

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

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Attachment 2

MEMORANDUM

TO: Members of the SEWRPC Regional Housing Plan Advisory Committee

FROM: Southeastern Wisconsin Regional Planning Commission Staff

DATE: September 28, 2011

SUBJECT: PROPOSED ADDITIONAL CHANGES TO CHAPTER VI OF THE REGIONAL HOUSING PLAN

The minutes of the May 25, 2011, Regional Housing Plan Advisory Committee meeting include two proposed changes to Chapter VI, "*Housing Discrimination and Fair Housing Practices*" of the regional housing plan. The following additional changes are proposed to update the Chapter.

1. The last paragraph on page VI-5, continuing to page VI-6, is proposed to be revised as follows:

"Table VI-2 lists multi-family housing developments in the Region that received funding in 2010 under the LIHTC program. LIHTC housing typically provides housing for households earning up to 60 percent of the County median income. Because such incomes are typical of workers employed in retail and service jobs, LIHTC housing is also referred to as "workforce" housing. Twenty developments were funded, which would provide a total of 1,319 multi-family units, with 1,266 units for low-income families or individuals. Of the low-income units, 864 units (68 percent) would be for families, 305 units (24 percent) would be for the elderly, and the remaining 97 units (8 percent) would be residential care or supportive housing. The majority of the units (658 or 52 percent) are located in the City of Milwaukee, and all but two of the new family apartment developments are located in Milwaukee. Most of the developments are moving through the review and approval process, or construction is underway. The family apartment projects located outside the City of Milwaukee, one in the City of Kenosha and one in the City of New Berlin, have met with community opposition. In the City of Kenosha, the Common Council declined to enter into a remediation agreement with the developer after a development agreement had been approved for the Uptown Gardens development. The developer has filed a lawsuit against the City. In the City of New Berlin, the City Plan Commission approved a Use, Site and Architecture Permit for three multi-family buildings for workforce housing proposed by the firm MSP. At a later meeting, the Plan Commission reconsidered and then denied a parking waiver for the project. The developer then submitted a revised site plan, which was not ~~has not been~~ acted on by the City. The developer subsequently filed a lawsuit against the City to allow construction of the project. On July 19, 2011, the New Berlin Common Council approved a memorandum of understanding with the developer to resolve the lawsuit by allowing the construction of 102 workforce housing units and 34 senior

housing units. An associated lawsuit filed against the City by the U.S. Department of Justice was still pending as of September 2011.”

2. The last paragraph on page VI-13, continuing to page VI-14, is proposed to be revised as follows:

“Also, in *State Financial Bank et. al. v. City of South Milwaukee*, the U.S. District Court (Eastern District of Wisconsin) agreed that a City proposal to raze the Lake Bluff apartment complex would violate the Fair Housing Act and the Americans with Disabilities Act (ADA). The City of South Milwaukee had planned to raze the Lake Bluff Apartments, which City officials claimed had been built in violation of its zoning ordinance. A number of tenants were minorities and persons with disabilities. State Financial Bank, which had helped finance the complex, filed a lawsuit against the City to prevent its demolition on the grounds that razing the building would discriminate against tenants with disabilities and those who were minority. Several tenants were also parties to the lawsuit. A jury found that razing the apartments would have a discriminatory effect on minority and disabled tenants, in violation of the Fair Housing Act and the ADA. The jury did not reach a verdict for several other charges, including that the City of South Milwaukee intentionally discriminated on the basis of race or disability. Under the terms of a preliminary settlement, the City has tentatively agreed to rezone the property to make the buildings a legal use. The developer has tentatively agreed to maintain the mix of at least 22 affordable units and 34 market rate units for at least 15 years, and to acquire 10 acres north of the apartment complex that would be conveyed to the City for use as a park and stormwater detention area. The plaintiffs have tentatively agreed to acknowledge that the City did not discriminate in its housing practices at Lake Bluff. Under the terms of a settlement finalized in 2011, the City agreed to rezone the property to make the multifamily complex a lawful use. The developer agreed to maintain the complex until 2025 as if it had received tax credits, including maintaining 25 units as affordable, allowing named plaintiffs who were still at the complex to remain at Lake Bluff, and complying with certain other LIHTC requirements, such as accepting Section 8 vouchers for occupancy of the complex. In addition, the developer is acquiring and deeding to South Milwaukee certain adjacent land that will be converted into a park. The City’s insurer also paid \$1.3 million in attorneys’ fees to the attorneys for State Financial Bank and the tenants. The tenants issued a statement indicating that the City had bargained in good faith in a way that promoted fair housing and integration.”

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KRY/NMA

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