

# SUMMARY OF THE SOCIO-ECONOMIC IMPACT ANALYSIS OF THE REGIONAL HOUSING PLAN

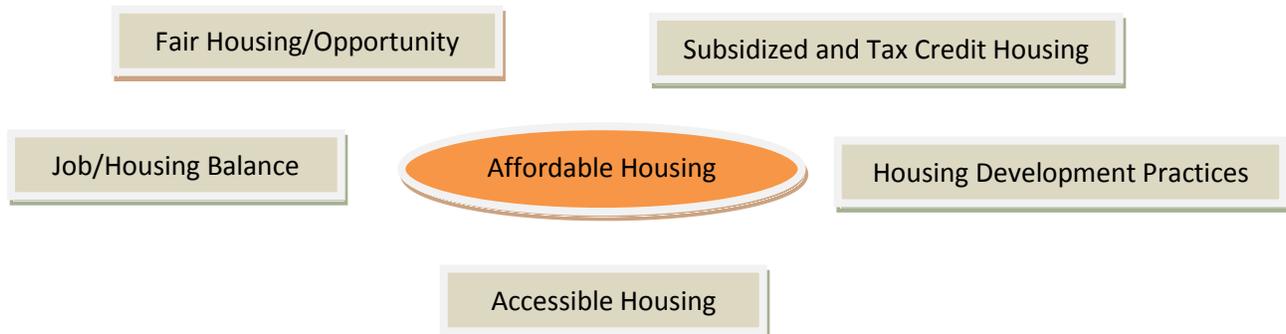
## GOAL OF THE SOCIO-ECONOMIC IMPACT ANALYSIS FOR THE REGIONAL HOUSING PLAN

In May 2012, the Southeastern Wisconsin Regional Planning Commission (SEWRPC) selected the Center for Economic Development (CED) at the University of Wisconsin – Milwaukee to prepare a socio-economic impact (SEI) analysis of the preliminary Regional Housing Plan for Southeastern Wisconsin. The preparation of a SEI analysis for the preliminary draft of the Regional Housing Plan (RHP) is based on a recommendation from SEWRPC’s Environmental Justice Task Force (EJTF). The purpose of the SEI is to determine if any of the preliminary draft recommendations will have any potential benefits or adverse impacts on minority and low-income populations, and persons with disabilities, otherwise referred to as environmental justice communities or populations. The SEI Analysis also assesses whether environmental justice populations may be expected to receive a proportionate share of any plan benefits or a disproportionate share of any negative impacts.

## SEI ANALYSIS DESCRIPTION IN BRIEF

The socio-economic impact analysis (SEI) is based a review of each preliminary housing plan recommendation using the following framework established by SEWRPC:

1. What positive social and economic impacts to environmental justice populations, if any, would be expected from implementation of the plan recommendation?
2. If positive social and economic impacts would be expected, would environmental justice populations receive a proportionate share of benefits, compared to the regional population as a whole?
3. What adverse social and economic impacts to environmental justice populations, if any, would be expected from implementation of the plan recommendation?
4. If adverse social and economic impacts would be expected, would impacts on environmental justice populations be disproportionately high, compared to the regional population as a whole?
5. If adverse impacts would be expected, what steps could be taken to mitigate disproportionately high social and economic effects on environmental justice populations?



The preliminary housing plan recommendations fall into six categories, with Affordable Housing being the central tenet. Each of the other housing plan categories stems from the key concept of providing

affordable housing throughout the Region, with a focus on providing affordable housing for low- and moderate-income households. There is a considerable amount of overlap between the recommendations; additionally, there is a considerable amount of overlap between different recommendations that support different plan categories.

In order to evaluate the 47 recommendations in an efficient manner, CED identified key categories or 'tools' that the recommendations fall into, that support the overall *key objective* for each of the housing plan categories. These 'tools' are as follows:

- Tools that Impact the Costs of Development and Housing Prices
- Tools that Impact Design, Aesthetics, and Safety
- Tools that Impact Policy and Zoning
- Tools that Impact Planning and Programs
- Tools that Impact Education and Outreach
- Tools that Impact Socio-Economic Barriers

Each recommendation was categorized as one or more of the 'tools' and analyzed in light of its impact on environmental justice communities, to determine if it had a positive or negative impact, or no impact at all. If it was found to have either a positive or negative impact, CED determined whether or not the recommendation had a significantly greater impact on environmental justice communities in comparison to the population at large.

## **SUMMARY OF FINDINGS**

Based on the analysis portion of the SEI, most recommendations had either a positive or a significantly positive impact on environmental justice populations. If the recommendation was found to have a positive impact, then it would benefit environmental justice populations as well as the population at large in the Region. If the impact was found to be significantly positive, then it would have a greater and more positive impact on environmental justice populations than the population at large. The findings are summarized in Table 1.

### **Affordable Housing**

- *Key Objective: Increase the distribution of smaller homes and higher-density housing options in sewerred areas throughout the seven county Region*
- *Key Finding: Recommendation 1 provides the basis for affordable housing throughout the Region by stating that communities with sewer service throughout the Region should provide areas for modest single-family and multi-family housing. Such areas should be identified in community comprehensive plans and allowed for by community zoning ordinances. This would have a significantly positive impact on environmental justice populations.*

### **Fair Housing/Opportunity**

- *Key Objective: Increase housing options for low-income and minority residents throughout the seven county Region*
- *Key Finding: Recommendation 1 is parallel to Recommendation 1 under Affordable Housing and provides the basis for affordable housing throughout the Region by stating that communities with sewer service throughout the Region should provide areas for modest single-family and*

**Table 1: ENVIRONMENTAL JUSTICE IMPACTS OF PRELIMINARY HOUSING PLAN RECOMMENDATIONS**

Recommendation <sup>a</sup>	No Impact	Significantly Adverse Impact	Adverse Impact	Positive Impact	Significantly Positive Impact	Key Recommendation
<b>Affordable Housing</b>						
1. Housing unit size and density					✓	✓
2. Shift school funding away from property tax <sup>b</sup>						
3. Reduce or waive impact fees for affordable housing				✓ <sup>c</sup>		
4. Encourage a variety of housing types				✓		
5. Review requirements that increase housing costs but do not contribute to design or functionality, for example:				✓		
6. Include architects on design review team	✓					
7. Conduct education and outreach efforts					✓	
8. Sound housing finance system				✓		
9. Appraisers should consider cost, income, and sales comparisons approaches to value				✓		
10. Use TIF to facilitate the development of affordable housing as allowed by Section 66.1105(6)(g) of the Wisconsin Statutes				✓ <sup>c</sup>		
<b>Fair Housing/Opportunity</b>						
1. Housing unit structure type and density					✓	✓
2. Allow multi-family as principal use in multi-family zoning districts				✓		
3. Require sub-grantees to Affirmatively Further Fair Housing (AFFH)					✓	✓
4. NGO public informational programs					✓	
5. Assisted housing mobility program					✓	
<b>Job/Housing Balance</b>						
1. Community job/housing balance analyses					✓ <sup>d</sup>	✓
2. Expand public transit					✓	
3. Conduct a Statewide job/housing balance analysis	✓ <sup>e</sup>					
4. Amend state law to prohibit TIF in communities with job/housing imbalance unless imbalance is addressed					✓	✓
5. Economic development incentives					✓	✓
6. Provide findings of job/housing balance conducted under regional housing plan to communities requesting SSA expansion	✓					
7. Economic and workforce development programs					✓	
8. Establish revised selection criteria for transportation projects using Surface Transportation Program – Milwaukee Urbanized Area funding or Congestion Mitigation and Air Quality program funding				✓		
9. Employer assisted housing programs					✓	
10. Migrant worker housing data collection				✓		
<b>Accessible Housing</b>						
1. Provide for multi-family housing					✓	✓
2. Encourage universal design and visitability					✓	
3. Funding for long term care programs and accessible housing database development					✓	
4. Funding for independent living centers					✓	
5. Prioritize funding to retro-fit existing housing					✓	

Recommendation <sup>a</sup>	No Impact	Significantly Adverse Impact	Adverse Impact	Positive Impact	Significantly Positive Impact	Key Recommendation
6. Building code enforcement for accessibility					✓	
7. Modify government programs to allow renters to use funds					✓	
<b>Subsidized and Tax Credit Housing</b>						
1. Simplify and maintain Federal subsidized housing programs					✓	
2. Increase funding level for Section 8 Housing Choice Vouchers					✓	
3. Seek and support new LIHTC housing					✓	
4. Seek and support HUD subsidized housing					✓	✓
5. Study models in other states to target extremely low-income population in LIHTC application (QAP)					✓	
6. Administer voucher program regionally					✓	✓
7. Amend Wisconsin Open Housing law to recognize vouchers as a source of income					✓	
8. Revise LIHTC application (QAP)					✓	
9. Form affordable housing partnerships					✓	
10. Establish a Housing Trust Fund for Southeastern Wisconsin					✓	✓
<b>Housing Development</b>						
1. Neighborhood planning				✓		
2. Develop design standards				✓		
3. Brownfield redevelopment					✓	✓
4. Crime Prevention design					✓	
5. Energy efficient housing					✓	

<sup>a</sup>See Part 2 of Chapter XII, *Recommended Housing Plan for the Region*, of the preliminary draft of SEWRPC Planning Report No. 54, *A Regional Housing Plan for Southeastern Wisconsin: 2035*, for full recommendations.

<sup>b</sup>More forthcoming on Affordable Housing Recommendation 2.

<sup>c</sup>Affordable Housing Recommendations 3 and 10 are both existing State policies that are not widely implemented, and therefore, currently have minimal impact on environmental justice recommendations. The intention of each recommendation, however, is to draw attention to the policy and therefore encourage its implementation in the Region, which would bring about positive impacts for environmental justice communities.

<sup>d</sup>Job/Housing Recommendation 1 would likely only have a significantly positive impact on environmental justice populations *IF AND ONLY IF* it is carried out by local governments in a widespread manner throughout the Region. Based on this, it could potentially be a key recommendation.

<sup>e</sup>Although Job/Housing Recommendation 3 on its own would likely have no impact of environmental justice communities, it is a necessary precursor to implementing Recommendations 4 and 5, which are both key recommendations within the RHP.

- **No Impact:** Recommendation will not have any direct impact, adverse or positive, on environmental justice populations
- **Significantly Adverse Impact:** Environmental justice populations are likely to be negatively impacted in greater proportion to the regional population as a whole
- **Adverse Impact:** Environmental justice populations are likely to be negatively impacted in proportion to the regional population as a whole
- **Positive Impact:** Environmental justice population are likely to receive benefits in proportion to the regional population as a whole
- **Significantly Positive Impact:** Environmental justice populations are likely to receive a greater proportion of the benefits compared to the regional population as a whole
- **Key Recommendations:** CED identifies these select recommendations as likely having the greatest positive impact on environmental justice populations

- *multi-family housing. This would have a significantly positive impact on environmental justice populations.*
- *Key Finding: Recommendation 3 would require subgrantees of Community Planning Grants (including Community Development Block Grants and HOME funds) to certify that they will further fair housing as a condition of receiving funding or grants. Such grants and funds are important economic development tools for communities, therefore incentivizing such tools would likely have significantly positive impacts for environmental justice communities.*

### **Job/Housing Balance**

- *Key Objective: Increase affordable housing options in communities in proportion to the number of moderate and low wage jobs in a given community and increase job opportunities near concentrations of existing affordable housing*
- *Key Finding: Recommendation 1 is parallel to Recommendation 1 under Affordable Housing and Recommendation 1 under Fair Housing/Opportunity. It states that communities with job/housing imbalances should act to reduce the imbalances by providing affordable single-family and multi-family housing units. If implemented in a widespread manner throughout the Region, it would have a significantly positive impact on environmental justice communities.*
- *Key Finding: Recommendation 4 calls for amending State law to tie the creation of tax increment financing (TIF) districts to the provision of affordable housing based upon ameliorating job/housing imbalances. TIF districting is possibly the most powerful economic development incentive that municipalities have in their toolbox and therefore incentivizing it to provide affordable housing would have a significantly positive impact on environmental justice populations.*
- *Key Finding: Recommendation 5, similar to recommendation 4, would incentivize other economic development programs to promote job/housing balance and affordable housing development, and would have a significantly positive impact on environmental justice populations.*

### **Accessible Housing**

- *Key Objective: Increase housing options for all persons with disabilities throughout the Region*
- *Key Finding: Recommendation 1 is parallel to Recommendation 1 under Job/Housing Balance and provides the basis for affordable housing throughout the Region by stating that communities with identified job/housing imbalances throughout the Region should identify areas for multi-family housing. This would have a significantly positive impact on persons with disabilities as Federal and State laws require most new multi-family units to have minimum accessibility features.*

### **Subsidized and Tax Credit Housing**

- *Key Objective: Increase distribution of subsidized housing units throughout the Region*
- *Key Finding: Recommendation 4 states that communities in economic need priority sub-areas and subsidized workforce housing need priority subareas should work with HUD or their entitlement jurisdiction to secure HUD Housing and Community Development Program and other funds to provide housing in the community that is affordable to extremely and very low-income households. It also states that local PHAs should encourage mixed-income housing development. Expanding housing choices for extremely and very-low income households, particularly in communities where there is a workforce housing need would have a significantly positive impact on environmental justice communities.*

- *Key Finding: Recommendation 6 states that administrators should work together to develop a regional Section 8 Housing Choice Voucher program. Removing the financial disincentives for administering vouchers on a regional basis through cooperation between the local PHAs would likely streamline the voucher process and cut down considerably on administrative costs, which would have a significantly positive impact on environmental justice populations.*
- *Key Finding: Recommendation 10 calls for the establishment of a Regional Housing Trust Fund for Southeastern Wisconsin. A Regional Housing Trust Fund can streamline the process for development of multi-family housing, remove the administrative burdens for funding applicants, spread the funding burden across multiple jurisdictions, and raise the profile of potential affordable housing projects in order to attract more private investment. This would have a significantly positive impact on the Region's environmental justice communities.*

### **Housing Development Practices**

- *Key Objective: Incorporating housing best management practices into planning and design, to lower the long-term cost of housing and provide safe and healthy neighborhoods throughout the seven county Region*
- *Key Finding: Recommendation 3 calls for the redevelopment and infill of vacant and underutilized sites. Given that the majority of brownfield, vacant, and underutilized sites are located in the Region's urban core areas along with the Region's highest concentrations of environmental justice communities, remediation and redevelopment would have a significantly positive impact on environmental justice populations.*

### **ACTION ITEMS**

CED identified a few recommendations within the preliminary RHP that require minor revisions as stated below. As the SEI is in draft form and will be presented for public comment throughout the Fall of 2012, CED also identified a few areas that require further research, also noted below.

#### **Affordable Housing:**

- Recommendation 2 is still under consideration by CED as further research is warranted. CED will continue to look into Recommendation 2 throughout the fall and will extend this into a discussion about sales and income taxes as alternatives. Our concern is whether or not it could be regressive and have a disproportionately negative impact on environmental justice (particularly low-income) households.
- More information on Recommendation 10 is forthcoming. CED needs to assess if any communities have taken advantage of the existing program that extends the life of a Tax Increment Financing District by 1 year in order to help pay for affordable housing.

#### **Fair Housing/Opportunity:**

- No further actions warranted.

#### **Job/Housing Balance:**

- CED recommends clarifying Recommendation 5 to include which programs or agencies would be targeted, such as but not limited to Community Development Block Grant funding, or programs from the Wisconsin Economic Development Corporation (WEDC) such as the Business and Community Development Assistance programs. This should apply to existing and future economic development programs, given the changing nature of the Federal and State programs.

**Accessible Housing:**

- CED recommends rewriting Recommendation 2 to include and/or cite examples of how communities could “support the efforts” of developers, for example, by providing density bonuses within the recommendation.
- Currently, accessibility features and modifications are not documented in property assessments. Modifications are deductible on income taxes, but tax information is restricted. CED recommends that SEWRPC and the Advisory Committee consider developing a recommendation that would add documenting accessibility features and/or modifications to the residential property assessment. Alternatively, Recommendation 3 could be modified to incorporate this. This would have to occur at the State level, but would be the easiest way to develop an inventory for tracking such features.
- Recommendation 7 calls for the modification of government programs to fund accessibility modifications for renters. CED recommends that this also be extended to allow for landlord eligibility (per example from the State of Virginia).
- CED will provide additional clarification on Recommendations 3 and 4. Both recommendations are good and CED agrees that there will be an increased need for funding or proportional funding over the course of the planning period, but CED needs to do some more work on this to see how the specific budgets have been impacted over the past 4 years.

**Subsidized and Tax Credit Housing:**

- CED recommends that SEWRPC and the Advisory Committee develop at least one recommendation regarding homelessness and emergency shelter housing.
- CED recommends that SEWRPC and the Advisory Committee develop a recommendation that focuses on the preservation of existing subsidized housing, and/or modifying Recommendation 4 to include funding for the rehabilitation and preservation of existing housing units in priority areas through the Choice Neighborhood Program (successor to HOPE VI).

**Housing Development Practice:**

- CED is currently examining the possibility of expanding Recommendation 5 to include local programs such as the Targeted Investment Neighborhoods (TINs) and its potential impact on environmental justice populations.
- CED will provide more information on impact of CPTED program.

**PUBLIC OUTREACH COMPONENT**

The public outreach component will include a series of 9 public open house meetings throughout the Region, in conjunction with the preliminary Regional Housing Plan, to gain feedback on the findings of the SEI. These findings will be incorporated into the SEI and any necessary changes to the analytical component will be made. The public open house meetings are scheduled for November and December of 2012.

Summaries of the preliminary Regional Housing Plan and the draft SEI findings will be sent to organizations representing central city, minority, and low-income interests in late October. An invitation will be extended to meet individually with each organization, its boards or its membership or constituents, to discuss the housing plan and its potential impact on environmental justice communities.

\* \* \*