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To: The Senate Committee on Economic and Workforce Development
From: Sen. Dan Feyen
Re: Senate Bill 629

Hello members of the committee, thank you for taking the time to hear testimony on SB 629.

It's no secret that Wisconsin is seeing workforce shortages across all sectors. Wisconsin simply does not have the population to meet all the employment needs. The answer to Wisconsin's workforce shortage is to create an environment that makes people want to come here, work here, and stay here.

The workforce shortage is being compounded by a lack of housing in the state. People are unable to move to locations where there are jobs available because they have *nowhere to live*.

This bill creates a shovel-ready development program at the Wisconsin Economic Development Corporation. A site will be labeled "shovel-ready" when it meets several key qualifications. The development must have a clear title, environmental assessments must be complete, and public utilities and infrastructure must be in place. The bill also requires procedures to be put in place that will expedite permits for these sites.

WEDC runs a similar program called Certified in Wisconsin which pre-certifies industrial sites as development ready. The Certified in Wisconsin program provides all of the information a developer needs to make a quick decision, including utility and transportation infrastructure, environmental assessments and quality of labor. This bill will work along the same lines, creating "ready-to-go" workforce housing sites.

There is an Assembly Substitute Amendment that makes some modifications to what types of developments qualify and also clarifies that fees relating to sewer and water utilities are excluded from the maximum development fee.

SB 629 passed the Assembly in October and will help streamline the development process to bring workforce housing quickly to the communities with the most need.

Thank you very much for holding a public hearing on this bill. I am happy to answer any questions the committee may have.



ALEX A. DALLMAN

STATE REPRESENTATIVE • 41ST ASSEMBLY DISTRICT

Testimony in favor of Assembly Bill 603

Senate Committee on Economic and Workforce Development

January 26th, 2022

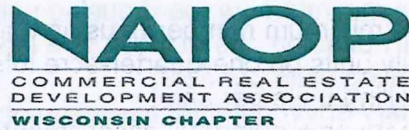
Thank you, Chairman Feyen and committee members, for allowing me to testify before you concerning Assembly Bill 603, relating to a shovel-ready workforce housing development site program. I would also like to thank Chairman Feyen for his leadership on this legislation.

Assembly Bill 603 would create a program through the Wisconsin Economic Development Corporation which would identify areas with the prequalification that the property has a clean title, proper zoning, adequate utilities and other infrastructure, has no wetlands, and limits all development-related fees to no more than \$5,000 a unit. Another major piece of this bill ensures that developers would obtain all necessary development approvals within 60 days after complete applications and building permits are submitted.

As I talk with citizens, contractors, and business owners from around my district, I have often been made aware of the extreme shortage of workforce housing. This bill will create a streamlined process for communities to connect with developers and create new workforce housing in a much more time-efficient manner. Housing availability plays a major role in having residents move into our local communities whether it be rural or urban. This bill will move us one step closer to alleviating this housing shortage and will create a better environment for our local businesses, schools, and economies to succeed.

Rents are growing faster than incomes and construction costs are rising. Housing needs to be a priority for the future of Wisconsin and I am glad to be a part of this overall housing package.

Thank you again, Chairman Feyen, for the opportunity to testify before this committee today and I would be happy to answer any questions you may have.



To: Members, Wisconsin Senate Committee on Economic & Workforce Development

From: Tom Larson, WRA Executive Vice President and Chief Lobbyist for NAIOP-WI

Date: January 26, 2022

Re: SB 629/AB 603 – Shovel-ready Workforce Housing Initiative

The Wisconsin REALTORS® Association (WRA) and NAIOP-WI support SB 629/AB 603, legislation seeking to increase the supply of workforce housing in Wisconsin by identifying and promoting residential real estate development sites that can be developed in an immediate and cost-effective manner.

Background

Wisconsin employers are having difficulty recruiting workers to fill thousands of job openings due to a shortage of affordable housing options for workers. With statewide housing inventory levels at historic lows, median home prices continuing to rise, and apartment rent increases outpacing wage growth, Wisconsin has a major workforce housing shortage problem. Unless this workforce housing problem is fixed, Wisconsin will be unable to keep and attract the skilled workers necessary for our economy to thrive.

A recent report titled "Falling Behind: Addressing Wisconsin's Workforce Housing Shortage," authored by Professor Kurt Paulsen, UW-Madison, indicates that one of the primary reasons for Wisconsin's workforce housing shortage is that Wisconsin has failed to build enough homes to keep up with population and income growth. Compared to pre-2009 recession levels, Wisconsin is creating 75% fewer lots and 55% fewer new housing units since 2012. When adjusted for population, building permits per capita and new lots per capita are less than 50 percent of what they were in the 90s and early 2000s.

This Legislation

SB 629/AB 603 attempts to increase the supply of workforce housing in Wisconsin by directing the Wisconsin Economic Development Corporation (WEDC) to identify and promote residential development sites that are properly zoned, have all the necessary state and local government approvals, have minimal development-related fees, and can be developed in a short period of time.

This program is modeled after a similar program created by WEDC in 2013 to help spur development of commercial properties in communities throughout the state. By certifying that these residential development sites meet common basic development requirements, this WEDC initiative will hopefully attract developers and builders around the state and country looking to Wisconsin to build housing quickly and cost-effectively, thereby increasing Wisconsin's competitiveness with respect to attracting new workers to the state to grow our economy.

Specifically, SB 629/AB 603 directs the WEDC to identify sites as "shovel-ready" if they meet the following requirements:

1. Zoned for residential development and have clear title;

2. Allows for a minimum number housing units at a relative high-density equal to at least 20 new single-family units on one-quarter-acre lots, or 16 multi-family dwelling units at a density of at least 8 dwelling units per acre;
3. All preliminary environmental assessments are complete;
4. All necessary site maps and surveys are complete;
5. Necessary public utilities and infrastructure are available at the site;
6. All appropriate studies, including any wetland delineations, are complete;
7. All development fees, excluding sewer and water, will not exceed \$5,000 per unit;
8. All required permits necessary to develop the property will be in place no later than 60 days after WEDC certifies the site as shovel-ready.
9. Requires local government to conduct a site needs assessment and provide it to the developer as to sewer and water utilities

While this is a voluntary program for local governments, we are hopeful that many will want to participate to attract the necessary workforce housing to grow their economy and increase their tax base.

We respectfully request your support for SB 629/AB 603. If you have questions or need additional information, please contact us.