The Southeastern Wisconsin Regional Planning Commission’s housing study committee recommends that greater study be given to the impact of Tax Incremental Financing Districts (TIF) and their affect on regional housing.

The housing committee’s current work suggests that, in its current form, TIF contributes to the housing imbalance throughout the region and that significant reform is needed.

The housing study committee recommends the following reforms at this time, with the understanding that more reforms maybe necessary after greater study of the issue.

**Current system changes**

- The financial considerations for creation of a TIF include; basing the calculation of the amount of tax increment not only on new property value created, but also on an analysis of wages in the proposed TIF and the cost of housing in the surrounding area. Wages to housing cost ratio should be established that would restrict the use of a TIF if ratio were too great.

- The Joint Review Board’s current review process of TIF’s is currently weighted in favor of the municipality or municipalities that initiated the TIF and cannot be considered an impartial review. A new independent review process is needed to consider conflict of interest issues and the long-term social impact of TIF creation.

- In an effort to promote Regional cooperation and uniformity, TIF’s should be initiated at the county level.

- The creation of a countywide housing trust fund financed by a real estate transfer fee is needed.

**Items to consider with further study**

- In conjunction with a more complete study, request that the Wisconsin Department of Revenue audit Tax incremental Districts (TID) in southeastern Wisconsin to determine the true financial impact of TIFs on school districts and technical colleges in the area.

- A legal review of the constitutionality of TIFs and Article 8, Section 1 Rule of Taxation uniform clause of the Wisconsin state constitution needs to be conducted.