



DUEY STROEBEL

STATE SENATOR • 20TH DISTRICT

Testimony on SB 296 and SB 297

May 18, 2023

Thank you Chairman Quinn and members of the Senate Committee on Housing, Rural Issues and Forestry for scheduling today's public hearing on a series of proposals aimed at addressing the problem that you explored in great detail during your first meeting roughly two months ago: Wisconsin's housing shortage. I will be speaking to two proposals that I authored alongside Representative Krug and Representative Penterman as part of this initiative.

Before delving into the details of each bill, it bears mentioning that municipalities allocate a significant amount of time and resources toward the development of comprehensive plans to guide future development. All too often, these plans are ignored in the face of objections to a proposed development that seeks to construct the type of housing specified in the plan. This only serves to further constrain the supply of housing that is needed to meet demand, which in turn places upward pressure on prices and ultimately makes homeownership less attainable for more Wisconsinites.

The first proposal, SB 296, aims to provide more certainty and predictability in the development approval process. Put simply, the bill would help prevent a proposed development that complies with a local government's regulations from being unnecessarily delayed or stopped altogether on obstructionist grounds. To that end, the bill establishes an expedited judicial review process that would allow a developer to appeal to circuit court a local government's denial of a proposed residential housing development that meets all of the local government's requirements and would authorize a judge to approve the project. Next, the bill would prevent frivolous lawsuits by limiting who has standing to file legal challenges to development proposals that have been approved by a local government. Finally, the bill streamlines the process for local governments to enact zoning amendments by establishing that a zoning change only requires a simple majority vote, with certain limited exceptions.

The second proposal, SB 297, is effectively a trailer bill to 2021 Act 221, which created the statutory framework for a single-family housing rehabilitation loan program to be administered by WHEDA. Under the program, individuals who own and occupy older homes and have an annual household income of no more than 120% of the area median income would be able to apply to WHEDA for a low or no-interest loan to cover structural improvements or the removal of lead paint. In addition to making various programmatic changes, SB 297 would create the necessary appropriation language in anticipation of funding for the program being provided through the 2023-25 state budget.

Wisconsin's older housing stock is often lost in the discussion surrounding the shortage of affordable housing in Wisconsin and the "missing middle," which refers to the lack of housing that currently exists between rented apartments and large single-family homes. Consequently, policymakers can often be left with the impression that the only surefire pathway toward addressing Wisconsin's housing shortage is through incentivizing and subsidizing the construction of new, single-family homes. However, roughly 60 percent of Wisconsin's single-family housing was built before 1980, and much of our state's older housing stock is located in close proximity to our largest communities that feature the highest number of jobs. With the necessary reinvestment and rehabilitation, these homes have the potential to provide both great value and an ideal location for first-time homebuyers and working- and middle-class families. This is exactly what SB 297 would help to facilitate.

Thank you again for providing me with the opportunity to speak to SB 296 and SB 297. I appreciate the committee's consideration of both bills and would welcome any questions at this time.



ROBERT BROOKS

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

Workforce Housing: Building Wisconsin's Future

Representative Rob Brooks

Senate Committee on Housing, Rural and Forestry

Thursday, May 18, 2023

Housing that most families, seniors, and workers can afford is virtually nonexistent in Wisconsin due to a myriad of factors. Wisconsin's housing crises pose an existential threat to the state's ability to attract and retain workers, students, businesses, and families.

Recently, five bills designed to address the state's workforce housing—an existential threat to the state's long-term viability—were released by the legislature. While I am not the principal author of these proposals, chiefly because I serve as Chairman of the Assembly Committee on Housing and Real Estate, I worked ravenously for more than a-year-and-a-half with stakeholders on all sides of the issue to draft these proposals. I am proud of the final product and am confident these bills will increase housing access and affordability. The bills in this package include:

- **Senate Bill 296** creates more certainty and predictability in the development-approval process by limiting the ability of "NIMBYs" ("Not in My Back Yard") to delay or terminate the housing development process.
- **Senate Bill 297**, legislation passed and signed into law last session but never funded, allocates funds to the Wisconsin Housing and Economic Development Authority, to ensure qualified applications were awarded loans for the rehabilitation of residential properties.
- **Senate Bill 293** establishes a revolving loan to fund infrastructure (street, water, sewer, roads, sidewalks, etc.), for workforce and senior housing development.
- **Senate Bill 294**, the "Main Street Rehabilitation Bill" provides no-interest loans for the rehabilitation of second and third story apartments over main-level businesses.
- **Senate Bill 295**, this bill provides zero percent loans for the conversion and/or demolition of vacant commercial buildings to workforce housing and senior housing.

Why should investing in housing initiatives and NIMBY reform be priorities for the state of Wisconsin?

Wisconsin employers are having difficulty recruiting workers to fill thousands of job openings due to an historic 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.



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New infrastructure financing tools will help create more workforce housing, which is necessary to attract workers. With statewide housing inventory levels at historic lows and median home prices continuing to rise, Wisconsin has a significant workforce housing shortage problem. Employers are often unable to successfully recruit new employees to fill job openings because affordable and attractive housing options are unavailable. New infrastructure financial tools will help increase the supply of workforce housing to help Wisconsin employers compete in the global marketplace which will benefit our state and local economies.

Several of the bills contained in this package are part of a revolving loan fund. Under a revolving loan fund, these properties remain on the tax roll and, in turn, help fund schools, counties, cities, townships, etc., in the near-term. On the contrary, if the property were included in a TIF district, there would be no immediate value to residents of the community in which the TIF is located as it would be removed from the tax rolls. Did you know that a child born in 2023 would graduate from high school before the first dollar from a TIF district is spent to fund the school from which he or she graduated?

Infrastructure financing tools can attract private investment to support the development of workforce housing. By leveraging public funds with private investment, local communities can increase the supply of workforce housing without relying solely on government funding.

Wisconsin has a significant housing shortage that is worse than most states throughout the country. Since 2011, Wisconsin has produced ten thousand fewer single-family homes every year than we did during the previous decade. While most states have a housing shortage, Wisconsin has built fewer housing units per capita than we did during the previous decade.

A recent report entitled, "Moving in? Exploring Wisconsin's Migration Challenges," found that during the past decade, Wisconsin has lost 106,000 workers under the age of twenty-six to other states, while attracting less than eighty-nine thousand. The same report shows that based on current trends the number of working-age Wisconsin adults will decline by nearly one hundred-thirty thousand by 2030.

Wisconsin's existing housing stock is older and much of that stock is in need of repair. Fifty-seven percent of Wisconsin's existing housing stock was built prior to 1980, whereas forty-three percent was built prior to 1960.

Construction costs have increased significantly since 2020. Single-family construction costs have increased by 36.2 percent, whereas multi-family construction costs have increased by 35.2 percent.



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STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

One of the barriers to new home construction is opposition from existing residents or NIMBYs (“Not in My Back Yard”). Regardless of what new development is being proposed, someone is bound to object. The following represent a myriad of reasons why NIMBY reform is necessary and of paramount importance amidst the state’s housing crisis.

Uncertainty and unpredictability make housing less affordable. Whether building a home, apartment project, or new subdivision, property owners spend a lot of time and money planning and preparing for a new construction or development project. Because NIMBY opposition can impact the design, cost and the viability of the project, property owners need a predictable process that they can rely upon to obtain the necessary approvals for new development.

Communities often spend years and thousands of dollars on outside consultants, public hearing and staff time to help develop a comprehensive plan to guide future development in the community, only to ignore the plan due to public opposition when a developer actually tries to build the type of housing specified in this plan.

While developers are often the targets of NIMBYs, the victims of NIMBYism generally are those who would have occupied those new homes. Generally, they include fellow members of the community who are on fixed incomes, young families, educators, law enforcement officials, legislative staffers, and workers in the service industry who are looking to improve their lives by finding a better place to live and raise their family.

According to the National Association of Home Builders, nearly two-thousand households are priced out of the home buying market in Wisconsin for every \$1,000 increase in the new median home price. What is more, regulations (federal, state, and local) add a colossal \$88,500 to the average cost of each new built home.

The bills in this package are much-needed and consequential first steps toward making ownership—a dream of so many Wisconsinites—a reality, as it streamlines government regulations, and makes housing more accessible.

I am happy to answer any questions you have with respect the bills referenced in my testimony.

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To: Senate Committee on Housing, Rural issues, and Forestry
From: Elmer Moore Jr., CEO and Executive Director, Wisconsin Housing
and Economic Development Authority
Date: May 18, 2023
RE: Workforce Housing Package

Chairman Quinn, Vice Chair Jagler, and members of the Senate Committee on Housing, Rural Issues, and Forestry.

I am Elmer Moore, Jr., CEO and Executive Director of WHEDA, the Wisconsin Housing and Economic Development Authority. I am here today to share information on the Workforce Housing Package and Senate Bill 40 (SB40), legislation aimed at addressing challenges Wisconsin faces in providing affordable housing.

Wisconsin needs more than 120,000 rental units to meet the needs of its residents. Nearly 170,000 residents pay more than half their income on rent or mortgage payments. That number should be no more than 30 percent of a household's income. Without access to decent, stable, and affordable housing our Wisconsin workforce struggles to afford necessities such as quality food, childcare, and transportation.

Various factors contribute to the insufficient supply of housing: scarcity of land, restrictive land-use controls, insufficient infrastructure, expensive building materials, cumbersome permitting processes, and NIMBYism. The severity of these barriers varies from place to place, but taken as a whole, they almost always hamper the production of housing.

I thank Representative Brooks, Senator Quinn, and the many authors of the Workforce Housing package for spearheading efforts to address our housing crisis and for including us in the discussion of how WHEDA can be an instrument for these bills.

We also appreciate the proposed creation of new loan products, expansion of the Housing Rehabilitation Loan program in Senate Bill 297 (SB297) and the expansion of the State Housing Tax Credit (HTC) program in SB40. We are confident that WHEDA can administer these proposed programs, should each proposal receive appropriate investment from the state.

Senate Bill 293 (SB293), the Residential Housing Infrastructure Revolving Loan Program, is an opportunity to spur development by offering 0% interest loans to finance infrastructure for affordable housing projects. To be eligible for the funding, the municipality must voluntarily revise zoning ordinances and other regulations that impact development time and costs. WHEDA has heard anecdotally that this is an area of great need and opportunity.



SB293 ensures that affordability is maintained through income limits on renters and homeowners, and reporting requirements on rents that are not to exceed 30% of 100% of the Area Median Income (AMI) for 10 years.

SB293 includes language on both rural and senior housing set-asides and a semi-annual application process. This legislation gives WHEDA the flexibility to operate the loan program while setting strong parameters to measure eligibility, cost reductions, needs of a community, and loan terms.

We do, however, recommend the removal of Page 6, Line 17, which prevents money in the fund from being invested under WHEDA's sound financial practices. We use monies in the fund to cover real and necessary costs administering the program, so freeing WHEDA to invest money may recuperate some of those costs, leaving more of the funds to deploy. We would otherwise be forced to split any appropriations from the state for this fund into multiple FDIC insured accounts to prevent unexpected losses. WHEDA feels the safe and responsible investment of the fund is the most preferable solution. A similar change is recommended for Senate Bill 294 (SB294) and Senate Bill 295 (SB295) as well.

Like the Residential Infrastructure Revolving loan program (SB293), the Main Street Housing Rehabilitation Loan Program (SB294) and the Commercial-to-Housing Conversion Loan Program (SB295) contain many of the same conditions for project eligibility. The 10-year affordability periods for rental and homeownership are included as is the 30% rural set-aside in both these bills. Additionally, the political subdivisions that are home to a project must work to reduce the costs for developers and show their efforts to WHEDA using a cost reduction analysis form for loan eligibility.

The fourth piece of legislation, SB297, provides technical improvements to current law. In 2022, the Wisconsin Legislature created a workforce housing rehabilitation loan program administered by WHEDA, under 2021 Wisconsin Act 221 (Act 221). This proposal gained unanimous support in the Senate and nearly unanimous support in the Assembly, and helped bring to light the rehabilitation needs of single-family homeowners across the state living in aging housing stock.

More than 60 percent of single-family structures in Wisconsin were built before 1980. Many require substantial repair, modernization, or energy-efficiency upgrades. While Wisconsin's current housing stock and established neighborhoods provide great value compared to new construction, these homes need investment and rehabilitation to maintain decent, safe, and sanitary conditions for many years to come.

While Act 221 helped highlight this issue, the legislation included no state appropriation and prevented WHEDA from borrowing capital at reasonable rates, due to the lack of an implementable repayment schedule. Under Act 221, the loans would be repaid upon the sale or transfer of title of the home, or when the home is vacated by the owner and the owner's family. This uncertain repayment schedule and other concerns in Act 221 prevented WHEDA from implementing the program.

WHEDA is glad to see renewed interest in addressing issues in the Housing Rehabilitation Loan Program, both through SB297 and in Governor Evers' budget proposal, which is similar. A new technical fix is required in SB297, where the cap on the loan is limited to \$50,000 or "125% of the assessed value of the residence" (Page 3, lines 21-23). WHEDA recommends the correction reflect the "appraised" value, rather than the "assessed" value.

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Finally, SB40 expands the State HTC program. We appreciate Representative Armstrong's efforts to increase the amount of credits and effectiveness of the program by raising it from \$42 million to \$100 million. WHEDA first supported Governor Evers' proposal to expand the State HTC program through the 2023-2025 biennial budget to \$100 million, as well.

The State HTC program has been administered by WHEDA since its creation in 2017. It continues to be one of the most effective and efficient tools to address the affordable housing shortage in Wisconsin. In years 2021, 2022, and 2023, WHEDA administered a competitive process awarding \$99.5M in Federal and State HTCs, of which \$21 million came from the State HTC program. Since 2021, the State and Federal HTC programs have supported the development of more than 4000 affordable housing units in communities like Ashland, Ashwaubenon, Green Bay, Eau Claire, Hayward, Sun Prairie, and Barron.

SB40 would expand the existing program under WHEDA's administration from \$42 million to \$100 million without requiring any financial support from the state. WHEDA estimates 13 additional developments would be awarded annually, creating approximately 858 extra units a year. This would be especially impactful in rural areas where the cost to build is higher and more credits are needed per unit developed.

Thank you for the opportunity to provide testimony on SB40, SB293, SB294, SB295, and SB297. On behalf of the entire WHEDA staff, we appreciate the opportunity to support the development of legislation addressing Wisconsin's shortage of affordable housing.

We look forward to continuing to work with you and the authors of these bills to meet our technical needs in these proposed programs. We hope to see appropriate state investment for them to work as intended. I would be happy to answer any questions you may have at this time.

Contacts: Kim Plache, Deputy Director, Kim.plache@wheda.com;
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DATE: May 18, 2023

TO: Members of the Senate Committee on Housing, Rural Issues and Forestry

FROM: Brad Boycks Mike Howe Robert Procter
WBA Executive Director WBA President WBA Outside Legal Council

SUBJECT: Support for Senate Bills 296, 297, 293, 294, and 295 Relating to Workforce Housing

On behalf of the nearly 4,000 members of the Wisconsin Builders Association (WBA), we ask for your support of:

- **Senate Bill 296 (SB 296)**, relating to judicial review of local governmental decisions related to certain land development, local approval of residential housing development, and amendment of zoning ordinances
- **Senate Bill 297 (SB 297)**, relating to housing rehabilitation loans awarded by the Wisconsin Housing and Economic Development Authority
- **Senate Bill 293 (SB 293)**, relating to residential housing infrastructure revolving loan fund and revolving loan program
- **Senate Bill 294 (SB 294)**, relating to a main street housing rehabilitation revolving loan fund and loan program
- **Senate Bill 295 (SB 296)**, relating to commercial-to-housing conversion revolving loan fund and loan program

For the past several months, we have been working with Senate Housing, Rural Issues, and Forestry Chair Quinn and Vice-Chair Jagler, Assembly Housing and Real Estate Chair Brooks, the Wisconsin Realtors Association, the Wisconsin League of Municipalities, the Wisconsin Towns Association, and the Wisconsin Counties Association on the policy items contained in SB 296, 297, 293, 294, and 296.

SB 296 will help streamline the approval process for residential housing and also assure that only a simple majority is required to rezone land and establishes that only those that have an owner interest in the property that is subject to approval, or will sustain damages and has provided a statement or has testified at a previous public meeting, may seek review of the land use proposal.

SB 297 is a follow up to 2021 Act 221 which created a loan program for the remodeling of existing workforce homes administered by the Wisconsin Housing and Economic Development Authority (WHEDA). SB 297 makes some changes to the homes that may qualify for these loans in addition to including work done for the remove of asbestos and the repair or replacement of interior walls, ceilings, or floors.

SB 293, SB 294, and SB 295 all create zero interest loans to create more workforce, single family homes, workforce multifamily housing, and senior housing, and requires municipalities to show changes that they have implemented to reduce the cost of housing in the projects being considered for a zero-interest loan from WHEDA. Those cost saving items include “voluntarily revising zoning ordinances, subdivision regulations, or other land development regulations to increase development density, expedite approvals, reduce impact, water connection, and inspection fees, or reduce parking, building, or other development costs with respect to the development of residential housing supported by the project.”

WBA believes that passage of SB 293 will be beneficial to spur the additional development and construction of single-family workforce homes. When we have surveyed our membership over the past several years asking them what can be done to bring down the cost of workforce housing, we have learned the main costs drivers can be traced to the cost of residential infrastructure and the requirements passed by local units of government (impact fees and minimum lot sizes to name a few).

SB 293 addresses both of these issues by requiring a local unit of government to work with a developer to find ways to make changes on the local level to voluntarily reduce the cost of housing and provide a zero-interest loan at an amount that does not exceed 20 percent of the total cost of the project including land.

Finally, SB 296 establishes a zero-interest loan program that can be used for the remodeling or demolition of vacant commercial buildings that can then be used for workforce multifamily housing or senior housing.

According to our National Association of Home Builders, excessive and outdated regulations add over \$93,000 to the final price of a new home, increasing the total by nearly 24 percent.

Additionally, in a 2019 report titled *Falling Behind: Addressing Wisconsin’s Workforce Housing Shortage*, Wisconsin has created 75 percent fewer lots and 55 percent fewer new homes than pre-recession averages, in just the last 11 years. This scarcity has been compounded by a series of other factors, such as lot and other local government restrictions, volatile interest rates, and inflated costs of materials. These bills will go a long way in assisting the many challenges faced in the creation of workforce housing.

WBA members from across the state would ask for your support for **Senate Bills 296, 297, 293, 294, and 295** to increase the supply of workforce and senior housing throughout Wisconsin.



To: Members, Senate Committee on Housing, Rural Issues and Forestry

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

Date: May 15, 2023

Re: AB 266/SB 296 -- Not In My Backyard (NIMBY) Opposition to New Housing

REALTOR® Message – The WRA and NAIOP-WI support AB 266/SB 296, legislation aimed at creating more certainty and predictability in the development-approval process by limiting the ability of NIMBYs (Not In My Back Yard) to delay or stop the approval of proposed housing developments. Such NIMBY efforts both limit the supply and increase the cost of housing.

Background

One of the biggest barriers to new homebuilding in communities is the opposition from existing residents or NIMBYs (Not In My Back Yard). Regardless of what new development is being proposed, someone is bound to object.

Communities often spend years and thousands of dollars on outside consultants, public hearings and staff time to help develop a comprehensive plan to guide future development in the community, only to ignore the plan due to public opposition when a developer actually tries to build the type of housing specified in the plan.

The list of reasons for NIMBY opposition is long and may include the loss of open space, increased density, traffic, overcrowding in schools, neighborhood character, property tax increases, or just change in general.

While developers are often the targets of NIMBYs, the victims of NIMBYism generally are those who would have occupied these new homes. Generally, they include fellow members of the community who are on fixed incomes, young families, teachers, police officers, and workers in the service industry who are looking to improve their lives by finding a better place to live.

By opposing the development of new housing, NIMBYs limit the supply of housing necessary to meet demand, causing prices to increase further. In addition, when people can't afford to live in the communities in which they work, they are forced to move farther away to find homes they can afford, putting more cars on the road for longer commutes and creating more wear and tear on our roads, among other things.

Legislative Solution – AB 266/SB 296 is aimed at limiting the ability of NIMBYs to stop or delay the development of new housing through all of the following:

1. Improving certainty and predictability in the development process
 - a. *Development by right*: Requiring local governments to approve development proposals that are consistent with local development regulations.
 - b. *Judicial remedy*: Allowing a developer to appeal to circuit court a local unit of government's denial of a development proposal that complies with local development regulations and authorize a judge to approve the project.
2. Preventing lawsuits challenging approvals – Limiting who has standing to file legal challenges to projects that have been approved by local governments.
3. Prohibiting supermajority requirements for zoning changes – Requiring zoning changes to be approved by simple-majority vote.

Talking Points

- **Local governments should have to follow their own regulations.** If a local government established the terms and conditions required for approvals and permits, and the developer has met those requirements, the local government should have to approve the project. Unfortunately, local governments either choose to ignore their own rules, or succumb to the significant pressure created by NIMBYs.
- **Uncertainty and unpredictability make housing less affordable.** Whether building a home, an apartment project, or a new subdivision, property owners spend a lot of time and money planning and preparing for a new construction or development project. Because NIMBY opposition can impact the design, cost and the viability of the project, property owners need a predictable process that they can rely upon to obtain the necessary approvals for a new development.
- **Regulatory reform is necessary to lower the costs to develop new housing.** According to reports produced by both the Trump and Obama administrations, outdated local land-use regulations, such as large, minimum lot sizes, prohibitions on multifamily housing, and delayed approval processes, drive up the cost of housing. Such regulations add more than 25% to the cost of a new home, and as much as 42% to the cost of new multifamily construction.

We respectfully request your support for AB 266/SB 296. If you have questions or need additional information, please contact us.



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To: Senate Committee on Housing, Rural Issues, and Forestry
From: Toni Herkert, Government Affairs Director, League of Wisconsin Municipalities
Date: May 18, 2023
RE: Workforce Affordable Housing Package – SB 293, 294, 295, 296, 297

Chairman Quinn, Vice-Chair Jagler, and Committee Members,

My name is Toni Herkert, and I am the Government Affairs Director with the League of Wisconsin Municipalities. The League represents almost all of the 606 cities in villages, large and small, throughout the state.

Thank you for the opportunity to provide testimony on the important topic of workforce housing and the package of bills before you today. The suite of housing legislation on your agenda is the result of several months of discussion on the housing problems facing every corner of the state. The League appreciates the opportunity to participate in the conversations that led to the creation of these bills. We also want to thank Representative Brooks and Senator Quinn for their leadership and all the authors for introducing this package. We support the creation of additional workforce, senior, and affordable housing and we support the process that was utilized. The resulting legislation is a step in the right direction and as a state we must act now.

According to a recent report by Forward Analytics, Wisconsin will need approximately 140,000 housing units before 2030 to meet the demand of the under 65 population and that number increases to over 200,000 if the state simultaneously addresses workforce shortages with increased migration into the state for employment.

If there is one thing municipal officials across the state can agree on, besides the need to develop a new way to adequately fund local governments and critical services in Wisconsin, it is that there is a housing crisis in this state. Seemingly every community has a shortage of affordable housing options. Whether in Marinette or Platteville, Columbus or New Richmond, Waukesha or Washburn, the availability and pricing of housing is not meeting the needs of people working in jobs that are vital to the success of Wisconsin communities. It should be a priority in our communities to have housing availability that teachers, nurses, firefighters, police officers, small business owners, and service industry workers can afford.

More communities, particularly small and rural, of which there are many in Wisconsin, have been frustrated with the traditional approach of waiting for the private sector to create additional housing. A market for new housing does not exist in many Wisconsin communities regardless of the regulatory situation. Many communities could have no zoning or subdivision

regulations and still not attract development. Some of these municipalities, as a result, have taken matters into their own hands to increase the availability of housing in their communities. Lancaster, Benton, Shullsburg, Fort Atkinson, and Hillsboro, for example, have acquired land, subdivided it, placed the utilities and infrastructure, and sold lots for single-family homes, duplexes, and apartments on their own.

While most communities choose not to become their own housing developer, many should review their zoning code and remove outdated and unnecessary zoning regulations and policies that inadvertently restrict the creation of more housing. It is critical to make the process of adapting existing housing stock and building more varied housing, including apartments, easier.

The League decided that municipalities needed a road map or tool kit for making zoning code adjustments that could remove such barriers. In 2021, the League partnered with the Congress for the New Urbanism (CNU) and a broad group of Wisconsin organizations (Wisconsin Realtors Association, Wisconsin Builders Association, AARP-Wisconsin, Wisconsin Housing and Economic Development Authority (WHEDA), National Association of Industrial and Office Parks (NAIOP-Wisconsin), and the American Planning Association-Wisconsin, to develop a Wisconsin centric guide to aid communities in making small zoning code changes designed to make it easier to create workforce and missing middle housing within a community. The guide, *Enabling Better Places: A User's Guide to Neighborhood Affordability* is posted on the League's website.

Examples of zoning code changes recommended in the guide include the following:

- Allow multi-unit housing as permitted uses in single-family zoning districts which have historically included two-family and multifamily.
- Realign lot widths and areas to match historic patterns favoring narrower lots.
- Reduce setbacks to historic distances to allow greater use of existing lots.
- Allow accessory dwellings for all single-family zoning districts.
- Permit residential uses within downtown and Main Street zoning districts.

- Permit residential uses, including multi-family, in commercial districts.
- Reduce or eliminate parking minimums.
- Assess and streamline the subdivision and workforce housing application process, including standards that direct development outcomes and establish a time limit on municipal response, such as 90 days.

Any of these modifications will put a community in a better position for decreasing development costs and increasing the housing supply over time. However, municipal regulations are not the sole or even the primary reason that we have a housing shortage in Wisconsin. Contributing factors include the lack of construction workers, increased costs of labor and materials, climbing interest rates and seniors staying in their homes longer. All these factors create a perfect storm and equate to a drastic need for housing in the state and nationwide.



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The League not only produced the zoning guidebook, but we also have been focusing on providing workshops and trainings on housing and innovative ideas for municipalities to adopt in their communities. In addition, we have been an active participant at the table during the conversations on most of the housing bills before you today.

The League supports SB 293 which provides for a residential housing infrastructure revolving loan fund and program, SB 294 relating to a main street housing rehabilitation revolving loan fund and program, and SB 295 addressing commercial to housing conversions. All these bills require communities to lower the cost of housing through zoning ordinance modifications related to proposed projects or more comprehensively throughout the city or village. Modifications can include increasing density, reducing setbacks or lot sizes, lowering impact fees, minimizing parking requirements or others. Items our members should recognize from our zoning guidebook.

While not dependent on modifications to municipal zoning or regulatory modifications, the League also supports SB 297 which makes modifications to the housing rehabilitation loan fund and program created in 2021 Act 221 also introduced by Representative Penterman and Senator Stroebel which the League supported.

Finally, while the League supports the goal of incentivizing and creating additional workforce, senior, and affordable housing in Wisconsin and values the partnership in crafting the legislation in this package, we are taking a neutral position on SB 296. Senate Bill 296, which the League has dubbed the Truth in Zoning bill, has three main provisions:

SB 296 provides a requirement that political subdivisions must approve an application for a permit or administrative approval required to proceed with a residential housing development if the application is complete at the time of submission and the development meets the political subdivision's existing requirements that must be satisfied to obtain the permit. The bill retains the municipality's legislative control over zoning while requiring administrative approval if a project meets all requirements in place at the time of application.

In addition, Senate Bill 296 eases the process for rezoning by requiring a simple majority vote of the governing body to amend a political subdivision's zoning ordinance.

The bill also modifies the process for certiorari review of certain decisions of political subdivisions relating to zoning and residential land use by modifying the following provisions:

- Narrowing the persons who may seek review of these decisions to those that 1) submitted the application for approval; 2) have an ownership interest in the real property that is the subject of the application for an approval; 3) sustain actual damages

- or will imminently sustain actual damages that are personal to the person and distinct from damages that impact the public generally; or 4) are certain governmental actors.
- Requiring that the certiorari action be filed within 30 days of the final decision of the political subdivision.
 - Specifying that a court's decision is based on the record provided by the political subdivision and may only affirm or reverse the decision or remand for further proceedings.
 - Identifying deadlines for various steps in the review process to expedite the court's review.

Because our membership is very diverse from Big Falls with a population of 57 to the City of Milwaukee, we do not have consensus on this bill. When the League lacks consensus we stay neutral on a provision. But I guarantee that we will work diligently to inform and educate our members on the provisions in this bill. It does not represent a monumental shift in current practice and the local governing body retains the ability to set standards and permitted uses in local ordinances. It does drive home the point that once permitted uses are established communities must approve the associated administrative permits when all requirements are met.

As you have heard today, the workforce and affordable housing shortage in Wisconsin is a significant concern and one that the League has been willing and remains committed to tackle by working with our members and the Legislature on measures that can be successful and sustainable within our communities today and for years to come. Housing is not just a developer, realtor, business, workforce, financing, or municipal issue, it is a State of Wisconsin issue, and we are here today to help problem solve.

The League would like to thank Chairman Quinn and committee members for your leadership on this critical issue and your time and patience today. Thank you for your consideration. I would be happy to take questions now or you can contact me at your convenience at therkert@lwm-info.org.