of the preliminary RHP lists the communities that have adopted flexible zoning regulations such as PUD*)
 - Adoption of Wisconsin Uniform Building (Dwelling) Code and development of uniform standards for the manufacturing and installation of factory built housing (*implemented*)
 - Abatement of Social Constraints: Community Opposition
 - Developers of low-income housing should locate and construct housing in a manner that physically integrates the units into the neighborhood to the maximum extent possible (exterior materials, design techniques, clustering, land use buffering , or PUD)
- Subsidy Housing Recommendations
 - Priority Areas for Programs Involving New Housing Construction
 - Based the selection of priority areas for new subsidized housing construction on two measures; employment and developable land.

The recommendations above 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), primarily in relationship to affordable housing recommendations that specify broader, less restrictive zoning ordinances to allow for a wider variety of housing choices. Given the significant changes that have occurred since the Legacy RHP, the recommendations set forth under the current/preliminary RHP tend towards encouraging best management practices for housing development to address affordable housing.

² Southeastern Wisconsin Regional Planning Commission, Planning Report No. 20, *A Regional Housing Plan for Southeastern Wisconsin*, February 1975. Accessible online at www.sewrpc.org/SEWRPC/Housing/LegacyRegionalHousingPlan.htm

Summary of Housing Development Practices as it Applies to the Preliminary Regional Housing Plan

As stated above, issues surrounding housing development practices are discussed in Chapters V (New Housing Development) and XI (Best Housing Practices). In Chapter V (New Housing Development), SEWRPC provides information on new market-based housing, which is the main source of affordable housing in the Region. Part 1: Community Plans and Regulations Affecting the Provision of Housing provides a discussion and analysis of land use regulations including zoning and land division ordinances and an analysis of comprehensive plans. This section sets forth unit size and density requirements of local zoning ordinances throughout the Region (Table V-2) and determines whether they conform to the standards set forth in the Legacy RHP (Table V-3). There is also a discussion and inventory of flexible zoning regulations. Part 1 also includes an analysis of residential land uses designated in comprehensive plans adopted by sewered communities and their ability to accommodate affordable housing (Tables V-9 through V-15).

Chapter V Part 2: Housing Development Costs Analysis provides a cost estimate for the development of single-family homes. This includes average platted lot sizes (over time) by subarea for sewered and unsewered areas, a discussion of site improvements and associated costs and fees, and construction costs and methods. Also provided is a discussion and inventory of government regulations, environmental regulations, permit fees, impact fees, and utility connection fees. The current estimate to develop a modest 1,100 square foot house on a 10,000 square foot lot (slightly less than ¼ acre) within the Region ranges from \$121,200 to \$155,500; the average monthly cost for such a house, based on some basic criteria, would be somewhere in the range of \$1,090 to \$1,323. This is considerably less than the average value of a single-family home constructed in 2009 in the Region, which was about \$273,300 (not including the cost of the land). SEWRPC also points out that this is significantly beyond the affordability of the average household in the Region that earns a median household income of about \$55,200; to avoid having a housing cost burden, this household could afford a home costing no more than \$164,000 or spending no more than \$1,380 per month on housing costs.

Costs are also provided for multi-family housing units, including costs associated with land, site improvements, construction, government regulations, permit fees and requirements, impact fees, utility connection fees, environmental regulations, and project review. Multi-housing development also needs to take into consideration household income levels, particularly for lower income households. Household incomes of 60 percent of the Region's median annual household income were about \$33,120 in 2008; to be affordable, total monthly housing costs should not exceed \$828 per month. Fifty percent of Regional median household income was about \$27,600 and at this income, housing costs should not exceed \$690 per month. The average monthly gross rent in the Region was about \$761 in 2008, which exceeded the housing cost burden threshold for households with incomes below 50 percent of the median annual household income.

Chapter V Part 3: Impacts of Home Building on Local Governments and Economy provides an assessment of the impacts of new housing development by weighing the benefits of housing development activities, such as additions to local tax base and economy, against costs such as provision of public utilities and roads and other municipal services. The National Association of Home Builders (NAHB) provided three assessments: one for the Metropolitan Milwaukee Statistical Area (Milwaukee, Ozaukee, Washington, and Waukesha Counties), one for Racine County, and one for Walworth County. These studies were conducted in part to determine if multi-family housing, in comparison to single-family housing, places a cost burden on local government budgets. The studies found that both single- and multi-family development have positive impacts on local economies, although the break-even point for the pay back of initial capital improvements does take longer for multi-family housing (6 years, in

comparison to 1 year for single-family homes). In the long term, both single- and multi-family housing have a net benefit, generating more in tax revenues than they consume for government facilities and services.

The findings from Chapter V contribute to the recommendations set forth in Chapter XII for both affordable housing and housing development practices. Given the gap between the existing average costs for new housing and low-, moderate-, and median- household incomes, the findings for both single-family and multi-family housing focus on remedying this disconnect by encouraging smaller, more affordable units. There are recommendations for changes in zoning, allowance of more flexible zoning (PUD, Traditional Neighborhood Development, density bonuses), use of TIF as a funding mechanism to facilitate affordable housing, lowering costs associated with construction, waiving or reducing impact fees, use of LIHTC for development, and development of Housing Trust Funds to reduce costs and/or to help fund affordable housing.

In Chapter XI (Best Housing Practices), SEWRPC presents a discussion of Best Management Practices (BMPs), including affordable housing BMPs and programs, best housing and neighborhood design practices, and findings leading to the recommendations in Chapter XII. Chapter XI Part 1: Affordable Housing Best Practices includes information about a variety of programs that relate to different housing plan categories, as follows:

- Fair Housing:
 - Fair Share housing programs (examples from various states and communities)
- Subsidized and Tax Credit Housing:
 - Assisted Housing Mobility Programs
 - Chicago Regional Housing Choice Initiative Program
- Affordable Housing
 - Land Use Control Practices
 - Including zoning, inclusionary zoning, density bonuses, accessory dwelling units
 - Development funding mechanisms
 - Tax Increment Financing
 - Housing Trust Funds (examples of national, state, county, local and multijurisdictional levels)
 - Interjurisdictional Housing Collaboratives
 - HUD Community Planning and Development Programs Faith-Based and Other Private Housing Programs (including Habitat for Humanity)

Each of the programs discussed in Part 1 of Chapter XI focus on improving affordable housing choices for all households, but particularly for EJ communities.

Chapter XI Part 2: Housing and Neighborhood Design discusses the impact that physical design has on affordable housing. SEWRPC provides information on design best practices including environmentally responsible building practices such as LEED standards, transit oriented development (TOD), traditional neighborhood design (TND), brownfield redevelopment, land and water management practices, eco-municipality concepts like the Natural Step planning process, neighborhood safety concepts like the Crime Prevention Through Environmental Design (CPTED), and accessible housing (Universal Design and Visitability). Findings from Chapter XI led to the recommendations set forth for various housing plan categories, including Affordable Housing, Accessible Housing, and Housing Development Practices.

RATIONALE: HOUSING DEVELOPMENT PRACTICES AND ENVIRONMENTAL JUSTICE

Housing Development Practices: the Great Recession, Housing Crisis, Sprawl, and Environmental Justice

Some evidence suggests that there has been one upside to the Great Recession and subsequent housing crisis, in that it has dramatically curbed sprawl, the trend of outward population movement from dense urban areas to less dense suburbs and exurbs.³ An EPA study documented that in the midst of the foreclosure and housing crisis, there has been a continued increase in new construction built in central cities and older suburbs. Other studies have indicated that the impact has varied greatly amongst different metropolitan areas, curbing sprawl in some major metro areas while failing to do so in others. There is some evidence of movement from the outer suburbs back into the urban center of U.S. cities, a trend that began prior to the Great Recession. An EPA study⁴ of residential building permits for the 50 largest metro areas between 1990 and 2009 indicates that there has been a dramatic increase in the share of new construction permits within central city and inner suburban core communities (redevelopment) over outer core or exurban communities during this time period. The EPA study indicated that urban development and stability throughout the past decade is shown as being particularly strong in medium sized cities known for their smart growth policies.

Scholars observe that, historically, sprawling suburban development was made possible due to low gas prices and high demand for housing. Today the low-density zoned suburbs, increased credit regulations, and high cost of transportation make urban centers more attractive to certain renters and owners alike. Realtors are preparing a marketing strategy that accommodates both generation-Y and empty nesters who seek the activities and convenience of life in the city.⁵ In a recent report⁶ from the Urban Land Institute, generation-Yers have not given up on the dream of homeownership although they are likely to gravitate towards smaller and more modest housing stock on smaller lots in close-in communities that are walk-able and near to employment and amenities. The consensus appears to be moving towards smart and sustainable urban growth models that emphasize mixed-income housing development close to transit and employment opportunities and nearer to urban centers. This is critical for EJ communities, given the increased demand this places on multi-family units.

Housing Development Practices: Redevelopment of Infill versus Greenfield Development and Environmental Justice

Like other major metropolitan areas, the Region's major urban centers are at a disadvantage compared to their suburban or exurban counterparts when it comes to developable lands. Much of the land available for development in the Region's core urban areas (Cities of Milwaukee, Kenosha, Racine, and Waukesha) is vacant, underutilized, or brownfield infill. Redevelopment of urban infill tends to be considerably more costly for developers than suburban greenfield development. The reuse of land often requires a significant amount of prep work in order to make it attractive to development. Costs include acquiring land (often multiple small, non-contiguous parcels), demolition of existing structures, testing for contaminants, and site (brownfield) remediation of environmental contaminants.

³ John K. McIlwain *The Great Recession: Slayer of Sprawl*, Urban Land Institute, 2012. Accessible online at www.urbanland.uli.org/Articles/2012/April/McIlwainSprawl

⁴ United States Environmental Protection Agency *Residential Construction Trends in America's Metropolitan Regions*, January 2010. Accessible online at www.epa.gov/dced/pdf/metro_res_const_trends_10.pdf

⁵ Jim Heid *Reinventing Real Estate*, Urban Land Institute, April 2011

⁶ Trisha Riggs *What Housing Crash? The American Dream is Alive and Well With Gen-Y*, Urban Land Institute, October 2010

Residential development often benefits from and relies upon economies of scale, meaning that savings are more likely to occur for large scale developments with numerous units rather than development of one or a small number of units. This tends to favor subdivision development of greenfields in the suburbs over infill development in the urban core. This trend is due to the fact that much of the vacant available land within residential zoning districts in the core urban areas is comprised of often non-contiguous small parcels (frequently less than ¼ acre). An important alternative for infill in the urban core is through non-profit housing organizations that may be more readily equipped for developing onsite small scale housing. Non-profits involved with housing include local economic development corporations (EDCs) or business improvement districts (BIDs), but the most highly recognized and successful small-scale infill redeveloper is the non-profit Habitat for Humanity.

Since 1984, Milwaukee's Habitat for Humanity affiliate has developed over 500 single-family homes throughout the City of Milwaukee, primarily in economically depressed neighborhoods. Although business practices and relationships with local municipalities among Habitat Chapters differ quite significantly across the country, in the City of Milwaukee, Habitat has a collaborative relationship with the Department of City Development (DCD). In this case, each potential Habitat site starts as an empty lot owned by the city. The desired lots are negotiated based on area mission/grant focus⁷ and then purchased from the City for \$1. Over \$137 million in neighborhood stabilization program 2 (NSP2) was distributed directly to Habitat for Humanity International in 2009 for a Nationwide affordable housing effort by HUD. The local Milwaukee Habitat received \$6.2 million of that funding to construct 100 homes over a three year period.⁸ This significant grant award testifies to the faith that HUD has in the Habitat program and its ability to build affordable (mostly single family) housing for qualified homeowners. Post NSP2, Habitat for Humanity is turning its focus towards community building beyond one home at a time. Milwaukee Habitat for Humanity has signed onto the recently unveiled neighborhood revitalization initiative (NRI) where the goal is to reach more families by offering a wider menu of services to the community beyond single-family homeownership. Included in this new effort is critical home repair, weatherization products, rehabilitation of vacant and foreclosed properties and facilitating community building through partnerships with the city, neighborhood residents and other local organizations.⁹ This new approach emphasizes a shift in not only the role of non-profits in affordable housing provision but the redefining of housing needs in distressed communities.

Besides costs, often the red tape associated with infill development acts as a significant deterrent. Some of the largest infill developments within the Region reflect large scale redevelopment of historic industrial corridors (examples of large scale redevelopment projects include Century City, the Menomonee Valley, and Pabst City in the City of Milwaukee and the former Chrysler plant in the City of Kenosha). These sites are being redeveloped for either industrial or commercial/residential mixed uses but given their scale, these projects tend to demand and can attract a significant amount of government assistance through combinations of tax increment financing (TIF), brownfield, and other economic development grants and assistance. Assistance for affordable infill housing, on the other hand, tends to be available primarily through highly competitive awards (such as LIHTC) and would likely only see a TIF if it is part of a mixed use development.

⁷ Milwaukee Habitat for Humanity attempts to 'cluster' their construction sites each season. In this way, families are moving into an area where they already have established relationships with future neighbors. Additionally the logistics for construction materials and volunteers are easier to coordinate by clustering. In some cases, the target development area is defined by a particular grant or sponsor.

⁸ The NSP2 funding and grant period for Milwaukee will come to close at the end of calendar year 2013.

⁹ More information can we found online at www.habitat.org

A study¹⁰ by Chris DeSousa (formerly of UWM) found that brownfield redevelopment is less cost-effective and comes with higher risks for industrial development than comparable greenfield development, but this does not hold true for brownfield redevelopment for residential projects. The study suggests that although there are high costs associated with brownfield development for residential projects, these projects tend to be more profitable than greenfield suburban site options due to the higher real estate values in the city or inner ring suburbs and costs associated with servicing outlying (outer suburbs or exurb) areas. The analysis is limited in that the cost and benefits of brownfield residential developments on real estate values can vary substantially from city to city.

Housing Development Practices: Design Standards and Environmental Justice

There are currently a growing number of green building methods and design standards applicable to new development or for retrofitting and redevelopment. Green development encompasses a very wide range of development and construction practices, from installation Energy Star™ appliances to LEED building certifications, and represents a wide variety of costs to the development. Energy Star™ appliances or energy efficient windows may add a minimal cost to a development or retrofit, while LEED certification requirements may add tens of thousands of dollars to the cost of a unit.

Crime prevention through environmental design (CPTED) is another strategy employed in the built environment to improve conditions for residents, particularly in high crime neighborhoods. The concept is that criminal activity can be deterred through such design elements in building construction and public space. There is some evidence to show the overall effectiveness of CPTED¹¹; however, much of the research has not been examined independently of other factors that might impact decreasing crime risk in an area.¹²

American Planning Association on Housing Development Practices

In its Policy Guide on Housing¹³, the APA advocates policy positions that support best housing development practices including those that encourage the provision of increased affordable housing and that foster sustainable development. As stated in Chapter 2 (Affordable Housing), under 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 #1D, the APA calls for the promotion of best practice policies and development incentives that facilitate or mandate the development of affordable housing, including density bonuses, fee waivers, tax credits, and land trusts and cooperatives. Also, under Specific Policy Position #2A, the APA advocates for regional Fair Share housing distribution, based on remediating job/housing imbalances.

¹⁰ Chris DeSousa *Brownfield Redevelopment versus Greenfield Development: A Private Sector Perspective on the Costs and Risks Associated with Brownfield Redevelopment in the Greater Toronto Area*, Journal of Environmental and Management, Volume 43, Issue 6, 2000.

¹¹ *What Have We Learned From Evaluations of Crime Prevention Through Environmental Design Strategies?*, Office of Justice Programs. Accessed online at www.bja.gov/evaluation/program-crime-prevention/cpted2.htm

¹² Carri Casteel and Corinne Peel-Asa *Effectiveness of CPTED in Reducing Robberies*, American Journal of Preventive Med, Vol. 18, No. 4, May 2000.

¹³ American Planning Association *Policy Guide on Housing*, adopted in 2006. Accessible online at www.planning.org/policy/guides/adopted/housing.htm

General Policy Position #5 calls for the encouragement and implementation of development practices that foster sustainable development and result in more innovative housing options for a growing and diverse population. Specific Policy Position #5A calls for the use of diverse housing strategies including cluster housing, elder cottages, manufactured housing, mixed-income housing, shared residences, accessory dwellings and apartments, and single-room occupancies. Under #5B, APA advocates for more accessibility options in new developments, including increased Visitability and Universal Design features within the housing stock. Also, under #5D, the APA advocates the incorporation of energy efficiency and green building standards for all new residential development and adaptive reuse developments. A copy of the APA's Policy Guide on Housing is provided in Appendix B.

PRELIMINARY REGIONAL HOUSING PLAN RECOMMENDATIONS FOR HOUSING DEVELOPMENT PRACTICES

Housing Development Practices Recommendations

In total, there are 5 recommendations related directly to Housing Development Practices within the preliminary RHP, as follows:

1. Within the context of community-level comprehensive plans, local governments should consider preparing detailed neighborhood plans for each residential neighborhood or special planning district where significant urban development or redevelopment is expected. While such plans may vary in format and level of detail, they should generally:
 - a. Designate future collector and land-access (minor) street locations and alignments, pedestrian paths and bicycle ways, and, in communities with transit service, transit stops and associated pedestrian access.
 - b. For areas designated for residential use in the comprehensive plan, more specifically identify areas for multi-, two- and single-family development, with a variety of lot sizes for single-family development, and, potentially, areas for mixed uses (retail, service, or office with residential, and live-work units). The overall density for the neighborhood should be consistent with that recommended in the community comprehensive plan.
 - c. Identify specific sites for neighborhood parks, schools, and retail and service centers which are recommended on a general basis in the community-level plan. Neighborhood commercial centers may contain compact mixed-use developments.
 - d. Identify environmentally significant areas to be preserved consistent with the community-level, county, and regional plans.
 - e. Indicate areas to be reserved for stormwater management and utility easements.
2. Achievement of communities and neighborhoods that are functional, safe, and attractive ultimately depend on good design of individual development and redevelopment sites. Local governments should promote good site design through the development of design standards to be incorporated into local zoning and subdivision ordinances.
3. Local governments should promote the redevelopment and infill of vacant and underutilized sites, including the cleanup and reuse of brownfields, as a key element in planning for the revitalization of urban areas. Tools such as TIF and State and Federal brownfield remediation grants and loans may assist in these efforts. It is recommended that the Governor and State Legislature consider establishing a Wisconsin tax credit program to assist in the remediation of brownfields.
4. Local governments, PHAs, and developers should consider Crime Prevention Through Environmental Design (CPTED) elements when developing and reviewing site plans for proposed housing developments.

5. PHAs and developers (both for-profit and non-profit) should consider the use of green building methods and materials for new and renovated housing where financially feasible, with priority given to energy-saving materials and construction practices, such as low-flow water fixtures; energy-star appliances; and high-efficiency furnaces, water heaters, windows, and insulation.

Each recommendation was evaluated in light of its potential or probable impact on housing development practices and its likelihood to increase affordable housing opportunities within the Region, particularly in the sub-areas where it currently is lacking. The evaluation is based on the existing and projected data provided within the RHP as well as information documented on current socio-economic and housing trends. Specifically, CED identified any potential positive or negative impacts that each recommendation could have on EJ communities.

ANALYSIS OF HOUSING DEVELOPMENT PRACTICES RECOMMENDATIONS

Overall, CED found that 3 of the proposed RHP recommendations related to housing development practices would likely have a significantly positive impact on EJ communities, and 2 would have a positive impact but not a disproportionate benefit in comparison to the Region's population as a whole. None of the recommendations were found to likely have either a negative or a significantly negative impact on EJ communities. Specific concerns about the recommendations are discussed below along with suggestions for addressing these concerns.

Housing Development Practices: Key Objective

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

- *Incorporating housing best management practices into planning and design, to lower the long-term cost of housing and provide safe and healthy neighborhoods throughout the seven county Region*

In combination, the 5 recommendations for housing development practices 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.

Recommendations that Impact the Costs of Development and Housing Prices: 3

Recommendation 3 focuses on program grants and loans that would lower the cost of remediation and site preparation of more costly sites, such as vacant, underutilized, or brownfield sites. Specifically it recommends the development of a State level tax credit program that would help pay for the remediation of brownfield sites. If implemented, Recommendation 3 could have a significantly positive impact on EJ communities.

Brownfields comprise a significant amount of developable land within urban core areas. Redevelopment of brownfield sites tends to be at a significant cost disadvantage to greenfield sites, which are more readily available in suburban and exurban areas. Lowering the costs or streamlining the process to remove disincentives for developers would help to level the playing field and would increase the likelihood of development within urban core areas, which would have a positive impact on EJ communities living in urban core areas.

The higher concentration of brownfield sites in the Region's urban core areas further contributes to neighborhood blight and decline and therefore a tax credit program that would assist in remediation would have a significantly positive impact on environmental justice populations living in areas with higher concentrations of brownfields. Also, as long as costs per unit are reduced in order to provide a reduction in cost to the consumer, this is likely to have a positive impact on EJ communities by providing greater opportunity for purchasing or renting more affordable housing units or by providing the means to develop housing units at a more affordable price.

Recommendations that Impact Design, Aesthetics, and Safety: 2, 4, and 5

Recommendation 2 calls for local governments to develop design standards to be incorporated in local zoning and subdivision ordinances. Site design standards can act to preserve and improve the appearance of streetscape as well as improve the functionality of a site so that over time, it will retain its value. Incorporating sound design standards (which also apply to redevelopment) into new lower-cost affordable or subsidized multi-family housing unit developments would help to alleviate some of the local community's fears about lower-income housing. In such cases, good design particularly if incorporated with a mix of other uses could make low-income housing considerably more palatable to neighbors, and therefore could have a positive impact on EJ communities as well as the overall population.

Recommendation 4 calls for the incorporation of CPTED elements for proposed housing developments; CPTED elements are designed to incorporate safety features by discouraging criminal activity around the development. As stated above, although it has not been rigorously tested in residential areas, there has been significant anecdotal evidence that CPTED elements do improve safety and discourage criminal activity. Currently, most academic studies measuring the effectiveness of CPTED focus on its use in deterring crime in retail or commercial areas rather than residential areas, but many of the same design issues carry over, such as lighting, landscaping elements, and property maintenance and upkeep. A paper from Casteel and Peek-Asa¹⁴ includes an inventory of multiple CPTED studies, which show that CPTED elements can be effective in reducing robberies in commercial areas, although it was inconclusive as to which elements were most effective. They conclude that designs with multiple components, especially those that include measures with low-cost implementation and maintenance, may be the most easily introduced and accepted by developers. Additionally, widespread reports from local law enforcement agencies and planning departments provide some evidence that local CPTED programs or initiatives have helped to deter crime or may have lowered crime rates. Based on this, it is likely that implementation of Recommendation 4 would likely significantly benefit EJ communities.

Recommendation 5 calls for the incorporation of energy saving practices and green building methods and materials in both new and renovated housing units. As stated above, there is significant evidence that the installation of energy saving and high efficiency appliances, fixtures, and construction materials have significant savings over the long term. Additionally, there is a significant need to retrofit much of the older housing stock located in the Region's urban core areas to make it more energy efficient. Implementation of Recommendation 5 would likely significantly benefit EJ communities, and CED recommends incorporating programs that address weatherization into the RHP.

¹⁴ Carri Casteel and Corrine Peek-Asa *Effectiveness of Crime Prevention Through Environmental Design (CPTED) in Reducing Robberies*, American Journal of Preventive Medicine, 2000: 18(4S). Available online at www.usak.org.tr/istanbul/files/cr.pr.environmental.design.pdf

Recommendations that Impact Policy and Zoning: 2

As stated above, Recommendation 2 calls for local governments to develop design standards to be incorporated in local zoning and subdivision ordinances. Widespread implementation would likely have a positive impact on EJ communities in proportion to the Region’s overall population. As stated in the RHP, this could be accomplished in a variety of ways: incorporated as part of the site and building plan review by a local planning commission, review by an architectural review board, or through form-based zoning provisions which place more of an emphasis on the physical appearance and design of the site over the use of the site. Form-based zoning has the benefit of allowing for a broader mix of uses for a site, and provides for more flexibility to accommodate changes in uses over time.

If implemented in conjunction with a broader array of housing unit types and choices, design standards could possibly ameliorate some of the concerns that the public may have over the provision of lower-income housing, therefore removing some of the barriers to providing affordable housing. Implementation in areas that have job/housing imbalances would likely provide a positive impact on EJ communities, *if and only if*, it allows for the flexibility to provide a greater mix of housing types and sizes that support the addition of more affordable housing, including multi-family housing.

Recommendations that Impact Planning and Programs: 1 (a,b, c, d, and e), 3, and 4

Recommendation 1 calls for the development of detailed neighborhood plans for each residential neighborhood or special planning district where significant development or redevelopment is expected. SEWRPC states that such neighborhood planning should take place within the context of the comprehensive plans. Many of the larger cities within the Region currently engage in detailed neighborhood level planning, including the cities with the highest concentrations of EJ communities (Cities of Kenosha, Milwaukee, Racine and Waukesha). Recommendation 1 (parts a, b, c, d and e) illuminate good/best planning practices, and would likely have a positive impact on EJ communities along with the rest of the population of the planning district.

Recommendations 3 and 4 focus on planning and programs that would impact housing practices that likely would have a significantly positive impact on EJ communities. Recommendation 3 states that local governments should promote the redevelopment and infill of vacant, underutilized, and brownfield sites as key elements for the revitalization of urban areas. Aside from the existing methods such as TIF, brownfield remediation grants, and loans, SEWRPC further recommends that the State establish a Wisconsin tax credit program to assist in the remediation of brownfields. Given that the majority of brownfield, vacant, and underutilized sites are located in the Region’s urban core areas along with the Region’s highest concentrations of EJ communities, remediation and redevelopment would have a significantly positive impact on environmental justice populations. Recommendation 4 calls for incorporation of CPTED elements for new housing developments during the development and site plan review process. This likely would have a significantly positive impact on EJ communities by increasing safety within urban core neighborhoods.

SUMMARY

CED recommends several minor revisions to a few of the Housing Development Practice recommendations as noted below.

1. *Neighborhood planning – Positive Impact*

- *Impacts Planning and Programs:* Illuminates and promotes best planning practices.

2. Develop design standards – Positive Impact

- *Impacts Design, Aesthetics, and Safety:* Good design standards can act to preserve and improve the appearance of streetscape and improve site functionality, therefore retaining value; can make low-income housing more appealing to neighbors.
- *Impacts Policy and Zoning:* Provides a greater mix of housing types and sizes and allow for more affordable (i.e., multi-family) housing.

3. Brownfield redevelopment – Significantly Positive Impact, Key Recommendation

- *Impacts the Costs of Development and Housing Prices:* Lowers the cost burden on the developer for remediating brownfields, one of the greatest deterrents for redeveloping urban areas.
- *Impacts Planning and Programs:* Reduces some of the burdensome costs associated with brownfield remediation.

4. Crime prevention design (CPTED) – Significantly Positive Impact

- *Impacts Design, Aesthetics, and Safety:* Incorporating CPTED principles may reduce criminal activity, and improve safety and neighborhood quality.
- *Impacts Planning and Programs:* Adopt and implement CPTED principles or elements into the planning and design review process.

5. Energy efficient housing – Significantly Positive Impact

- *Impacts Design, Aesthetics, and Safety:* Increases energy efficiency and lowers heating and cooling costs, passing savings on to tenants or homeowners.

CED suggests adding a recommendation about weatherization funding programs and distribution of such funds for both public housing units, and private homes given that there is a significant need to retrofit much of the older housing stock located in the Region’s urban core areas to make it more energy efficient.

Key Recommendation: 3

Recommendation 3 focuses on reducing the costs and burdens associated with brownfield remediation in order to spur redevelopment. This includes lowering the costs to developers through a State tax credit program that would relieve some of the associated cost burdens. The number of brownfields is disproportionately high in areas of the region with the highest concentrations of EJ communities and adds to problems associated with blight. Brownfield remediation costs are often a significant deterrent to the redevelopment of blighted areas, given that such costs are generally not incurred in greenfield locations.

Environmental Justice Impact Matrix: Affordable Housing

Recommendation	No Impact	Significantly Adverse Impact	Adverse Impact	Positive Impact	Significantly Positive Impact	Key Recommendation
1				✓		
2				✓		
3					✓	✓
4					✓	
5					✓	

- 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.

Chapter 8

ENVIRONMENTAL JUSTICE AND PUBLIC PARTICIPATION

INTRODUCTION

Public participation plays a vital role in planning and policy making.¹ It ensures governmental transparency, encourages collaborative decision-making, promotes ownership of the plan or policy, and can help to ensure the successful implementation of recommendations or policy changes. By engaging the public in planning efforts many important goals are accomplished: people are informed and given a voice, opportunities are presented, advisors and representatives are given direction by their constituents, and important partnerships and connections are made.

When applied to public participation, the principles of Environmental Justice are designed to ensure that the voices of those who could potentially be most impacted by policies or plans and their advocates are fully engaged in the planning process.

This chapter presents a discussion of Environmental Justice principles and regulation; information regarding public participation and its significance in the planning process for the socio-economic impact analysis; and an assessment of the public participation component of the preliminary RHP and how the planning process for the preliminary RHP relates to environmental justice issues within the Region.

ENVIRONMENTAL JUSTICE

EJ Principles and Regulations

Environmental Justice is both a concept and a movement. As a concept, Environmental Justice seeks to rectify any past or present harms or injustices related to environmental issues, and to identify any potential injustices that may result from an action. The concept of Environmental Justice is not new; it has its roots in the laws and regulations developed by the US Environmental Protection Agency (USEPA) and other Federal, State, and local agencies throughout the 20th Century that were developed to ensure safe, responsible use of resources and to safeguard the population from the hazards of industry and harmful environmental conditions. Planning as a field, particularly land use planning and zoning, developed from the need to improve and safeguard the health, welfare, and safety of communities.

As a movement, Environmental Justice has its roots in the Civil Rights movement of the 1960's and 1970's and in the environmental movement of the 1960's and 1970's. Although many citizens have experienced improved living conditions since the post-World War II era, blight has persisted in primarily low-income, and often minority, neighborhoods. Many have argued that the benefits that planning and regulation could provide should go a step further to ensure that improvements in health, welfare, and safety were extended to all people, not just those that had reaped the benefits of prior regulatory changes. In 1987, the Commission for Racial Justice published the nation-wide study *Toxic Wastes and Race in the United States* that correlated the location of waste facility sites and demographic characteristics and found that the most significant variable in predicting the location of toxic waste sites was race, even more significant than poverty, land values, and home ownership. Additionally, in 1990,

¹ More information on public participation and planning is available online from the UW-Extension at www.uwsp.edu/cnr/landcenter/Publications/PublicParticipation.pdf

Robert D. Bullard published *Dumping in Dixie: Race, Class, and Environmental Quality*. *Dumping in Dixie* highlighted how the African-American social justice movement in the South converged with the environmental movement to create the Environmental Justice movement.

What began as local and often isolated struggles against toxic hazards and facility siting quickly grew into an organized multi-ethnic global movement. In October 1991, delegates to the First National People of Color Environmental Leadership Summit gathered in Washington, DC to develop a set of formalized Principles of Environmental Justice.² The Principles of Environmental Justice set forth a seventeen point framework that addresses environmental issues in terms of public health, worker safety, land use, transportation, housing, resource allocation, and community empowerment.³ In 1994, then-President Clinton signed Executive Order No. 12898 into law, recognizing the need for addressing Environmental Justice issues at the Federal level. Both the Principles and Executive Order No. 12898 are set forth in Appendix A.

US Department of Housing and Urban Development and Environmental Justice

Executive Order 12898 requires all Federal agencies, including HUD, to maintain compliance with all laws and regulations pertaining to environmental justice and to consider how Federally-assisted projects may have disproportionately high and adverse human health or environmental effects on minority and low-income populations. Although the concept was first institutionalized through the USEPA, environmental justice is an integral part of HUD's mission. HUD's EJ Program works with stakeholders (states, tribes, local communities, other grant recipients, and staff at other agencies) to ensure that projects and programs maintain compliance with EJ goals.

HUD provides a significant amount of funding to States and local municipalities. As part of the environmental review process, HUD-assisted projects are required to address environmental justice concerns and to be in compliance with laws and regulations. HUD also provides technical assistance for EJ matters.

SEWRPC's Environmental Justice Task Force

In 2006, SEWRPC created the Environmental Justice Task Force (EJTF) to enhance the consideration and integration of environmental justice throughout the regional planning process, and set forth five specific purposes, which are:

1. To further facilitate the involvement of, and help ensure the full and fair participation of, low-income and minority populations and persons with disabilities at all stages in relevant areas of regional planning, as determined in consultation with them;
2. To make recommendations on, and help monitor, issues and analyses potentially relevant to the needs and circumstances of low-income and minority populations and persons with disabilities in the Region;

² First National People of Color Environmental Leadership Summit (October 1991). Accessible online at www.ejnet.org/ej/principles.html

³ Robert D. Bullard Environmental Justice in the 21st Century. Available online at www.ejrc.cau.edu/ejinthe21century.htm

3. To help identify potential benefits and adverse effects⁴ of regional planning programs and activities with respect to minority and low-income populations and persons with disabilities;
4. To advise and recommend methods to prevent the denial of, reduction in, or significant delay in the receipt of benefits, and/or to avoid, minimize, or mitigate disproportionately high and adverse human health and environmental effects, including social and economic effects, on minority and low-income populations and persons with disabilities; and
5. To enhance awareness, understanding, appreciation, support, and implementation of planning recommendations and benefits, with emphasis on the needs of minority and low-income populations and persons with disabilities.

The EJTF consists of 15 voting members appointed by SEWRPC, after consultation with organizations representing low-income, African-American, Latino, Asian, Native American, disabled and transit-dependent populations. SEWRPC's protocol on the EJTF promotes a policy to ensure that meaningful efforts be made for the EJTF to be inclusive of individuals and organizations representing such diverse experiences and interests (e.g., minority organizations; non-English-speaking populations; organizations of or for persons with disabilities; low-income workers and/or families; low-income neighborhoods; and those representing senior citizens, youth, community health organizations, community environmental organizations, and organizations involved in housing, serving particularly minority and low-income populations and persons with disabilities).

Of the 15 voting members, seven of the EJTF members are selected to represent the counties in the Region (one per county). Three additional members are chosen to represent the largest city in the Region (Milwaukee); three more are chosen to represent the three next-largest cities in the Region (one per city – Kenosha, Racine, and Waukesha); and one is chosen from the remainder of the Region. The fifteenth member is selected as an at-large representative of regional low income and minority populations, persons with disabilities, and/or transit-dependent communities. The Commission appoints one of the members of the EJTF as its chair. Members serve on the EJTF for a term of two years and the EJTF generally meets quarterly to review ongoing SEWRPC planning programs in a public, open forum.

The Environmental Justice Task Force engages in numerous oversight activities including reviewing and making recommendations on SEWRPC's public involvement activities regarding Environmental Justice (EJ) issues and populations, reviewing and commenting on regional planning programs and documents, and at draft or scoping stages with a specific focus on the effects of plans on EJ populations. EJTF members are tasked with assisting SEWRPC in disseminating and gaining information, ideas, and feedback from EJ populations, and with helping to identify ways for minority and low-income

⁴ According to SEWRPC's EJTF protocol, 'adverse effects' may include, but are not limited to, "the totality of significant individual or cumulative human health or environmental effects, including interrelated social and economic effects, which may include, but are not limited to: bodily impairment, infirmity, illness or death; air, noise, and water pollution and soil contamination; destruction or disruption of man-made or natural resources; destruction or diminution of aesthetic values; destruction or disruption of community cohesion or a community's economic vitality; destruction or disruption of the availability of public and private facilities and services; vibration; adverse employment effects; displacement of persons, businesses, farms, or nonprofit organizations; increased traffic congestion, isolation, exclusion or separation of minority or low-income individuals within a given community or from the broader community; and the denial of, reduction in, or significant delay in the receipt of, benefits of Federal Highway Administration (FHWA) programs, policies, or activities." *FHWA Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, Order 66.40.23 (Dec 2, 1998).*

populations, and persons with disabilities to become more engaged. EJTF members are tasked with presenting EJ recommendations, ideas, or concerns to SEWRPC and other SEWRPC advisory committees, with recommending additional research or studies for SEWRPC to undertake, and to suggest quantitative and qualitative information and issues regarding EJ populations for SEWRPC to consider in its planning activities. The EJTF was instrumental in advocating and executing the development of a socio-economic impact analysis for the regional water supply plan and also provided oversight for this analysis of the regional housing plan. SEWRPC has also conducted extensive analyses of the impacts of regional transportation plans on minority and low-income populations in the Region.

PUBLIC PARTICIPATION

This section provides information regarding public participation and its significance in the planning process for the socio-economic impact analysis, and an assessment of the public participation component of the preliminary RHP and how the planning process for the preliminary RHP relates to environmental justice issues within the Region.

Overview and Assessment of the Public Participation Outreach for the Socio-Economic Impact Analysis

Similar to most socio-economic impact analyses, this analysis was designed with two interrelated components: an analytical component and a public outreach component. The first component contains an analysis to determine if the implementation of the preliminary recommendations set forth in the draft RHP will have any future impact on EJ communities within the Region or if it will contribute to any failure of the plan to meet Federal regulations pertaining to civil rights and the principles of environmental justice.

The second major component is public participation to gather input to provide additional opportunities to address concerns of specific populations, namely minority and low-income populations and persons with disabilities, as well as those who advocate on their behalf. Ideally, the public participation and outreach component identifies any concerns or issues regarding the plan from key stakeholders, and in this case focuses on those whose voices may not have been heard during the initial planning process. For this, outreach was specifically designed to target representatives from EJ communities for feedback.

SEWRPC has developed specific public participation guidelines for Regional Planning for Southeastern Wisconsin which includes a combination of methods for promoting and collecting feedback.⁵ This includes personal letters sent to main contacts of groups and organizations, email notification, face-to-face meetings, news and media announcements and accessible information on the SEWRPC website. CED also posted information about the SEI on its website.

Public Meetings – Fall 2012

SEWRPC and CED co-hosted nine public meetings to present and obtain public input on the preliminary plan recommendations and the SEI findings. One meeting was held in each county with the exception of Milwaukee County, where three meetings were held, with the last meeting utilizing a public hearing format to provide another option for public input. All meetings were held on weekday evenings from 4 to 6 pm.

⁵ SEWRPC's Public Participation Brochure is available online at www.sewrpc.org/SEWRPCFiles/PublicParticipation/Public-Participation-Plan-Brochure.pdf

News releases, advertisements, direct mailings, the SEWRPC website, and the CED website, were used to publicize the meetings. Figure 1 shows newspapers that received ads and news releases announcing the public meetings. Most of the ads and news releases were targeted to the meetings scheduled for the respective counties or adjacent county of the particular paper. News releases announcing all nine meetings were sent to the Milwaukee Journal Sentinel, The Business Journal, Small Business Times, The Daily Reporter, and CNI Newspapers, and an ad announcing the meetings was run in the Milwaukee Journal Sentinel. In addition, five radio stations and three television stations also received news releases publicizing all of the meeting dates, times and locations. City of Milwaukee Alderman Michael Murphy, member of the Regional Housing Plan Advisory Committee, also provided airspace on City of Milwaukee Channel 25 for public service announcements for the three meetings in Milwaukee County.

Personalized letters were sent via U.S. mail to 91 contacts identified by SEWRPC as representatives of environmental justice organizations throughout the Region. A second follow up mailing was also done to the same mailing list. SEWRPC has two staff dedicated to public outreach, a Public Involvement & Outreach Manager and a Regional Planning Educator, who conducted face-to-face outreach and informed groups and individuals with whom meetings were already set about the upcoming public meetings and review of the Preliminary RHP recommendations and SEI.

Over the course of the nine meetings, a total of 68 individuals signed in. Also, 3 people attended but chose not to complete the sign in sheet. The level of participation in terms of attendance at the meetings varied by location and the overall sense by SEWRPC and CED staff was that attendance was generally comparable to the two previous rounds of public meetings that SEWRPC hosted in 2009 and 2011. CED and SEWRPC staff speculated that attendance may have been lower than anticipated in Milwaukee County. Two of the three scheduled meetings in Milwaukee overlapped with public meetings about regional transportation. SEWRPC staff also observed that many community representatives were already given information about the preliminary RHP by the Public Involvement & Outreach Manager and may not have felt compelled to attend the meetings.

Each of the nine meetings consisted of an open house forum where CED and SEWRPC staff directly engaged attendees on a one-on-one basis. Formal presentations were made at seven of the meetings. Typically, three SEWRPC staff and two CED staff were available to discuss both the housing plan recommendations and the findings of the SEI in relation to the recommendations, and SEWRPC provided display boards with summaries and graphics related to the RHP and CED provided display boards related to the SEI. The list of meetings, dates, locations, attendance, and feedback is shown in Figure 2.

SEWRPC had a prepared presentation which provided an overview of key RHP findings and preliminary recommendations. SEWRPC staff also encouraged questions and feedback. SEWRPC staff noted that comments could be provided during the meeting or after the meeting via U.S. mail, fax, e-mail, or the SEWRPC website through December 14th, 2012. CED presented information regarding the scope and purpose of the socio-economic impact analysis, the results of the analysis, identified key recommendations that would likely have significant benefits for EJ communities, and identified action areas for improving recommendations. CED gained public feedback through the question and answer sessions following the presentations, and encouraged attendees to contact CED for further clarification or comments via e-mail or through the comments section on CED's webpage for public feedback. Public

meeting announcements, presentations, comments received and responses to the comments are summarized in the Record of Public Comments prepared by SEWRPC.⁶

Figure 1: Newspapers and Other Media that Received Ads and News Releases for the Regional Housing Plan Public Meetings November and December, 2012

<p><i>Display Advertisements</i></p> <p>Kenosha News, Published November 6 Racine Journal-Times, Published November 6 Elkhorn Independent, Published November 8 (ad also published in: Delavan Enterprise, Genoa City Report, Lake Geneva Times, Sharon Reporter, Walworth Times, Whitewater Register, and Williams Bay Times) Milwaukee Journal Sentinel, Published November 11 Oconomowoc Enterprise, Published November 15 Waukesha Freeman, Published November 20 Ozaukee County News-Graphic, Published November 20 Washington County Daily News, Published November 20 Ozaukee Press, Published November 22 Milwaukee Community Journal, Published November 23 Milwaukee Times, Published November 23 El Conquistador, Published November 23</p>	
<p><i>News release 12-03a announcing Kenosha and Racine meetings sent 11/6 to:</i></p> <p>Insider News (Greater Racine area) Journal Times (Racine) Kenosha News</p>	<p><i>News release 12-03d announcing Waukesha County meeting sent 11/13 to:</i></p> <p>Conley Publishing Group, publishers of: Oconomowoc Enterprise Waukesha Freeman</p>
<p><i>News release 12-03b announcing Walworth meeting sent 11/6 to:</i></p> <p>Elkhorn Independent Burlington Standard Press</p>	<p><i>News Release 12-03e announcing Ozaukee and Washington County meetings sent 11/15 and 11/16 to:</i></p> <p>Conley Publishing Group, publishers of: Ozaukee County News-Graphic Washington County Daily News Ozaukee Press WBKV AM in West Bend</p>
<p><i>News release 12-03c announcing all meetings sent 11/8 to:</i></p> <p>Milwaukee Journal Sentinel The Business Journal Small Business Times The Daily Reporter CNI Newspapers WISN AM – 1130 WTMJ AM – 620 WMCS AM – 1290 WUWM FM – 89.7 WDJT – TV Channel 58 WISN – TV Channel 12</p>	<p><i>News release 12-03f announcing Milwaukee County meetings sent 11/19 to:</i></p> <p>El Conquistador (Greater Milwaukee area) Milwaukee Courier Milwaukee Community Journal Milwaukee Times The Spanish Journal</p>

⁶ Available online at www.sewrpc.org/SEWRPCFiles/Publications/RPCComment/reg-housing-plan-record-of-public-comments.pdf

Figure 2: Attendance and Participation for Combined SEI/RHP Meetings

Date	County	Location	Attendance	Received Public Comments At Meeting	Written Comments At Meeting
Nov. 13 th , 2012	Racine	Gateway Technical College	4	1	
Nov. 14 th , 2012	Kenosha	Kenosha County Job Center	7	1	
Nov. 19 th , 2012	Walworth	Matheson Memorial Library and Community Center	9	2	
Nov. 27 th , 2012	Waukesha	Frame Park, Rotary Building	12	--	
Nov. 28 th , 2012	Washington	Washington County Public Agency Center	9	--	
Nov. 29 th , 2012	Ozaukee	Ozaukee County Administration Center	17	1	
Dec. 3 rd , 5 th & 6 th , 2012	Milwaukee	Various locations*	13	1	

*All three meetings combined. Locations were HeartLove Place, Independence First, and State Fair Park (Tommy G. Thompson Youth Center).

In addition to the formal presentations and one-on-one time, SEWRPC provided hard copies of the materials associated with both the RHP and the SEI, including brochures, bulletins, and newsletters, along with other informative publications. Spanish versions of the brochures and bulletins were also provided. All of these materials were also available on the SEWRPC website. CED published one newsletter for the SEI; SEWRPC translated this newsletter into Spanish prior to the open house meetings. The SEI newsletter and RHP Brochure #4 were distributed by SEWRPC’s Public Outreach Division to EJ organizations in the Region. The CED newsletter, the SEI draft chapters, and links to the preliminary RHP are available at the Center’s website.

Focus groups were used as a component of public outreach for the Socio-Economic Impact analysis of the Regional Water Supply Plan in 2010, and that process produced substantive results. For that study, CED hosted several focus groups containing local and county officials, planners, developers, and community leaders to discuss some of the key issues set forth in the Regional Water Supply Plan. The facilitated discussions helped identify and clarify some of the perceptions and misperceptions that were generated about the plan recommendations, and ultimately led to a stronger planning process. *Future consideration should be given to the use of focus groups for any RHP updates.* Considering a mixed methods approach of targeted focus groups of key stakeholders including EJ and housing advocates strategically scheduled in central areas of the Region may increase the number of valuable comments and feedback received for future plans.

SEWRPC hosted a meeting with County and local planners in the Region to discuss the preliminary plan recommendations, with a focus on the job/housing balance analysis, on December 18th, 2012. Local and County planners will have an important role in implementing the plan, including the key recommendation to amend local comprehensive plans and zoning ordinances to accommodate higher density single- and multi-family housing. A summary of the planners’ meeting is included in the Record of Public Comments on the Preliminary Regional Housing Plan, November 13th through December 21st, 2012, prepared by SEWRPC.

Additionally, future consideration should be given to collecting data on how or where attendees received their information about the public meetings. This may help to determine the most effective means for communicating with the public. Based on conversations with meeting attendees, newspaper articles about the meetings appeared to be the primary source of information.

Summary of Public Comments

Of the written and verbal comments received throughout the outreach period, most participants expressed gratitude for the planning process and considered the recommendations positive. There were several comments that reinforced the findings in the preliminary RHP regarding the need for increased affordable housing and housing that is accessible for persons with disabilities in the Region. A summary of public comments received on the preliminary RHP recommendations is included in the document titled Record of Public Comments: A Regional Housing Plan for Southeastern Wisconsin.⁷

One comment from a self-identified developer and property owner commented that the job/housing balance goals for the area articulated in the Plan are indeed something to strive for and stated that reducing lot sizes and increasing the density of housing also increases much desired diversity in the Region. Further, some comments relayed personal testimony of the hardships endured due to a lack of affordable housing, access to housing subsidies and accessible housing options, and access to housing near employment opportunities. The issue of accessible housing was raised within the context of persons with disabilities as well with reference to an increasingly aging population.

One comment suggested a greater emphasis on Tax Increment Financing in order to eliminate substandard housing and further RHP goals. Another comment focused on the potential for creating a sense of community when designing or implementing multi-family housing options. Multi-family in this case was being linked with multi-family type and age of household to contribute to community cohesiveness overall. The ability to share services and amenities in multi-family units was also raised as positive for community and as a mechanism to achieve more affordable housing. Additionally the demand for niche veteran housing was raised by attendees who commented that with or without cognitive or physical disability, veterans should have increased access to affordable housing.

Concerns over rising poverty levels for individuals and families and increasing instances of homelessness were also emphasized by participants in the outreach process. These comments are consistent with CED's suggestion to consider adding a recommendation dedicated to emergency housing to the final RHP. Concerns that the future housing supply matches the needs of the future workforce were also raised during the outreach process. The reality of transient jobs and more mobile job centers make the development of stable and adequate housing a challenge that should be recognized. One comment from an attendee raised the question of whether or not escalating costs of utilities were considered in the preliminary RHP. This individual suggested that the recommendations be revised to include incentives for developers to include energy efficient materials and design techniques in the building of new housing.

Issues related to subsidized housing were discussed. One comment received by SEWRPC via postal mail asked that an explanation of the services that are not included in the determination of household incomes, such as food stamps and meals provided by public schools, be provided. In reference to Recommendation 7 under Subsidized Housing, such services may also help low- and moderately-low income households with housing costs. The long waits and increasing demand for subsidized housing,

⁷ Ibid.

particularly housing vouchers, and the corresponding Preliminary RHP recommendation came up several times.⁸ One comment highlighted the need for greater clarity and explanation of the intent for the recommendation since it is already voluntary for landlords to participate in the voucher program regardless of whether they can consider vouchers as a lawful source of income. Another comment suggested that the Region lobby for voucher transfer options so that qualifying families can move throughout the Region with their voucher allocation.

More than one comment received was related to the complicated issue of enforcement of the recommendations should the Preliminary RHP be approved. One participant suggested that information be provided on projected income versus affordability without the implementation of recommendations in order to provide decision-makers with that justification. There were two comments that specifically supported the recommendation⁹ under Job/Housing Balance that refers to evaluating criteria for linking transit funding with housing goals. The importance of linking jobs and housing through public transportation services was mentioned by more than one member of the public as well.

Overview and Assessment of SEWRPC's Public Participation Outreach for the Preliminary Regional Housing Plan

Role of SEWRPC's Regional Housing Plan Advisory Committee

When developing any of the region-wide plans, SEWRPC relies on advisory committees to provide guidance for the plan in development and preparation, and to provide a forum for public involvement. The primary function of the Advisory Committee is to review all the documentation, including plan inventories and analyses, and provide advice and guidance on technical and policy matters and decisions related to the plan itself.

The 29-member RHP Advisory Committee was established to guide plan preparation. This Committee consists of members appointed by the Regional Planning Commission from groups representing housing advocacy organizations; local, county, and State government agencies; home builders and developers; and research and policy organizations and institutions. The Advisory Committee provides intergovernmental and interagency coordination, and serves as a direct liaison between SEWRPC and the government agencies and housing advocacy groups responsible for carrying out plan recommendations. Committee members oversaw the development of the RHP and provided guidance in the development of the preliminary RHP recommendations. A list of members of the RHP Advisory Committee is available online.¹⁰

The Advisory Committee included several members from agencies that provide services to EJ communities and other organizations that represent EJ communities. This is recommended under the Environmental Protection Agency's Guidance for Incorporating Environmental Justice Concerns in EPA's NEPA Compliance Analyses, the FHWA Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, and according to SEWRPC's Environmental Justice Task Force protocol. The SEWRPC Advisory Committee also includes representatives of the Cities and Counties of Kenosha, Milwaukee, and Racine, which have the highest percentages of minorities and low-income populations.

⁸ Recommendation #7 under section E. Subsidized and Tax Credit Housing, Preliminary RHP Recommendations

⁹ Recommendation #8 under section C. Job/ Housing Balance, Preliminary RHP Recommendations

¹⁰ Documented online at

www.sewrpc.org/SEWRPC/DataResources/CommissionAdvisoryCommittees/RegionalHousingPlan.htm

Public Outreach

As part of its planning program, SEWRPC conducts outreach to various public and private agencies, non-profit groups, academic and professional organizations, and other groups throughout Southeastern Wisconsin including EJ representatives, organizations, and agencies that advocate on their behalf. When requested or invited, SEWRPC conducts formal presentations, educational efforts, briefings, and coordination efforts. In 2009, SEWRPC took a step to further increase its outreach capacity by establishing a Public Involvement and Outreach Division. Members of this Division coordinate with other Commission staff or Divisions (in this case, the Community Assistance Division) to further outreach based on the Commission's overall work and on specific planning efforts. The Public Involvement and Outreach Division has established on-going relationships with several EJ organizations, which has helped foster relationship-building and periodic partnering with key organizations around important planning issues.

Prior to the final series in 2012, SEWRPC conducted two series of public meetings during work on the preliminary draft of the RHP. SEWRPC held 10 initial public informational meetings during May and June of 2009, with three in Milwaukee County, two in Racine County, and one in each of the other five counties; these were attended by 60 people. These meetings were designed to provide the public an opportunity for early comment on the scope of work and planning process. The second series of meetings was held in November and December of 2011. This series included nine meetings, with three in Milwaukee County and one in each of the other six counties in the Region, and were attended by a total of 65 people. The meetings were designed to present information collected and analyzed as part of the planning process and to obtain public input to help shape plan recommendations. Methods similar to that of the final series of public meetings were used to publicize the first two series of public meetings.

The three series of public meetings included meetings scheduled in central city locations accessible by public transit, two public meetings in minority neighborhood centers, translating key summary materials into Spanish, providing interpreters as needed, and publishing notices in minority newspapers—African American and Hispanic/Latino, with the latter translated into Spanish.

In addition to the public meetings, housing study materials including drafts of the planning report chapters, numerous data files, and four newsletters with companion bulletins and summary brochures were developed throughout the course of the planning process. SEWRPC distributed all planning materials and preliminary chapters to the Housing Plan Advisory Committee, the Environmental Justice Task Force, and to interested parties based on request. All materials and documents were made available online, and contact information and a comments box were available online to assist in the submission of questions and comments. The newsletters, which provided a summary of the planning process, plan findings, and preliminary recommendations, were distributed via mail to about 2,000 groups and persons including governmental agencies throughout the State and Region, housing authorities, housing advocacy groups, academic groups, various civic groups, EJ organizations, and other interested parties. The newsletters and brochures also included the public meeting schedules.

SEWRPC's records indicate that, in addition to the 28 public meetings, their public outreach and informational activities to facilitate public participation throughout the development of the regional housing plan included formal and informal presentations, distribution of planning materials and planning information, and maintaining a webpage to disseminate planning information and gather public feedback.

Targeted Efforts to Reach Minority and Low-Income Populations

Throughout the RHP planning process, additional and targeted steps have been taken to engage minority and low-income populations. The Commission maintains an expanding list of minority and low-income organization contacts, which now includes about 90 organizations. During the development of the housing plan, newsletters and/or brochures were sent by personal letter to organizations on the list, and public meetings were called to the specific attention of these organization contacts. Minority and low-income group representatives were invited by the letters to comment on the plan, to meet personally with Commission staff at their convenience apart from the public meetings, as well as being invited to the public meetings.

The Division of Public Involvement and Outreach has focused its outreach efforts as part of a broader strategy of organizational networking and partnership building. These efforts are built upon targeting key organizations, which include community-based organizations; central city businesses; local governmental entities; youth serving agencies; and citizen-based and neighborhood-focused entities.

The Public Involvement and Outreach Division in 2011 attended and participated in over 350 organizational events and activities that were conducted with or by about 200 organizations within the Region and involved direct contacts with over 9,000 persons during the year. Given the importance of the housing plan, nearly all organizational meetings included an update and/or discussion about the plan. Newsletters and brochures were also distributed at these meetings. In addition, the housing plan newsletter, brochure, and/or flyer were distributed at a number of retail-related sites (e.g. coffee shops, restaurants, barber and beauty salons, and shopping centers) in minority and low-income areas.

Low-income and minority communities, advocates, and leaders are regularly being updated and consulted regarding the Commission's planning activities through the activities of the Public Involvement and Outreach Division and other staff. Such efforts complement and amplify the regular cycles of more formally scheduled contacts tied to public meetings, newsletters, summary handouts, letters, and encouragements to meet during key stages in planning studies.

Assessment of Public Outreach and Impacts on Environmental Justice Principles and Regulations

Based on the SEI scope, public outreach for the RHP was assessed using the three-point approach that the USEPA has developed to identify potential issues that would in effect trigger the need for an Environmental Impact Statement. Guidance is provided by the Office of Environmental Justice under the USEPA based on the *Toolkit for Assessing Potential Allegations of Environmental Justice*.

The three point approach for identifying environmental justice issues assess:

1. Whether individuals, certain neighborhoods, or Federally recognized tribes suffer disproportionately adverse health or environmental effects from pollution or other environmental hazards;
2. Whether individuals, certain neighborhoods, or Federally recognized tribes suffer disproportionate risks or exposure to environmental hazards, or suffer disproportionately from the effects of past under-enforcement of state or Federal health or environmental laws;
3. Whether individuals, certain neighborhoods, or Federally recognized tribes have been denied an opportunity for meaningful involvement, as provided by law, in governmental decision-

making relating to the distribution of environmental benefits or burdens. Such decision-making might involve permit processing and compliance activities.

The first point specifies assessing whether or not any proposed action or recommendation in the RHP has a potential for disproportionate risk, if it would likely impact one community to the detriment of another community. As it applies to the RHP, none of the Recommendations set forth in the preliminary RHP were found to have either a negative or significantly negative impact on Environmental Justice populations, and therefore, the proposed recommendations are found to conform to the Principles of Environmental Justice.

The second point asks if historic or existing conditions have had any negative impacts on a population. In Chapter 2 of the preliminary RHP, SEWRPC clearly identifies the regional housing problem, and acknowledges the historic conditions that have led to the creation and exacerbation of the identified housing problem in Chapter 6. It acknowledges that EJ communities have suffered, disproportionately or otherwise, from past cumulative actions due, inadvertently or purposefully, to housing policies as well as private actions. As most of the recommendations set forth in the RHP are directed at alleviating both historic and current housing problems that have had a negative impact on EJ populations, *it is unlikely that direct actions stemming from a recommendation would have a disproportionate risk or negatively impact EJ communities.*

The third point asks whether or not EJ communities have been sufficiently involved in the decision-making process. This reflects Principle 7 of the Principles of Environmental Justice, as set forth by the People of Color Environmental Leadership Summit.

Principle 7. Environmental justice demands the right to participate as equal partners at every level of decision-making including needs assessment, planning, implementation, enforcement and evaluation.

This issue is also similar to Title VI of the Civil Rights Act of 1964 which states that “No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance”.¹¹

The Title VI investigation process, as set forth by the Office of Civil Rights, focuses on whether a recipient of Federal financial assistance has conducted its programs in a manner that discriminates or has a discriminatory effect on the basis of race, color, or national origin. The process can be used to address formal complaints concerning a subset of environmental justice situations where complainants believe that an adverse disparate environmental impact has resulted because of race, color, or national origin due to the actions of a recipient of EPA financial assistance. It is unlikely that SEWRPC would have violated Title VI given the representation of EJ communities and advocates on the RHP Advisory Committee and the role of the Environmental Justice Task Force in the planning process.

The *Toolkit* provides guidance to evaluate whether or not any relevant person or group has been denied an opportunity for meaningful involvement in governmental decision-making relating to the distribution of environmental benefits or burdens. However, the guidance provided is applicable specifically to

¹¹ A copy of Title VI of the Civil Rights Act of 1964 is available online through HUD at www.portal.hud.gov/hudportal/HUD?src=/programdescription/title6

localized plans that would trigger an EIS rather than to regional long-range planning efforts which entail different levels of planning and planning participation.

This creates some uncertainties regarding the level of involvement that EJ communities have or should have in regards specifically to the planning process. What, in the planning process, is an appropriate level of participation and plan contribution? EJ communities were well represented on the Regional Housing Plan Advisory Committee, and therefore contributed directly to plan development. However, the lack of involvement at the public meetings is concerning. Is it adequate that EJ communities were contacted by SEWRPC in the context of providing information on the plan and plan development and notifications of all Advisory Committee and EJTF meetings, or is attendance at public meetings a better way to gauge involvement? This remains unclear.

SEWRPC staff conducted considerable public outreach during the course of the RHP planning process, including efforts to engage environmental justice groups outside of the Advisory Committee members. EJ communities were solicited to provide feedback and insight throughout the planning process. This tends to strengthen the plan as it provides an opportunity for plan developers to engage with EJ communities in order to gain support for plan recommendations.

There has been a growing trend in community-level planning towards the formalization of public participation plans, partially due to the widespread implementation of comprehensive and Smart Growth planning efforts. A public participation plan provides a formal document that outlines the specific strategies that are used for public engagement. Developing a formalized public participation plan or strategy for each of the region-wide plans, similar to the public participation plan that SEWRPC adopted for the Regional Transportation Plan and each of the county-wide comprehensive plans, may help to facilitate effective public involvement in the planning process. It should be noted that a public involvement section describing outreach efforts to take place during plan preparation was included in the plan scope of work which was provided for public comment during the first series of public meetings prior to the start of work on the plan¹² and that the RHP public participation efforts followed all of the standards in the public participation plan for the regional plans adopted by the Commission.

Given the extensive outreach to EJ and housing advocacy groups over the course of the planning process and the extensive advertising for the public meetings, the relatively low attendance at the RHP public open house meetings suggests that SEWRPC may need to modify the way it approaches engaging members of the community for future updates of the RHP. The less formal one-on-one outreach efforts by SEWRPC's Public Involvement and Outreach Division are likely proving to be a more effective method for gathering feedback than public meetings. The formal public meetings, however, are essential for reaching members of the public who may otherwise have no input in the process. It should be noted that engaging the public in long-range planning is often more challenging than it is in short-term planning as the focus is less about a specific project or immediate development and more about setting long range objectives and determining how to achieve those objectives. In contrast, where local or neighborhood level planning involves proposals where community members may see an immediate or direct impact on their everyday lives, citizens tend to be more motivated to get involved. CED experienced this first hand in its attempts to recruit participants for focus groups during the SEI for the Regional Water Supply Plan. Still, while low attendance may be an indication that the topic is not a major priority or concern for many people, it may also indicate that SEWRPC needs to be more creative and proactive in its public outreach efforts including the growing use of social media.

¹² RHP scope available online at www.sewrpc.org/SEWRPCFiles/HousingPlan/Files/housing_plan_work_scope.pdf

The use of social media (for example, Twitter and Facebook) should be considered as tools for disseminating and gathering public input. Although these are relatively new platforms for communication, other planning agencies are beginning to use Twitter and Facebook as tools for outreach. Planning agencies that utilize social media platforms to engage the public in planning include the Chicago Metropolitan Agency for Planning (CMAP), City of Columbus (OH) Department of Development, Philadelphia City Planning Commission, Metropolitan Area Planning Council (Boston), Northwest Regional Planning Commission (WI), and the City of Austin (TX). SEWRPC should investigate the potential for using social media for outreach.

Chapter 9

SUMMARY AND CONCLUSIONS

INTRODUCTION

Based on the results of the SEI, and in light of the Housing Guidelines set forth by the American Planning Association and the trends and projections on housing needs and socio-economic projections, CED has found that most (33) of the recommendations set forth in the preliminary Regional Housing Plan are likely to have a significantly positive impact on Environmental Justice (EJ) communities. Eleven would positively impact EJ communities, meaning that they would provide a similar level of benefit to the entire population of the Region. Only 3 were found to have no direct benefit and none were found to have a potentially negative impact. Most of the recommendations are specifically aimed at ameliorating the various obstacles to affordable housing for EJ populations, and therefore implementation of the recommendations on a regional basis should relieve the housing problems as stated under the plan.

This chapter provides a summary of the SEI findings for each of the 47 proposed recommendations including suggestions for addressing minor deficiencies, a review of economic and racial segregation trends and impacts, and an assessment regarding the impact of not implementing the proposed recommendations, particularly the recommendations that address affordable housing and job/housing balances at the local level.

SUMMARY OF FINDINGS

This section includes a brief summary of the findings for each of the 47 recommendations including how they would impact EJ communities, and a list of suggested changes for each of the six major housing plan categories. Based on the guidelines set forth by the American Planning Association and a review of the current trends in housing, CED proposes only minor changes to a handful of the preliminary Regional Housing Plan recommendations and the addition of three recommendations in order to more fully address the regional housing problems identified in SEWRPC's preliminary draft housing plan.

Affordable Housing

CED recommends minor revisions to several of the Affordable Housing recommendations as noted below.

1. *Housing unit size and density – Significantly Positive Impact, Key Recommendation*

- *Impacts Costs of Development and Housing Prices:* Reduces the costs for development and housing unit prices would provide more housing opportunities for EJ communities.
- *Impacts Policy and Zoning:* Promotes affordable, inclusive housing development through local comprehensive plans and zoning ordinances.
- *Key Recommendation:* Recommends all communities with sewer service to plan for and provide affordable housing, including modest single-family and multi-family housing.

2. *Shift school funding away from property tax – Potentially Significantly Positive Impact, Key Recommendation:*

- *Impacts Policy and Zoning*: Reduces the costs of housing through policy changes. Higher cost housing is more desirable to local school and government officials due to heavy reliance on property taxes to fund local schools and services.

CED recommends that a State level agency (WHEDA or DOA) develop an initiative to study alternative funding strategies for schools and local government services. Any studies should consider reducing the heavy reliance on property taxes to address local school district and government officials' concerns about lower-cost housing.

The issue of local property taxes funding school districts has been one of the key obstacles to providing lower-cost housing units in many of the suburbs. Given the significance of this issue and its impact within the Region, CED recommends that SEWRPC request the State, either through WHEDA or the Department of Administration, to initiate a study to determine if alternative school and municipal funding sources or strategies, such as a change in the formula or increasing reliance upon income taxes, could be implemented to reduce the role that property taxes play in local revenues, without disproportionately impacting lower income households. Potential partners in the study may include the Department of Public Instruction, Milwaukee Public Schools, WHEDA, Wisconsin Taxpayers Alliance, and the Public Policy Forum.

3. Reduce or waive impact fees for affordable housing – Positive Impact

- *Impacts Costs of Development and Housing Prices*: Reduces housing costs and acts as an incentive for developing affordable housing.
- *Impacts Policy and Zoning*: Local government policy change may be required to reduce or waive impact fees.

4. Encourage a variety of housing types – Positive Impact

- *Impacts Costs of Development and Housing Prices*: Reduces the costs for development and housing unit prices.
- *Impacts Policy and Zoning*: Promotes more affordable, inclusive development through recommended changes to some local zoning ordinances.
- *Impacts Planning and Programs*: Promotes more affordable, inclusive development through recommended changes to some local or county planning (Comprehensive plans).

CED suggests that this recommendation be extended to include local strategic area or neighborhood plans, in addition to comprehensive plans.

5. Review requirements that increase housing costs but do not contribute to design or functionality – Positive Impact

- *Impacts Costs of Development and Housing Prices*: Reduces the costs for development and housing unit prices.
- *Impacts Design, Aesthetics, and Safety*: Reduces the costs associated with design, aesthetics, and safety.

6. Include architects on design review team – No Impact

- *Impacts Design, Aesthetics, and Safety*: Although it is likely to improve the design review process, it is unlikely that this would have an impact on EJ communities.

- *Impacts Planning and Programs*: Potentially could streamline the way some communities handle design review.

7. Conduct education and outreach efforts – Significantly Positive Impact

- *Impacts Education and Outreach*: Increasing outreach and education efforts to local public officials and planners on the need for affordable housing.

CED suggests 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.

8. Sound housing finance system – Significantly Positive Impact

- *Impacts Costs of Development and Housing Prices*: Stabilizes the housing market by providing better mortgage underwriting system, a better government oversight of the lending industry, reasonable rates and terms for fixed rate mortgages in order to avoid a repeat of the recent Housing Crisis which disproportionately impacted EJ communities.

9. Appraisers should consider cost, income, and sales comparisons approaches to value – Positive Impact

- *Impacts Costs of Development and Housing Prices*: Changes the dynamic in the relationship between appraisers and lenders, potentially removing any improprieties that could impact appraisals. Increasing the accuracy of appraisals could increase the ability of potential homebuyers to obtain credit.

10. Use Tax Increment Financing to facilitate the development of affordable housing as allowed by Wisconsin Statutes – Positive Impact

- *Impacts Costs of Development and Housing Prices*: Lowers the costs for affordable housing development and housing unit prices.

Although it is likely that this would positively impact EJ communities by adding affordable units to communities that take advantage of TIF, this is a relatively new amendment to the Wisconsin TIF law (as of 2009) and thus far, there are no examples of any community taking advantage of this.

Fair Housing/Opportunity

CED found no further changes to the proposed five recommendations are warranted.

1. Housing unit structure type and density – Significantly Positive Impact, Key Recommendation

- *Impacts Policy and Zoning*: Promotes more affordable, inclusive housing development including lower-cost housing through changes to some local zoning ordinances.
- *Impacts Planning and Programs*: Supports an evaluation of local plan recommendations and zoning codes to determine if plans and policies act to affirmatively further fair housing.
- *Key Recommendation*: Proposes that all communities with sewer service plan for and provide affordable housing, including multi-family housing.

2. ***Allow multi-family as principal use in multi-family zoning districts – Positive Impact***
 - *Impacts Policy and Zoning:* Reduces obstacles such as excessive approval conditions or length of review period to development of multi-family housing based on changes to some local zoning ordinances.
3. ***Require sub-grantees to Affirmatively Further Fair Housing (AFFH) – Significantly Positive Impact, Key Recommendation***
 - *Impacts Planning and Programs:* Accountability requirement for sub-grantees would act as an incentive to furthering fair housing goals.
4. ***NGO public informational programs – Significantly Positive Impact***
 - *Impacts Education and Outreach:* Furthers fair housing policies and practices.
5. ***Assisted housing mobility program – Significantly Positive Impact***
 - *Impacts Planning and Programs:* Eases barriers and opens up housing opportunities outside of the Region’s major cities.

Job/Housing Balance

CED recommends several minor revisions to a few of the Job/Housing Balance recommendations as noted below.

1. ***Community job/housing balance analyses – Significantly Positive Impact, Key Recommendation***
 - *Impacts Costs of Development and Housing Prices:* Reduces the costs of development and housing prices in targeted areas lacking specific types of affordable housing.
 - *Impacts Policy and Zoning:* Supports more affordable, inclusive housing development including lower-cost housing through changes to some comprehensive plans and local zoning ordinances.
Key Recommendation: Proposes that communities in areas of the Region with a job/housing imbalance address the imbalance through amendments to comprehensive plans and/or zoning ordinances.
2. ***Expand public transit – Significantly Positive Impact***
 - *Impacts Planning and Programs:* Improves jobs access through increased public transit service.
 - *Impacts Socio Economic Barriers:* Provides more opportunities to EJ communities through better connectivity between affordable housing and job opportunities.
3. ***Conduct a Statewide job/housing balance analysis – No Impact***
 - *Impacts Planning and Programs:* Recommends support for WHEDA’s efforts to develop a program that identifies areas or communities with job/housing imbalances.

Although this recommendation has no direct impact on EJ communities, it is a necessary means to implement Recommendations 4 and 5, two key recommendations.

4. ***Amend state law to prohibit TIF in communities with job/housing imbalance unless imbalance is addressed – Significantly Positive Impact, Key Recommendation***
 - *Impacts Policy and Zoning:* Incentivizes more affordable, inclusive housing development including lower-cost housing through changes to TIF practices.

- *Key Recommendation:* TIF is likely the most significant economic development tool that local communities have, therefore tying its use to a balance between jobs and housing could increase affordable housing in areas that need it.

5. Economic development incentives – Significantly Positive Impact, Key Recommendation

- *Impacts Policy and Zoning:* Incentivizes more affordable, inclusive housing development including lower-cost housing through changes to State level economic development programs.
- *Key Recommendation:* Tying a balance between jobs and housing to economic development tools and programs that local communities utilize could increase affordable housing in areas that need it.

6. Provide findings of job/housing balance conducted under regional housing plan to communities requesting sewer service area expansions – No Impact

- *Impacts Planning and Programs:* Provision of SEWRPC’s job/housing analysis findings to communities during a sewer service area expansion request.

No impact on EJ communities unless acted upon by the local community requesting sewer service area expansion.

7. Economic and workforce development programs – Significantly Positive Impact

- *Impacts Socio Economic Barriers:* Recognizes that in addition to affordable housing outside of the Region’s central cities, other issues most relevant to EJ communities need to be addressed including improved transit services, education and job training (workforce development), and increased economic development activities in areas with high unemployment, underemployment, and high percentages of discouraged workers.

8. Establish revised selection criteria for transportation projects using Surface Transportation Program – Milwaukee Urbanized Area funding or Congestion Mitigation and Air Quality program funding (CMAQ) – Positive Impact

- *Impacts Planning and Programs:* Calls for revising selection criteria for the Regional Transportation Improvement Program (TIP).

This recommendation does not specifically state which changes to the selection criteria would be made, but SEWRPC would work with the Advisory Committees on Transportation System Planning and Programming. Depending upon how this is carried forward, Recommendation 8 could have a positive impact on EJ communities by expanding affordable housing choices by tying job/housing balance and provision of transit to the selection of projects to be funded with FHA STP-Milwaukee Urbanized Area and CMAQ funding, and for inclusion in the TIP.

9. Employer assisted housing programs – Significantly Positive Impact

- *Impacts Planning and Programs:* Supports local adoption of employer-assisted housing (EAH) programs to provide assistance to employees for homeownership near their jobs.

10. Migrant worker housing programs –Positive Impact

- *Impacts Planning and Programs:* Encourages the Wisconsin Department of Workforce Development to develop a method to count or estimate the number of migrant workers that

come to the Region without a work agreement to better quantify the potential need for temporary housing.

If this recommendation leads to migrant worker housing programs at either the State or local level, it could potentially have a significantly positive impact. Future Regional Housing Plan revisions should consider adding recommendations that could directly address housing for migrant workers.

Accessible Housing

CED recommends several minor revisions to a few of the Accessible Housing recommendations as noted below.

1. Provide for multi-family housing – Significantly Positive Impact, Key Recommendation

- *Impacts Planning and Programs:* Incorporates additional accessible housing into the local or county comprehensive plan by realigning it with the multi-family housing goals set forth to address household income, job/housing imbalances, and affordable housing needs.
- *Impacts Socio-Economic Barriers:* Provides a wider selection of accessible housing units throughout the Region, including in sub-areas identified as having a lower-cost job/housing imbalance.
- *Key Recommendation:* Proposes that local governments revisit their accessible housing needs through the comprehensive planning process to determine their current and future needs with an aging population.

2. Encourage universal design (UD) and Visitability – Significantly Positive Impact

- *Impacts Costs of Development and Housing Prices:* Could potentially lower the costs of providing UD and Visitability features (see recommendation below) .
- *Impacts Design, Aesthetics, and Safety:* Improves accessibility and the number of accessible units throughout the Region.
- *Impacts Socio-Economic Barriers:* Provides a wider selection of accessible housing units throughout the Region.

CED recommends revising this to specifically state the types of local support measures or provide examples (e.g., density bonuses or developer incentives) that could be used to encourage UD and Visitability. Certain types of changes may impact local or county zoning as it may demand greater flexibility or changes to local zoning codes to accommodate UD and Visitability. It also may require local or county level changes in policy, such as developer incentives or density bonuses to encourage developers to provide accessible units or features.

3. Funding for long term care programs and accessible housing database development – Significantly Positive Impact

- *Impacts Costs of Development and Housing Prices:* Assists in accessibility modification costs, and relieves some of the pressure on accessible housing stock by allowing persons with disabilities to remain in existing housing or persons to age in place.
- *Impacts Planning and Programs:* Develop a method to identify, track, and preserve all existing accessible units, which should diminish the costs for future needs studies.

- *Impacts Socio-Economic Barriers:* Continue or increase access to supportive services for persons with disabilities. Also, increased knowledge base for accessible units would help local communities gain a better understanding of the housing needs for persons with disabilities.

Currently, accessibility features and modifications are not documented in property assessments. CED recommends modifying this recommendation or adding an additional recommendation that would add documenting accessibility features and/or modifications to the residential property assessment. This would have to occur at the State level, but would be the easiest way to develop an inventory for tracking such features.

4. Funding for Independent Living Centers – Significantly Positive Impact

- *Impacts Planning and Programs:* Maintain funding and support for the Region’s ILCs.
- *Impacts Socio-Economic Barriers:* Continue or increase access to supportive services, including housing services, for persons with disabilities.

5. Prioritize funding to retro-fit existing housing– Significantly Positive Impact

- *Impacts Planning and Programs:* Develop a method to prioritize accessibility remodeling projects based on the new American Housing Survey data (starting in 2012) and existing funding programs.
- *Impacts Socio-Economic Barriers:* Increasing the knowledge base for accessible units would help local communities gain a better understanding of the housing needs for persons with disabilities.

6. Building code enforcement for accessibility – Significantly Positive Impact

- *Impacts Policy and Zoning:* Compliance would likely increase the number of accessible units throughout the Region.
- *Impacts Education and Outreach:* Education and training for local government employees to understand and uphold accessible housing requirements. Would likely increase the number of accessible units.

7. Modify government programs to allow renters to use funds – Significantly Positive Impact

- *Impacts Design, Aesthetics, and Safety:* Expands resources for modifications to persons with disabilities that rent.
- *Impacts Planning and Programs:* Expansion of existing modification grant programs to rental housing.
- *Impacts Socio-Economic Barriers:* Extends funding for existing modification programs to persons with disabilities that rent their housing, thereby creating greater opportunities in areas of the Region with limited housing for persons with disabilities.

CED recommends extending this to allow landlord eligibility. Programs from the Virginia Housing Development Authority or Baltimore County (MD) could serve as models for such a program.

Subsidized and Tax Credit Housing

In addition to the ten proposed recommendations, CED proposes that SEWRPC and the Housing Advisory Committee add two additional recommendations, based on the American Planning Association Housing Guidelines. First, CED suggests adding a recommendation similar to Recommendation 4 that

includes the Choice Neighborhood Program (successor to HOPE VI) funding for the rehabilitation and preservation of existing housing units in priority areas. Second, at least one recommendation that addresses emergency shelter and housing for the homeless should be developed. One aspect of homelessness that should be considered, either in the current plan or plan update, should be the needs of homeless veterans. Studies by the US Department of Veterans Affairs indicate male and female veterans¹ are significantly overrepresented among the homeless population.

CED recommends several minor revisions to a few of the Subsidized and Tax Credit Housing recommendations as noted below.

1. Simplify and maintain Federal subsidized housing programs – Significantly Positive Impact

- *Impacts the Costs of Development and Housing Prices:* Supports more efficient and cost-effective uses of Federal resources. Maintaining funding levels is imperative.
- *Impacts Planning and Programs:* Local PHAs are unlikely to see a significant influx of additional funding from the Federal government in the near future, therefore efforts should be made to identify and correct inefficiencies within the programs so that the current funding levels can serve as many qualifying EJ households as possible.

2. Increase funding level for Section 8 Housing Choice Vouchers – Significantly Positive Impact

- *Impacts the Costs of Development and Housing Prices:* Increasing funding levels for vouchers is imperative.
- *Impacts Planning and Programs:* Given the increased need for deeper subsidies over the past decade, local PHAs need to work with the Federal government to ensure that current funding levels are achieved or increased; local PHAs are unlikely to see a significant influx of additional funding from the Federal government in the near future, therefore efforts should be made to identify and correct inefficiencies within the programs so that the current funding levels can serve as many qualifying EJ households as possible.

3. Seek and support new LIHTC housing – Significantly Positive Impact

- *Impacts the Costs of Development and Housing Prices:* Encourages the use of LIHTC in areas with job centers, lowering the direct costs associated with developing affordable housing units, thereby increasing the number of available affordable housing units.
- *Impacts Planning and Programs:* Efforts should be made to identify and correct inefficiencies within the programs so that the current funding levels can serve as many qualifying EJ households as possible.

4. Seek and support HUD subsidized housing – Significantly Positive Impact, Key Recommendation

- *Impacts the Costs of Development and Housing Prices:* Encourages the use of all types of subsidies in priority areas, lowering the direct costs associated with developing affordable housing units thereby increasing the number of available affordable housing units, and lowering tenant's costs for renting units.
- *Impacts Planning and Programs:* Efforts should be made to identify and correct inefficiencies within the programs so that the current funding levels can serve as many qualifying EJ households as possible.

¹ US Department of Veterans Affairs *Prevalence and Risk of Homelessness among U.S. Veterans: A Multisite Investigation, 2011*. Available online at www.va.gov/HOMELESS/docs/Prevalence_Study.pdf

- *Key Recommendation:* Given the continued need for more affordable housing, particularly for extremely- and very low-income households, communities and PHAs in priority areas need to ensure that funding levels for all of the HUD housing programs (including Housing Choice Voucher, LIHTC development, and Choice Neighborhood) are maintained, if not increased.
5. ***Study models in other states to target extremely low-income population in LIHTC application process (QAP) – Significantly Positive Impact***
 - *Impacts Planning and Programs:* Provides an opportunity for LIHTC developments to target extremely low-income populations, those most in need of affordable housing.
 6. ***Administer voucher program regionally – Significantly Positive Impact, Key Recommendation***
 - *Impacts the Costs of Development and Housing Prices:* Supports more efficient and cost-effective uses of Federal resources, streamlines the voucher process, and reduces administrative costs
 - *Impacts Planning and Programs:* Modifications that maximize efficiency in the Section 8 Housing Choice Voucher program should include removing the financial disincentive for regional administration; local PHAs are unlikely to see a significant influx of additional funding from the Federal government in the near future, therefore efforts should be made to identify and correct inefficiencies within the programs so that current funding levels can serve as many qualifying EJ households as possible.
 - *Key Recommendation:* Removing the geographic barrier to vouchers could help to reduce the current segregation patterns and would promote efficiencies within program administration.
 7. ***Amend Wisconsin Open Housing Law to recognize vouchers as a source of income – Significantly Positive Impact***
 - *Impacts Policy and Zoning:* Allows voucher recipients to gain access to housing that they otherwise would not be able to afford, based on income.
 8. ***Revise LIHTC application (QAP) – Significantly Positive Impact***
 - *Impacts the Costs of Development and Housing Prices:* Encourages the use of LIHTC in areas with significant job opportunities, lowering the direct costs associated with developing affordable housing units, thereby increasing the number of available affordable housing units.
 - *Impacts Planning and Programs:* Removing the community support criteria of the QAP would encourage LIHTC developments outside the City of Milwaukee.
 9. ***Form affordable housing partnerships – Significantly Positive Impact***
 - *Impacts the Costs of Development and Housing Prices:* Lowers the indirect costs associated with assembling developable or redevelopable parcels, thereby increasing the number of available affordable housing units.
 - *Impacts Planning and Programs:* Streamlines the process for assembling developable or redevelopable parcels.
 10. ***Establish a Housing Trust Fund for Southeastern Wisconsin– Significantly Positive Impact***
 - *Impacts Planning and Programs:* Development of a regional Housing Trust Fund would ease administrative burdens for applicants, spread the funding burden across multiple jurisdictions, and raise the profile of potential affordable housing projects in order to attract more private investment.

- *Key Recommendation:* Prioritization for addressing housing problems on a regional basis, rather than local or county level.

Housing Development Practices

CED recommends several minor revisions to a few of the Housing Development Practices recommendations as noted below.

1. Neighborhood planning – Positive Impact

- *Impacts Planning and Programs:* Illuminates and promotes best planning practices.

2. Develop design standards – Positive Impact

- *Impacts Design, Aesthetics, and Safety:* Good design standards can act to preserve and improve the appearance of streetscape and improve site functionality, therefore retaining value; can make low-income housing more appealing to neighbors.
- *Impacts Policy and Zoning:* Provides a greater mix of housing types and sizes and allow for more affordable (i.e., multi-family) housing.

3. Brownfield redevelopment – Significantly Positive Impact, Key Recommendation

- *Impacts the Costs of Development and Housing Prices:* Lowers the cost burden on the developer for remediating brownfields, one of the greatest deterrents for redeveloping urban areas.
- *Impacts Planning and Programs:* Reduces some of the burdensome costs associated with brownfield remediation.
- *Key Recommendation:* Removing obstacles, including lowering the costs to developers for the remediation of brownfields through a State tax credit program, is important for the redevelopment of urban core areas which tend to have the highest concentrations of brownfields and EJ communities.

4. Crime prevention design (CPTED) – Significantly Positive Impact

- *Impacts Design, Aesthetics, and Safety:* Incorporating CPTED principles may reduce criminal activity, and improve safety and neighborhood quality.
- *Impacts Planning and Programs:* Adopt and implement CPTED principles or elements into the planning and design review process.

5. Energy efficient housing – Significantly Positive Impact

- *Impacts Design, Aesthetics, and Safety:* Increases energy efficiency and lowers heating and cooling costs, passing savings on to tenants or homeowners.

CED suggests adding a recommendation about weatherization funding programs and distribution of such funds for both public housing units, and private homes given that there is a significant need to retrofit much of the older housing stock located in the Region's urban core areas to make it more energy efficient.

FAILURE TO IMPLEMENT ALL OR PORTIONS OF THE PROPOSED HOUSING PLAN OR RECOMMENDATIONS

Background

Consideration needs to be given to the current and projected housing and socio-economic conditions within and throughout the Region, particularly of the EJ communities. As discussed in Chapter 2 of the SEI, the Great Recession has exacerbated a long term trend in the decline in both median and mean income as well as a loss in net worth of many 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. Both the widening gap and the growing population in poverty mean increasingly poor outcomes for EJ populations in terms of education, safety, environmental quality, and public health.

Numerous studies on income and racial segregation have shown that the Milwaukee metropolitan statistical area (Milwaukee, Ozaukee, Waukesha, and Washington Counties – also known as the MWOW counties) performs very poorly in comparison to other metro areas in terms of segregation measures, including income segregation, and in several studies has shown the highest rates of black-white segregation.

Recent studies have shown that the growing income inequality is having an increasingly detrimental impact on low-income neighborhoods and that there is a spatial correlation, that the widening income gap is creating more isolated neighborhoods. A 2009 study² by the National Bureau of Economic Research demonstrates that since 1970, rising residential segregation by income can be explained through growing income inequality. Inequality at the top is associated with increasing segregation of the rich, while inequality at the bottom along with declines in demand for less-skilled labor are associated with residential isolation of the poor. This form of income sorting impacts people's outcomes (particularly children) because of the distribution of role models, peers, and social networks, an absence of which can contribute to joblessness and social problems. Continued and growing income inequality is likely to perpetuate these problems, further concentrating the poor and confining them to low-income neighborhoods.

A recent study³ by Sean Reardon and Kendra Bischoff shows that metro Milwaukee (MWOW counties) ranks 11th (out of 117) in terms of family income segregation, based on 2007 data. The study shows that between 1970 and 2007, segregation worsened throughout much of the Northeast and Rustbelt and Milwaukee had the second largest increase in family income segregation, behind Philadelphia. These long-term increases were fueled by both suburban growth and the rising income inequality that accompanied the decline of the manufacturing sector.

The correlation between race and income cannot be ignored, nor can its impact on segregation. As John Logan, a professor from Brown University who specializes in demographics including race and segregation states "*racial segregation itself is the prime predictor of which metropolitan regions are the*

² Tara Watson *Inequality and the Measurement of Residential Segregation by Income In American Neighborhoods*, April 2009. NBER Working Paper No. 14908. Accessible at www.nber.org/papers/w14908.pdf?new_window=1

³ Sean Reardon and Kendra Bischoff, *More Unequal and More Separate: Growth in the Residential Segregation of Families by Income, 1970-2009*. Accessible online at www.s4.brown.edu/us2010/Data/Report/report111111.pdf

ones where minorities live in the least desirable neighborhoods".⁴ Blacks tend to face significant barriers to entering majority-white neighborhoods due to landlord price discrimination, mortgage market discrimination, racial steering or overt hostility against blacks from incumbent white residents.⁵ Both blacks and whites may be willing to pay a premium to live in neighborhoods where their own racial group is in the majority. Evidence on the importance of the 'neighborhood racial premium' argument suggests that white preferences for living in majority white neighborhoods are much stronger than black preferences for living in majority black neighborhoods.⁶

Segregation has a significant impact on life outcomes. A recent UCLA study⁷ shows that after decades of rising integration in most public school systems, the trend in many states is reversing, with growing segregation particularly in elementary schools. Elementary schools tend to be more geographically or neighborhood based, therefore impacted by segregation. The share of poor children in schools also significantly increased between 2001 and 2009. Based on this report, Wisconsin ranks 10th in terms of schools that are most segregated (black-white) with schools that have black student concentrations of 90 to 100 percent, and 17th most segregation (Latino – white). Additionally, black and Latino students in Wisconsin public schools are much more likely to be poor and more likely to be exposed to a greater percentage of other poor students. In Wisconsin, poor students comprise 37 percent of the student population; typical black student exposure (likelihood) to poor student is 65.2 percent, Latino is 55.4 percent, while typical white exposure is 31 percent.

Racial segregation indicators in metro Milwaukee are particularly troubling as Milwaukee has had the dubious distinction of being the most segregated in terms of the black and white populations. John Logan has published numerous studies that illustrate racial and income segregation patterns in metropolitan areas using Census and American Community Survey data. In his research, Logan has confirmed that the large metropolitan areas of the Midwest and Northeast tend to have the highest residential segregation patterns, and that Milwaukee ranks very high if not highest in terms of some segregation indices. His study⁸ using data from the 2005 to 2009 American Community Survey shows that in metro Milwaukee, blacks are more than 3 times as likely as whites to be in poverty; this is second highest only to Newark, NJ. Also, metro Milwaukee ranks 7th in terms of black household isolation, which is the extent to which a member of a particular race is exposed only to other members of his/her race. Although small but steady progress has been made in most metro areas throughout the U.S. since 1970, segregation in Milwaukee and certain other Midwest and Northeast cities remains stubbornly high.

⁴ John Logan *Separate and Unequal: The Neighborhood Gap for Blacks, Hispanics and Asians in Metropolitan America*, Brown University, 2011. Accessible online at www.s4.brown.edu/us2010/Data/Report/report0727.pdf

⁵ John Yinger *Evidence on Discrimination in Consumer Markets*, *Journal of Economic Perspectives*-Volume 12, Number 2-Spring 1998-Pages 23-40

⁶ Casey J Dawkins *Evidence on the Intergenerational Persistence of Residential Segregation by Race* *Urban Studies* March 2005 42: 545-555

⁷ Gary Orfield, John Kucsera, Genevieve Siegel-Hawley, *E Pluribus....Separation Deepening Double Segregation For More Students*, September 2012, UCLA. Accessible online at www.civilrightsproject.ucla.edu/research/k-12-education/integration-and-diversity/mlk-national/e-pluribus...separation-deepening-double-segregation-for-more-students/orfield_epluribus_revised_omplete_2012.pdf

⁸ John Logan *Separate and Unequal: The Neighborhood Gap for Blacks, Hispanics and Asians in Metropolitan America*, 2011. Accessible online at www.s4.brown.edu/us2010/Data/Report/report0727.pdf

A 2011 study⁹ by Logan and Brian Stults using 2010 Census data shows that metro Milwaukee ranked second to Detroit in both 2000 and 2010 for black-white segregation. In 2010, Milwaukee ranked 5th in black isolation; this and other trends and indices indicate that segregation remains a serious problem in Milwaukee, with many black Milwaukeeans experiencing extreme racial and economic isolation. Milwaukee, along with New York City, Chicago, Detroit, Newark, and Gary (Indiana), has the highest persistent level of black segregation.

William Frey from the Brookings Institution reports¹⁰ segregation indices¹¹ based on data from the American Community Survey (ACS) for the states and for the largest 100 metropolitan areas, including Milwaukee. The latest results are from the 2005 to 2009 ACS and show that in most metro areas, black segregation has lessened modestly but consistently over the past two decades. Frey attributes this to a rising black middle class as well as impacts from legislation including the 1968 Fair Housing Act. Again, metro areas in the Rustbelt and the Northeast tend to be the most segregated, led by Milwaukee, Detroit, New York, Chicago and Cleveland. Metro Milwaukee ranked 37th in terms of Asian-White segregation, 7th in terms of Hispanic-white segregation, and 1st in black-white segregation. More on William Frey's work is discussed in Chapter 3 of the SEI.

In 2010, Joel Rast at the Center for Economic Development produced a study¹² comparing Milwaukee (both metropolitan area and city) to 18 other comparable cities¹³ in the Midwest and Northeast ('Frostbelt' cities). Milwaukee's suburbs fare very well in comparison to the other metro areas in job and economic growth, as nearly all of the growth has been concentrated in its suburbs since 1980. Based on an analysis of indicators between 1990 and 2008, Milwaukee does not fare well in comparison to other metro areas or cities on income and segregation measures. Milwaukee remains one of the most segregated, with over 90 percent of the black population (MWOW counties) residing within the City of Milwaukee, and has generally failed to develop anything close to a robust black middle class. College attainment for blacks remains comparatively low, and the disparity between college-educated whites and blacks is particularly pronounced.

Marc Levine at the UWM Center for Economic Development has been tracking long term income and racial segregation trends in Milwaukee.¹⁴ Levine demonstrates that the income gap between the suburbs and the city has grown substantially, primarily due to 'white flight' or rather the 'secession of

⁹ John Logan and Brian Stults *The Persistence of Segregation in the Metropolis: New Findings from the 2010 Census*, 2011. Accessible online at www.s4.brown.edu/us2010/Data/Report/report2.pdf

¹⁰ William Frey, Brookings Institute. Summary and data accessible online at www.brookings.edu/research/opinions/2010/12/16-census-frey

¹¹ Segregation Indices are Dissimilarity Indices that measure the degree to which the minority group is distributed differently than whites across census tracts. They range from 0 (complete integration) to 100 (complete segregation) where the value indicates the percentage of the minority group that needs to move to be distributed exactly like whites.

¹² Joel Rast *The Economic State of Milwaukee, 1990-2008*, University of Wisconsin Milwaukee, 2010. Accessible online at www4.uwm.edu/ced/publications/milwecon_2010.pdf

¹³ Comparable 'Frostbelt Cities' include Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Columbus, Detroit, Indianapolis, Kansas City, Milwaukee, Minneapolis, Newark, Omaha, Philadelphia, Pittsburgh, St. Louis, Toledo, and Wichita.

¹⁴ Marc Levine *The Two Milwaukees: Separate and Unequal presentation*. Accessible online at www4.uwm.edu/ced/pdf/two_milwaukee.pdf

the affluent'.¹⁵ This contributed to the negative outcomes particularly in the poorest areas of the City.¹⁶ In 2006, incomes in the inner city were about half of the metro area as a whole (MWOW counties).¹⁷ There have been some improvements in income levels, primarily in neighborhoods ringing the downtown area, where substantial gentrification and an influx of CDBG funding has occurred (Brewer's Hill, Lindsay Heights, and City Homes). Most of the resurgence in the City of Milwaukee over the past decade has been concentrated in Downtown, the Third Ward, Bayview, and parts of the Lower Eastside neighborhoods, neighborhoods that are predominantly wealthier and white.

Although white suburbanization in Milwaukee has progressed about the same as the national average, black suburbanization lags here.¹⁸ Data from the 2000 Census indicates that Milwaukee ranked first in terms of racial segregation indices, with about 47 percent of black households with annual incomes over \$40,000 living in high-poverty neighborhoods (census tracts in which at least 20 percent of the population is poor); by contrast, only 3.5 percent of white households at this income level live in such poor neighborhoods. Even among affluent black households in Milwaukee, those with annual incomes above \$100,000, 42 percent live in high-poverty neighborhoods.

The Center On Wisconsin Strategy (COWS) also reports¹⁹ economic indicators in its State of Working Wisconsin report (most recently released in September 2012). This report shows that black prospects in Wisconsin remain bleak. Black unemployment was the worst in the nation (25 percent) in 2011, more than one in four black workers hold jobs that earn poverty wages, and median wages for black men and women lag those of their white counterparts. Black – white disparities in poverty, educational attainment, and incarceration rates rank Wisconsin (and therefore Milwaukee, given the high concentration of blacks in the City of Milwaukee) among the most unequal in the US. Worse, it appears that while all other states in the industrial Midwest have begun experiencing job growth, Wisconsin's job growth has been significantly worse and, as of the middle of 2012, Wisconsin ranked 42nd in private sector job growth (this estimate was confirmed by the Census/QCEW and reported by the Milwaukee Journal Sentinel²⁰). This does not bode well for all Wisconsinites, but it is particularly devastating for EJ communities.

The Regional Housing Plan Recommendations as an Intervention

The evidence that compares metro Milwaukee to the other U.S. metro areas in terms of black-white segregation should serve as a wake-up call to Southeastern Wisconsin. Milwaukee's status as one of the most segregated metro areas in the U.S. is an unfortunate distinction that merits a strong response from local and state policy makers. Economically, segregation is harmful to the Region in terms of attracting

¹⁵ Marc Levine *Suburban Sprawl and the 'Secession' of the Affluent: Metropolitan Polarization in Milwaukee: 1987-1997*, University of Wisconsin Milwaukee – Center for Economic Development, July 1999. Executive Summary accessible online at www4.uwm.edu/ced/publications/sprawl99.cfm

¹⁶ Marc Levine *Income Change in Milwaukee's Inner City, 2004-2005*, University of Wisconsin Milwaukee – Center for Economic Development, 2006. Accessible online at www4.uwm.edu/ced/publications/innercity1106.pdf

¹⁷ Marc Levine *The Economic State of Milwaukee's Inner City: 2006*, University of Wisconsin Milwaukee – Center for Economic Development, 2006. Accessible online at www4.uwm.edu/ced/publications/innercity51506.pdf

¹⁸ Marc Levine 'Getting the Facts Right on Segregation in Milwaukee' The Metropolitan Milwaukee Fair Housing Council's Fair Housing Keys Spring 2004 newsletter. Available online at www4.uwm.edu/ced/pdf/fairhousing.pdf

¹⁹ Center On Wisconsin Strategy *State of Working Wisconsin* September 2012. Accessible online at www.cows.org/_data/documents/1280.pdf

²⁰ John Schmid "Wisconsin Ranked 42nd in Job Creation at Midyear, Census Report Shows", Jan 8 2013. www.jsonline.com/business/state-ranked-42nd-in-job-creation-at-midyear-census-report-shows-3h89vns-186044541.html

business, developing a skilled workforce, and retaining a skilled workforce. City-suburb segregation, high crime rates, and high poverty levels all damage Milwaukee's image. And like all other Rustbelt cities, Milwaukee needs to continue its efforts to develop a skilled workforce as it transitions away from a manufacturing based economy to a skills- and knowledge-based economy. These efforts must include all members of the Region. Without a major intervention, the economic prospects for many black and Latino households and children remain bleak.

As a whole, the recommendations set forth in the Regional Housing Plan are part of that much needed intervention, but must also coincide with needed changes to education, transit access to suburban jobs, and an improved economy with more and better paying jobs. Based on the findings of the SEI, the housing plan recommendations would likely significantly benefit EJ communities, particularly low-income households, in terms of housing choice and affordability, and would help resolve some of the economic problems intrinsic to EJ communities such as access to more or better jobs and better schools. The RHP recommendations need to be implemented on a Regional basis, meaning that individual communities, and particularly sewerred suburbs, need to actively work towards achieving all of the goals set forth in the RHP.

Policies that open up the suburbs to more affordable housing and a greater diversity in the housing stock may reduce some of the pressure on the Region's urban cores. The key recommendations that promote changes to the land use regulatory framework through policy and planning, including proposed changes to zoning ordinances or comprehensive plans, are essential to addressing the RHP goals. These include Affordable Housing Recommendation 1, Fair Housing/Opportunity Recommendation 1, Job/Housing Balance Recommendation 1, and Accessible Housing Recommendation 1. Each of these recommendations must be implemented on a regional basis in order to allow for a wider distribution of affordable housing across the Region. More affordable housing near outlying job centers may increase access to jobs for those in need of employment. The lack of affordable housing near some outlying job centers may continue if changes to community comprehensive plans and zoning ordinances are not implemented as recommended in the RHP.

The key recommendations that incentivize affordable housing development must also be part of the equation. These include Fair Housing/Opportunity Recommendation 3 and Job/Housing Balance Recommendations 4 and 5. Requiring communities to take steps to begin addressing any job/housing imbalances by incentivizing economic development tools including TIF, CDBG funding, or other State programs may likely be the only route to providing affordable housing in some communities. State economic development dollars should encourage the wise use of land; therefore incentivizing their use should be a priority. If not implemented, communities with job/housing imbalances may continue to take advantage of State funding that not only spurs job growth but also exacerbates job/housing imbalances. Also, Housing Development Practices Recommendation 3 acts to remove barriers to affordable housing development by providing funding for brownfield redevelopment. Given that the costs of brownfield redevelopment are often substantially higher than greenfield development and act as a major disincentive to redevelopment, the proposed recommendation acts to level a very uneven playing field. Each of these recommendations would require a change in programming or legislation at the State level.

Although the recommendations, if implemented, would likely be very beneficial for low-income EJ communities, it is unclear how they would specifically benefit minorities. They might reduce *some* of the black-white segregation that has plagued the metro Milwaukee area, but not all of the problems associated with segregation can be resolved through changes to the regulatory system or zoning.

Housing and land use are only a part of the solution, along with transit and transportation, economic development, and education. Sound economic development and education strategies must also be developed in order to firmly establish a solid black and Latino middle class within the Region. Currently, all evidence indicates that this has been elusive in both Milwaukee and the State of Wisconsin.

What is clear, however, is that if the recommendations set forth in the Regional Housing Plan are not implemented, or if some of the suburbs continue to reject more inclusive forms of housing, the EJ communities will become even more isolated and outcomes will likely worsen. According to a recent Applied Population Lab briefing²¹, by 2020 poverty is projected to increase in the Region, but mostly in Milwaukee County and for all races and ethnicities (from about 15.3 percent to 17.6 percent of the population, or a 2.3 percent increase²²); it will likely continue to disproportionately affect blacks and Hispanics. This means that, without significant housing interventions, Milwaukee will continue to rank poorly in comparison to other metro areas in terms of segregation (both race- and income-based). Overall, the distribution of population will continue toward isolation, for both the growing EJ community and the wealthiest households due to the widening income gap.

As Watson points out²³ the rising residential segregation based on growing income disparity is not just associated with increasing segregation and isolation of the poor, but also of the wealthy. Watson attributes this growing income isolation or exposure of an income group primarily to itself to income sorting and 'white flight'. Since 1970, rising residential segregation by income can be explained through growing income inequality. Inequality at the top is associated with increasing segregation of the rich, while inequality at the bottom along with declines in demand for less-skilled labor are associated with residential isolation of the poor. As wealthier groups become increasingly geographically isolated, their exposure to persons with lower incomes diminishes. At the bottom, this form of income sorting impacts people's outcomes (particularly children's) because of the distribution of role models, peers, and social networks, an absence of which can contribute to joblessness and social problems. Continued and growing income inequality is likely to perpetuate these problems, further concentrating the poor and confining them to low-income neighborhoods due to poor life outcomes and a lack of opportunities.

The literature on the impact of poverty on childhood development and outcomes is voluminous. Children raised in low-income households are at risk for academic and social problems and more health problems, which can undermine achievement. School readiness or a child's ability to benefit from school has been associated with improved outcomes and access to opportunities at all economic levels; for those in poverty or low-income, improved school readiness and access to opportunities is critical for escaping poverty.²⁴ The link between poverty and low academic achievement is also well established and translates into limited economic and job opportunities, lower lifetime earnings, and contributes to a cycle of poverty.

²¹ Katherine Curtis and Heather O'Connell *Wisconsin's Applied Population Lab, Briefing 4: Wisconsin Poverty Projections Through 2020*, 2010. Accessible online at www.apl.wisc.edu/publications/WisPovertyBriefing-4.pdf

²² In comparison to Milwaukee County, each of the other counties in the Region will likely see less than an 1 percent increase in poverty rates, with the exception of Kenosha County, which is projected to increase by 1.0 to 1.5 percent.

²³ Tara Watson *Inequality and the Measurement of Residential Segregation by Income In American Neighborhoods*, April 2009. NBER Working Paper No. 14908. Accessible online at www.nber.org/papers/w14908.pdf?new_window=1

²⁴ Patrice Engel and Maureen Black *The Effect of Poverty on Child Development and Educational Outcomes*, Annals of the New York Academy of Sciences, 2008. Accessible online at www.digitalcommons.calpoly.edu/cgi/viewcontent.cgi?article=1002&context=psyecd_fac

As mentioned in Chapter 3 of the SEI, a 2002 study²⁵ by Marc Levine documented this economic polarization in metro Milwaukee; affluent households²⁶ had been steadily moving to the suburbs for over half a century, but this movement surged during the 1990's when the economy was on the upswing. The total number of affluent households grew in the metro Milwaukee area, but the share within the City of Milwaukee declined significantly, from 15.6 to 10.7 percent. This demonstrates how metro Milwaukee has become a highly polarized and isolated region, with growing pockets of affluence in exurban areas that are becoming more and more disconnected from an increasingly impoverished central city. Joel Rast's study²⁷ from 2010 further confirms the growing economic polarization and racial and economic isolation and segregation in metro Milwaukee.

The recommendations set forth under the Regional Housing Plan are a necessary step towards slowing down or possibly reversing this long term trend, but in order to be effective, the proposed recommendations must be implemented on a region-wide basis. Changing zoning in order to allow for modest single family homes and multi-family units needs to be embraced across the Region. Providing State level economic development incentives to those communities that take steps to address their job/housing imbalances is also a good start. But in order to fully address the problems caused by polarization and isolation, there needs to be region-wide cooperation to address problems with access to jobs, effective workforce development, access to decent educational opportunities, and an effective transit system. As SEWRPC recommends, full implementation of the transit improvements recommended by the Regional Transportation plan must be a priority.

The ultimate test will be how the proposed recommendations impact both economic and racial segregation. Benchmarking efforts should include indices such as those developed by John Logan or William Frey in order to determine the effectiveness of the housing recommendations on measures of racial segregation. Ideally, when John Logan's study comes out in the year 2025, metro Milwaukee should have made significant progress.

²⁵ Marc Levine *Metropolitan Polarization in an Era of Affluence: Income Trends in Metropolitan Milwaukee Since 1990*, University of Wisconsin Milwaukee Center for Economic Development, 2002. Accessible online at www4.uwm.edu/ced/publications/incometrends.cfm

²⁶ Households earning more than \$100,000 in adjusted gross income based on annual tax return data.

²⁷ Joel Rast *The Economic State of Milwaukee, 1990-2008*, University of Wisconsin Milwaukee Center for Economic Development, 2010. Accessible online at www4.uwm.edu/ced/publications/milwecon_2010.pdf

Appendix A: Environmental Justice

PRINCIPLES OF ENVIRONMENTAL JUSTICE

PREAMBLE

WE THE PEOPLE OF COLOR, gathered together at this multinational People of Color Environmental Leadership Summit, to begin to build a national and international movement of all peoples of color to fight the destruction and taking of our lands and communities, do hereby re-establish our spiritual interdependence to the sacredness of our Mother Earth; to respect and celebrate each of our cultures, languages and beliefs about the natural world and our roles in healing ourselves; to insure environmental justice; to promote economic alternatives which would contribute to the development of environmentally safe livelihoods; and, to secure our political, economic and cultural liberation that has been denied for over 500 years of colonization and oppression, resulting in the poisoning of our communities and land and the genocide of our peoples, do affirm and adopt these Principles of Environmental Justice:

1. Environmental justice affirms the sacredness of Mother Earth, ecological unity and the interdependence of all species, and the right to be free from ecological destruction.
2. Environmental justice demands that public policy be based on mutual respect and justice for all peoples, free from any form of discrimination or bias.
3. Environmental justice mandates the right to ethical, balanced and responsible uses of land and renewable resources in the interest of a sustainable planet for humans and other living things.
4. Environmental justice calls for universal protection from nuclear testing, extraction, production and disposal of toxic/hazardous wastes and poisons and nuclear testing that threaten the fundamental right to clean air, land, water, and food.
5. Environmental justice affirms the fundamental right to political, economic, cultural and environmental self-determination of all peoples.
6. Environmental justice demands the cessation of the production of all toxins, hazardous wastes, and radioactive materials, and that all past and current producers be held strictly accountable to the people for detoxification and the containment at the point of production.
7. Environmental justice demands the right to participate as equal partners at every level of decision-making including needs assessment, planning, implementation, enforcement and evaluation.
8. Environmental justice affirms the right of all workers to a safe and healthy work environment, without being forced to choose between an unsafe livelihood and unemployment. It also affirms the right of those who work at home to be free from environmental hazards.
9. Environmental justice protects the right of victims of environmental injustice to receive full compensation and reparations for damages as well as quality health care.

10. Environmental justice considers governmental acts of environmental injustice a violation of international law, the Universal Declaration On Human Rights, and the United Nations Convention on Genocide.

11. Environmental justice must recognize a special legal and natural relationship of Native Peoples to the U.S. government through treaties, agreements, compacts, and covenants affirming sovereignty and self-determination.

12. Environmental justice affirms the need for urban and rural ecological policies to clean up and rebuild our cities and rural areas in balance with nature, honoring the cultural integrity of all our communities, and providing fair access for all to the full range of resources.

13. Environmental justice calls for the strict enforcement of principles of informed consent, and a halt to the testing of experimental reproductive and medical procedures and vaccinations on people of color.

14. Environmental justice opposes the destructive operations of multi-national corporations.

15. Environmental justice opposes military occupation, repression and exploitation of lands, peoples and cultures, and other life forms.

16. Environmental justice calls for the education of present and future generations which emphasizes social and environmental issues, based on our experience and an appreciation of our diverse cultural perspectives.

17. Environmental justice requires that we, as individuals, make personal and consumer choices to consume as little of Mother Earth's resources and to produce as little waste as possible; and make the conscious decision to challenge and reprioritize our lifestyles to insure the health of the natural world for present and future generations.

Adopted today, October 27, 1991, in Washington, D.C.

EXECUTIVE ORDER 12898

FEDERAL ACTIONS TO ADDRESS ENVIRONMENTAL JUSTICE IN MINORITY POPULATIONS AND LOW-INCOME POPULATIONS

February 11, 1994

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

SECTION 1-1. Implementation

1-101. Agency Responsibilities

To the greatest extent practicable and permitted by law, and consistent with the principles set forth in the report on the National Performance Review, each Federal agency shall make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations in the United States and its territories and possessions, the District of Columbia, the Commonwealth of Puerto Rico, and the Commonwealth of the Mariana Islands.

1-102. Creation of an Interagency Working Group on Environmental Justice

- a. Within 3 months of the date of this order, the Administrator of the Environmental Protection Agency (Administrator) or the Administrator's designee shall convene an interagency Federal Working Group on Environmental Justice (Working Group). The Working Group shall comprise the heads of the following executive agencies and offices, or their designees:
 - a. Department of Defense;
 - b. Department of Health and Human Services;
 - c. Department of Housing and Urban Development;
 - d. Department of Labor;
 - e. Department of Agriculture;
 - f. Department of Transportation;
 - g. Department of Justice;
 - h. Department of the Interior;
 - i. Department of Commerce;
 - j. Department of Energy;
 - k. Environmental Protection Agency;
 - l. Office of Management and Budget;
 - m. Office of Science and Technology Policy;
 - n. Office of the Deputy Assistant to the President for Environmental Policy;
 - o. Office of the Assistant to the President for Domestic Policy;
 - p. National Economic Council;
 - q. Council of Economic Advisers; and
 - r. such other Government officials as the President may designate.

The Working Group shall report to the President through the Deputy Assistant to the President for Environmental Policy and the Assistant to the President for Domestic Policy.

- a. The Working Group shall:
 1. provide guidance to Federal agencies on criteria for identifying disproportionately high and adverse human health or environmental effects on minority populations and low-income populations;
 2. coordinate with, provide guidance to, and serve as a clearinghouse for, each Federal agency as it develops an environmental justice strategy as required by section 1-103 of this order, in order to ensure that the administration, interpretation and enforcement of programs, activities and policies are undertaken in a consistent manner;
 3. assist in coordinating research by, and stimulating cooperation among, the Environmental Protection Agency, the Department of Health and Human Services, the Department of Housing and Urban Development, and other agencies conducting research or other activities in accordance with section 3-3 of this order;
 4. assist in coordinating data collection, required by this order;
 5. examine existing data and studies on environmental justice;
 6. hold public meetings as required in section 5-502(d) of this order; and
 7. develop interagency model projects on environmental justice that evidence cooperation among Federal agencies.

1-103. Development of Agency Strategies

- a. Except as provided in section 6- 605 of this order, each Federal agency shall develop an agency-wide environmental justice strategy, as set forth in subsections (b)-(e) of this section that identifies and addresses disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations. The environmental justice strategy shall list programs, policies, planning and public participation processes, enforcement, and/or rulemakings related to human health or the environment that should be revised to, at a minimum:
 1. promote enforcement of all health and environmental statutes in areas with minority populations and low-income populations;
 2. ensure greater public participation;
 3. improve research and data collection relating to the health of and environment of minority populations and low-income populations; and
 4. identify differential patterns of consumption of natural resources among minority populations and low-income populations. In addition, the environmental justice strategy

shall include, where appropriate, a timetable for undertaking identified revisions and consideration of economic and social implications of the revisions.

- b. Within 4 months of the date of this order, each Federal agency shall identify an internal administrative process for developing its environmental justice strategy, and shall inform the Working Group of the process.
- c. Within 6 months of the date of this order, each Federal agency shall provide the Working Group with an outline of its proposed environmental justice strategy.
- d. Within 10 months of the date of this order, each Federal agency shall provide the Working Group with its proposed environmental justice strategy.
- e. Within 12 months of the date of this order, each Federal agency shall finalize its environmental justice strategy and provide a copy and written description of its strategy to the Working Group. During the 12 month period from the date of this order, each Federal agency, as part of its environmental justice strategy, shall identify several specific projects that can be promptly undertaken to address particular concerns identified during the development of the proposed environmental justice strategy, and a schedule for implementing those projects.
- f. Within 24 months of the date of this order, each Federal agency shall report to the Working Group on its progress in implementing its agency-wide environmental justice strategy.
- g. Federal agencies shall provide additional periodic reports to the Working Group as requested by the Working Group. 1-104. Reports to the President. Within 14 months of the date of this order, the Working Group shall submit to the President, through the Office of the Deputy Assistant to the President for Environmental Policy and the Office of the Assistant to the President for Domestic Policy, a report that describes the implementation of this order, and includes the final environmental justice strategies described in section 1-103(e) of this order.

SECTION 2-2. Federal Agency Responsibilities for Federal Programs

Each Federal agency shall conduct its programs, policies, and activities that substantially affect human health or the environment, in a manner that ensures that such programs, policies, and activities do not have the effect of excluding persons (including populations) from participation in, denying persons (including populations) the benefits of, or subjecting persons (including populations) to discrimination under, such programs, policies, and activities, because of their race, color, or national origin.

SECTION. 3-3. Research, Data Collection, and Analysis

3-301. Human Health and Environmental Research and Analysis

- a. Environmental human health research, whenever practicable and appropriate, shall include diverse segments of the population in epidemiological and clinical studies, including segments at high risk from environmental hazards, such as minority populations, low-income populations and workers who may be exposed to substantial environmental hazards.

- b. Environmental human health analyses, whenever practicable and appropriate, shall identify multiple and cumulative exposures.
- c. Federal agencies shall provide minority populations and low-income populations the opportunity to comment on the development and design of research strategies undertaken pursuant to this order.

3-302. Human Health and Environmental Data Collection and Analysis

To the extent permitted by existing law, including the Privacy Act, as amended (5 U.S.C. section 552a):

- a. Each Federal agency, whenever practicable and appropriate, shall collect, maintain, and analyze information assessing and comparing environmental and human health risks borne by populations identified by race, national origin, or income. To the extent practical and appropriate, Federal agencies shall use this information to determine whether their programs, policies, and activities have disproportionately high and adverse human health or environmental effects on minority populations and low-income populations;
- b. In connection with the development and implementation of agency strategies in section 1-103 of this order, each Federal agency, whenever practicable and appropriate, shall collect, maintain and analyze information on the race, national origin, income level, and other readily accessible and appropriate information for areas surrounding facilities or sites expected to have a substantial environmental, human health, or economic effect on the surrounding populations, when such facilities or sites become the subject of a substantial Federal environmental administrative or judicial action. Such information shall be made available to the public, unless prohibited by law; and
- c. Each Federal agency, whenever practicable and appropriate, shall collect, maintain, and analyze information on the race, national origin, income level, and other readily accessible and appropriate information for areas surrounding Federal facilities that are:
 - 1. subject to the reporting requirements under the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. section 11001-11050 as mandated in Executive Order No. 12856; and
 - 2. expected to have a substantial environmental, human health, or economic effect on surrounding populations. Such information shall be made available to the public, unless prohibited by law.
- d. In carrying out the responsibilities in this section, each Federal agency, whenever practicable and appropriate, shall share information and eliminate unnecessary duplication of efforts through the use of existing data systems and cooperative agreements among Federal agencies and with State, local, and tribal governments.

SECTION 4-4. Subsistence Consumption of Fish and Wildlife

4-401. Consumption Patterns

In order to assist in identifying the need for ensuring protection of populations with differential patterns of subsistence consumption of fish and wildlife, Federal agencies, whenever practicable and appropriate, shall collect, maintain, and analyze information on the consumption patterns of populations who principally rely on fish and/or wildlife for subsistence. Federal agencies shall communicate to the public the risks of those consumption patterns.

4-402. Guidance

Federal agencies, whenever practicable and appropriate, shall work in a coordinated manner to publish guidance reflecting the latest scientific information available concerning methods for evaluating the human health risks associated with the consumption of pollutant-bearing fish or wildlife. Agencies shall consider such guidance in developing their policies and rules.

SECTION 5-5. Public Participation and Access to Information

- a. The public may submit recommendations to Federal agencies relating to the incorporation of environmental justice principles into Federal agency programs or policies. Each Federal agency shall convey such recommendations to the Working Group.
- b. Each Federal agency may, whenever practicable and appropriate, translate crucial public documents, notices, and hearings relating to human health or the environment for limited English speaking populations.
- c. Each Federal agency shall work to ensure that public documents, notices, and hearings relating to human health or the environment are concise, understandable, and readily accessible to the public.
- d. The Working Group shall hold public meetings, as appropriate, for the purpose of fact-finding, receiving public comments, and conducting inquiries concerning environmental justice. The Working Group shall prepare for public review a summary of the comments and recommendations discussed at the public meetings.

SECTION 6-6. General Provisions

6-601. Responsibility for Agency Implementation

The head of each Federal agency shall be responsible for ensuring compliance with this order. Each Federal agency shall conduct internal reviews and take such other steps as may be necessary to monitor compliance with this order.

6-602. Executive Order No. 12250

This Executive order is intended to supplement but not supersede Executive Order No. 12250, which requires consistent and effective implementation of various laws prohibiting discriminatory practices in

programs receiving Federal financial assistance. Nothing herein shall limit the effect or mandate of Executive Order No. 12250.

6-603. Executive Order No. 12875

This Executive order is not intended to limit the effect or mandate of Executive Order No. 12875.

6-604. Scope

For purposes of this order, Federal agency means any agency on the Working Group, and such other agencies as may be designated by the President, that conducts any Federal program or activity that substantially affects human health or the environment. Independent agencies are requested to comply with the provisions of this order. 6-605. Petitions for Exemptions. The head of a Federal agency may petition the President for an exemption from the requirements of this order on the grounds that all or some of the petitioning agency's programs or activities should not be subject to the requirements of this order.

6-606. Native American Programs

Each Federal agency responsibility set forth under this order shall apply equally to Native American programs. In addition, the Department of the Interior, in coordination with the Working Group, and, after consultation with tribal leaders, shall coordinate steps to be taken pursuant to this order that address Federally-recognized Indian Tribes.

6-607. Costs

Unless otherwise provided by law, Federal agencies shall assume the financial costs of complying with this order.

6-608. General

Federal agencies shall implement this order consistent with, and to the extent permitted by, existing law.

6-609. Judicial Review

This order is intended only to improve the internal management of the executive branch and is not intended to, nor does it create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person. This order shall not be construed to create any right to judicial review involving the compliance or noncompliance of the United States, its agencies, its officers, or any other person with this order.

William J. Clinton

THE WHITE HOUSE,
February 11, 1994.
Exec. Order No. 12898, 59 FR 7629, 1994 WL 43891 (Pres.)

**Appendix B: American Planning Association
Policy Guide on Housing**



American Planning Association

Making Great Communities Happen

Policy Guide on Housing

Adopted by the Legislative and Policy Committee March 21, 2006

Adopted by the Chapter Delegate Assembly April 22, 2006

Adopted by the Board of Directors April 23, 2006

Introduction

Planners have the skills and ethical responsibility to create communities where diverse housing options are available to existing and future residents. This Housing Policy Guide sets forth specific policies and actions which will help APA, its members, and national partners effectively address this country's housing needs.

Statement of Issues

In order for communities to function, there must be an adequate supply of housing in proximity to employment, public transportation, and community facilities, such as public schools. The housing stock must include affordable and accessible for sale and rental units, not only to meet social equity goals, but in order to ensure community viability. The development of a diverse and affordable housing stock must be carried out without sacrificing sound regulations that are in place to protect the environment and public health.

Professional and citizen planners have a number of tools to shape the direction of housing development: comprehensive and strategic plans, zoning and other land use regulatory techniques, and development incentives. Planners have a key role to play in supporting informed decision making that creates housing options for all people including: low- and moderate-income households, seniors, people with special needs, families with children, and the homeless in both rural and urban areas.

The AICP Code of Ethics strongly and explicitly states that planners have a responsibility to support the needs of underrepresented and disadvantaged people. Land use decisions involving affordable housing may elicit local opposition for a variety of reasons, presenting challenges to planners. A planner who has factual information about the community's housing needs, including housing prices and the condition and availability of the local housing supply will be best able to serve the community and reduce income stratification.

Some of the questions planners should be seeking answers to include: Is there sufficient developable land to meet residential demand in the community? Are housing prices and rents escalating and pricing people out of the for-sale and rental markets? Is affordable rental housing being lost due to age and neglect, or to expiring government subsidies and contracts, or to more attractive higher market rates or conversion to other uses? Which properties are at risk of loss from the affordable housing stock? Is there adequate emergency or transitional housing for the homeless? Is the local housing market being impacted by the quality of neighborhood public schools? Is new housing accessible to persons with disabilities or adaptable so that persons may age in place? Are key community workers such as teachers and police officers able to live in the communities they serve? Are new immigrants or aging baby boomers or the changing composition of households creating a demand for the design of new housing types?

The 1949 Housing Act adopted the goal of "a decent home and suitable living environment for every American family." This goal has become elusive as the number of working families with critical housing needs¹ continues to increase due to the disparity between rising housing costs and stagnating wages for low-wage jobs.² Low-wage jobs anchor a substantial sector of local and regional economies and high rental costs place many low-wage workers one paycheck away from homelessness.³

Without appropriate safeguards, gentrification can shut many people out of the neighborhoods where they grew up. With a shrinking supply of low cost rental units and an aging rental stock, finding housing that's affordable may require lengthy commutes between jobs and housing. Other options available to working families to reduce housing costs include living in overcrowded conditions or poor quality housing.

Affordability problems affect both renters and homeowners. Even among people with relatively better paying jobs, higher housing costs precipitate a significant decline in real, spendable income.⁴ For both renters and homeowners, housing and transportation costs consume a large share of the household budget.⁵ The widespread problem of housing affordability has a profound impact on the quality of life for families, especially children, and on the overall well-being of neighborhoods and communities.

Housing issues transcend jurisdictional boundaries. Communities need to forge cross-jurisdictional partnerships to develop coherent long-term local housing policies that support a shared vision for housing and community development for the entire region. They need to strengthen the policy linkages between housing and transportation, job centers and social services, and the whole spectrum of community needs. Coalition building, working toward consensus, and coordinating housing programs and resources are key tools and building blocks to addressing the housing issue.

Findings

Housing Stock

While the nation's housing supply is computed to be large enough to meet demand, there is a significant disconnect between the supply of the housing units and the location, price, and quality of the housing units. According to the 2004 American Community Survey, the nation contains 122.7 million units for 109.9 million households.⁶ The stock has been growing despite a recession elsewhere in the economy and includes 67 percent single unit structures, 26 percent multi-unit structures, and 7 percent mobile homes. An average of 1.9 million units has been built each year from 2000 through 2004. Units are becoming larger, and households are becoming smaller over time.⁷ The average household size is now 2.6. More than one-half of the nation's housing stock was built after 1970.⁸

The stock of existing rental units affordable to low-income households is being lost to redevelopment, gentrification, and deterioration. The Joint Center for Housing Studies estimates that there is net loss of over 100,000 low-cost units each year. These units are being replaced, but the replacement units enter the market at very high rents. The National Alliance of HUD Tenants estimates that since 1996 up to 200,000 subsidized units have been lost to conversion. As low-cost units are lost and replacement units cost more, the housing cost burden of renter households rises.

Household Tenure and Composition

There are 73.8 million households who are owners and 36.1 million who are renters. About 29 percent reside in central cities, 49 percent in suburbs, and 22 percent in non-metro areas. Fifty percent of the households are married couple families while 17 percent are other family households. Single person households represent 27 percent of the total households. The number of unmarried partners rose 72 percent between 1990 and 2000. The number of elderly households is growing and is now 22 million according to the 2000 Census. The Census also reports that the number of family households with a disabled member is over 16 million.

Accessibility

The aging of the population creates an increasing need for housing that is accessible for occupants as well as visitors. The Census Bureau reports that the U.S. population 65 years and older is expected to double within 25 years. By 2030, 72 million people (1 out of 5 Americans) will be 65 years and older. Accessibility can be improved with the concept of visitability and even more so with universal design. As of June 2004, 41 states and local jurisdictions have adopted visitability programs.⁹ Universal design incorporates features that make homes adaptable to persons who require handicapped access without negatively impacting curb appeal or value. Many universal design features make a home more convenient and mitigate common household safety hazards.

Housing Conditions

Overcrowding is a problem for only a small percentage of the population. Only 3.4 million households (3 percent of total) live with more than 1.0 persons per room, and only about 800,000 households (less than 1 percent) live with more than 1.5 persons per room.¹⁰ Substandard housing condition is a problem for only a small percentage of the population. About 87 million households (82 percent of the total) rate the condition of their home at 7 or better on a scale from 1 to 10, with 10 being the best. Only 6.3 million (6 percent) report severe or moderate problems with the structure of their home.¹¹

Farmworker Housing

In many rural communities that depend on food production, including agriculture, mariculture, and fisheries, the need for decent housing for farmworkers is a growing issue. Farmworkers typically have very low incomes and often experience overcrowded and substandard living conditions, many times with their children.¹²

Housing Costs and Household Incomes

The affordability of housing remains the biggest housing challenge confronting the country. Housing costs place a high burden upon the incomes of too many households. A cost burden is defined as paying more than 30 percent of household income on housing, while a severe cost burden is defined as paying more than 50 percent of income on housing costs (including utilities). About 33 million households (31 percent of the total) suffer from this affordability burden. The problem is greatest among the poor with 68 percent of the poorest quartile of the population paying more than 30 percent of income on housing. The national housing wage for 2005 was \$15.78.¹³ The housing wage is a measure of the hourly wage needed to afford the fair market rent for a two-bedroom apartment. Such a wage is more than three times more than today's minimum wage of \$5.15.

Many of the poor cannot enter into housing markets due to a lack of a stable income at a level that permits entry into the market without adopting a high financial burden. More and better jobs are needed along with improved access to jobs by the chronically unemployed and under-employed. Improved incomes can resolve many housing problems. Many of the poor have stable income but the stock of low-cost units is not growing at a pace equal to the expanding need for this type of housing. Parts of this stock are actually shrinking in size while the need for this type of unit is growing. Persons who rely on fixed incomes, such as the elderly and non-elderly persons with disabilities, are especially hard hit by increasing housing costs. Supplemental Security Income (SSI) payments to individuals with disabilities amount to only \$564 per month. For persons who rely on SSI as their only income, an affordable housing budget would equal no more than \$169 per month.

Newer measures of housing costs, such as the Housing and Transportation Affordability Index developed by the Brookings Institution, examine a broader measure of housing affordability by looking at housing cost burden in combination with the transportation costs associated with the location of the housing. Transportation is the second largest expenditure after housing and can range from 10 to 25 percent of household expenditures. By examining where housing is located and the associated transportation costs, the Affordability Index may provide a better tool to evaluate housing affordability in the future.

Jobs/Housing Balance

Low-income households remain concentrated in central cities while new low-wage jobs are created in suburbs. One of every six urban families lived in poverty in 1999 compared with fewer than one in 10 families in the suburbs. The rate of jobs growth in the fringe counties of metropolitan areas is over twice that of the central counties of metropolitan areas.¹⁴ (See Jerry Weitz, *Jobs-Housing Balance*, APA Planning Advisory Service Report No. 516.)

Homelessness

On any given night 800,000 people will be homeless.¹⁵ There is no single homeless population; rather, there are many homeless subpopulations. At one extreme is the chronic homeless who suffer from multiple deficiencies and are unable to maintain an independent household. At the other extreme are the transitional homeless who simply need short-term help during a crisis in life that has caused them to lose a home. Many different groupings of households fall within these extremes. Each subpopulation requires a different remedy. Planners need to assist in the identification of the scale and nature of the problem and assist in the provision of shelter and supportive services for the homeless (see APA Policy Guide on Homelessness, adopted 3/03).

Housing Discrimination

Too many people who are members of racial or ethnic minorities, who are disabled, or who live in non-traditional household types confront discrimination in the housing market. Discrimination is widespread in housing markets across the nation.¹⁶ Due at least in part to this discrimination, the nation's housing markets continue to be highly segregated by race and ethnicity.¹⁷

Discriminatory practices on the part of the public and private sectors in the past have resulted in segregated public housing which has helped to create enclaves of the poor and perpetuated the creation of segregated neighborhoods. These enclaves have not provided good environments for the poor residing in the projects or for the neighbors living in close proximity to these projects. These projects have hastened the deterioration of neighborhoods.¹⁸

Housing discrimination against persons with disabilities continues to be a significant issue, both in terms of the private housing market and local regulations.¹⁹ Many communities eliminate housing opportunities for persons with disabilities using restrictive single-family definitions, illegal group home spacing requirements, and unnecessary public hearing requirements. In addition, many communities do not understand or properly enforce federal fair housing laws requiring accessibility, reasonable accommodation, and reasonable modifications. Often, communities simply refuse to permit the development of supportive housing for persons with disabilities due to neighborhood opposition. When found to be in violation of the Fair Housing Act, jurisdictions become liable for financial damages by the U.S. government (*United States v. City of Agawam*, Civil Action No. 02-30149-MAP).

Housing/School Linkages

Public schools in many cities have become re-segregated with student populations that are more than 95 percent non-white. Mayors in Chicago, Harrisburg, and New York have assumed control of their school districts in part to stop the outflow of middle class families to suburban school districts. As many observers note, school policy is housing policy and many housing and community redevelopment efforts and smart growth efforts are creating successful housing/school connections. Many communities, particularly in high growth areas, have created countywide school districts and magnet school programs in order to break the pattern of have and have not schools. Some planning departments are working closely with local school districts due to the fact that the quality of public and private schools are recognized as key indicators of community vitality. **20**

Housing Resources

As federal resources for affordable and supportive housing shrink, the remaining federal resources, such as the Community Development Block Grant, the HOME Investment Partnerships Program, Housing Choice Vouchers, Low-Income Housing Tax Credits, and USDA rural housing programs, become critical and need to be protected. Regional and local governments are increasingly

depending on resources such as housing trust funds and housing bonds, to support affordable housing development.

General Policy Positions

General Policy Position #1

Planners need to support the national goal of providing housing opportunity to households of all ages, races and income levels throughout the housing markets of the nation. Planners should identify and 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.

Specific Policy Position #1A: Housing Stratification. Planners should use Comprehensive Plans, Housing Elements, and development regulations to reduce housing stratification and spur the development and preservation of affordable housing.

Reason to Support

Housing markets are now stratified by race, ethnicity and income. These stratified markets prevent some households, especially the poor, from gaining access to jobs, schools, shopping and other services, reducing the quality of life for those excluded households and exacerbating the problems associated with concentrated poverty and minorities. Planners need to break down this stratification. They should strive to provide a wide range of housing opportunities in as many locations as possible. This will help to reduce the societal ills resulting from the rigid stratification now found in today's housing markets.

When the market fails to provide needed affordable housing, it is incumbent upon planners to devise forms of intervention to correct these failures. These interventions need to be carefully designed to be cost effective, non-disruptive, and appropriate to the housing market conditions that prevail. Communities must have updated Comprehensive Plans that include Housing Elements. The Housing Elements determine the housing needs for different households in the community and create strategies to meet those needs.

Specific Policy Position #1B: Barriers to Housing Opportunity. 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, may exclude supportive housing, and are noncompliant with the Fair Housing Act, as amended. Planners should consider long-term managerial and maintenance issues in the development of new affordable housing. Zoning codes should be updated to address new demographic trends and execute clear and objective standards. Communities need to determine what type of regulations and policies will best expand the range of housing choices for all income groups. Planners should educate and actively encourage local lending institutions to provide funding opportunities for affordable housing developments.

Reason to Support

As long as discriminatory practices continue, society will continue to pay the costs associated with the spatial separation of whole classes of people, great opportunities will be lost, and the full potential of our nation will be unrealized. Traditional zoning and planning and other land use controls may limit the supply and availability of affordable housing, thereby, raising housing prices. The regulatory environment plays a crucial role in housing production. Large lot zoning, restrictive single family definitions, minimum square footage for single family homes, housing location policies, expensive subdivision design standards, prohibitions against manufactured housing, time-consuming permitting and approval processes are some examples of policies and regulations that constrict the development of affordable and supportive housing.

Demographic trends such as an aging baby boomer generation, an increase in minority households, and the changing composition of households will drive the need for new housing configurations.

Affordable housing and supportive housing need to be viewed as integral components of a comprehensive region-wide housing policy and strategy to optimize the potential impact of local

housing programs and ensure their effectiveness. Regulatory policies should be reassessed to ensure that they reflect a range of housing choices — a priority to develop more affordable housing linked with essential supportive services.

Specific Policy Position #1C: Planners must educate elected officials and citizens on housing needs and issues and defuse community opposition to housing proposals that is driven by prejudice and fears.

Reason to Support

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.

Specific Policy Position #1D: Best Practices. APA and its divisions should promote examples of state housing laws, local housing elements, policies, and development incentives that facilitate or mandate the development of affordable and accessible housing, such as density bonuses, fee waivers, tax credits, and land trusts and cooperatives. Planners should connect with the development industry, including nonprofit developers, to better understand the opportunities and obstacles to constructing affordable housing.

Reason to Support

APA should highlight positive examples of policy and regulatory changes that help promote affordable housing and make these success stories visible.

Specific Policy Position #1E: Housing Needs and Development Skills. Planners must become more proficient in understanding the housing development process and housing finance in order to determine housing needs and to implement effective solutions.

Reason to Support

Providing an adequate supply of diverse and affordable housing is critical to a community's long-term health and vibrancy and to meet the diverse demographic profiles of communities. However, many planners who begin to work in housing and community development are not adequately trained with a basic understanding of real estate development, housing finance, or affordable housing strategies.

General Policy Position #2

Planners should promote better balance between the location of jobs and housing.

Specific Policy Position #2A: Fair Share Distribution of Housing. APA and its chapters should support a regional fair share distribution of housing, in general, and affordable housing, in particular, in proximity to employment centers and moderate- and low-wage jobs. APA and its chapters recognize that housing is a regional issue in metropolitan areas, usually requiring inter-jurisdictional dialogue and cooperation.

Reason to Support

Ideally the jobs available in a community should match the labor force skills, and housing should be available at prices, sizes and locations suited to workers who wish to live in the area. Planners must begin to address jobs-housing balance in their communities by investigating the types of mismatches that exist between the types of jobs in an area and the types and cost of housing. While correcting just one jobs-housing balance in a region can have benefits, the result of multiple jobs-housing balancing efforts throughout a region can be shorter commute trips and in sum, a broad reversal of the negative consequences of imbalance.

Specific Policy Position #2B: Regulatory Reforms to Achieve Jobs/Housing Balance. APA and its chapters should identify and encourage zoning provisions and local regulations that encourage better jobs-housing balance. Examples include: Allow more mixture of uses in downtown/commercial areas; require or encourage PUD's to provide mix of residences and

employment; review local home occupation regulations; and consider voluntary or mandatory inclusionary housing incentive programs.

Reason to Support

Many zoning ordinances act as impediments to achieving jobs-housing balance. Communities are increasingly realizing that their land use plans and regulations have a major influence on whether workers can arrive at their job location on time and whether workers even have the choice of living close to their jobs. Barriers or obstacles to jobs-housing balanced development practices may need to be removed from local land-use regulations. There is a wide variety of techniques that directly or indirectly support jobs-housing policies and objectives.

Specific Policy Position #2C: Coordination with Economic Development. APA and its chapters should emphasize the importance of having an adequate supply of housing, and especially affordable housing, in economic development strategies. Examples of potential strategies include: (1) Preserving existing housing stock near major employers and transit hubs in order to create housing opportunities in close proximity to new suburban, exurban, and rural employment centers; (2) Performing housing impact studies, in conjunction with large employers, to analyze the availability of affordable housing for their workers in proximity to work locations; (3) Encouraging employers to invest in their workers and their neighborhoods by supporting employer-assisted housing programs, especially ones that encourage employees to own or rent in the neighborhood adjacent to the employer; and (4) Supporting transportation and transit improvements that allow low-income households in central cities to access jobs in surrounding suburbs.

Reason to Support

Many large employers around the country recognize that affordable housing is an employee hiring and retention issue. Further, many large institutions such as Johns Hopkins University in Baltimore have created homeownership programs for their employees in nearby neighborhoods to create better jobs/housing balance to spur reinvestment in older neighborhoods and enhance community stability.

General Policy Position #3

APA and its chapters support measures to preserve the existing housing stock.

Specific Policy Position #3A: Housing Preservation. Planners should incorporate the preservation of existing housing stock as a core policy objective of a comprehensive and coordinated housing strategy. The preservation of older market-rate owner-occupied and renter-occupied housing, much of which is affordable to low-income households, should be used as a filter whereby land use choices and decisions are made on new development or proposed redevelopment projects. Planners should support, based on local conditions, controls on conversions of rental housing to condominiums where such conversions would impact the availability of affordable rental housing. Planners should examine the impact of land use regulations and building codes on the feasibility of rehabilitating the existing stock of affordable housing with a focus on making the requirements and standards more rehab supportive.

Reasons to Support

Disinvestment and physical deterioration are removing low-cost rentals from the supply. Newly constructed units have simply replaced units lost from the housing stock and serve the upper end of the rent spectrum. There are more people feeling the effects of housing affordability as rising real estate markets have resulted in rapidly increasing rents or a conversion from rental-to-owned. The cost margins to renovating affordable housing are daunting as renovation is less predictable than new construction. Often a gap exists between the costs of renovation and the resources available to finance the renovation. Strict building codes may impose additional costs by requiring that new construction building standards be applied. Other regulatory barriers which may make a project complicated and more costly include: historic preservation regulations, environmental and access provisions, citizen opposition, conflicting codes — such as building code vs. fire code, and a complex approval system.

Specific Policy Position #3B: Preservation of Assisted Housing. Planners should foster an environment that supports the preservation or replacement of assisted housing in the community.

Reason to Support

Preserving existing assisted housing is a cost-effective strategy for keeping affordable housing affordable. The supply of affordable, low-cost rental units continues to dwindle — exacerbated by expiring federal subsidies and contracts as several million government-assisted housing units have and will become available to rent at market rate, or to convert to condominiums or to non-residential use. Low Income Housing Tax Credit properties at the end of their 15-year affordability periods are also affected. Fiscal pressures on the federal government to cut housing assistance programs compound the problem. The populations at primary risk of a loss of government-subsidized affordable housing remain the most vulnerable and least mobile groups in our society — the poor, the elderly, and persons with disabilities.

General Policy Position #4

APA and its chapters recognize the impacts of the housing/school linkage and support strategies to decrease segregation and poverty concentration in public schools as a critical housing issue.

Specific Policy Position #4A: Housing and Schools. APA and its chapters must promote community development or redevelopment efforts that encompass public school reforms. In urban areas, planners must help elected officials and government leaders reduce the incidence of high levels of poverty and segregation in public schools.

Reason to Support:

There are many examples of successful redevelopment efforts around the country that have shown that reinvestment and development of affordable and mixed-income housing can be achieved in concert with improvements to the local public school. Some housing/school collaboration efforts have been associated with large scale reinvestment activities, such as HOPE VI, while others have been spurred by local community development groups. Quality public education, as well as quality private education, will create stability in the neighborhood, will benefit the existing residents and their children, and will help create more integrated communities. Planners have a unique opportunity to reduce housing segregation and poverty concentration if they take a more active role in working with local school systems to improve public schools.

Specific Policy Position #4B: New Public Schools and Affordable Housing. Planners must ensure that new public schools are developed in proximity to affordable housing or else are sited to ensure future affordable housing development.

Reason to Support:

In order to reduce the tendency of schools districts to develop new public schools which are or become surrounded by middle- and upper-income residential development, local governments must master plan new school sites to ensure that affordable housing units will be built in proximity to the new school.

General Policy Position #5

Planners must encourage and implement residential development practices that result in more innovative housing options for diverse populations and which foster sustainable development.

Specific Policy Position #5A: Diverse Housing. Planners need to learn strategies which create affordable and more diverse housing, such as: accessory apartments, cluster housing, elder cottages, manufactured housing, mixed-income housing, shared residences, accessory dwelling units, and single room occupancy (SRO) developments, and provide regulations allowing these strategies.

Reason to Support

Increased knowledge of innovative housing designs and ensuring changes in regulations that enable innovative housing will create more housing opportunities for low-income households as well as households with elderly and disabled members.

Specific Policy Position #5B: Accessibility and Visitability. Planners must enforce multifamily residential developers to comply with the accessibility requirements of federal and state law, including the Fair Housing Act. Planners should adopt visitability and universal design features codes for new single family construction to ensure accessibility in housing design. In addition, housing rehabilitation efforts should include accessibility modifications.

Reason to Support

Accessible housing increases housing opportunities and choices for the elderly and persons with physical disabilities, and enhances convenience for non-disabled persons and children. A continuing issue is the lack of accessibility in single-family detached homes. Although most multifamily housing is now required to comply with the accessibility provisions of the Fair Housing Act, single-family housing and multifamily developments less than four units are not required to be accessible or have adaptable units. Visitability is a housing design strategy to provide a basic level of accessibility for single-family housing, thus allowing people of all abilities to interact with each other. Visitability standards do not require that all features be made accessible. As the population trends toward an older demographic, visitability and universal design will increase in importance.

Specific Policy Position #5C: Residential Development Practices. Planners must ensure that new residential developments are not isolated from community services and are created to encourage pedestrian mobility and access to public transportation. Where applicable, planners should seek to unbundle the cost of parking from basic housing costs.

Reason to Support:

In order to foster sustainable development practices and to enable households to age in place, residential development must be built adjacent to community services or otherwise include community services so as to reduce reliance on automobile transportation. Elderly and disabled residents should be able to live in communities that are integrated with community services and public transportation. Separating the cost of parking improves the affordability of housing by shifting these costs to car owners from all residents.

Specific Policy Position #5D: Energy Efficiency. Planners should incorporate energy efficiency goals and green building standards in guidelines that impact the design and construction of all new residential development or adaptive reuse developments, including affordable housing.

Reason to Support:

Integrating basic building strategies that consider easy access to jobs to minimize commuting, building orientation, water and energy efficient appliances, and appropriate landscaping will help make housing more affordable by increasing savings on transportation, operational, and maintenance costs. Sound green building techniques can produce long term benefits for families who can least afford quality healthcare by ensuring healthier living spaces, by improving the quality of life of its occupants, and by advancing long term sustainability (see APA Policy Guide on Energy, adopted 4/04).

General Policy Position #6

Planners must increase coordination among federal, state, and local housing plans and programs. Additionally, planners need to protect as well as help expand existing housing resources, and support the establishment of new housing tools through education and advocacy.

Specific Policy Position #6A: Coordination. Planners should stimulate housing rental production by optimizing the use of existing development programs, such as HUD's Consolidated Plan, with state and local plans, by blending and leveraging cross program funding streams to construct affordable housing. A coordinated approach to financing housing production within the context of a comprehensive community development strategy is a more cost-effective strategy for allocating resources and community reinvestments.

Reason to Support

The federal government's role in housing policy and housing development continues to shrink as the

responsibility has essentially devolved to the state and local governments. As state and local governments grapple with crafting strategies to affordable housing production, planners have the skills to facilitate fresh approaches to addressing the housing challenge. By rethinking and assessing the major lessons of decades of housing policy and practice and clearly examining the realities of the housing market and demographic trends, planners can frame a more relevant, coherent, and timely response. They can broaden the conversation by bringing together nontraditional stakeholders to share, coordinate and/or consolidate programs and resources.

Specific Policy Position #6B: Federal Resources. APA and its chapters support the continued reauthorization of federal housing resources, such as the Community Development Block Grant (CDBG), Housing Choice Vouchers, and the HUD Continuum of Care Homeless Assistance Programs. APA and its chapters support the establishment of a National Housing Trust Fund to produce, rehabilitate and preserve housing units.

Reason to Support

CDBG has revitalized neighborhoods and transformed the lives of thousands of low- and very low-income households, including the homeless. It is a vital tool used by local government to implement locally determined community development priorities such as the development of affordable housing. Rental income assistance in the form of vouchers helps families allay housing cost burdens; however, vouchers are in short supply; and, the program constantly faces proposed changes that threaten their availability. The National Housing Trust Fund adds another revenue source to produce new housing, as well as to rehabilitate and preserve existing affordable rental housing stock for low- and extremely low-income households. It is crucial that APA advocates for the retention of successful programs and the establishment of new tools to address the growing challenges of housing affordability.

Appendix

Suggested Housing Policy Guide Initiatives

The following initiatives are proposed to assist APA, its Chapters, and its Divisions, in furthering the general and specific policy positions presented in the Housing Policy Guide.

Housing Opportunity

Initiative #1: Partner with existing affordable housing organizations to offer training and technical assistance to planners. Planners should be encouraged to build bridges with experts in the preservation and development of affordable and diverse forms of housing.

Initiative #2: Investigate the feasibility of creating a certification program for housing and community development planners using training that is already available through APA and national groups such as NeighborWorks and Enterprise Community.

Initiative #3: Create a clearinghouse on the APA website of affordable housing best practices, including local, regional, and state policies and land use regulations that require and encourage affordable housing.

Initiative #4: Develop a tool box of model preservation policies, ordinances, processes and successful strategies practiced at local and state levels that promote and ensure the preservation of affordable housing stock.

Initiative #5: Develop a Fair Housing Training Manual for use by planners and planning commissioners.

Initiative #6: Develop a barriers assessment survey (similar to the HUD Questionnaire) for use by local jurisdictions.

Initiative #7: Work with HUD's Regulatory Barriers Clearinghouse staff to explore a strategy for expanding the usability and accessibility of the Clearinghouse database.

Jobs/Housing Balance

Initiative #8: Assemble models of job/housing balance around the county, including employer-assisted housing and housing impact studies.

Housing Preservation

Initiative #9: Work with other stakeholder groups to define, assess, craft, and/or initiate, where appropriate, research opportunities to identify promising strategies to offset the lost of existing rental housing stock.

Residential Development

Initiative #10: Develop an inventory of successful efforts and programs that demonstrate (a) alternative forms of housing that provide a range of affordability and (b) methods for simplifying their approval process.

Initiative #11: Promote and educate members on visitability standards as a specific practice for ensuring a basic level of accessibility to enable persons with disabilities to visit friends, family, and neighbors with independence. Promote best practices regarding universal design, visitability, and other housing designs that can adapt to the needs of the occupant, regardless of age or disability.

Housing Advocacy

Initiative #12: Develop advocacy strategies to inform elected officials about APA Legislative Priorities, which include protecting CDBG and developing new tools to address affordable housing, such as the National Housing Trust Fund Campaign.

Notes

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