

# YEAR 2035 REGIONAL HOUSING PLAN FOR SOUTHEASTERN WISCONSIN



NEWSLETTER 2

OCTOBER 2010

## EXECUTIVE SUMMARY

The Southeastern Wisconsin Regional Planning Commission (SEWRPC) is preparing a housing plan for the seven-county Southeastern Wisconsin Region. The plan is intended to address the availability, distribution, and density of housing in the Region, including the relationship between jobs and affordable housing. The housing planning work includes the formulation of housing objectives and standards; inventories and analyses of housing stock and demographic and employment characteristics; and the preparation of housing recommendations intended to achieve the objectives and standards. The recommendations will address affordable housing concerns as well as the Region's subsidized housing stock, accessible housing units for persons with disabilities, housing discrimination, economic and racial segregation, and environmentally responsible development practices.

This is the second in a series of newsletters intended to promote informed public debate about housing needs in the Region, and to provide notification of plan preparation progress and opportunities for public input during the planning process. This issue presents information regarding the following:

- Opportunities for Public Involvement
- The Advisory Committee and Environmental Justice Task Force
- Planning Process Update
- Key Findings
- Plan Schedule/Outline



## OPPORTUNITIES FOR PUBLIC INVOLVEMENT

The Regional Housing Plan public participation goal is to provide a range of opportunities for members of the public to become engaged in plan preparation. The Commission has undertaken a number of public outreach activities to achieve this goal including the production of newsletters, public informational meetings, and presentations. The Commission has also dedicated a portion of the SEWRPC website, at [www.sewrpc.org/SEWRPC/housing.htm](http://www.sewrpc.org/SEWRPC/housing.htm), to the regional housing plan that includes links to draft plan chapters, notices of advisory committee meetings and meeting materials, and contact information. Comments regarding the plan can also be provided via the webpage, or by contacting the Commission, at any time.

The Commission is actively conducting outreach to provide information to, and receive comments from, low-income and minority groups and organizations. A list of organizations is maintained by SEWRPC for the purpose of facilitating such outreach and is consulted when publicizing regional housing plan public meetings. A series of public informational meetings was held in the summer of 2009 at locations in and near concentrations of low-income and minority populations and accessible to transit. This series of meetings was held to brief the public on the regional housing plan scope of work and provide an opportunity for early comment on the planning process. At least two more series of public meetings will be held. The second series will be held to enable discussion on initial data and findings and solicit suggestions for potential actions, likely in mid-2011. The third series will be held to review preliminary plan recommendations, likely in late 2011 or early 2012. Meeting announcements will be provided through future newsletters, the website, local newspapers, and outreach to low-income and minority groups and organizations.

## ADVISORY COMMITTEE AND ENVIRONMENTAL JUSTICE TASK FORCE

Preparation of the regional housing plan is conducted by SEWRPC staff under the guidance of a 29-member Regional Housing Plan Advisory Committee. The Advisory Committee is intended to promote intergovernmental and inter-agency coordination, and to serve as a direct liaison between SEWRPC and the government agencies and housing

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advocacy groups directly responsible for implementing the recommendations of the plan, in addition to providing oversight to the planning process. Committee meetings are typically held every other month. Meeting dates, times, and locations are announced on the website. Remaining meetings in 2010 are scheduled for October 27 and December 1, from 1:30 to 3:30 p.m., at the Tommy G. Thompson Youth Center at State Fair Park.



SEWRPC also works with the Environmental Justice Task Force (EJTF) to obtain input on the housing plan. The EJTF is an advisory body formed by SEWRPC to help ensure the participation of persons with disabilities and low-income and minority individuals and groups in regional planning. A member of the EJTF serves on the Regional Housing Plan Advisory Committee. The EJTF is also provided opportunities to review and comment on housing plan materials as they are produced. Any comments, suggestions, and recommendations from the EJTF are reported to the Regional Housing Plan Advisory Committee for their consideration.

## PLANNING PROCESS UPDATE

The first edition of the regional housing plan newsletter included a summary of each step in the housing planning process. Work has been completed on the first four steps, and is underway on step five. Completion of a preliminary plan is anticipated in late 2011. The following work has been completed or is currently underway:

### Step 1: Definition of the Housing Problem

The first step in the housing planning process was to define housing problems in the Region. The following components of the regional housing problem were identified through input received from concerned public officials, housing advocates, homebuilders, and public review of the regional housing plan scope of work:

- An imbalance between jobs and housing in sub-areas of the Region and the Region as a whole, particularly an adequate supply of affordable, or “workforce,” housing near employment centers;
- Challenges faced in sustaining the present supply of subsidized housing stock in the Region;
- A need for accessible housing stock to accommodate persons with disabilities;
- Housing discrimination;
- Concentration of low-income and minority populations in the Region's central cities;
- The need to encourage sustainable, or environmentally responsible, residential development practices;
- The national economic recession and related housing crisis beginning in 2008, which has resulted in falling home prices, restrictions of credit for home mortgages, foreclosures and abandoned homes in many neighborhoods, and a lack of funding for affordable housing financed through tax credit programs.

### Step 2: Articulation of a Regional Housing Vision

The following housing vision, which focuses on housing opportunity and equity in the Region, has been developed for the plan design year of 2035 to address the regional housing problem and provide an additional framework for preparation of the plan:

***“Provide financially sustainable housing opportunities for persons of all income levels, age groups, and special needs throughout the entire Southeastern Wisconsin Region.”***

Objectives have been developed to support the vision and address each of the seven components of the regional housing problem. Related standards are set forth in Chapter II, *Housing Objectives, Principles, and Standards*. Plan objectives include:

1. Provide decent, safe, sanitary, and financially sustainable housing for all current residents of the Region, and the Region's anticipated future population.
2. Improve links between jobs and affordable housing by providing additional affordable housing near major employment centers; increasing employment opportunities near concentrations of existing affordable housing; and providing improved public transit between job centers and areas with affordable housing.
3. Maintain and expand the stock of subsidized housing in the Region to meet the anticipated need for such housing.

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4. Provide accessible housing choices throughout the Region, including near major employment centers.
  5. Eliminate housing discrimination in the Region.
  6. Reduce economic and racial segregation in the Region.
  7. Encourage the use of environmentally responsible residential development practices throughout the Region.
  8. Encourage neighborhood design principles that provide housing in a physical environment that is healthy, safe, convenient, and attractive.

### **Step 3: Definition of Affordable Housing**

The U.S. Department of Housing and Urban Development (HUD) defines housing affordability as households paying no more than 30 percent of their gross income for housing costs. The HUD standard for housing affordability is generally accepted and used among members of the housing planning field. The HUD affordability standard is therefore being used in the regional housing plan. The standard will be applied to sub-regional housing analysis areas and will be further refined based on the income levels of extremely low-income, very low-income, low-income, and moderate-income households for each sub-area.

### **Step 4: Determination of Sub-regional Housing Analysis Areas**

Sub-areas have been identified to facilitate the data collection and analyses necessary to assess housing needs in the Region. The delineation of the sub-areas is related to clusters of existing and anticipated urban development that includes a mix of housing and employment centers. Some of the factors used in determining the planning analysis areas include municipal boundaries, existing and potential sanitary sewer and public water supply service areas, existing and potential areas served by transit, and travel patterns centered on major commercial and industrial land use concentrations.

### **Step 5: Analyses Related to the Provision of Market-Based Housing**

Analyses related to the provision of market-based housing are underway. Chapter IV, *Existing Housing*, will include inventory and analyses related to population and household distribution, the characteristics of existing housing stock, and housing foreclosure activity in the Region. Chapter V, *New Housing Development*, will include inventory and analyses related to community policies and regulations affecting the provision of housing, including permitted development densities; the cost of developing new housing; and the cost of providing community services to single-family housing and multi-family housing. These analyses were initially documented in a single chapter of the housing plan report, but were divided into two chapters due to the amount of information.

## **KEY FINDINGS**

Key findings from the inventory and analysis work completed in the first year of the planning process are summarized in this section.

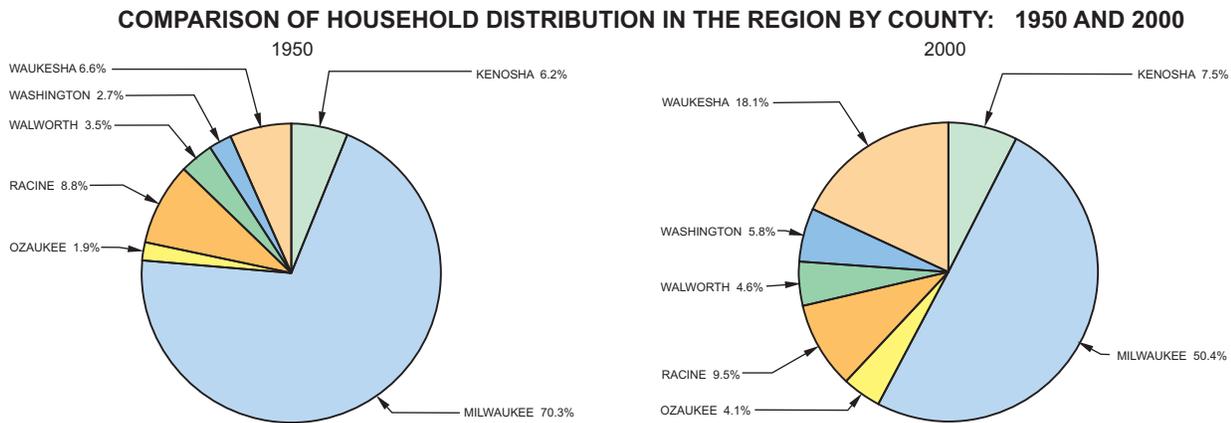
### **Population and Household Distribution**

Information regarding population and household distribution in the Region is documented in the regional housing plan to provide a historical context for housing development trends. The total population of the Region grew from 1,240,618 persons in 1950 to 1,931,200 persons in 2000, which is about a 56 percent increase. Although Milwaukee County is the most populous in the Region, the number of County residents decreased between 1970 and 2000 while the number of residents grew in each of the other six counties. There has been an increase in the proportion of the Region's population outside Milwaukee County, especially in Waukesha County, and a decline in the proportion of the Region's population in Milwaukee County between 1950 and 2000. The proportion of the Region's population living in Milwaukee County decreased from 70 percent in 1950 to 49 percent in 2000; while the proportion living in Waukesha County increased from 7 percent in 1950 to 19 percent in 2000.

The number of households in the Region increased from 354,544 households in 1950 to 749,039 in 2000. Although the number of households increased in all seven counties between 1950 and 2000, the trend in the Region's household distribution has been similar to that of the Region's population. The proportion of households in Milwaukee County decreased between 1950 and 2000, while the proportion in each of the other counties increased, as shown by Figure 1.

The Commission relies on an urban growth analysis and a land use inventory to monitor trends in development density, which, along with Census data, provide a basis for calculating population and household density trends in the Region. The urban growth analysis shows a significant change in the pattern of urban development in the Region beginning in 1950,

Figure 1



Source: U.S. Bureau of the Census and SEWRPC.

when considerable development started to occur away from established urban centers and in isolated enclaves in outlying areas of the Region. Urban household density in the Region decreased from 2,300 households per square mile to 1,300 households per square mile between 1950 and 2000. This decrease illustrates the trend towards lower density residential development in the Region between 1950 and 2000. The density of residential development affects the cost of housing and the ability to provide residents with services such as public sewer and water and public transit, which provides links between housing and employment.

### **Inventory of Existing Housing Stock**

An inventory of existing housing stock by sub-regional housing analysis area is underway to help determine the number and type of housing units that may best suit the current and anticipated future needs of residents throughout the Region. An inventory has been compiled using 2000 census data and will be updated using 2005-2009 American Community Survey (ACS) data, which is expected to be available in late 2010. This data will be compared with demographic and employment data that will be documented in Chapter VII, *Demographic and Economic Characteristics*. A summary of existing housing data collected thus far is provided in the following paragraphs. Complete information is included in Chapter IV, *Existing Housing*, of the plan report.

### **Total Housing Units and Vacancies**

There were 796,734 total housing units in the Region in 2000. About 94 percent, or 749,055, were occupied and about 6 percent, or 47,679, were vacant. About 63 percent of occupied housing units, or 471,533, were owner-occupied and about 37 percent, or 277,502, were renter-occupied.

### **Value of Owner-Occupied Housing Units**

The value of owner-occupied housing units is inventoried for each sub-area to help assess if there are adequate homeownership opportunities for residents of each sub-area in relation to the income provided by jobs located in each sub-area. This relationship will be examined in Chapter VIII, *Job/Housing Balance*, and presented in the next edition of the newsletter. Higher home values in the Region are typically found in suburban areas while lower home values are found in the central city areas of the Region. In 2000, the highest median home value was in sub-area 4 in southern Ozaukee County (\$237,700) and the lowest was in sub-area 14 in the City of Milwaukee (\$66,200).

### **Monthly Housing Costs**

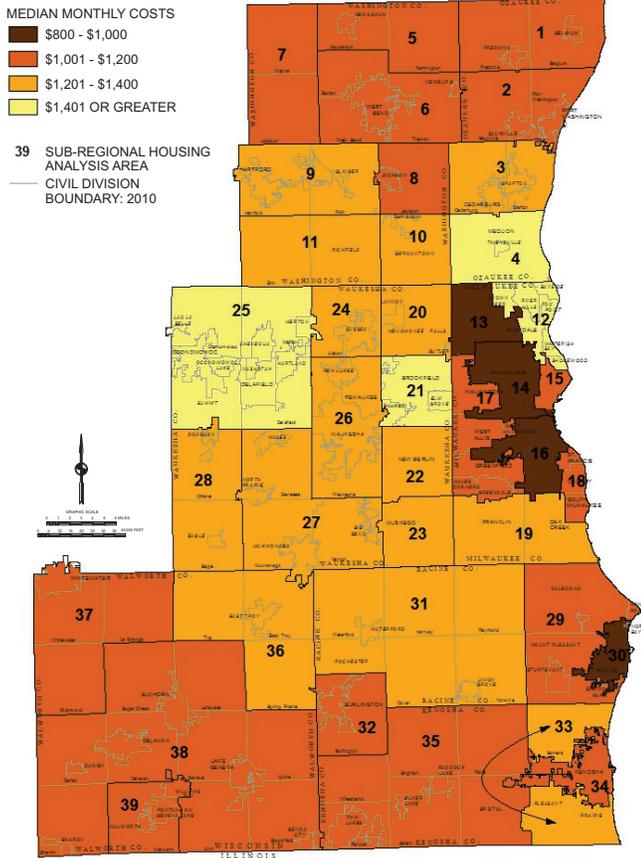
Monthly housing costs in the Region generally follow the same pattern as home value, with higher costs found in suburban areas and lower costs in the central city areas. Map 1 shows median monthly cost for owner-occupied housing units with a mortgage by sub-area in 2000. Sub-area 4 had the highest median monthly cost for owner-occupied housing units with a mortgage (\$1,784) and sub-area 14 had the lowest (\$805). Map 2 shows monthly gross rent by sub-area in 2000. Sub-area 21 in eastern Waukesha County had the highest median gross rent (\$961) and sub-area 14 had the lowest (\$498).

### **Structure Type**

Structure type, or residential building type, is an important consideration in the provision of affordable housing in a given area. Multi-family housing is generally more affordable than single-family housing. In 2000, about 62 percent of the housing units in the Region, or 496,569 units, were single-family homes and about 25 percent, or 195,229 units, were multi-family housing units. The remaining housing units were two-family units or other housing types, such as mobile homes. The number of single-family housing units in the Region has increased by 8 percent to 533,963 units in 2009 and

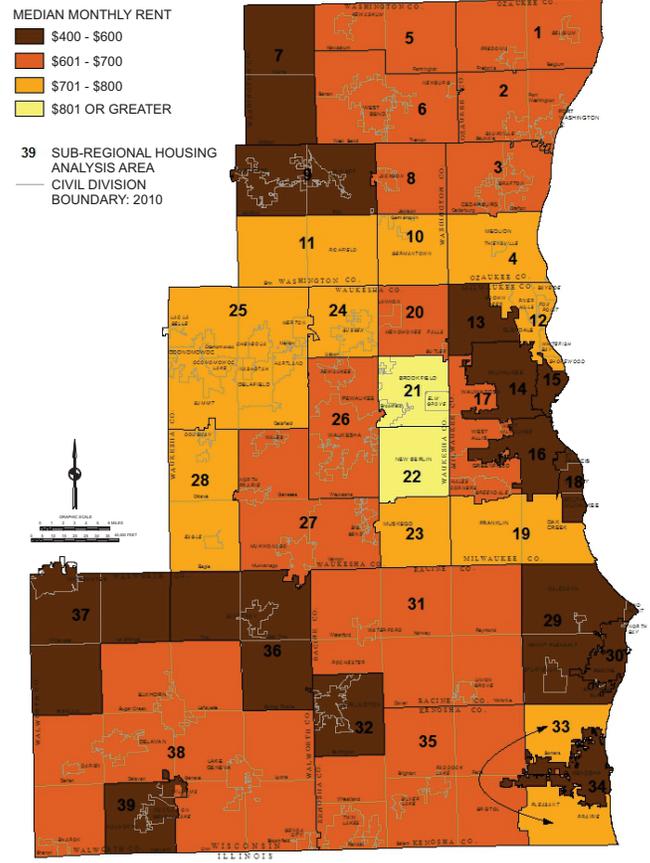
Map 1

**MONTHLY OWNER COSTS FOR SPECIFIED HOUSING UNITS WITH A MORTGAGE IN THE SOUTHEASTERN WISCONSIN REGION: 2000**



Map 2

**MONTHLY GROSS RENT FOR RENTER-OCCUPIED HOUSING IN THE SOUTHEASTERN WISCONSIN REGION: 2000**



Source: U.S. Bureau of the Census and SEWRPC.

Source: U.S. Bureau of the Census and SEWRPC.

the number of multi-family units has increased by 12 percent to 219,534 units in 2009. Map 3 shows the percentage of single-family housing units by sub-area in 2009 and Map 4 shows the percentage of multi-family housing units by sub-area in 2009. Sub-area 11 in Washington County had the lowest percentage of multi-family housing units in the Region in 2009 at 0.2 percent. Sub-areas 13 through 16 and 19, all located in Milwaukee County, had the highest percentage of multi-family housing units in the Region in 2009 at 32.9 percent.

**Community Policies and Regulations Affecting the Provision of Housing**

The density and housing stock characteristics of the Region and its sub-areas are heavily influenced by community policies and regulations that impact housing, particularly zoning regulations. Zoning regulations substantially determine the location, size, and type of housing in a community, which, in turn, has a substantial influence on housing cost. Chapter V, *New Housing Development*, provides summary information from community (city, village, and town) and county zoning ordinances in the Region, including information regarding minimum lot size and floor area requirements and the types of housing (single-, two-, and multi-family) allowed in each community. Allowing for the development of multi-family housing is important for providing affordable housing in a community. Based on the analysis, most of the communities that do not allow multi-family housing are towns that do not have the infrastructure, such as sanitary sewer, to provide service to more intensive residential uses.

**Housing Development Costs Analysis**

The cost of developing new housing affects the ability of households to obtain affordable housing near job centers, especially in the outlying areas of the Region where existing affordable housing may not be as plentiful as in larger urban areas. A variety of housing is important to ensure the housing stock of an area matches its housing needs, based on household income and size and the type and pay scale of jobs in the area. The housing development costs analysis (documented in Chapter V) focuses on areas that provide sanitary sewer service, which better accommodates higher-density and more affordable housing. It includes information regarding the significant factors affecting the cost of new single-family and multi-family housing development with a focus on costs on which governmental agencies have a direct impact, including:

Map 3

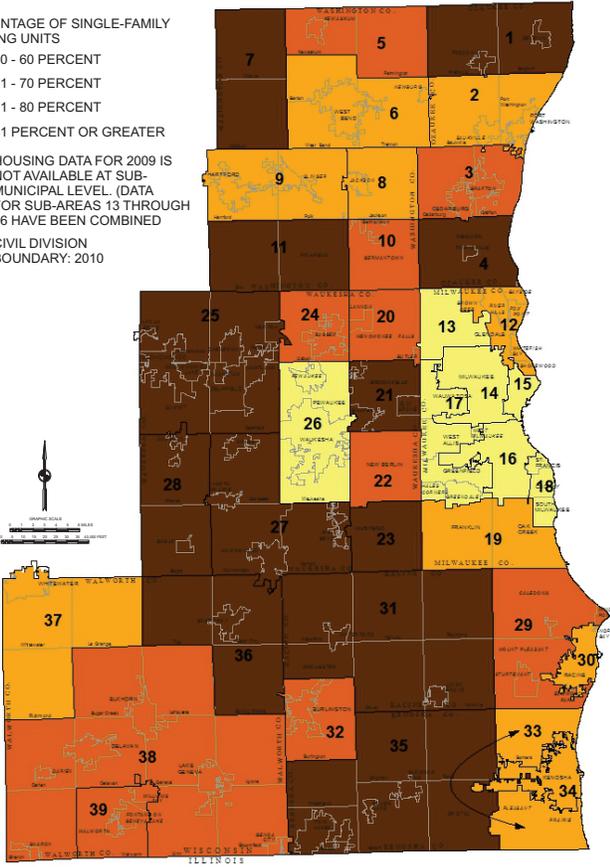
**SINGLE-FAMILY HOUSING UNITS AS A PERCENTAGE OF ALL HOUSING UNITS IN THE SOUTHEASTERN WISCONSIN REGION: 2009**

PERCENTAGE OF SINGLE-FAMILY HOUSING UNITS

- 40 - 60 PERCENT
- 61 - 70 PERCENT
- 71 - 80 PERCENT
- 81 PERCENT OR GREATER

NOTE: HOUSING DATA FOR 2009 IS NOT AVAILABLE AT SUB-MUNICIPAL LEVEL. (DATA FOR SUB-AREAS 13 THROUGH 16 HAVE BEEN COMBINED)

CIVIL DIVISION BOUNDARY: 2010



Source: U.S. Bureau of the Census, Wisconsin Department of Administration, and SEWRPC.

Map 4

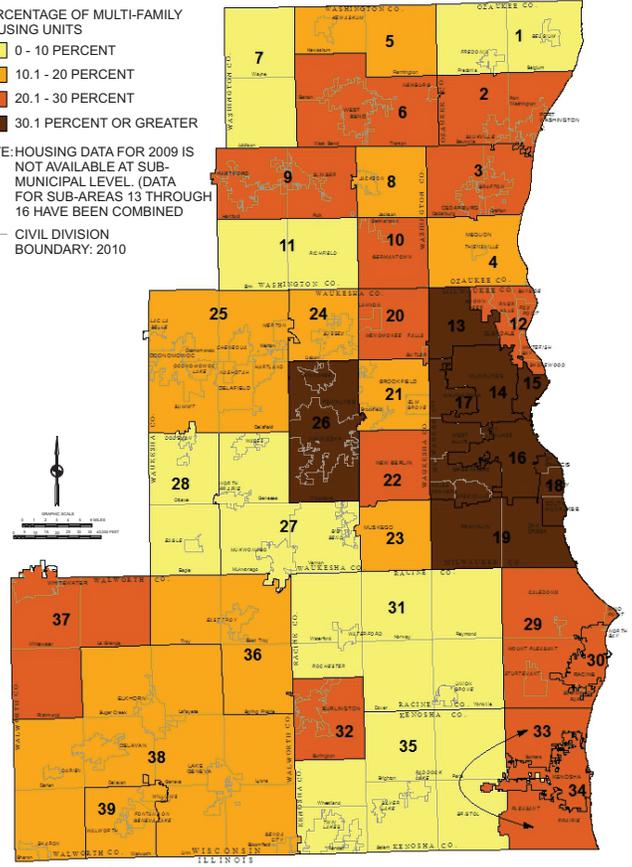
**MULTI-FAMILY HOUSING UNITS AS A PERCENTAGE OF ALL HOUSING UNITS IN THE SOUTHEASTERN WISCONSIN REGION: 2009**

PERCENTAGE OF MULTI-FAMILY HOUSING UNITS

- 0 - 10 PERCENT
- 10.1 - 20 PERCENT
- 20.1 - 30 PERCENT
- 30.1 PERCENT OR GREATER

NOTE: HOUSING DATA FOR 2009 IS NOT AVAILABLE AT SUB-MUNICIPAL LEVEL. (DATA FOR SUB-AREAS 13 THROUGH 16 HAVE BEEN COMBINED)

CIVIL DIVISION BOUNDARY: 2010



Source: U.S. Bureau of the Census, Wisconsin Department of Administration, and SEWRPC.

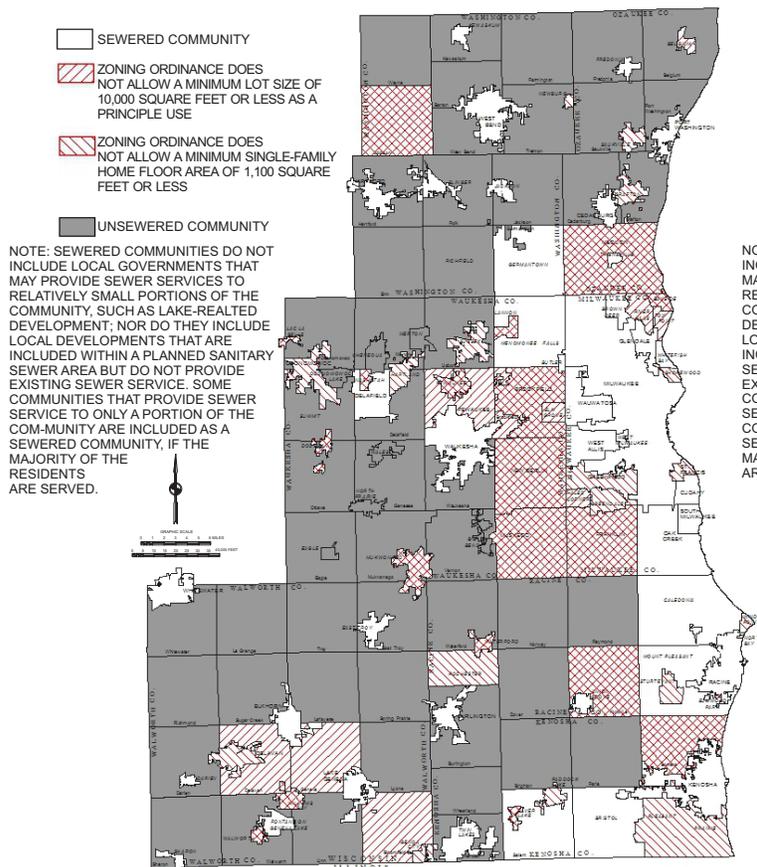
- Land costs, which are affected by minimum lot size requirements in community zoning ordinances
- Land development and site improvement costs, which are affected by local and county subdivision improvement and infrastructure requirements and State, county, and local stormwater requirements
- Construction costs, which are affected by minimum floor area requirements in community ordinances
- Permit fees

When discussing housing cost elements, it is useful to consider the budget constraints of low- and moderate-income households. The median annual household income in the Region in 2008 was \$55,200, which means a low-income household earned about \$27,600 and a moderate-income household earned about \$44,160. Monthly housing costs should not exceed 30 percent of a household's monthly income. To meet this standard, the monthly housing budget of a low-income household would be \$690 a month and the monthly housing budget of a moderate-income household would be \$1,104 a month. A household earning the Region's median income would have a monthly housing budget of \$1,380 a month.

Taking the cost elements documented in Chapter V and the monthly housing budget of a moderate-income household into consideration, it was determined that a sewerred community would need to provide areas where the development of an 1,100 square foot single-family home on a 10,000 square foot lot would be allowed to meet the needs of moderate income households. Map 5 shows sewerred communities in the Region where construction of a modest single-family home would be difficult due to minimum lot size requirements larger than 10,000 square feet or minimum floor area requirements for single-family homes larger than 1,100 square feet. Of the 88 sewerred communities, 40, or about 45 percent, include a zoning district that would allow for a modest single-family home. The remaining 48 sewerred communities do not meet the lot size standard, floor area standard, or both.

Map 5

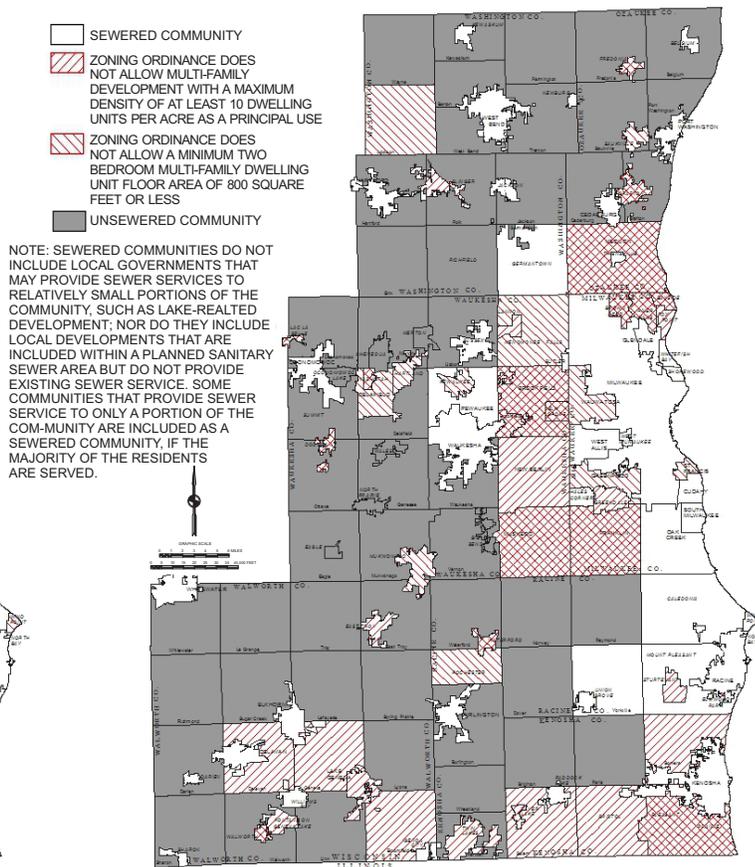
**SEWERED COMMUNITIES WHERE RESIDENTIAL ZONING DISTRICT MINIMUM LOT SIZE AND MINIMUM FLOOR AREA REQUIREMENTS MAY RESTRICT AFFORDABLE SINGLE-FAMILY HOUSING: 2010**



Source: SEWRPC.

Map 6

**SEWERED COMMUNITIES WHERE RESIDENTIAL ZONING DISTRICT MAXIMUM DENSITY AND MINIMUM FLOOR AREA REQUIREMENTS MAY RESTRICT AFFORDABLE MULTI-FAMILY HOUSING: 2010**



Source: SEWRPC.

Map 6 shows communities in the Region where it would be relatively difficult to construct modest multi-family housing, based on consideration of the cost elements documented in Chapter V and the monthly housing budget of a low-income household. These are seweried communities that do not have a zoning district that accommodates multi-family housing, do not allow a density of at least 10 dwelling units per acre, or do not allow a two bedroom multi-family dwelling unit size of 800 square feet or less. Of the 88 seweried communities in the Region, 40, or about 45 percent, include a district in the local zoning ordinance that allows multi-family residential development at a density of at least 10 units per acre and a two bedroom multi-family dwelling unit size of 800 square feet or less. The remaining 48 communities do not meet the density standard, floor area standard, or both. A density of at least 18 dwelling units per acre may be necessary to provide new affordable multi-family housing in central city areas.

Subsidies would be necessary to develop new affordable housing for households that earn less than 50 percent of the median household income.

**PLAN SCHEDULE/OUTLINE**

Preparation of the remainder of the regional housing plan is expected to take about two years, with completion of a draft plan near the end of 2011, followed by conduct of a socio-economic impact analysis in 2012. The regional housing plan will be comprised of the following chapters:

- Chapter I: Introduction (preliminary draft complete)
- Chapter II: Housing Objectives, Principles, and Standards (preliminary draft complete)
- Chapter III: Plans and Programs that Impact Housing in the Region (preliminary draft complete)
- Chapter IV: Existing Housing
  - Part 1: Population and Household Distribution (preliminary draft complete)
  - Part 2: Inventory of Existing Housing Stock (under preparation)
  - Part 3: Housing Foreclosure Activity in the Region (under preparation)

- Chapter V: New Housing Development
  - Part 1: Community Policies and Regulations Affecting the Provision of Housing
  - Part 2: Housing Development Costs Analysis
  - Part 3: Cost of Community Services Analysis
- Chapter VI: Housing Discrimination and Fair Housing Practices (preliminary draft complete)
- Chapter VII: Demographic and Economic Characteristics
- Chapter VIII: Job/Housing Balance
- Chapter IX: Accessible Housing
- Chapter X: Subsidized Housing
- Chapter XI: Best Housing Practices
- Chapter XII: Recommended Housing Plan for the Region
  - Part 1: Plan Determinants (Overall Housing Need)
  - Part 2: Recommended Plan
  - Part 3: Implementation
  - Part 4: Socio-Economic Impact Analysis
- Chapter XIII: Summary

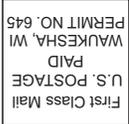
**CONTACT INFORMATION**

Contact information to submit a comment, obtain additional information, or request a briefing:

Website: [www.sewrpc.org/SEWRPC/Housing.htm](http://www.sewrpc.org/SEWRPC/Housing.htm)  
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This newsletter was mailed directly to a list of individuals and organizations that have expressed interest in receiving such information. If you would like to receive future issues directly, or would like to be removed from the mailing list, please contact SEWRPC using the information above.

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