

Minutes of the Twelfth Meeting of the

**REGIONAL HOUSING PLAN ADVISORY COMMITTEE**

DATE: May 25, 2011

TIME: 1:30 p.m.

PLACE: Tommy G. Thompson Youth Center, Banquet Room 2  
State Fair Park  
640 S. 84<sup>th</sup> Street  
Milwaukee, Wisconsin

Members Present

William R. Drew ..... Executive Director, Milwaukee County Research Park,  
Chairman ..... Commissioner, Southeastern Wisconsin Regional Planning Commission  
David Cappon ..... Executive Director, Waukesha Housing Authority  
Michael Cotter ..... Director, Walworth County  
Land Use and Resource Management Department  
Joe Heck ..... Assistant Director, Racine Department of City Development  
George Melcher ..... Director of Planning and Development, Kenosha County  
Anne Morrison (alternate for Kim Plache) ..... Senior Underwriter, WHEDA  
Michael Murphy ..... Alderman, City of Milwaukee  
Linda Olson ..... Director of the Aging and Disability Resource Center, Washington County  
Antonio M. Pérez ..... Executive Director, City of Milwaukee Housing Authority  
Brian Peters ..... Housing Policy Advocate, Independence *First*  
Maria Prioletta ..... Redevelopment and Special Projects Manager,  
Milwaukee Department of City Development  
Welford Sanders ..... Executive Director, M. L. King Economic Development Corporation  
Mary Kay Schleiter ..... Associate Professor,  
Department of Sociology, University of Wisconsin-Parkside  
Kori Schneider-Peragine ..... Senior Administrator, Inclusive Communities Program,  
Metropolitan Milwaukee Fair Housing Council  
Andrew Struck ..... Director, Ozaukee County Planning and Parks Department  
John Weishan Jr. ..... Supervisor, Milwaukee County  
Commissioner, Southeastern Wisconsin Regional Planning Commission

Guests and Staff Present

Stephen P. Adams ..... Public Involvement and Outreach Manager, SEWRPC  
Nancy M. Anderson ..... Chief Community Assistance Planner, SEWRPC  
Gary K. Korb ..... Regional Planning Educator, UW-Extension/SEWRPC  
Cathie Madden ..... City of Milwaukee Housing Trust Fund and Local Initiatives Support Corporation  
Benjamin R. McKay ..... Principal Planner, SEWRPC  
Christopher D. Parisey ..... Planner, SEWRPC  
Sandy Scherer ..... Senior Planner, Waukesha County Department of Parks and Land Use  
Monica Wauck ..... Urban and Regional Planner, Wisconsin Department of Transportation  
Jamila Wright ..... Graduate Student, UWM School of Architecture and Urban Planning

## **CALL TO ORDER**

Mr. Drew called the meeting of the Regional Housing Plan Advisory Committee to order at 1:35 p.m., welcoming those in attendance.

## **APPROVAL OF MEETING MINUTES OF APRIL 6, 2011**

Mr. Drew asked if there were any questions or comments on the April 6, 2011, meeting minutes. There were none. Hearing no comments, Mr. Drew asked for a motion to approve the meeting minutes. Mr. Cotter made a motion to approve the minutes from the April 6, 2011, meeting. Mr. Struck seconded the motion. There being no further discussion, the minutes were approved unanimously by the Committee.

## **DISCUSSION OF THE PRELIMINARY DRAFT OF CHAPTER X, “*SUBSIDIZED AND TAX CREDIT HOUSING*,” OF THE REGIONAL HOUSING PLAN**

Mr. Drew asked Mr. McKay of the Commission staff to review the preliminary draft of Chapter X, “*Subsidized and Tax Credit Housing*,” of the regional housing plan. The following discussion points and comments were made during the review:

1. Mr. Peters referred to the Voucher Based Assistance section and noted that some of the Section 8 Housing Choice Voucher waiting lists are closed, so the need may not be reflected by the number of people on the waiting lists. Mr. Cappon noted that a number of applicants from Milwaukee County are on the Waukesha waiting list and that the number of vouchers included in the inventory reflects the amount available due to funding constraints, which is not necessarily the same as the number that could be allotted. Mr. McKay noted that the text includes information regarding waiting lists that are closed and other caveats regarding the inventory and waiting lists.
2. Mr. Murphy asked if it is possible to transfer vouchers between jurisdictions. Mr. Cappon responded that it is technically possible; however, PHAs try to avoid it because it can result in less funding for a PHA due to the way administrative cost reimbursements are calculated. Mr. Murphy asked if this creates a disincentive to administer the voucher program regionally. Mr. Cappon responded that it does create a disincentive and he also noted that a regionally administered voucher program could have unintended consequences. Households participating in the voucher program tend to select units that are the most easily attainable, which tend to be concentrated in the City of Milwaukee. Low household income creates a disincentive for a household to live in areas of the Region where rent is typically higher.
3. Mr. Murphy asked if there is a way to reduce the disincentive for voucher program participants to live in areas of the Region outside of Milwaukee. Mr. Cappon responded that there is a small area Fair Market Rent (FMR) demonstration program that varies the amount of the subsidy by zip code; however, he is unsure if the program would result in reducing the concentration of vouchers in Milwaukee. He noted that the Metropolitan Milwaukee Fair Housing Council (MMFHC) has proposed holding a summit with the PHAs in the area to discuss the program. He also noted that a lack of services, such as public transportation, in suburban areas creates a disincentive for voucher program participants to choose suburban locations.
4. Mr. Murphy suggested a recommendation that would provide an incentive to administer vouchers regionally, perhaps based on jobs with an incentive for employers to participate in the program. Mr. Cappon noted that there needs to be a strong incentive for people to move to areas with

higher rents. In the past job opportunities have created the incentive. Schools and public safety can also be incentives. Mr. Murphy noted that zoning in some communities may be limiting the development of affordable multi-family housing and that public comments he has heard in Waukesha County have not been supportive of subsidized housing or workforce housing. Mr. Cappon noted that several communities in Waukesha County have adopted housing mix policies intended to limit the amount of new multi-family housing, which increases the demand and the cost of multi-family housing in the County. Greater subsidies are needed as costs increase, which decrease the number of households that can be assisted through the voucher program. Mr. Murphy stated that policy changes need to be made to voucher administration, or concentrations in Milwaukee will continue.

5. Mr. Peters noted that there are programs around the Country that provide supportive services to voucher program participants. Mr. Cappon noted that these programs were typically the result of a lawsuit. He also noted that subsidized housing could be more available if vouchers were considered a lawful source of income. Mr. Pérez noted that landlords must undergo inspections to accept voucher participants, which can deter some landlords from participating in the program. He also noted that renters with bad tenant histories may be limited to less desirable buildings and locations. Mr. Cappon noted that a PHA summit would be helpful for discussing voucher program issues. Mr. Murphy suggested that SEWRPC participate.
6. Mr. Drew stated that regional coordination seems to be a key element to the subsidized housing discussion and may need to be reflected in plan recommendations. Ms. Schneider-Peragine noted the regional coordination topic would be addressed at the PHA summit being planned by the MMFHC this fall.
7. Mr. McKay referred to Table X-3, *Public Housing Units Managed by Public Housing Authorities (PHA) in the Southeastern Wisconsin Region by County: 2011*, and noted that 175 units that are located in Low Income Housing Tax Credit (LIHTC) developments and managed by the Housing Authority of the City of Milwaukee (HACM) will be added to the inventory set forth in Table X-3 (see Attachment 1). Mr. Peters noted that the City of West Allis Beloit Road Senior Housing Complex appears to be missing from Table X-3. Mr. McKay responded that the units are likely counted under the privately owned HUD-assisted inventory and staff will review the tables to make sure the Beloit Road complex units are inventoried correctly.

[Secretary's Note: The units in the Beloit Road complex are not included in the privately owned HUD-assisted unit inventory. The Beloit Road units are subsidized by the City of West Allis and do not currently receive Federal rental assistance. The units have been added to Table X-3 and footnoted as such (see Attachment 1).]

8. Mr. Cappon noted that the Stonegate development in Sussex is not included on Table X-7, *Low Income Housing Tax Credit (LIHTC) Awards in the Southeastern Wisconsin Region by County and Community: 2006-2011*.

[Secretary's Note: The Stonegate units were developed before 2006, and are included on Table X-6, *Low Income Housing Tax Credit (LIHTC) Units in the Region by Sub-Regional Housing Analysis Area and County: 2011*.]

9. Mr. Peters referred to Table X-7 and suggested adding data regarding LIHTC developments prior to 2006. Mr. McKay responded that data regarding all LIHTC developments that are in service are included on Table X-6. Mr. Peters suggested adding a development status column to Table X-7 (footnotes indicating credits in service as of June 2011 have been added to Table X-7; see Attachment 2). Mr. Murphy noted that it appears that a disproportionate amount of the awards for family developments have been in Milwaukee. Mr. Cappon noted that developers do not want to spend time on developments that will likely not receive community support and elderly developments generally receive community support outside the City of Milwaukee. Mr. Drew noted that elderly developments are often easier for developers to manage and provide more profit because the units are smaller.
10. Mr. Cappon noted that there were five family developments that did not receive awards in Waukesha County in 2010 and that land cost hurt those developments in the WHEDA Qualified Allocation Plan (QAP). Mr. Murphy noted that family developments must be profitable in Milwaukee. Mr. Cappon noted that the land costs are often very low because developers acquire the land from the City for little or no cost. Ms. Morrison noted that while the cost to acquire land in the City of Milwaukee may be very low, there are factors in the City that increase costs. She noted that the City has a high standard for design requirements and has been doing scattered site development, which is typically more costly than multi-family development, and that many projects require brownfield cleanup prior to construction. She also noted that the City provides a number of subsidies and other assistance not commonly provided in suburban communities. In addition, she noted that the QAP has been revised to encourage developments for larger families.
11. Mr. Cappon noted that the QAP does not prioritize suburban areas over urban areas. Ms. Prioletta noted that a scoring category for Affirmatively Further Fair Housing (AFFH) could be added to the QAP. Ms. Morrison noted that North Carolina has added AFFH as a category. Ms. Schneider-Peragine noted that WHEDA had provided funding to the MMFHC for the Center for Integrated Living (CIL), which resulted in the development of multi-family housing projects with low-income set asides in low-poverty areas of the Region. She also noted that the CIL program ended when funding under a settlement agreement expired. Mr. Cappon noted that the LIHTC program should encourage development in low-poverty areas. Ms. Morrison noted that there are some pending changes to the LIHTC program. Mr. Weishan noted that municipalities often favor elderly developments over family developments because they have no impact on school costs. Mr. Cappon noted that, in some cases, family developments can help because an increased number of students may increase the amount of State aid to a school district. Ms. Prioletta noted that increased density typically results in a decrease in the cost of community services.
12. Mr. Cappon suggested adding an inventory of housing that is affordable to lower income households that uses creative financing, such as Habitat for Humanity and other housing developments funded through non-profits.

[Secretary's Note: The following text has been added to page X-9 under the heading "Other Housing Programs that Benefit Low- and Moderate-Income Households"

"In addition to the subsidized and tax credit housing programs discussed in this chapter, other programs in the Region may add to the inventory of housing units that are affordable to low- and moderate-income households. These programs are discussed in Chapter XI, *Best Housing Practices*, and include:

- Housing trust funds
- HUD Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) programs
- Tax Increment Financing (TIF)
- Habitat for Humanity

Descriptions of these programs are also included in Chapter III, *Plans and Programs Related to Housing in the Region.*”]

13. Mr. Peters suggested adding a Table that sets forth the total number of subsidized and tax credit housing units by family and elderly occupancy type.

[Secretary’s Note: The following text has added to page X-9 under the heading “Total Subsidized and Tax Credit Housing Units.”

“Table X-10 (see Attachment 3) sets forth the total number of family and elderly/special needs subsidized housing units in the Region by County in 2011. There are 12,799 family and 18,583 elderly/special needs units in the Region. About 73 percent of the family units and about 63 percent of the elderly/special needs units are located in Milwaukee County. No other County in the Region has more than 8 percent of the Region’s family units or 10 percent of the Region’s elderly/special needs units. The data shown on Table X-10 only includes project-based subsidized and tax credit housing units and does not include Section 8 Housing Choice Vouchers.”]

14. Mr. Murphy suggested that the recommended plan chapter include recommendations regarding changes to the allocation of tax credits through the WHEDA QAP. Ms. Schneider-Peragine noted that MMFHC has information regarding the LIHTC program that may be useful in developing recommendations.
15. Ms. Schneider-Peragine suggested mapping the location of Section 8 Housing Choice Voucher holders. Mr. Cappon suggested mapping the number of voucher holders by census tract. Mr. McKay noted that staff did not map voucher holders because of their portability; however, it may be possible to compile data to show a “snapshot” of where voucher holders were located on a specific date.

[Secretary’s Note: The number of Section 8 Housing Choice Voucher holders in the Region by Census Tract as of 2008 are shown on Map X-1 (see Attachment 4).]

16. Mr. Peters suggested revising or removing Map X-5, *Distribution of Subsidized Housing and Families and Individuals Experiencing Poverty in the Region by County: 2011*, and Map X-6, *Distribution of Large Subsidized Housing Units and Large Families Experiencing Poverty in the Region by County: 2011*. He noted that the number of families and individuals in poverty may be misinterpreted as the number of households eligible for subsidized housing, which would understate the need for subsidized housing. Mr. Drew suggested revisiting or removing the maps.

[Secretary's Note: Maps X-5 and X-6 have been removed. The section titled "Need for Subsidized and Tax Credit Housing" beginning on page X-9 has been revised as shown in Attachment 5.]

17. Mr. Pérez suggested adding text regarding funds the Milwaukee Housing Trust Fund have leveraged for subsidized housing. Mr. Murphy noted that the housing trust fund has leveraged \$3 million into \$66 million toward the development of affordable housing in the City of Milwaukee. He also suggested that Ms. Madden of the City of Milwaukee Housing Trust Fund give a presentation to the Advisory Committee. Mr. Drew suggested adding the presentation to the next Advisory Committee meeting agenda.

[Secretary's Note: Housing Trust Funds will be discussed further in Chapter XI, *Best Housing Practices*. The presentation regarding the Milwaukee Housing Trust Fund will be on the September 28, 2011, meeting agenda.]

18. Ms. Schneider-Peragine suggested adding a footnote to Part 2, Historical Perspective, regarding the text set forth in Part 1, History and Impacts of Housing Discrimination and Racial Distribution Patterns, of Chapter VI, *Housing Discrimination and Fair Housing Practices*. Mr. Cappon noted that in the 1930s the Federal subsidized housing program was intended to provide housing for working class families and to create jobs. The subsidized housing program was not intended to provide housing for poor people. He also noted that the LIHTC program was also created to provide workforce housing and Section 8 Housing Choice Vouchers are typically used to make LIHTC units affordable to low-income households.

[Secretary's Note: The following footnote has been added to the first sentence under Part 2, Historical Perspective on page X-11:

"Additional discussion regarding the history and impacts of housing discrimination and racial distribution patterns as they relate to past Federal housing legislation is set forth in Part 1 of Chapter VI, *Housing Discrimination and Fair Housing Practices*."

19. Ms. N. Anderson briefly summarized the prevailing wage requirements discussion beginning on page X-23. She noted that Federal prevailing wage requirements do not typically apply to LIHTC developments in Wisconsin. A recent exception has been LIHTC developments that utilize tax credits made available through the Tax Credit Assistance Program (TCAP), which was funded through the American Recovery and Reinvestment Act of 2009 (ARRA). Ms. Morrison noted that the prevailing wage requirement added a construction cost increase of about 10 to 20 percent. Ms. N. Anderson noted that while construction costs may increase, prevailing wage requirements typically result in an increase in worker safety, income tax revenue, and apprenticeship programs. Mr. Cappon noted that any project that is subject to Davis Bacon rules provides a disincentive for contractors to bid for a project, resulting in fewer bids. Ms. Morrison noted that, in her experience, the labor used for Davis Bacon projects is often not local. Mr. Murphy noted that the City of Milwaukee included a residence preference program as part of the Milwaukee Opportunities for Restoring Employment (MORE) Ordinance for projects that receive \$1 million or more in direct financial assistance from the City.

20. Mr. Peters suggested adding a list of bond issuers for projects that have resulted in housing units for low-income households to the Tax-Exempt Bonds discussion, beginning on page X-8. Ms. Morrison stated that WHEDA should be able to provide the list.

[Secretary's Note: The information will be incorporated into the chapter once it is provided by WHEDA.]

21. Mr. McKay noted that Part 4 of Chapter X, which will include discussion regarding homelessness, is still under preparation. Mr. Drew suggested that staff make revisions to Chapter X, *Subsidized and Tax Credit Housing*, based on the Advisory Committee discussion and comments. A revised draft, with Part 4, can then be presented to the Advisory Committee for review at a future meeting. There were no objections from Advisory Committee members.

### **DISCUSSION OF THE REVISED DRAFT OF CHAPTER VI, "HOUSING DISCRIMINATION AND FAIR HOUSING PRACTICES," OF THE REGIONAL HOUSING PLAN**

Mr. Drew asked Ms. N. Anderson of the Commission staff to review the revised draft of Chapter VI, "*Housing Discrimination and Fair Housing Practices*," of the regional housing plan. Ms. N. Anderson noted that this is the third version of the Chapter. The Committee reviewed the preliminary draft at its October 27, 2010, meeting and the revised draft at its January 26, 2011, meeting. The following discussion points and comments were made during the review:

1. Ms. Schneider-Peragine referred to the Effects of Segregation section on page VI-6 and suggested adding discussion regarding the negative effects of segregation on Whites to the discussion of the negative effects of segregation on minority and low-income communities.

[Secretary's Note: The following sentence has been added to the last paragraph of the Effects of Segregation section:

"In addition to economic and social opportunities for minority residents, more dispersed housing for minority individuals throughout the Region would increase opportunities for both minority and non-minority residents to interact with people of different races and ethnicities, and, ideally, increase understanding and tolerance among a more diverse population."]

2. Mr. Cappon suggested including a paragraph regarding disparate impact in Part 3 of the Chapter.

[Secretary's Note: The third bullet point on page 19 has been revised as follows:

"Policies, practices, or procedures that appear neutral on their face, but which disproportionately disadvantage (also referred to as having a disparate effect on) an individual seeking housing because of the person's race, color, national origin, disability, or family status."]

3. Mr. Drew suggested that staff make revisions to Chapter VI, *Housing Discrimination and Fair Housing Practices*, based on the Advisory Committee discussion and comments. He also suggested that the Committee act on the revised draft of Chapter VI at the August 24, 2011, Advisory Committee meeting. There were no objections from Advisory Committee members.

## **UPDATED MAPS OF MINORITY POPULATION DISTRIBUTION IN THE REGION**

Ms. N. Anderson noted that the maps of minority population distribution in the Region (Maps VII-2 through VII-7) had been updated based on 2010 Census data, and had been distributed as part of the meeting packet. She also informed the Committee that the Environmental Justice Task Force had reviewed the maps at a meeting held on May 12, 2011, and had requested that the maps be revised to use a more consistent color scheme and population density categories. The Commission was also asked to prepare a map showing the concentrations of the white, non-Hispanic population in the Region and a map showing the distribution of all races. The new and revised maps are included in Attachment 6.

## **PUBLIC COMMENTS**

Mr. Drew asked if there were any public comments. There were none.

## **CORRESPONDENCE AND ANNOUNCEMENTS**

Mr. Drew asked if there were additional correspondence or announcements. Ms. N. Anderson noted that the new brochure the Committee reviewed at its last meeting has been translated into Spanish. She also noted that an Environmental Justice Task Force member has requested the preparation of a simplified one page handout. The handout has been prepared and translated into Spanish. The brochure and handout are both available at the sign-in table.

## **NEXT MEETING DATE**

Mr. Drew noted that the next meeting is scheduled for August 24, 2011. The location will remain Banquet Room 2 of the Tommy G. Thompson Youth Center located at State Fair Park, 640 S. 84<sup>th</sup> Street.

[Secretary's Note: The August 24, 2011, meeting was canceled. The next meeting will be September 28, 2011.]

## **ADJOURNMENT**

Mr. Drew thanked the Committee members and guests for their time and participation and asked for a motion to adjourn the meeting. Mr. Melcher made a motion to adjourn the meeting. Ms. Schneider-Peragine seconded the motion and it was approved unanimously. The meeting was adjourned at 3:20 p.m.

Respectfully submitted,

Benjamin R. McKay  
Recording Secretary

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