



MORE HOUSING

W I S C O N S I N

HELPING COMMUNITIES DEVELOP
HOUSING SOLUTIONS.

WHITEPAPER SERIES

Briefing Paper **1**

MARCH 2024

Municipal Housing *Solutions*



More Housing Wisconsin

Wisconsin is experiencing a significant housing shortage. A recent study estimates Wisconsin will **need to build over 200,000 housing units by 2030** to accommodate all the people who want to live and work here.^[1] More Housing Wisconsin, a collaboration between the Wisconsin Realtors Association, the Wisconsin Builders Association, and the League of Wisconsin Municipalities, seeks to educate and inform Wisconsin city and village leaders and staff about zoning changes and other strategies communities can use to help **address this state's housing shortage**. Our goal is to bring tools, resources, and best practices to municipalities to **help** communities initiate housing solutions that meet their unique needs and **strengthen our economy**.



THIS MONTH'S TOPIC MARCH 2024

Housing Ready Checklist for Municipalities^[ii]

This briefing paper is the first in a series designed to educate and inform municipal officials and interested citizens about actions local governments can take to help increase the number and types of housing available in their communities. This project is sponsored by the **Wisconsin REALTORS® Association**, the **Wisconsin Builders Association**, and the **League of Wisconsin Municipalities**.

This housing ready checklist is a tool to help municipal officials and staff review and evaluate their zoning and subdivision regulations, land use plans, permitting process and fees, communications with developers, use of tax incremental financing, and other policies and procedures related to housing to ensure they are aligned with the goal of creating more workforce housing for the community.

— HOUSING READY Checklist for Municipalities^[ii]

HOW TO USE THIS CHECKLIST

Few communities will be able to answer “yes” to every question on this checklist—and not every community will want to. Each community’s plans, policies, zoning codes, and procedures are unique to local circumstances. The checklist can serve as a conversation starter among policymakers, staff, and interested citizens about what code changes, tools, and strategies your community may want to consider implementing to help create more housing options.ⁱⁱⁱ

ASSESSING AND ANALYZING COMMUNITY HOUSING NEEDS

Has your community taken steps to understand local housing needs and affordability?

Yes No

Has your community updated the housing element of its comprehensive plan under Wis. Stat. § 66.1001(2) (b) within the last 5 years?

Yes No

Has your community conducted a housing needs assessment?

Yes No

Has your community conducted a survey of the community’s existing housing stock?

Yes No

Has your community prepared a “Housing Affordability Analysis” as described in Wis. Stat. § 66.10013.? (Municipalities over 10,000 in population are required to prepare such a report annually and post it on the community’s website. Smaller communities may also benefit from such an exercise.)

Yes No Has your community adopted a local housing strategy?

Yes No Has your community reached out to the following stakeholders and sought their opinion about the need for more workforce housing through surveys, public meetings, focus groups, or other methods?

- | | |
|---|--|
| <input type="checkbox"/> Business Leaders & Major Employers | <input type="checkbox"/> Home Builders and Landlords |
| <input type="checkbox"/> School Districts | <input type="checkbox"/> Mortgage Lenders |
| <input type="checkbox"/> Local Residents | <input type="checkbox"/> Economic Development Associations |
| <input type="checkbox"/> Public Housing Authorities | <input type="checkbox"/> Senior Citizen Groups |
| <input type="checkbox"/> Nonprofit Housing Developers & Housing Advocates | |
| <input type="checkbox"/> Groups Representing REALTORS® | |

ZONING STRATEGIES

While most zoning regulations are implemented to serve specific health, safety, and welfare needs, they may unintentionally adversely impact housing availability and affordability. Zoning can be a barrier, preventing the construction of many types of in-demand housing, increasing development costs, or requiring complex and lengthy approval processes. An updated zoning code can create a clear, predictable path for developers to follow, resulting in more of the type of housing that a community wants and needs.^{iv}

Does your community's zoning and subdivision ordinance include/allow the following:

Yes No Allow multi-unit housing as permitted uses in single-family zoning districts where two-family and multi-family already exist as non-conforming uses.

Yes No Permit residential uses, including multi-family, within downtown and Main Street zoning districts.

- | | | | | |
|--------------------------|-----|--------------------------|----|---|
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Permit residential uses, including multi-family, in commercial districts. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Allow accessory dwellings (granny flats) by right for all single-family housing zoning districts. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Minimal or no parking requirements. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Single family homes may be converted to multi-family units. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Multi-family housing (townhomes, condos, apartments, duplexes, multiplexes, etc.) with the same/similar lot dimension requirements as single-family homes when practical. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Small or no minimum dwelling or floor area size for all housing types. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Zero lot line homes. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Increase density by allowing smaller lot sizes. |

Do your community's zoning and subdivision ordinances offer incentives for workforce housing including:

- | | | | | |
|--------------------------|-----|--------------------------|----|--|
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Density bonus when retaining open space. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Density bonus when a percentage of units are set aside for workforce housing. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Reduced number of parking spaces required. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Reduced impact fees and utility connection fees. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Reduced minimum dwelling and lot width and size for: <ul style="list-style-type: none"> <input type="checkbox"/> Below market-rate housing; <input type="checkbox"/> Districts targeted for workforce housing; <input type="checkbox"/> In-fill development |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Height bonuses if workforce residential is incorporated in a mixed-use building |

- Yes No Has your community reviewed its zoning and subdivision permit approval process and taken the following actions:
- Yes No Conducted a self-assessment of the permitting process, examining, for example, how long a typical development review takes from start to finish and whether there are any improvements that can be made to the process?
- Yes No Created a centralized One-Stop Permit Desk or taken other steps to streamline the subdivision process, such as imposing a time limit on the municipal review process?
- Yes No Adopted a Traditional Neighborhood Development ordinance, which follows the historic compact development pattern of Wisconsin's older cities and villages? (Wis. Stat. § 66.1027 requires communities over 12,500 in population to adopt such an ordinance, but smaller communities could benefit from such an ordinance.)
- Yes No Developed a transparent, easy to follow "developer's checklist" of zoning and other requirements that must be met before a project is launched?
- Yes No Developed forms and permits that are simple, easy to access, and make the development process as transparent and efficient as possible?

PROMOTING AVAILABILITY OF LAND FOR HOUSING

Has your community considered or implemented:

- Yes No Creating an inventory of local-government owned properties, redevelopment-ready properties, or other sites available and appropriate for housing development?
- Yes No Taking actions to encourage infill development, including:
- Preparing an inventory of potential infill sites and distributing it to developers. Allowing mixed uses for infill developments.
- Adopting flexible regulations allowing development of irregular or substandard infill lots. Assisting in the consolidation of infill lots into larger, more easily developed sites.

Yes No

Facilitating adaptive reuse of surplus and/or outmoded buildings, such as strip malls, factories, warehouses, or schools, to housing by developing more flexible ordinances, arranging for possible property transfers of publicly owned buildings, and providing assistance in obtaining sources of funding to help cover cost of conversion?

Yes No

Entering into partnerships with major employers, nonprofits, or private developers to acquire land and advance workforce housing development?

FUNDING & FINANCING

When building workforce housing, there is almost always a “gap” between the costs of construction and a price that’s affordable to the end buyer or renter. Builders and partners must find a way to fill that gap, often with grants, low-interest loans, donations of land, tax credits, reduced impact fees or infrastructure costs. Local governments can help through the use of tax incremental financing and other tools.^v

Has your community considered or implemented:

Yes No

Taking advantage of the affordable housing extension provided in the tax incremental financing law (Wis. Stat. § 66.1105(6)(g)), which allows a community to extend a TIF district for an additional year before it terminates and use the extra tax increments to “benefit affordable housing” within the community.

Yes No

Using tax increment financing to assist in the building or rehabilitating of affordable housing for middle- and lower-income households.

Yes No

Entering into a public- private partnership to develop workforce housing for the community.

- | | | | | |
|--------------------------|-----|--------------------------|----|---|
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Establishing a housing trust fund. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Approaching major employers or community benefactors to solicit private support for workforce housing. |
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | Meeting the pre-conditions necessary to enable workforce and senior housing developers to qualify for infrastructure and other loans from WHEDA under programs created by 2023 Wisconsin Act 14. These include: making changes to zoning ordinances and subdivision regulations to increase development density, expedite approvals, reduce impact fees, or reduce parking, building, or other development costs with respect to an eligible project on or after January 1, 2023. |

- i. Forward Analytics, A Housing Hurdle: Demographics Drive Need for More Homes; January 2023.
- ii. This checklist is adapted from two sources: 1) “Northwest Michigan Housing Ready Checklist” developed by Housing North, a Michigan nonprofit focused on housing solutions in northwest Michigan, www.housingnorth.org; and 2) Housing Wisconsin: A Guide to Preparing the Housing Element of a Local Comprehensive Plan, Brian Ohm, Third Edition, August 2020.
- iii. This wording is taken from “Northwest Michigan Housing Ready Checklist” developed by Housing North.
- iv. Ibid.
- v. Ibid.