

Appendix K

SUMMARY OF THE SOCIO-ECONOMIC IMPACT ANALYSIS OF THE REGIONAL HOUSING PLAN

BACKGROUND

In 2007, the Regional Planning Commission created an Environmental Justice Task Force (EJTF) to further involve minority and low-income populations and persons with disabilities in its planning work (the EJTF roster is set forth in Figure I-1 in Chapter I). One of the purposes of the EJTF is to help identify the potential benefits or adverse impacts of regional plans 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 regional plan benefits and/or a disproportionate share of any negative impacts that might result from a regional plan recommendation. A socio-economic impact analysis (SEI) assesses the potential impact of regional plans on minority and low-income populations and persons with disabilities. As a result, the Commission's EJTF requested that a SEI be conducted of all regional plans prepared by SEWRPC.

In May 2012, the Commission contracted with the University of Wisconsin-Milwaukee (UWM) Center for Economic Development to conduct a socio-economic impact analysis of the preliminary recommendations of the draft regional housing plan. The focus of the analysis was a review of each of the 47 preliminary plan recommendations using the following framework:

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 taken to mitigate disproportionately high social and economic effects on environmental justice populations?

PUBLIC REVIEW

Public review and comment on the SEI occurred during the final series of regional housing plan public meetings held in November and December 2012, which were intended to obtain public input on the preliminary plan recommendations and the draft SEI findings. No specific comments were received on the SEI findings. Public comments received on the preliminary plan recommendations are documented in the record of public comments on the regional housing plan, which is summarized in Chapter XII. The full SEI report is available on the UWM website at www4.uwm.edu/ced/index.cfm, and the report is also available on the SEWRPC website at <http://www.sewrpc.org/SEWRPC/Housing.htm>. The Record of Public Comments is also available on that page of the SEWRPC website.

SEI FINDINGS

The analysis concluded that none of the preliminary plan recommendations would be expected to have a negative impact on environmental justice populations. Of the 47 preliminary plan recommendations, the analysis determined that 33 recommendations would be expected to have a significantly positive impact and 11 recommendations would be expected to have a positive impact on environmental justice populations. The impacts of three preliminary recommendations were determined to be neutral. A significantly positive impact finding means that environmental justice populations are likely to receive a greater proportion of benefits from the recommendation than the regional population as a whole. A positive impact finding means that environmental justice populations are likely to receive benefits from the recommendation in proportion to the regional population as a whole. The SEI also identifies “key” recommendations under the six housing plan recommendation topic areas. “Key” recommendations are those determined to have the most positive impact on environmental justice populations. The following is a brief summary of the SEI findings for each of the 47 preliminary plan recommendations and the resulting revisions, including two new recommendations. Each preliminary plan recommendation is summarized in the following sections. Chapter XII includes the full text of both preliminary and final plan recommendations.

Affordable Housing

The SEI findings and recommended revisions to Affordable Housing preliminary recommendations include:

1. **Preliminary Recommendation:** Local governments that provide sanitary sewer service should allow modest single-family and multi-family housing development through their comprehensive plans and zoning ordinances.
 - **SEI findings:** Significantly Positive Impact, Key Recommendation. No changes recommended.
2. **Preliminary Recommendation:** The State should develop a new funding strategy that would reduce the heavy reliance on property taxes to fund local schools and government services.
 - **SEI findings:** Significantly Positive Impact, Key Recommendation. The issue of local property taxes funding school districts has been one of the key obstacles to building lower-cost housing units in many of the Region’s suburban communities. Given the significance of the issue and potential impacts of funding alternatives on low-income households, an appropriate State agency should conduct a study of alternative funding strategies for schools and local government services.
 - **Final Recommendation Revision:** Recommendation No. 2 was revised to recommend formation of a State Task Force to identify alternatives to the property tax for funding school districts and local government services.
3. **Preliminary Recommendation:** Local governments should reduce or waive impact fees for new affordable housing.
 - **SEI Finding:** Positive Impact. No changes recommended.
4. **Preliminary Recommendation:** Local government 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, live-work units, and accessory dwellings.
 - **SEI findings:** Positive Impact. The recommendation should be extended to include local strategic area or neighborhood plans, in addition to comprehensive plans.
 - **Final Recommendation Revision:** Recommendation No. 4 was revised to specify that local governments should encourage a variety of housing types in urban neighborhoods through neighborhood plans, in addition to comprehensive plans.
5. **Preliminary Recommendation:** Local governments should review requirements that increase housing costs but do not contribute to design or functionality.
 - **SEI finding:** Positive Impact. No changes recommended.

6. **Preliminary Recommendation:** Local governments should include architects on their design review teams.
 - **SEI finding:** No Impact. No changes recommended.
7. **Preliminary Recommendation:** Conduct education and outreach efforts on the need for affordable and subsidized housing.
 - **SEI findings:** Significantly Positive Impact. The recommendation should include the agencies responsible for public outreach efforts, such as SEWRPC, UW-Extension, Wisconsin Department of Administration – Division of Housing, WHEDA, public housing authorities, Metropolitan Milwaukee Fair Housing Council, and Metropolitan Builders Association of Greater Milwaukee. This is an important recommendation and efforts should be collaborative and ongoing in order to ensure the message and direction of the regional housing plan is not lost at the local level.
 - **Final Recommendation Revision:** Recommendation No. 7 was revised to identify agencies (SEWRPC and UW-Extension) proposed to conduct public outreach efforts regarding the need for affordable housing in the Region.
8. **Preliminary Recommendation:** State and Federal governments should work cooperatively with private partners to provide a sound housing finance system.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
9. **Preliminary Recommendation:** Appraisers should consider cost, income, and sales comparisons approaches to value when conducting property appraisals.
 - **SEI finding:** Positive Impact. No changes recommended.
10. **Preliminary Recommendation:** Local governments in subsidized housing priority sub-areas and sub-areas with a job/housing imbalance should use Tax Increment Financing to facilitate the development of affordable housing as allowed by Section 66.1105(6)(g) of the *Wisconsin Statutes*.
 - **SEI finding:** Positive Impact. No changes recommended.

Fair Housing

The SEI findings of Fair Housing preliminary recommendations include:

1. **Preliminary Recommendation:** Local governments should evaluate their comprehensive plans and zoning requirements to determine if they allow modest single-family and multi-family housing and act to Affirmatively Further Fair Housing.
 - **SEI findings:** Significantly Positive Impact, Key Recommendation. No changes recommended.
2. **Preliminary Recommendation:** Local governments should allow multi-family residential uses as a principal use in multi-family zoning districts.
 - **SEI finding:** Positive Impact. No changes recommended.
3. **Preliminary Recommendation:** Entitlement jurisdictions should require sub-grantees to certify they will Affirmatively Further Fair Housing (AFFH) to receive HUD funds.
 - **SEI findings:** Significantly Positive Impact, Key Recommendation. No changes recommended.
4. **Preliminary Recommendation:** Funding should be maintained for non-governmental organizations (NGO) to continue public informational programs.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
5. **Preliminary Recommendation:** The State should provide funding to establish assisted housing mobility programs to help low-income families move to less impoverished areas.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.

Job/Housing Balance

The SEI findings of Job/Housing Balance preliminary recommendations include:

1. **Preliminary Recommendation:** Local governments with sewer service in sub-areas with a job/housing imbalance should conduct a local analysis to confirm the imbalance and consider changes to their comprehensive plan to address the imbalance.
 - **SEI findings:** Significantly Positive Impact, Key Recommendation. No changes recommended.
2. **Preliminary Recommendation:** State, County, and affected local governments should work to fully implement the public transit element of the year 2035 regional transportation system plan.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
3. **Preliminary Recommendation:** WHEDA or an appropriate State agency should conduct a Statewide job/housing balance analysis.
 - **SEI findings:** No Impact. Although this recommendation has no direct impact on environmental justice populations, it is a necessary means to implement Recommendations 4 and 5, two key recommendations. No changes recommended.
4. **Preliminary Recommendation:** Amend State law to prohibit TIF in communities with job/housing imbalances as determined by a Statewide analysis unless the imbalance is addressed.
 - **SEI findings:** Significantly Positive Impact, Key Recommendation. No changes recommended.
5. **Preliminary Recommendation:** Job/housing balance should be a criterion considered by administering agencies during the award of economic development incentives to local governments.
 - **SEI findings:** Significantly Positive Impact, Key Recommendation. No changes recommended.
6. **Preliminary Recommendation:** SEWRPC should provide findings of the job/housing balance analysis conducted under the regional housing plan to local governments requesting sewer service area expansions.
 - **SEI finding:** No Impact. No changes recommended.
7. **Preliminary Recommendation:** Strategies to promote job/housing balance should include economic and workforce development programs in areas with high unemployment.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
8. **Preliminary Recommendation:** SEWRPC should work with local governments through the Advisory Committees on Transportation System Planning and Programming to consider changes to the selection criteria for transportation projects using Surface Transportation Program – Milwaukee Urbanized Area funding or Congestion Mitigation and Air Quality (CMAQ) program funding, and inclusion in the Transportation Improvement Program.
 - **SEI finding:** Positive Impact. No changes recommended.
9. **Preliminary Recommendation:** Encourage the development of employer assisted housing programs.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
10. **Preliminary Recommendation:** The Wisconsin Department of Workforce Development should develop a method to document the number of migrant workers who come to the Region without a work agreement.
 - **SEI finding:** Positive Impact. No changes recommended.

Accessible Housing

The SEI findings and recommended revisions to Accessible Housing preliminary recommendations include:

1. **Preliminary Recommendation:** Local governments with sewer service in a sub-area with a job/housing imbalance should identify areas in their comprehensive plans for more multi-family housing, which is both accessible and affordable.
 - **SEI findings:** Significantly Positive Impact, Key Recommendation. No changes recommended.
2. **Preliminary Recommendation:** Local governments should encourage private developers to include Universal Design (UD) and Visitability features in new homes.
 - **SEI findings:** Significantly Positive Impact. The recommendation should be revised to provide examples of local support measures (e.g. developer incentives or density bonuses).
 - **Final Recommendation Revision:** Recommendation No. 2 was revised to include density bonuses and developer incentives as incentives that local governments could use to encourage Universal Design and Visitability features in new homes.
3. **Preliminary Recommendation:** The State should provide continued funding for long term care programs and new funding for accessible housing database development.
 - **SEI findings:** Significantly Positive Impact. Currently, accessibility features and modifications are not documented in property assessments. The recommendation should be modified or an additional recommendation should be added to add documentation of 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.
 - **Final Recommendation Revision:** Recommendation No. 3 was revised to include an alternative that accessibility features be documented in the residential property assessment prepared and maintained by local assessors. Information on accessibility features would be collected through the Wisconsin transfer tax form or the local building inspector at the time a housing unit is sold.
4. **Preliminary Recommendation:** Public funding should be maintained for independent living centers.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
5. **Preliminary Recommendation:** Local governments should analyze American Housing Survey data to estimate the supply of accessible housing units and prioritize funding to retro-fit existing housing with accessible features to help meet demand.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
6. **Preliminary Recommendation:** Training should be provided to building inspectors on the accessibility requirements of State and Federal fair housing laws.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
7. **Preliminary Recommendation:** Government programs that provide funding for accessibility modifications should be extended to allow renters to use funds.
 - **SEI findings:** Significantly Positive Impact. The recommendation should be revised to allow landlord eligibility.
 - **Final Recommendation Revision:** Recommendation No. 7 was revised to recommend extending eligibility to landlords, as well as renters, to apply for grants to modify existing housing to include accessibility features.

Subsidized and Tax Credit Housing

The SEI findings and recommended revisions to Subsidized and Tax Credit Housing preliminary recommendations include:

- 1. Preliminary Recommendation:** Support Federal initiatives to simplify subsidized housing programs. Local public housing authorities and entitlement jurisdictions should continue to work with Federal agencies and Congress to maintain funding.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
- 2. Preliminary Recommendation:** Administrators of voucher programs, county and local governments, and housing advocates should continue to work with Federal agencies and Congress to increase funding for Section 8 Housing Choice Vouchers.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
- 3. Preliminary Recommendation:** Local governments with major job centers should seek and support new Low Income Housing Tax Credit (LIHTC) developments.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
- 4. Preliminary Recommendation:** Local governments in economic need priority sub-areas and subsidized workforce housing need priority sub-areas should seek and support subsidized and tax credit housing.
 - **SEI findings:** Significantly Positive Impact, Key Recommendation. A recommendation similar to Recommendation No. 4 should be added that includes Choice Neighborhood Initiative (successor to HOPE VI) funding for the rehabilitation and preservation of existing subsidized housing units in priority areas.
 - **Final Recommendation Revision:** Recommendation No. 4 was revised to include funding from the Choice Neighborhood Initiative for the rehabilitation and replacement of existing public housing units in priority sub-areas.
- 5. Preliminary Recommendation:** WHEDA should study models in other states to target extremely low-income populations in the LIHTC application process.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
- 6. Preliminary Recommendation:** HUD should modify the Section 8 Housing Choice Voucher program to remove financial disincentives for administering the program regionally. Local administrators should develop a regional voucher program.
 - **SEI findings:** Significantly Positive Impact, Key Recommendation. No changes recommended.
- 7. Preliminary Recommendation:** Wisconsin Open Housing Law should be amended to recognize vouchers as a source of income.
 - **SEI findings:** Significantly Positive Impact. No changes recommended.
- 8. Preliminary Recommendation:** WHEDA should revise the LIHTC application to consider lack of affordable housing in a community, location in a subsidized housing priority sub-area, and non-elderly developments in sub-areas with a job/housing imbalance. Projects should not be penalized for lack of community support.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
- 9. Preliminary Recommendation:** Local governments should form partnerships with non-profit organizations to provide affordable housing.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
- 10. Preliminary Recommendation:** A regional housing trust fund for Southeastern Wisconsin should be established.

- **SEI findings:** Significantly Positive Impact, Key Recommendation. No changes recommended.

11. New Recommendation.

- **SEI finding:** At least one recommendation that addresses emergency shelter and housing for the homeless should be developed. The needs of homeless veterans should be considered. Studies by the U.S. Department of Veterans Affairs indicate male and female veterans are a disproportionately large share of the homeless population.
- **Final Recommendation No. 11** was added to the Subsidized and Tax Credit Housing section to address emergency shelter and housing for the homeless, including the needs of homeless veterans and other special populations (families and persons with mental illness).

Housing Development Practices

The SEI findings of Housing Development Practices preliminary recommendations include:

1. **Preliminary Recommendation:** Local governments should prepare detailed neighborhood plans within the context of their comprehensive plans.
 - **SEI finding:** Positive Impact. No changes recommended.
2. **Preliminary Recommendation:** Local governments should promote good site design through design standards incorporated into zoning and subdivision ordinances.
 - **SEI finding:** Positive Impact. No changes recommended.
3. **Preliminary Recommendation:** Local governments should promote the redevelopment and infill of vacant and underutilized sites, including brownfield redevelopment.
 - **SEI findings:** Significantly Positive Impact, Key Recommendation. No changes recommended.
4. **Preliminary Recommendation:** Local governments, public housing authorities, and developers should consider using Crime Prevention Through Environmental Design (CPTED) elements in new developments.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
5. **Preliminary Recommendation:** Public housing authorities and developers should use green building methods and materials where financially feasible, with priority given to energy saving material and construction practices.
 - **SEI finding:** Significantly Positive Impact. No changes recommended.
6. **New Recommendation.**
 - **SEI findings:** A new recommendation should be added about weatherization funding programs and distribution of such funds for both public housing units and private homes given the significant need to retrofit much of the older housing stock located in the Region's urban core areas to make it more energy efficient.
 - **Final Recommendation No. 11** was added to the **Affordable Housing** section to recommend establishing county and local government programs and ordinances to stabilize and improve established neighborhoods with the intent of maintaining the quality and quantity of existing lower- and moderate-cost housing stock. Weatherization is included in the new recommendation.

IMPACTS OF FAILING TO IMPLEMENT REGIONAL HOUSING PLAN RECOMMENDATIONS

The concentration of minority and low-income populations and persons with disabilities (environmental justice populations) in the Region's central cities has been a continuing challenge with several negative effects, including decreased access to jobs in outlying areas for central city residents in need of employment. The concentration of households in poverty is also thought to have a negative impact on private sector investment, prices for goods and services, employment networks, educational opportunities, crime, health, ability to accumulate wealth, and decent housing. The SEI analysis has determined that these conditions will continue or worsen if the regional housing plan recommendations are not implemented.

The analysis found that the plan recommendations are a necessary step to slow down, or possibly reverse, the concentrations of environmental justice populations in central cities within the Region. The analysis also found that the recommendations need to be implemented on a regionwide basis to be effective and that implementation is particularly important in suburban communities with sanitary sewer service. Local government comprehensive plans and zoning ordinances that allow affordable single-family and multi-family housing must be embraced across the Region to be effective in reducing the concentration of environmental justice populations in the central cities and provide low-income people more opportunities to find jobs and live closer to job locations in suburban areas. In addition, the analysis found a need for regionwide cooperation on effective workforce development, access to educational opportunities, and an effective transit system to fully address the problems caused by the concentration and isolation of environmental justice populations. The analysis determined that full implementation of the public transit element of the year 2035 regional transportation system plan, as recommended by the regional housing plan, should be a priority.

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