



# *Update on the Regional Housing Plan*



## Environmental Justice Task Force

September 22, 2011



# Overview

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- Parts 1, 2, and 3 of Chapter X, *Subsidized and Tax Credit Housing*, were reviewed by the Regional Housing Plan Advisory Committee in May 2011. Part 4 is anticipated to be reviewed at the October 26 meeting
- Chapter VIII, *Job/Housing Balance*, will be reviewed by the Advisory Committee on September 28



# *Chapter X – Subsidized and Tax Credit Housing*

## Part 1: Inventory and Analysis of Subsidized Housing

- Voucher-Based Assistance
- Project-Based Assistance
- Low Income Housing Tax Credit (LIHTC) Units
- USDA Rural Development

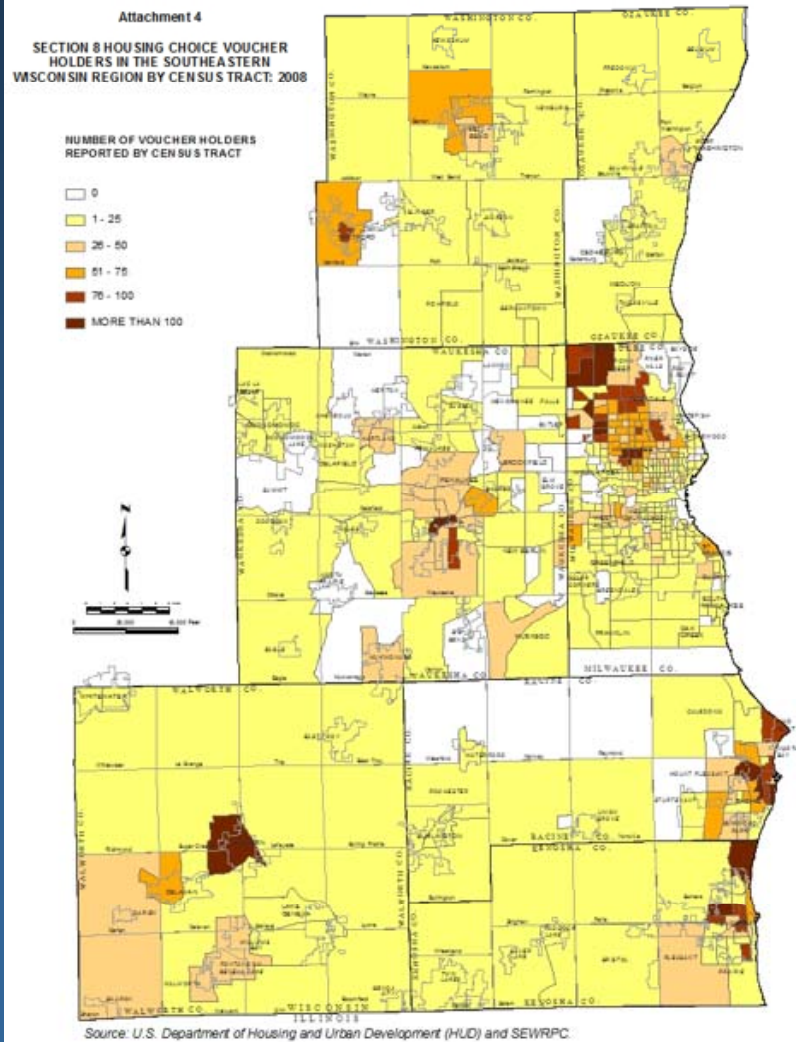
## Part 2: Historical Perspective

## Part 3: Challenges Facing Subsidized Housing

## Part 4: Homelessness and Emergency/Transitional Shelter Needs and Facilities (underway)



# Voucher-Based Assistance



- Section 8 Housing Choice Vouchers allotted in the Region by County in 2011:
  - Kenosha: 1,261
  - Milwaukee: 8,071
  - Ozaukee: 100
  - Racine: 1,539
  - Walworth: 410
  - Washington: 437
  - Waukesha: 1,243
  - Region total: 13,061



# *Voucher-Based Assistance*

- Waiting lists for Section 8 Housing Choice Vouchers by public housing authority (PHA) in 2011:
  - Ozaukee, Washington, and Kenosha County outside of the Kenosha PHA (Administered by WHEDA): About 4 to 6 years in each County
  - Housing Authority of the City of Milwaukee: 3,568 applications with typical wait of one to three years (waiting list last opened in 2006 for 30 hours, which resulted in 17,000 applications)
  - Milwaukee County Housing Authority: 10,000 applications (waiting list closed since 2001)
  - West Allis Housing Authority: 100 to 200 applications (waiting list closed since 2005 when over 5,000 applications were received)
  - Waukesha/New Berlin/Waukesha County Housing Authorities: 3,400 applications (waiting list closed in September 2010)

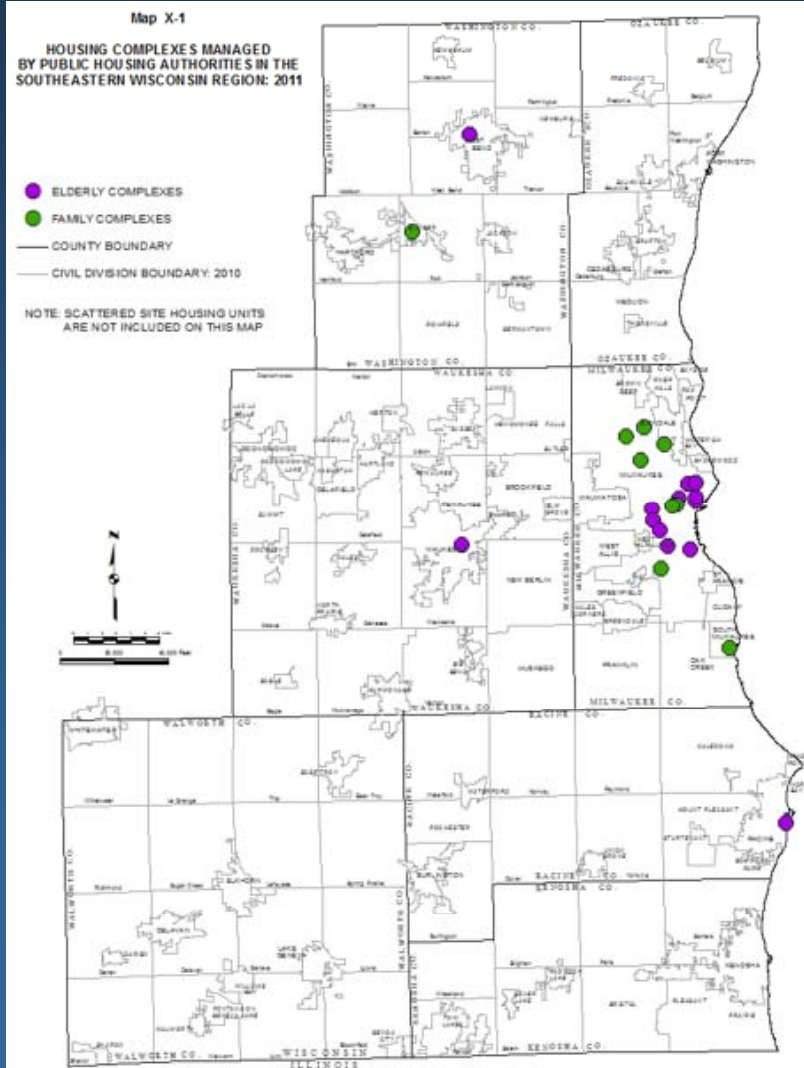


## *Voucher-Based Assistance*

- Racine County Housing Authority: 600 applications (waiting list closed since 2009)
- Kenosha County Housing Authority: 3,600 applications (waiting list closed since 2009)
- Walworth County Housing Authority: Typical wait of about three years (waiting list closed since 2010)



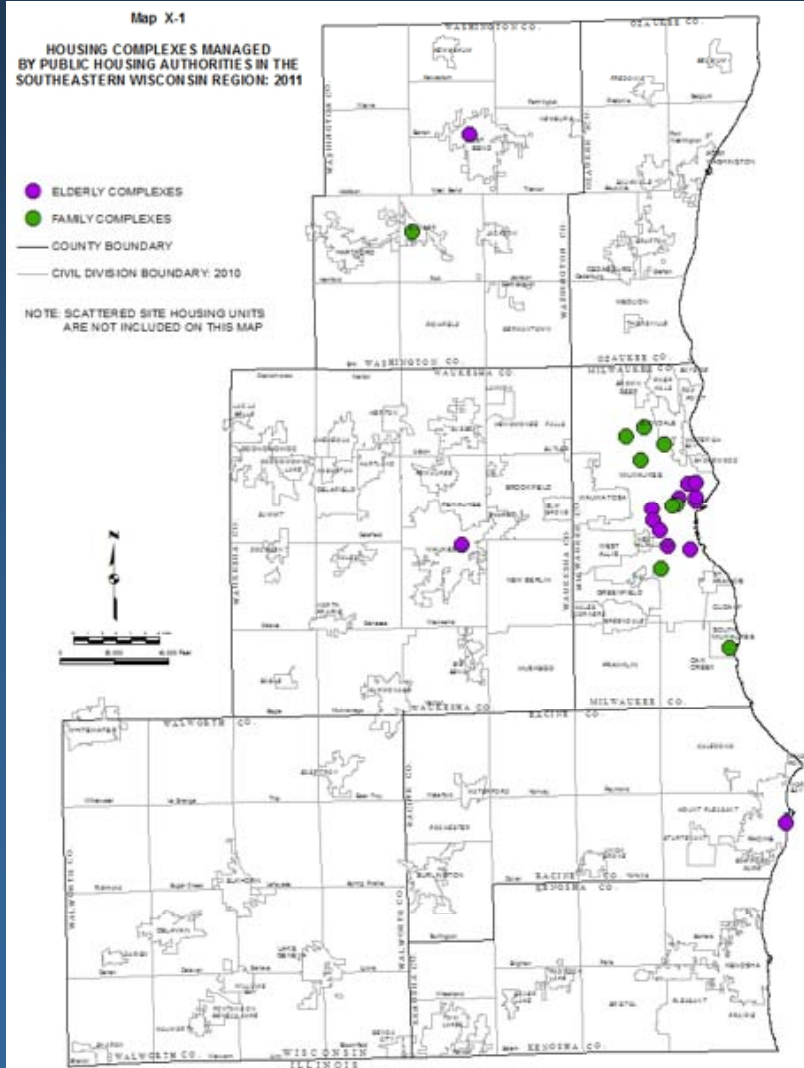
# Project-Based Assistance



- Family public housing units managed by PHAs in the Region in 2011:
  - Kenosha: None
  - Milwaukee: 2,982
  - Ozaukee: None
  - Racine: None
  - Walworth: None
  - Washington: 8
  - Waukesha: 152
  - Region total: 3,142



# Project-Based Assistance



- Elderly/Special Needs public housing units managed by PHAs in the Region in 2011:
  - Kenosha: None
  - Milwaukee: 1,969
  - Ozaukee: None
  - Racine: 10
  - Walworth: None
  - Washington: 187
  - Waukesha: 114
  - Region total: 2,280



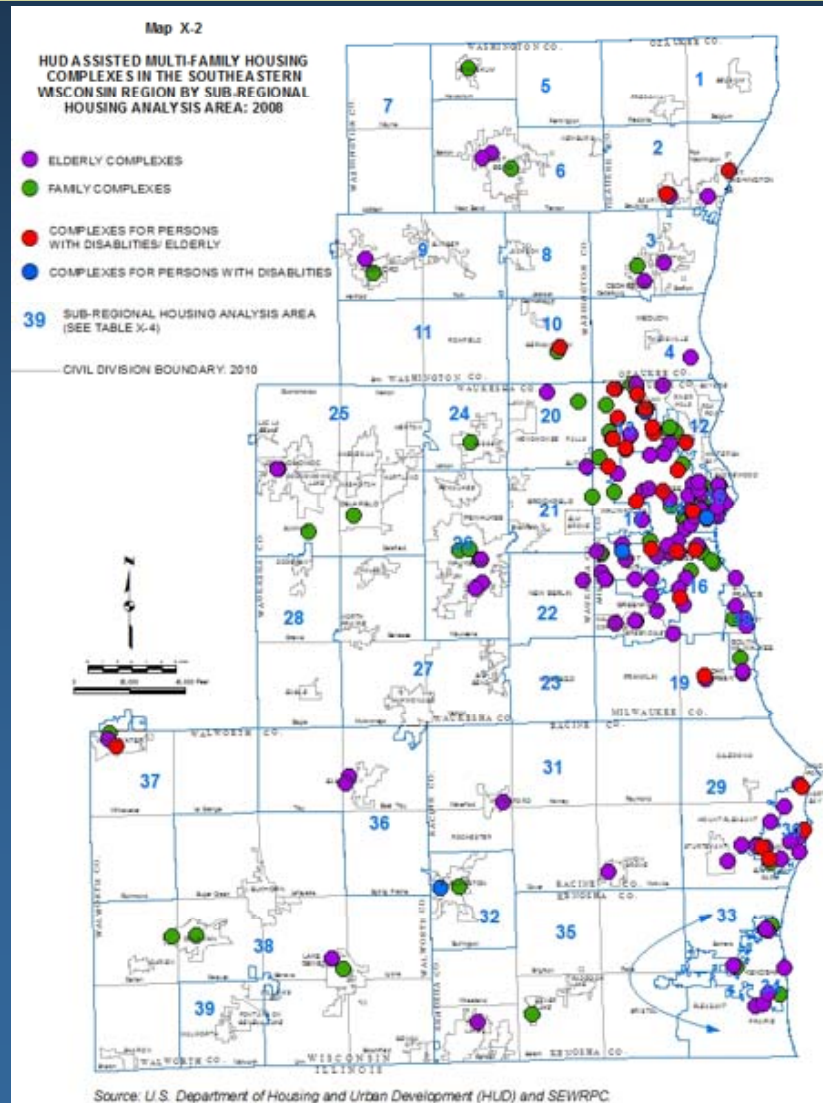


# *Project-Based Assistance*

- Waiting lists for PHA managed housing units in 2011:
  - Slinger Housing Authority: Recent vacancies filled
  - West Bend Housing Authority: Wait of about six months
  - Housing Authority of the City of Milwaukee: 3,891 applications for family units with a typical wait of one to three years (longer for four and five bedroom units). 1,842 applications for elderly units with a typical wait of six months
  - South Milwaukee Housing Authority: Wait for family units is typically eight to 10 months. Wait for elderly units is about two years
  - Waukesha Housing Authority: The wait for elderly units is about three months (information for family units has been requested)
  - Racine County Housing Authority: Information has been requested



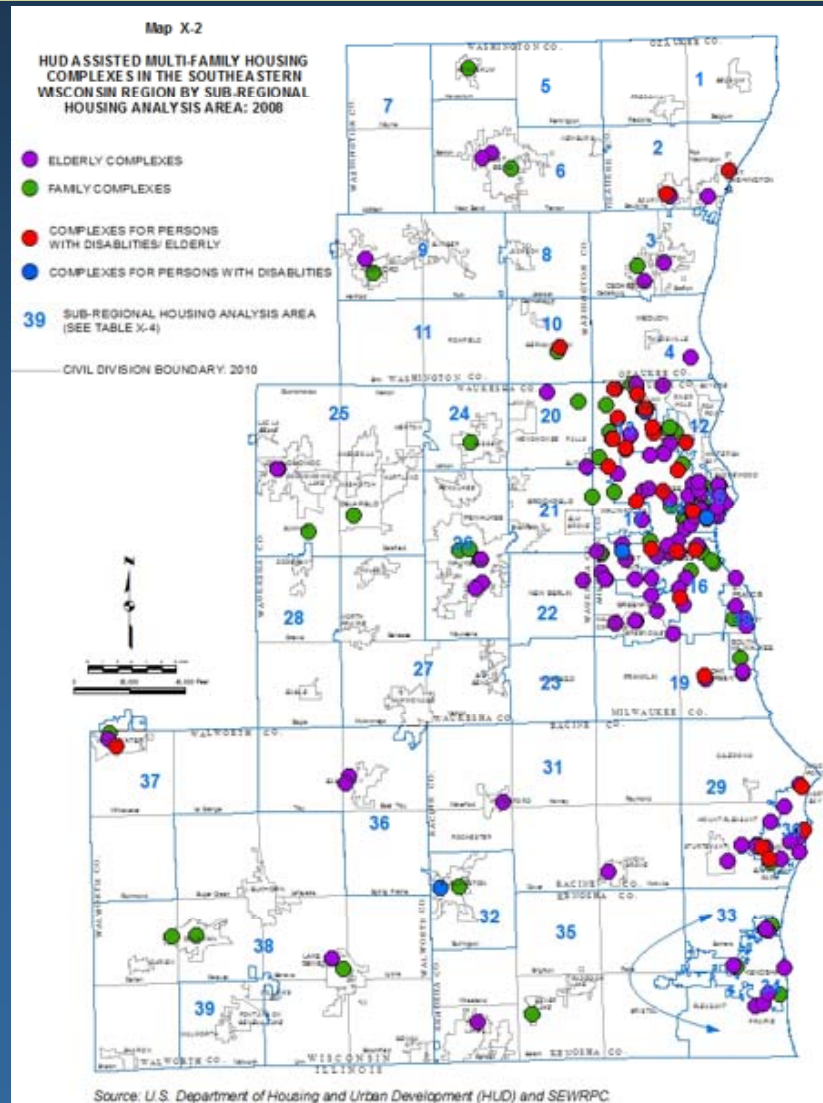
# Project-Based Assistance



- HUD assisted privately owned family housing units in the Region by County in 2011:
  - Kenosha: 272
  - Milwaukee: 3,227
  - Ozaukee: 70
  - Racine: 380
  - Walworth: 305
  - Washington: 204
  - Waukesha: 608
  - Region total: 5,066



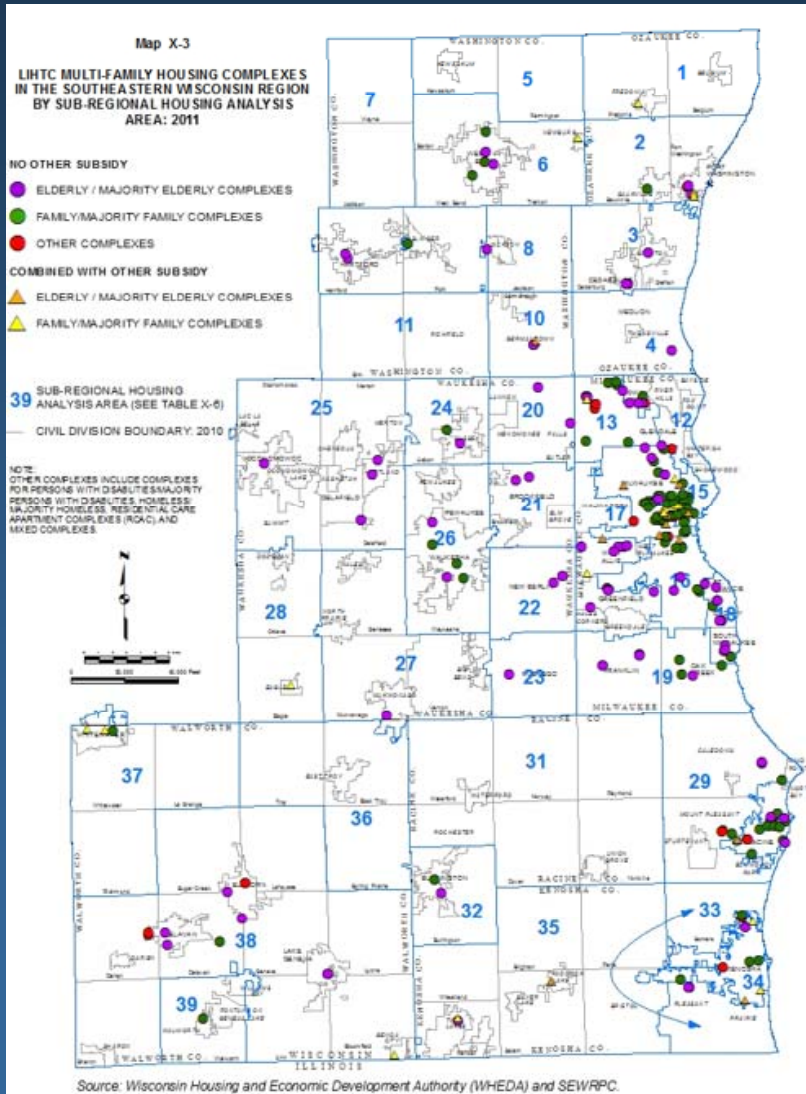
# Project-Based Assistance



- HUD assisted privately owned elderly/persons with disabilities housing units in the Region by County in 2011:
- Kenosha: 995
- Milwaukee: 6,973
- Ozaukee: 278
- Racine: 957
- Walworth: 304
- Washington: 223
- Waukesha: 631
- Region total: 10,361



# Project-Based Assistance

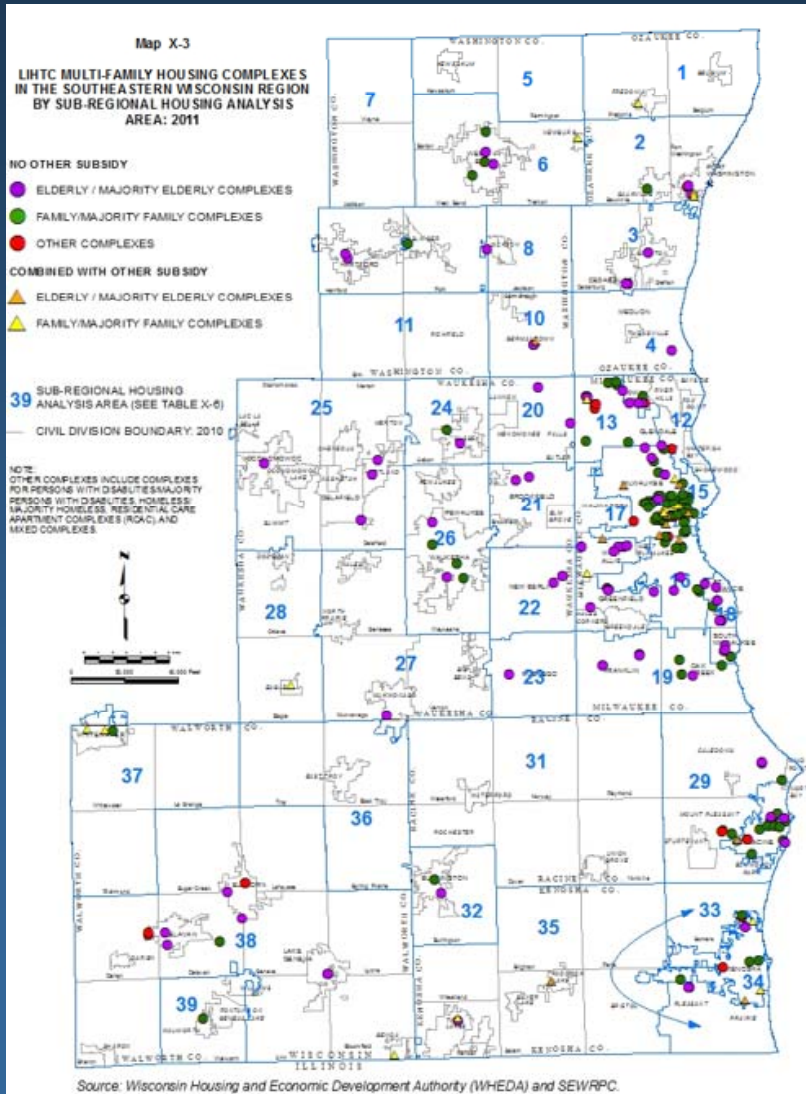


- Low Income Housing Tax Credit (LIHTC) family housing units in the Region by County in 2011:
- Kenosha: 310
- Milwaukee: 4,709
- Ozaukee: 110
- Racine: 495
- Walworth: 214
- Washington: 191
- Waukesha: 206
- Region total: 6,235 (about 14 percent combined with other subsidy)





# Project-Based Assistance



- Low Income Housing Tax Credit (LIHTC) elderly/other housing units in the Region by County in 2011:
- Kenosha: 526
- Milwaukee: 3,549
- Ozaukee: 403
- Racine: 736
- Walworth: 308
- Washington: 323
- Waukesha: 953
- Region total: 6,798 (about 14 percent combined with other subsidy)

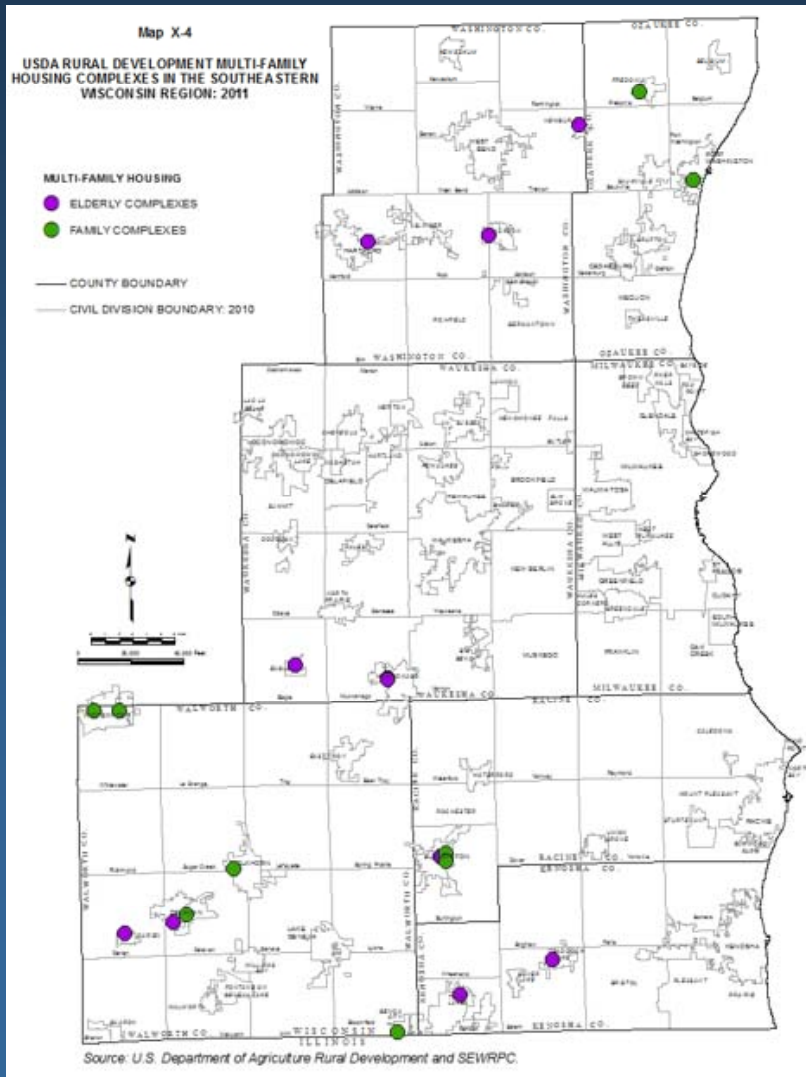


## *Project-Based Assistance*

- About 75 percent of recent (2006-2011) LIHTC awards have been for developments in Milwaukee County. The number of recent developments awarded tax credits by County includes:
  - Kenosha: One family development award and three elderly/other development awards
  - Milwaukee: 31 family development awards and 25 elderly/other development awards
  - Ozaukee: One elderly/other development award
  - Racine: One family development award and four elderly/other development awards
  - Walworth: None
  - Washington: One family development award and three elderly/other development awards
  - Waukesha: One family development award and two elderly/other awards



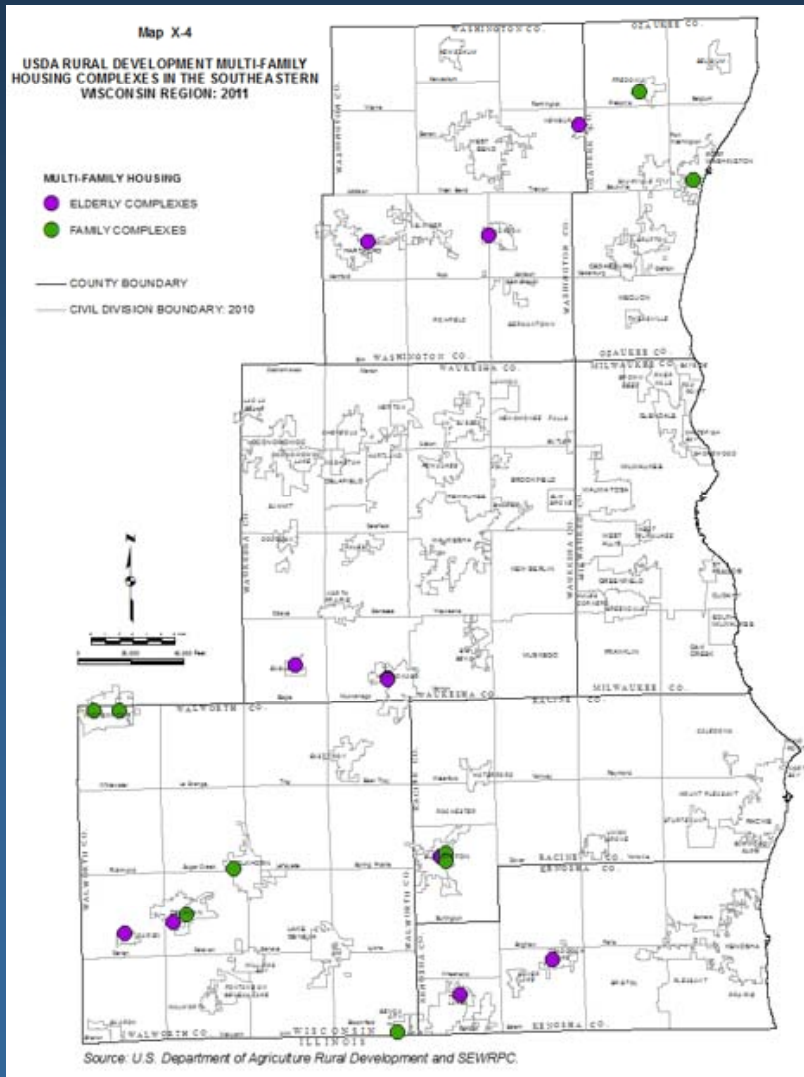
# Project-Based Assistance



- USDA Rural Development (multi-family) family housing units in the Region by County in 2011:
- Kenosha: None
- Milwaukee: Not eligible
- Ozaukee: 48
- Racine: 36
- Walworth: 187
- Washington: None
- Waukesha: None
- Region total: 271



# Project-Based Assistance



- USDA Rural Development (multi-family) elderly housing units in the Region by County in 2011:
- Kenosha: 68
- Milwaukee: Not eligible
- Ozaukee: None
- Racine: 92
- Walworth: 40
- Washington: 69
- Waukesha: 40
- Region total: 309





# *Need for Subsidized and Tax Credit Housing*

- Long waiting lists for subsidized housing units and vouchers demonstrate the high demand for government assisted housing throughout the Region
- Additional indicators such as households experiencing a high housing cost burden demonstrate need for government assisted housing:
  - 36 percent of Region's households have a high cost burden
  - 47 percent of Region's renter households have a high cost burden
  - Over 55 percent of renter households in sub-areas 13 and 14 have a high cost burden
    - These sub-areas have comparatively low household incomes and high percentages of multi-family housing



# *Historical Perspective*

- Past Federal subsidized housing policies
  - 1930s and 40s creation of public housing managed by local housing authorities
  - 1950s emphasis on the urban renewal program to expand slum clearance. Critics identified negative consequences of urban renewal as:
    - Excessive demolition
    - Inadequate help for families displaced from poor and working class neighborhoods
    - Large inventories of vacant land awaiting redevelopment
  - 1960s shift towards private sector to provide subsidized housing through Federal rent supplement programs



## *Historical Perspective*

- 1970s concerns regarding Federal programs including:
  - Rising subsidy costs
  - Concentrations of multi-family projects in central city areas
  - Overlap and confusion among many similar programs
  - Resulted in 1973 funding moratorium and a shift towards the “project-based” Section 8 rental assistance program where low income renters pay 30 percent of their income for rent and HUD pays the remainder to the property owner
- 1980s shift to the Section 8 Housing Choice Voucher program that uses same subsidy formula as project based Section 8 but attaches the subsidy to a household instead of a housing unit. The Low Income Housing Tax Credit (LIHTC) program is created to provide an incentive to private developers to invest in affordable housing and becomes the main source of new subsidized housing units



# *Historical Perspective*



- 1990s creation of HOPE VI program to fund the revitalization of deteriorated public housing through:
  - Improving physical condition of public housing
  - Incentives for resident self-sufficiency
  - Promoting mixed income communities





# Historical Perspective

Table X-11

## SUBSIDIZED HOUSING UNITS IN THE SOUTHEASTERN WISCONSIN REGION BY COUNTY: 1973 AND 2011

County	1973 <sup>a</sup>			2011 <sup>b</sup>		
	Number	Percent	Percent of Occupied Units	Number	Percent	Percent of Occupied Units <sup>c</sup>
Kenosha .....	1,001	6.3	2.8	3,145	6.9	5.0
Milwaukee .....	11,824	74.4	3.5	30,160	66.2	7.9
Ozaukee .....	31	0.2	0.2	961	2.1	2.8
Racine .....	1,769	11.1	3.6	4,124	9.1	5.5
Walworth .....	171	1.1	0.9	1,640	3.6	4.1
Washington .....	461	2.9	2.7	1,605	3.5	3.1
Waukesha .....	615	3.9	1.0	3,935	8.6	2.6
Region	15,888	100.0	3.0	45,570	100.0	5.7

Table X-12

## SOCIO-ECONOMIC CHARACTERISTICS OF HOUSEHOLDS OCCUPYING PUBLIC HOUSING UNITS IN THE CITY OF MILWAUKEE: 1970 AND 2011

Year/Type of Household	Average Number of Persons per Household	Average Number of Minors per Household	Race (percent)		Source of Income (Percent of Households Receiving:) <sup>a</sup>		Average Annual Income
			White	Non-White	Wage	Government Assistance	
1970							
Low-Income Elderly	1.0	0.0	93.2	6.8 <sup>b</sup>	0.4	99.6	\$11,256 <sup>c</sup>
Low-Income Family	3.0	2.0	50.6	49.4 <sup>b</sup>	29.8	70.1	22,949 <sup>c</sup>
2011 <sup>d</sup>							
Low-Income Majority Elderly	1.0	0.0	33	67 <sup>e,f</sup>	14.8 <sup>a</sup>	— <sup>a</sup>	11,916 <sup>h</sup>
Low-Income Family	2.7	1.4	3.5	96.5 <sup>e,g</sup>	51.6 <sup>a</sup>	— <sup>a</sup>	17,428 <sup>h</sup>



# *Challenges Facing Subsidized Housing / Findings*

- Voucher-based assistance
  - Program is successful in providing assistance to lowest income households; however, there is a greater demand than supply. Funding needs for the program have increased during the recession because of lower household incomes
- Public housing and project-based assistance
  - Like the voucher program, project-based subsidized housing also faces funding challenges. In addition, they face challenges unique to programs with physical assets, such as aging complexes in need of repair and expiring program contracts for HUD and USDA assisted privately owned complexes
- Low Income Housing Tax Credit (LIHTC) Program
  - Has become one of the primary sources of government assistance for new affordable housing units, but units may not be affordable to the lowest income households. The recession has also hurt demand for tax credits. In addition, community opposition to family developments has been a challenge



## *Advisory Committee Comments*

- Include a plan recommendation that would provide incentive to administer Section 8 Housing Choice Vouchers regionally
- Include an inventory of housing that is affordable to lower income households provided through creative funding, such as Habitat for Humanity and other non-profits
- Include a table that sets forth the total number of subsidized and tax credit housing units by family and elderly occupancy type
- Include a plan recommendation regarding suggested changes to the WHEDA Qualified Allocation Plan (QAP) for allocating tax credit awards
- Include a map showing the distribution of Section 8 Housing Choice Vouchers



## *Advisory Committee Comments*

- Include text regarding funds the Milwaukee Housing Trust Fund has leveraged for subsidized housing
- Add a cross reference in the Historical Perspective section to Chapter VI, *Housing Discrimination and Fair Housing Practices*
- Include a list of affordable housing projects that have resulted from tax exempt bonds





## *Chapter VIII – Job/Housing Balance*

### Part 1: Relationship Between Jobs and Housing

- Major Employment Centers
- Current Job/Housing Imbalances
- Employment-Housing-Transit Connections

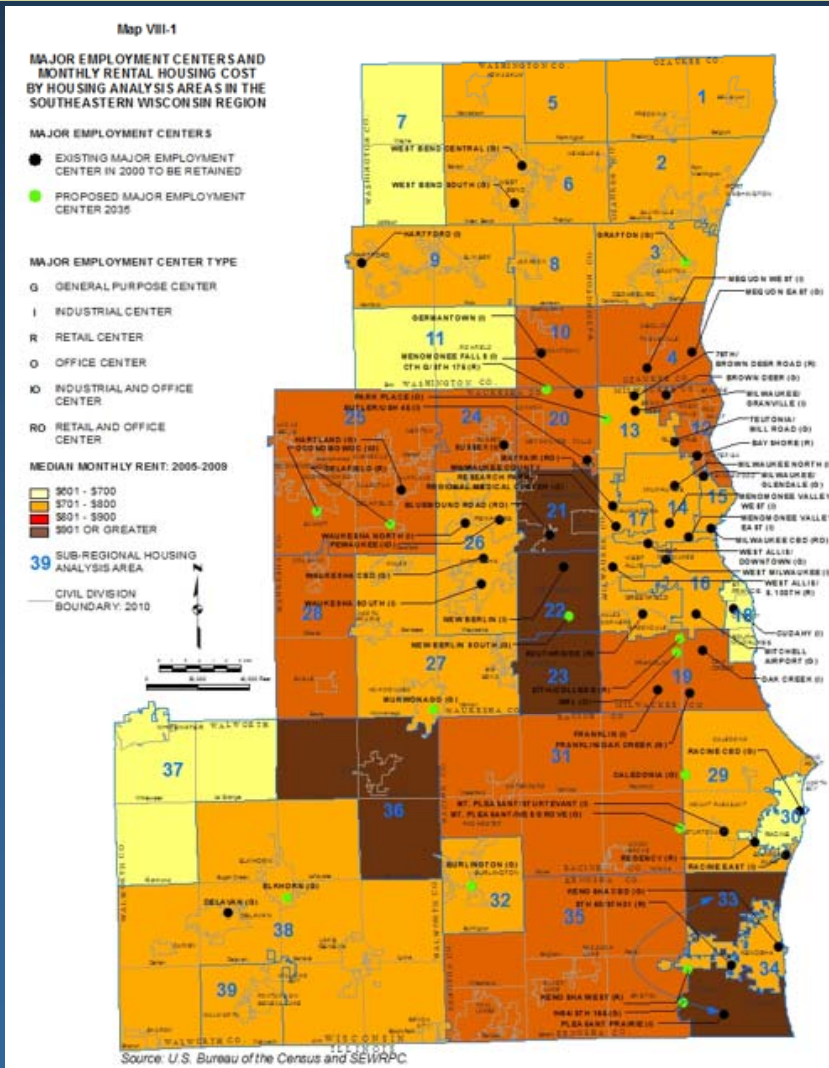
### Part 2: Expected Job/Housing Balance

- Expected Job/Housing Imbalances
- Recommended Regional Land Use Plan: 2035
- Recommended Regional Transportation System Plan: 2035

### Part 3: Affordable Housing and Economic Development



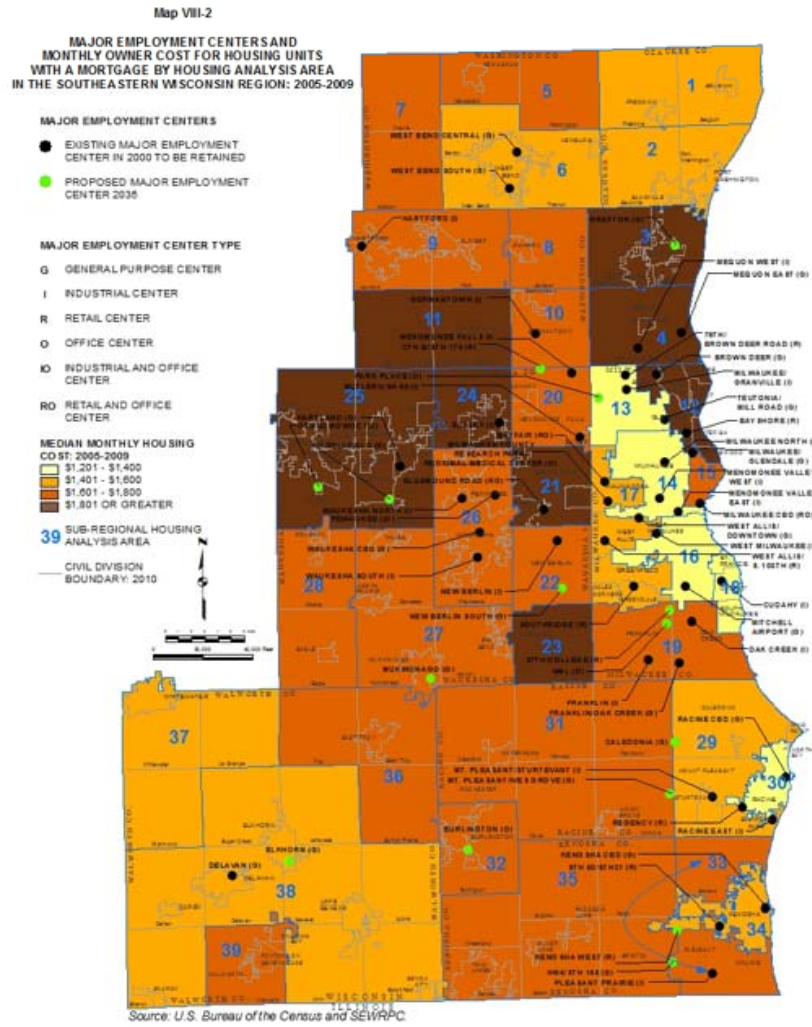
# Major Employment Centers



- The largest concentrations of jobs in the Region are in major employment centers, which often accommodate a mix of different job types
- Three sub-areas with major employment centers have median monthly rents of over \$900
  - 21 (Brookfield/Elm Grove)
  - 22 (New Berlin)
  - 33 (Somers/Pleasant Prairie)



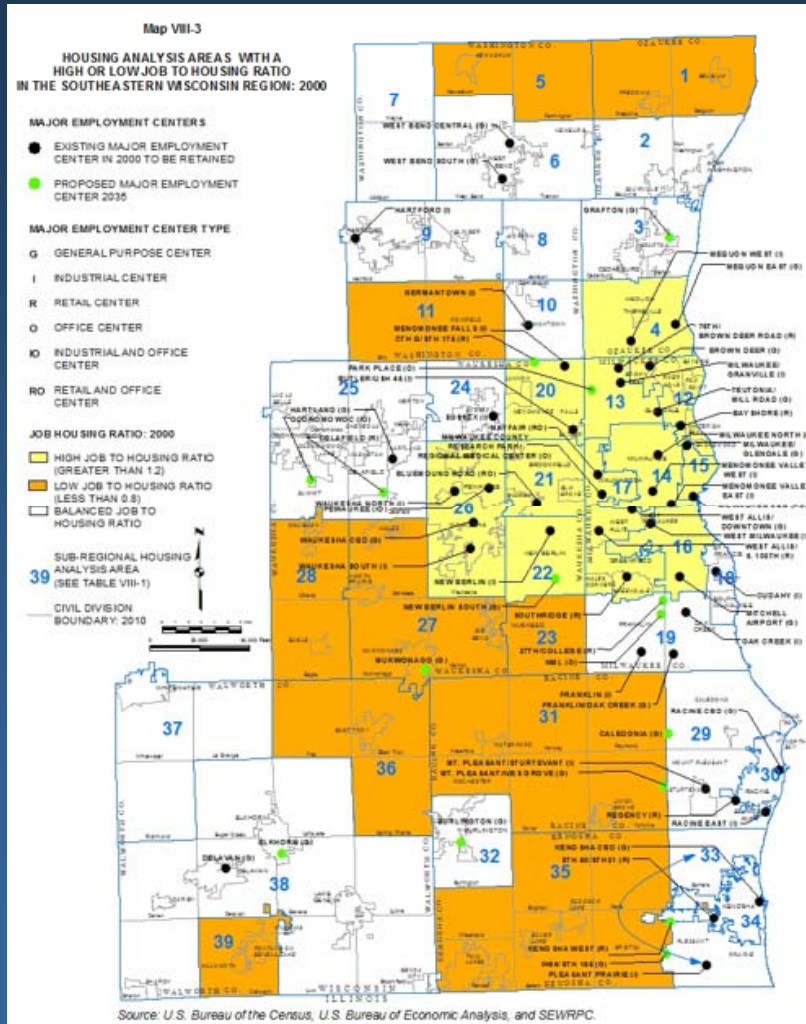
# Major Employment Centers



- All of the sub-areas with major employment centers in Ozaukee, Washington (except sub-area 6), and Waukesha Counties have median monthly owner costs for housing units with a mortgage greater than the Region median cost of \$1,578 a month



# Current Job/Housing Balance



- Ratios of jobs to housing units using 2000 data were developed to provide a general understanding of sub-areas that may not have enough housing for area workers
- Sub-areas with high job to housing ratios (more jobs than housing units) are located within or closely surrounding Milwaukee County



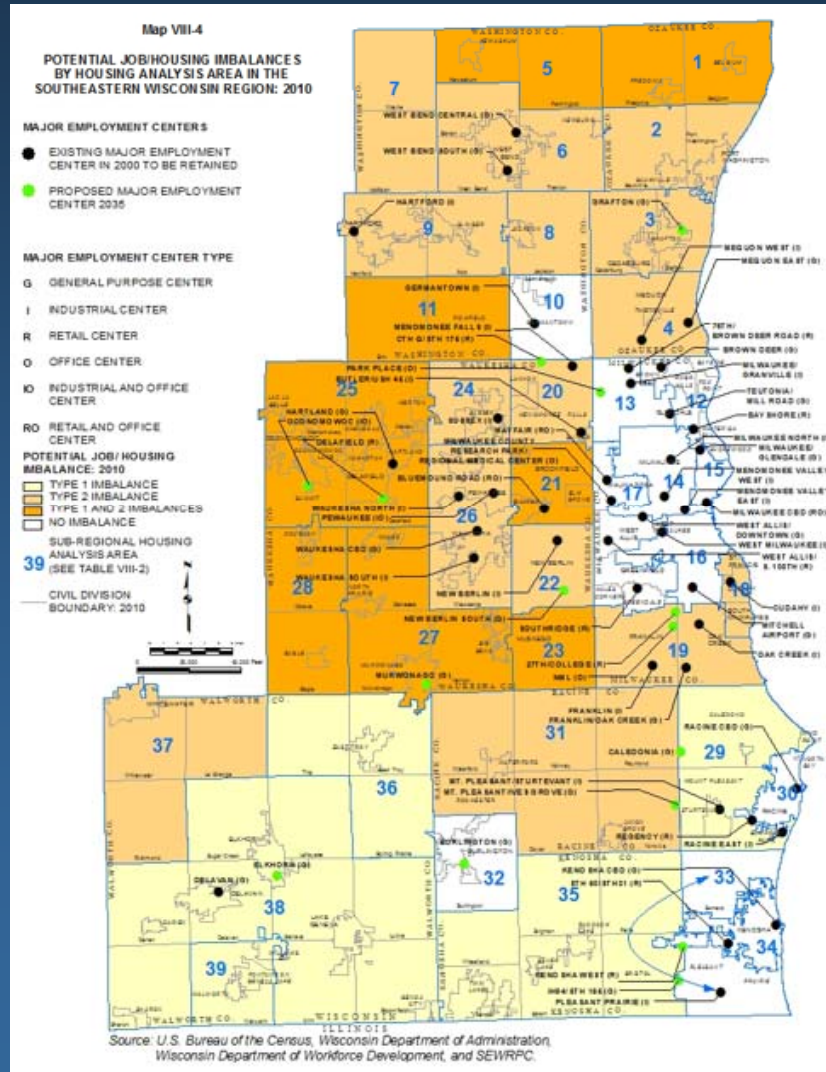
## *Current Job/Housing Balance*

- Wage characteristics of jobs and cost of housing types were compared to help develop recommendations for housing needs specific to each sub-area
- Types of job/housing imbalances include:
  - A Type 1 imbalance is where a sub-area has a higher percentage of lower wage jobs than lower cost housing (multi-family, two-family, and mobile homes)
  - A Type 2 imbalance is where a sub-area has a higher percentage of moderate wage jobs than moderate wage housing (modest single-family homes)
  - A sub-area is identified as having an imbalance if there is a percentage point difference of negative 10 or more





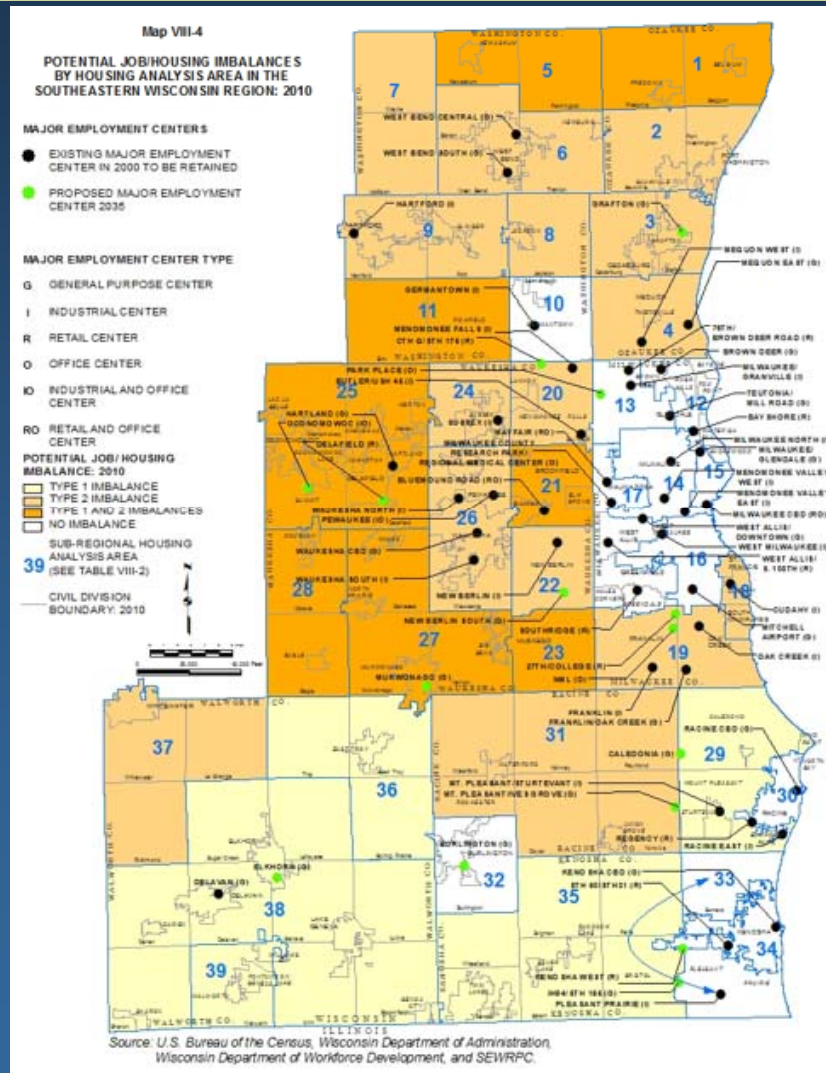
# Current Job/Housing Balance



- Type 1 imbalances tend to be in the Region's suburban communities
- Sub-areas with a Type 1 imbalance and major employment center include:
  - 21 (Brookfield/Elm Grove)
  - 25 (Northwest Wauk Co)
  - 27 (Southern Wauk Co)
  - 29 (Caledonia/Mt. Pleasant)
  - 38 (Delevan/Elkhorn/Lake Geneva)
  - Additional multi-family units may help correct the imbalance



# Current Job/Housing Balance



- Type 2 imbalances are the most common type of job/housing imbalance in the Region
- Every sub-area in Ozaukee, Washington (except 10), and Waukesha Counties has a Type 2 imbalance
- Additional modest sized single-family homes on small to modest sized lots may help correct the imbalance



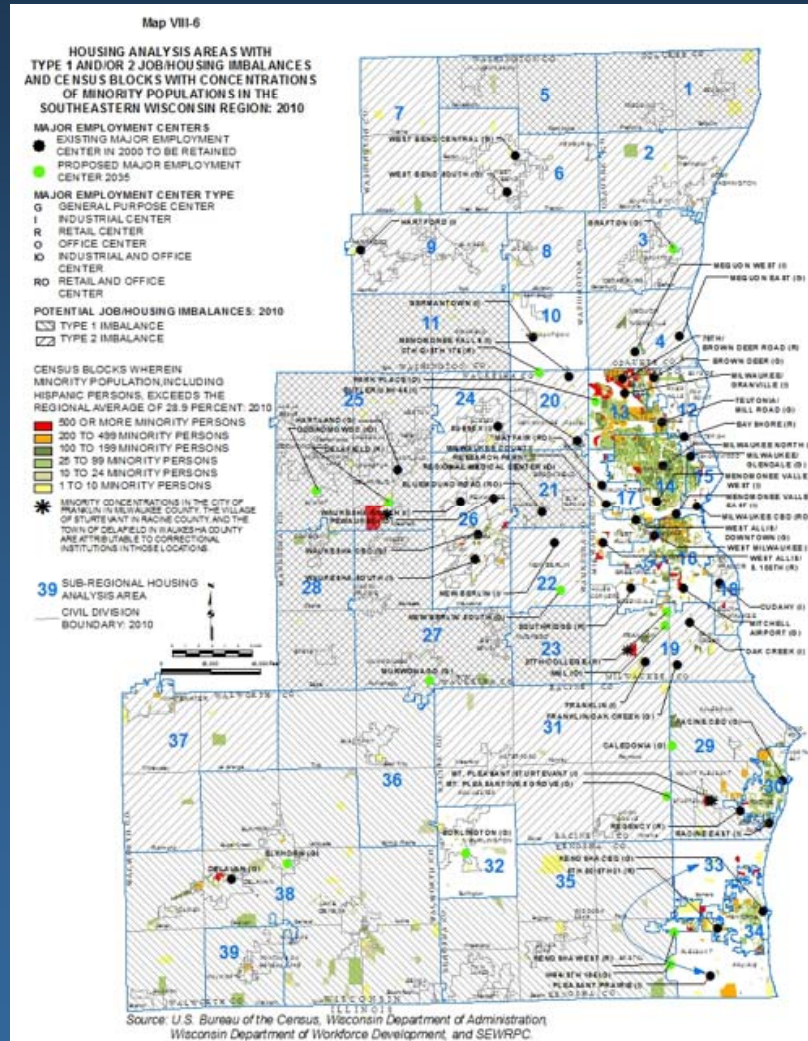
## *Job/Housing Balance and Housing Cost Burden*

- The Cities of Milwaukee and Racine have among the highest percentages of renter households with a high housing cost burden; however, they have a high percentage of lower cost housing compared to lower wage jobs. Increased access to good-paying jobs and workforce development rather than additional multi-family housing may be necessary to reduce high housing cost burdens in these areas
- Sub-areas with a Type 1 job/housing imbalance and a relatively high percentage of renter households and high housing cost burden tend to be in suburban areas. Some of these sub-areas have major employment centers and low rental vacancy rates. Additional multi-family housing may help to reduce cost burdens and increase housing options for workers in these areas





# Job/Housing Balance and Concentrations of Minority Populations



- Sub-areas with a major employment center and Type 1 or 2 imbalances are located outside areas with the greatest concentrations of minority populations
- African American and Hispanic household incomes are significantly lower than that of White households
- Additional multi-family housing and modest single-family housing in these sub-areas may provide more affordable housing in sub-areas with employment opportunities and increase diversity within sub-areas of the Region



# *Migrant Farm Worker Housing*

- Housing for migrant farm workers is an annual need that must be addressed in rural portions of the Region. In 2010 the DWD determined there were 256 migrant workers and non-working family members in the Region, including:
  - 105 in Ozaukee County
  - 22 in Racine County
  - 127 in Walworth County
  - 2 in Waukesha
- The larger issue is providing housing for the many workers who come in search of seasonal work without the guarantee of a job

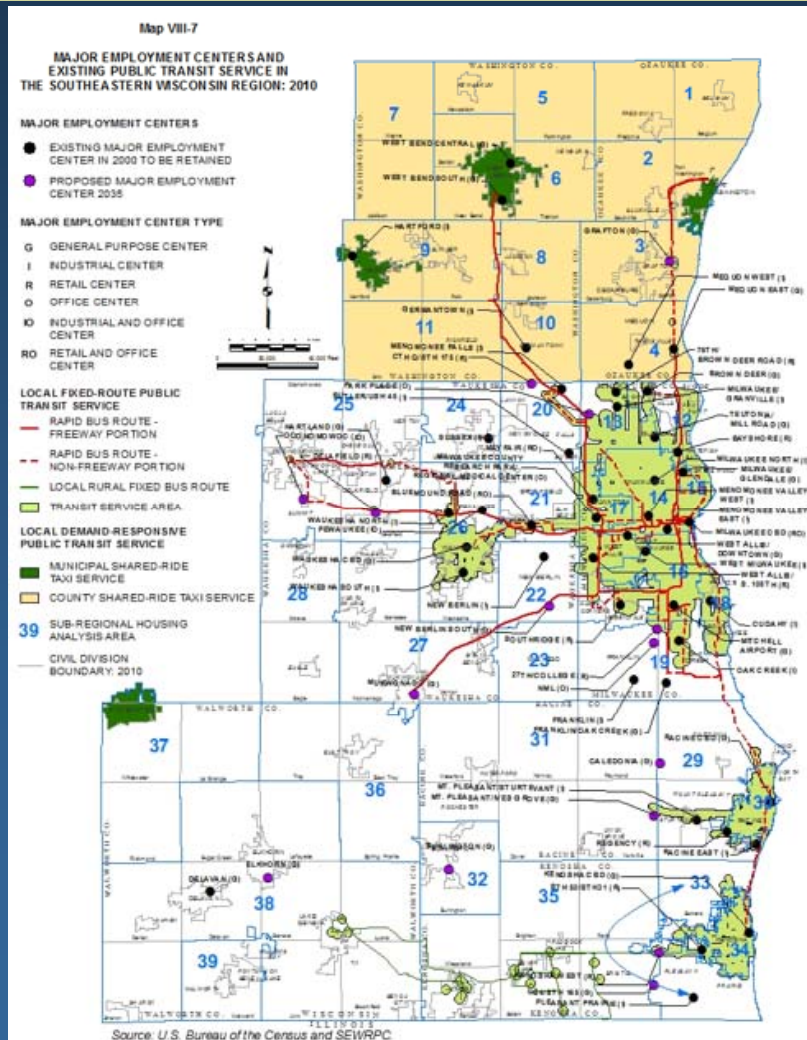


# *Employment-Housing-Transit Connections*

- Improving links between affordable housing and jobs is one of the objectives of the regional housing plan
  - Nine percent of the Region's households do not have a vehicle available
  - Percentage increases to 13 percent in Milwaukee County and 20 percent in Sub-areas 14 and 15 (portions of the City of Milwaukee)
- The extent to which public transit is available, reasonably fast, convenient, and affordable determines the accessibility to areas with jobs, health care, shopping, and education for households without a vehicle available
- Public transit also permits transportation choice, which enhances the Region's quality of life and economy



# Employment-Housing-Transit Connections

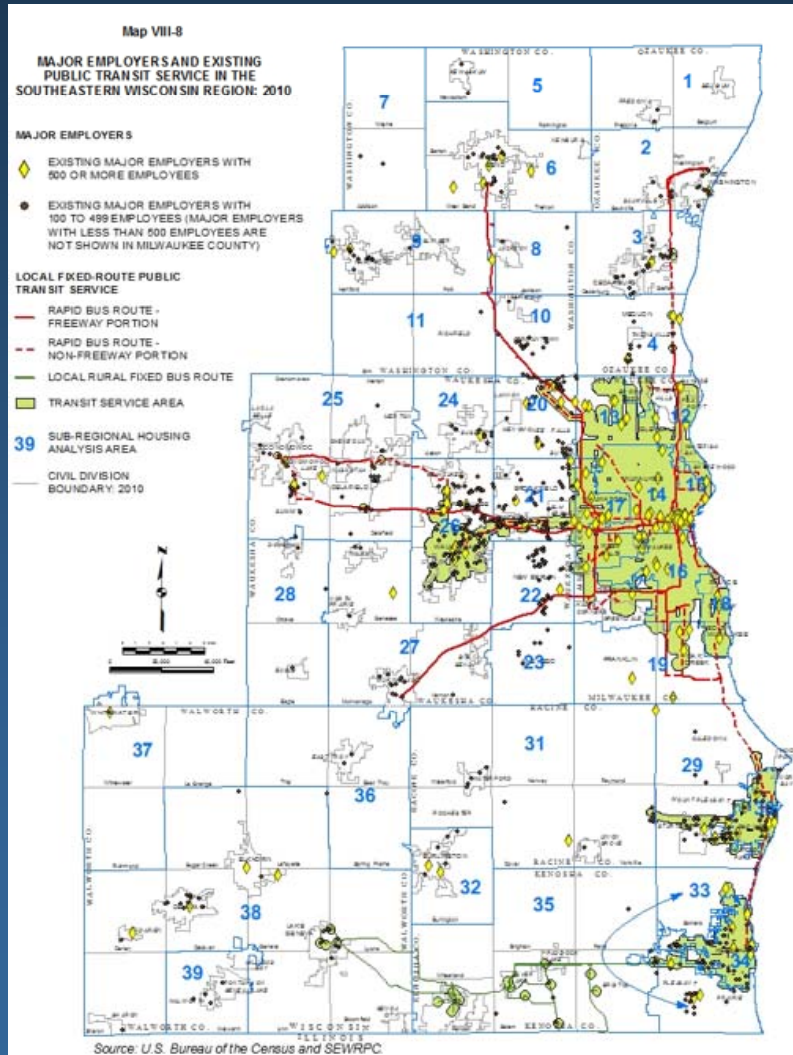


- Most major employment centers in Milwaukee County and in or adjacent to the Cities of Kenosha, Racine, and Waukesha are accessible by local transit
- Additional major employment centers in Ozaukee County are accessible by a rapid bus route (reverse commute)
- The remaining major employment centers in the Region are not accessible by local or rapid bus route (reverse commute), which may restrict employment to people with a vehicle available





# Employment-Housing-Transit Connections

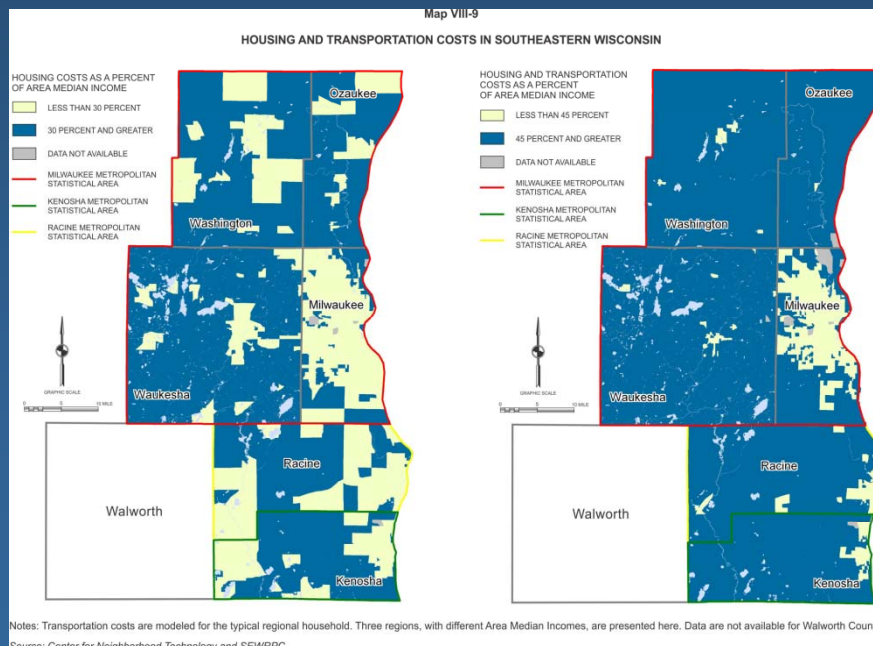


- About 41 percent of employers with 500 employees in Milwaukee County and 100 employers in the other six Counties are accessible by local or rapid transit (reverse commute), including:
  - Kenosha Co: 67 percent
  - Milwaukee Co: 93 percent
  - Ozaukee Co: 12 percent
  - Racine Co: 71 percent
  - Walworth Co: 18 percent
  - Washington Co: None
  - Waukesha Co: 30 percent



# *Housing and Transportation (H+T) Affordability Index*

- Developed by Center for Neighborhood Technology (CNT)
- 45 percent of household income is the standard for housing and transportation affordability
- Generally, CNT finds that compact, mixed use communities with easy access to transit have lower H+T costs



- Areas of the Region affordable to median income households are primarily in portions of Milwaukee County and the Cities of Kenosha, Racine, Waukesha, and West Bend

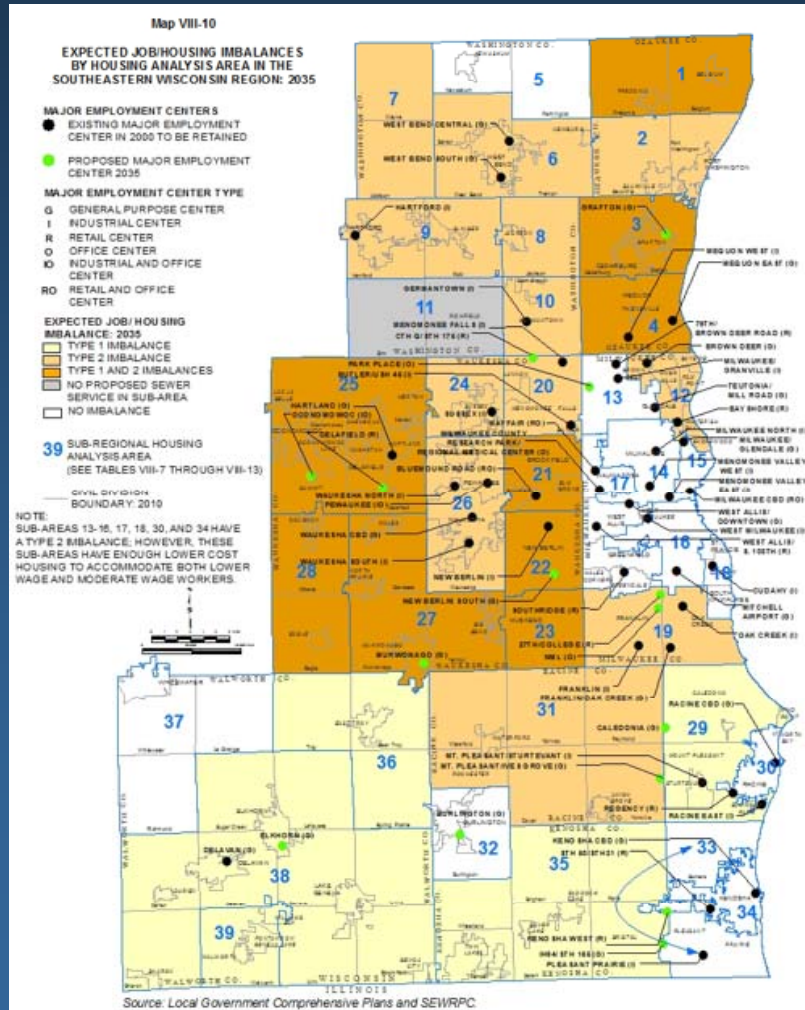


## *Expected Job/Housing Balance*

- Analysis of the expected balance of jobs and housing for 2035 in the Region's sub-areas is based on comprehensive plans adopted by local governments
  - Local zoning ordinance and map amendments, which have a direct impact on the affordability of housing, must be consistent with the land uses designated on the land use plan map included in a comprehensive plan
  - There is a process for amending comprehensive plans, but they provide a picture of how a community intends to develop in the future
  - The analysis was limited to areas of the Region with existing or proposed sanitary sewer service because local governments that are not served by sanitary sewer service generally can not accommodate extensive commercial, industrial, or urban density residential development
- Type 1 and Type 2 job/housing imbalances have been identified (similar to current job/housing balance analysis)



# Expected Job/Housing Balance



- The expected job/housing balance analysis shows that sub-areas with major employment centers and a current job/housing imbalance will likely continue to have an imbalance if their comprehensive plans are implemented without amendments designed to accommodate additional lower- and/or moderate- cost housing





# *Recommended Regional Land Use Plan: 2035*

- The regional land use plan (RLUP) allocates future increments in population, household, employment, and attendant increments in urban land to planned urban service areas based on projection levels
- The plan accommodates this new urban development within existing urban service areas and adjacent land where basic urban services can be readily provided
- Local government planned urban land uses are generally consistent with the proposed sanitary sewer service areas set forth in the RLUP, except:
  - Kenosha County: Village of Twin Lakes
  - Ozaukee County: Village of Fredonia
  - Racine County: Town of Raymond
  - Walworth County: City of Elkhorn, Village of Darien, Town of Bloomfield

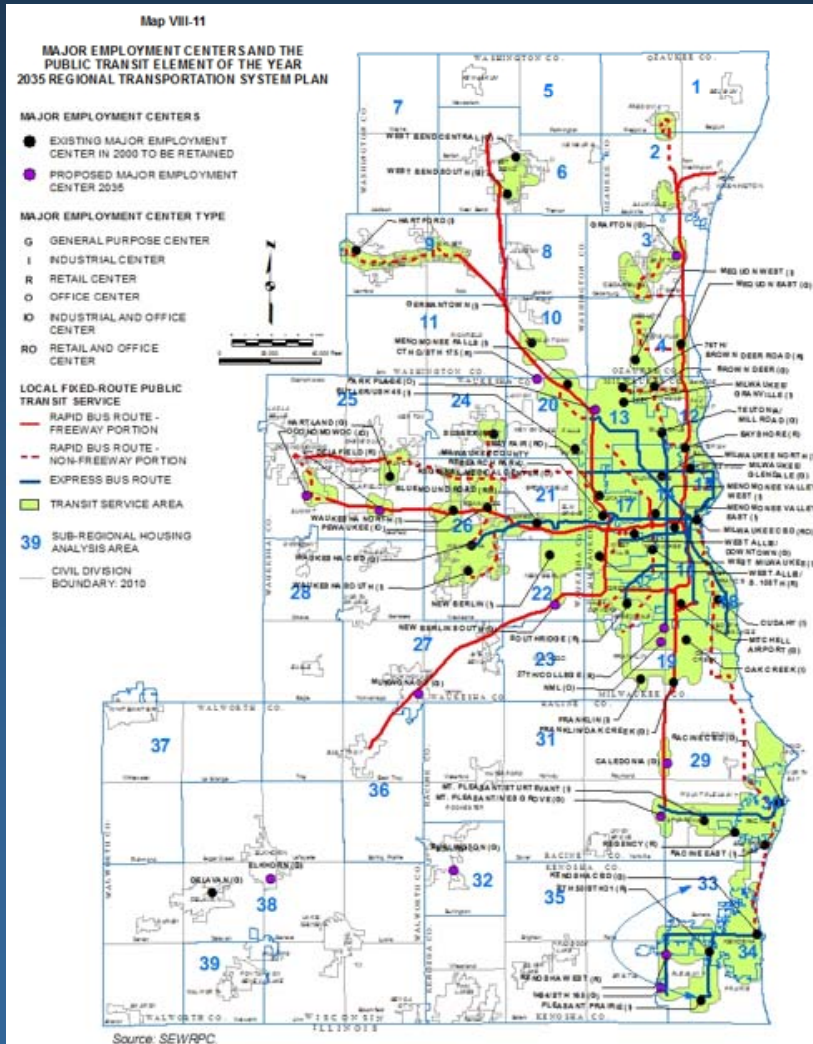


## *Recommended Regional Land Use Plan: 2035*

- Sub-areas with communities that have planned urban land uses significantly beyond proposed sewer service areas have planned to accommodate more than twice as much potential employment as envisioned by the RLUP. Each of these sub-areas also has an expected Type 1 or 2 job/housing imbalance
- Communities with an expected job/housing imbalance are encouraged to re-evaluate the balance between jobs and housing as they prepare required updates to their comprehensive plans



# Recommended Employment-Housing-Transit Connections: 2035

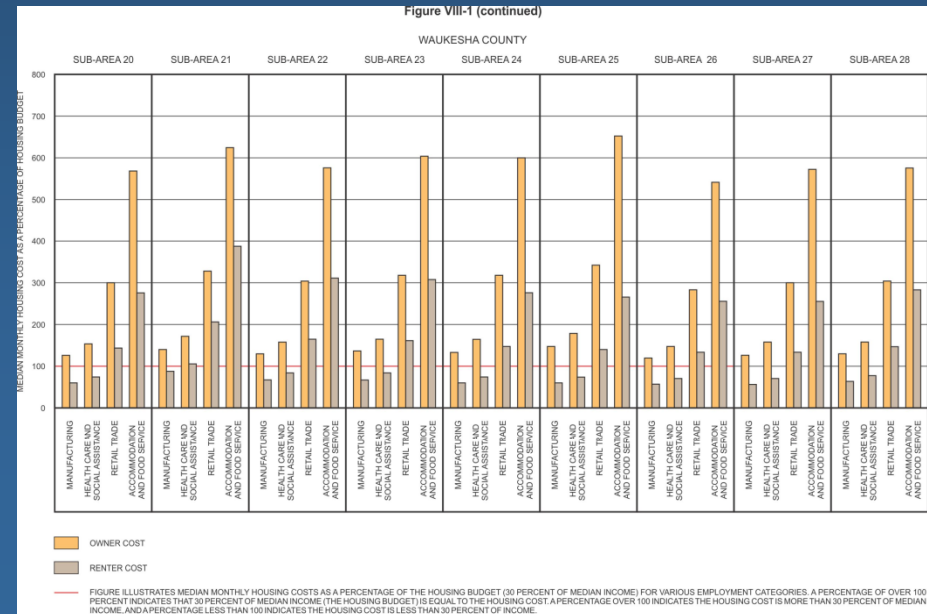


- The year 2035 regional transportation system plan was designed to serve the 2035 regional land use plan
- Almost all major employment centers would be accessible by local, express, or rapid transit under the recommended transit element
- The recommended public transit service levels for 2035 represent more than a doubling over those of 2010



# Affordable Housing and Economic Development

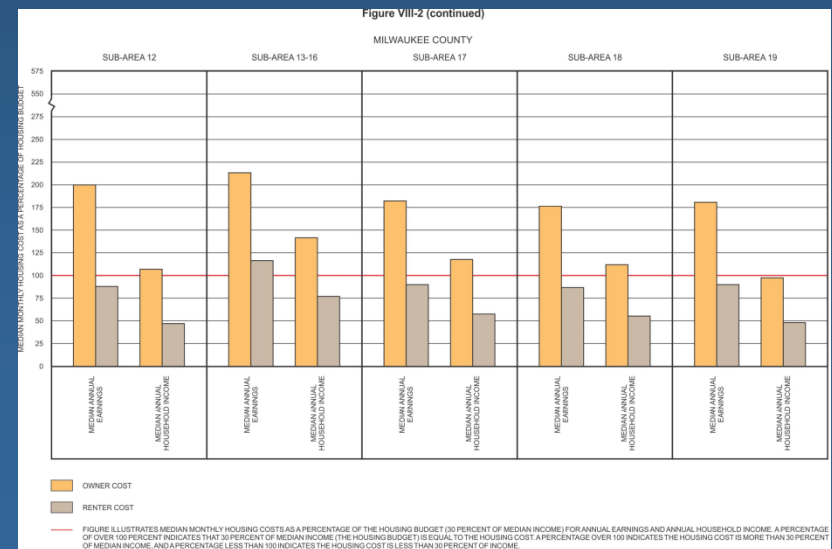
- Researchers in the housing field have identified employer and commuter concerns regarding the cost of housing and time spent traveling to work
  - Survey results suggest a need for more housing that is affordable to low- and moderate-income workers located near jobs
  - Additional lower-cost housing and subsidized housing may provide housing options for workers closer to their employment





# Affordable Housing and Economic Development

- Some of the sub-areas of the Region with a large employment base are experiencing housing problems, such as a high housing cost burden
- Household income as a percentage of homeownership cost and rental cost is the highest in the sub-areas consisting of the Cities of Milwaukee, Racine, and Kenosha
- The Public Policy Forum finds that an affordable housing strategy for Milwaukee County needs to include economic and workforce development efforts





## *Findings*

- Sub-areas with current and expected Type 1 job/housing imbalances tend to be in the Region's suburban communities. Additional multi-family units may help to correct the imbalances in these areas
- Type 2 imbalances are the most common type of current and expected job/housing imbalances in the Region and also tend to occur in suburban communities, particularly in Ozaukee, Washington, and Waukesha Counties. Additional modest single family homes may help to correct these imbalances
- Most of the major employment centers in Milwaukee County and the Cities of Kenosha, Racine, and Waukesha are currently accessible by local transit and additional major employment centers in Ozaukee County are accessible by rapid transit. Remaining employment centers are not accessible to people without a vehicle available. Additional major employment centers would be accessible by public transit under the recommended 2035 regional transportation plan
- Affordable housing strategies in central city areas of the Region need to include economic and workforce development efforts





## *Next Steps*

- Housing Plan Advisory Committee review of Chapter VIII, *Job/Housing Balance*, at the September 28 Advisory Committee meeting
- A presentation on a Southeastern Wisconsin Housing Trust Fund proposed by the City of Milwaukee Housing Trust Fund will also be made at the September 28 Advisory Committee meeting
- Part 4 of Chapter X (section on homelessness) is anticipated for review at the October 26 Advisory Committee meeting
- Public informational meetings to provide information developed as part of the housing plan to date and to solicit public input before plan recommendations are developed are anticipated in November
- A draft recommended plan is anticipated to be completed in Spring 2012