

Attachment 1

Findings Related to Multi-Family Housing Development Costs

As with single-family housing, much of the cost associated with government regulation of multi-family housing is necessary to assure that new development meets acceptable standards relating to the health, safety, and welfare of the public and protection of the environment; however, there are policies that could facilitate the development of more multi-family housing in general and more affordable multi-family housing while maintaining these standards. The following policy areas should be targeted by local governments to reduce barriers to new multi-family housing, which is typically affordable and accessible to a wider range of households than new single-family housing:

- Each community that provides sanitary sewer service should consider including at least one land use category in its comprehensive plan that allows for high density urban residential development (7.0 units per acre or greater). Maps V-3 through V-9 show areas in each County that have been designated in local government comprehensive plans for residential development at a density of at least 7.0 dwelling units per acre. As the preceding analysis indicates, 7.0 dwelling units per acre may not be enough to provide for apartments with rents affordable to households earning 50 percent of the Region's median income. To provide housing options for these households, a community zoning ordinance should have at least one district that allows for multi-family housing to be developed at a density of at least 10 units per acre and a two bedroom dwelling unit size of 800 square feet or less. It may be necessary for the zoning ordinance to have at least one district that allows multi-family housing to be developed at a density of 18 units or more per acre in highly-urbanized communities.
- Flexible zoning regulations such as planned unit development (PUD), traditional neighborhood developments (TND), and density bonuses for affordable housing could be used by local governments to facilitate the development of affordable multi-family housing through increased density.
- Tax increment financing (TIF) could be used as a mechanism to facilitate the development of affordable housing. Wisconsin TIF legislation allows municipalities to extend the life of a TIF district for one year after paying off the district's project costs. In that year, 75 percent of any tax increments received must be used to benefit affordable housing in the municipality and the remainder must be used to improve the municipality's housing stock.

- 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 could 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.
- Communities could consider including professional architects on their design review team to provide expertise and minimize concept plan submittals and building material requirements.
- Duplicative reviews by multiple agencies and units of government, particularly with regard to stormwater management and protection of natural resources such as wetlands and wildlife habitat, may increase the cost of the review and permitting process.
- Communities could consider reducing or waiving impact fees for new single-family development that meets the affordability threshold for lot and home size.
- Communities could seek new multi-family housing projects using Low Income Housing Tax Credits (LIHTC) to provide housing that is affordable to households earning 50 to 60 percent of the Region's median annual household income. Additional government assistance programs could be sought to provide housing that is affordable to extremely and very low-income households (households earning less than 50 percent of the median annual household income). Government assistance could include additional housing choice vouchers. Communities could also work with HUD or their entitlement jurisdiction to secure HUD Housing and Community Development Program funds to provide additional housing in the community that is affordable to extremely and very low-income households.
- Communities could consider partnerships with nonprofit 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. The establishment of Housing Trust Funds to assist in the acquisition of land and development of affordable housing could also be considered.