

## Attachment 1

### ADDITIONAL REGIONAL HOUSING PLAN RECOMMENDATIONS SUGGESTED BY ADVISORY COMMITTEE MEMBERS

FOR REVIEW BY ADVISORY COMMITTEE ON JULY 23, 2012

#### **Proposed Revised Recommendations**

*(The following two recommendations were not approved by the Advisory Committee at the June 13 meeting. Staff was directed to revise the recommendations based on suggestions from the Advisory Committee. Changes to previous versions of the recommendations are noted with an underline)*

#### **1. Housing Trust Fund Recommendation:**

- Establish a regional Housing Trust Fund for Southeastern Wisconsin (HTF-SW) with a focus on county-specific policy goals that will help achieve the objectives of the regional plan, e.g., to assist in the acquisition of land and development of affordable housing. Addressing the Region's housing needs will require greater public sector coordination, greater private sector participation, and interjurisdictional collaboration that address both the supply side of the equation and the demand side. The foundation of the HTF-SW could be formed initially through the merger of the existing Housing Trust Fund of the City of Milwaukee, Milwaukee County Special Needs Housing Trust Fund, and Milwaukee County Inclusive Housing Fund, and expanded to communities in other Counties, and ultimately all seven Counties in the Southeastern Wisconsin Region. A combined fund could ease the administrative burden for applicants, spread the funding burden across larger population and tax bases, raise the profile and scale of the fund, and have more potential to attract donors. Potential funding sources include, but are not limited to, a new real estate transfer fee that may be imposed by a county for dedication to a HTF, and funding from developers, private foundations, nonprofit organizations, and public agencies. Projects will only be provided with HTF funding in local governments that contribute to the HTF.

## **2. Tax Incremental Financing (TIF) Recommendation:**

*(Also see suggested new TIF recommendations on page 3)*

- Amend State law to prohibit the creation of any new TIF district to be used for purposes other than providing affordable housing for lower- and moderate-wage workers ~~in any community with a job/housing imbalance~~ unless the TIF proposal project includes an analysis of wages likely to be paid by jobs to be developed in the proposed TID and the cost of housing in the local government in which the TID is proposed to be located. Proposed TIDs that would create or continue a job/housing imbalance in the community would be prohibited unless the TID includes ~~or is accompanied by~~ documented steps that will be taken to reduce or eliminate the job/housing imbalance. Examples of provisions to reduce or eliminate the job/housing imbalance include use of the one-year TID extension authorized by current State law to fund affordable housing; development of a mixed-use project that includes affordable housing as part of the TID; contributions to a Housing Trust Fund or other funding for the development of affordable housing; and/or amendments to community plans and regulations that remove barriers to the creation of new affordable housing which would address the job/housing imbalance.

## **Proposed New Recommendations**

### **1. Prevailing Wage Recommendation**

- Local ordinances requiring payment of prevailing wage rates to housing construction workers should be eliminated to help reduce the cost of housing. It is also recommended that Federal and State laws requiring prevailing wage rates be repealed.

[Based on the request for a recommendation for the elimination of prevailing wage requirements at the June 13, 2012 Advisory Committee meeting, another committee member provided the following comment opposing the recommendation to eliminate prevailing wage requirements:

“If there were an adequate number of jobs in the Region that provided a living wage, the need to build and sustain affordable housing would be greatly reduced. The core issue is not that there is an insufficient number of affordable housing, but rather that there are not enough people in the Region earning a wage sufficient to afford available housing. To that end, any effort to link the development of affordable housing with the reduction or elimination of Federal prevailing wage requirements is self-defeating. Any attempt to reduce the impact of or the elimination of prevailing wage requirements should be vigorously opposed.”]

## **2. Employer-Assisted Housing Recommendation:**

- Encourage the development of employer assisted housing (“walk-to-work”) programs through which employers provide resources to employees who wish to become home owners in neighborhoods near their workplaces.

## **3. Tax Incremental Financing (TIF) Recommendations:**

- a) It is recommended that the Governor and State Legislature amend State law to revise the criteria that can be considered by a Joint Review Board under Section 66.1105 (4m) of the *Wisconsin Statutes* when reviewing a proposed TIF to enable the Board to consider the impacts on all affected taxing entities and the long-term social impacts of TIF creation.
- b) In an effort to promote Regional cooperation and uniformity, it is recommended that the Governor and State Legislature amend State law to require creation of a TIF to be initiated by the County Board of Supervisors.
- c) It is recommended that the Wisconsin Department of Revenue conduct a study of Tax Incremental Districts (TID) created throughout the State to determine the financial impacts of TIFs on school and technical college districts. It is further recommended that the Department conduct a study of local governments identified as having a job/housing imbalance to determine if TIDs have contributed to the job/housing imbalance by facilitating the creation of lower- and moderate-wage jobs in communities that lack an adequate supply of lower- and moderate-cost housing.
- d) It is recommended that the Wisconsin Attorney General conduct a legal review of the constitutionality of TIFs under Section 66.1105 of the *Wisconsin Statutes* and Article 8, Section 1 Rule of Taxation uniform clause of the Wisconsin Constitution that considers changes to the TIF law made since its initial adoption in 1975. (*Note: The TIF law was determined to be constitutional by the Attorney General in an opinion issued on October 4, 1976, which was based on the original TIF law enacted by the Wisconsin Legislature in 1975. Many changes have been made to the TIF law since that time, but no Attorney General opinions regarding the law, as amended, have been issued.*)

**4. Project Selection Criteria for Transportation Improvement Program (TIP) Recommendation:**

- SEWRPC should work with local governments, through its Advisory Committees for Transportation System Planning and Programming for the Kenosha, Milwaukee, Racine, and Round Lake Beach urbanized areas, to establish revised criteria that include job/housing balance and provision of transit for the selection of projects to be funded with Federal Highway Administration Surface Transportation Program - Milwaukee Urbanized Area funding and Congestion Mitigation and Air Quality Improvement Program funding, and for inclusion in the Transportation Improvement Program (TIP).

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KRY/NMA