Chippewa Valley Housing Recommendations

Chippewa Valley Housing Task Force

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Introduction

The Chippewa Valley has experienced significant growth in population and employment in the past decade, which coupled with other factors, has created a shortage of housing for people at nearly all stages of life and financial condition. In response, the Chippewa Valley Housing Task Force was assembled to collect information and insight to better understand the regional housing market and to investigate potential solutions to observed housing supply and affordability challenges.

The Task Force focused primarily focused on the "urbanized area" of the region that is comprised of the Cities of Eau Claire, Altoona, and Chippewa Falls, Village of Lake Hallie, and developed portions of adjacent Towns. Some discussion was focused on surrounding towns and rural areas, as well as nearby cities such as Menomonie. Due to various data sources and sampling, Eau Claire and Chippewa Counties are the typical level of presenting data in this report, except where information with acceptable confidence exists at the City level.

Eau Claire is the regional economic center of Western Wisconsin with a trade area that extends over forty miles in all directions, and even further to the north and south. The area attracts many young people due to the University of Wisconsin Eau Claire, Chippewa Valley Technical College, and a vibrant arts and culture environment. Other characteristics of the region include the abundant outdoor activities, strong and diversified business sector, and exemplary public education systems.

To address the housing shortage and lack of affordability the area has been facing, local civic leaders and elected officials increasingly sought solutions and opportunities to learn more about this challenge. The Chippewa Valley Housing Task Force was created in spring 2018 as a focused, inclusive effort to bring people together **to increase collective understanding, identify constraints to housing, investigate potential solutions, generate recommendations, and increase collaboration around implementation to address housing issues in the region.**

The core team began by reaching out to key stakeholders, studying housing planning and development best practices, and evaluating recently completed housing studies from comparison communities. The team evaluated the necessity of hiring a consultant to conduct a housing study. The team determined that much of the data utilized to inform comparison housing studies are drawn from various public sources. Therefore, the team decided to proceed with collecting this information for the region, conduct a focused community engagement process, and to determine if a citizen survey or targeted consultant assistance may be necessary at a future time.

The Task Force convened four stakeholder meetings each averaging forty contributors comprised of key members in the community involved with and concerned about housing. The meetings entailed discussing information collected by the core organizing team and engaging in round-table discussions to identify the issues and discuss possible solutions. The Task Force stakeholder group is comprised of over seventy people representing the full spectrum of housing, development and government, including developers and builders, property owners, finance professionals, City and County staff, elected and appointed officials, university representatives, community leaders and non-profits. These larger meetings allowed people from different sectors to engage, discuss their views and roles, and recognize that this is a complex issue with many variables. The Task Force sought to increase *holistic* understanding of all types of housing and to familiarize people with one-another to facilitate better collaboration around housing in the future.

Four stakeholder "sector" meetings were conducted that focused on more specific housing elements to gain depth and specialized understanding. The sector groups focused on: lived experience, building and development, zoning and public policy, and finance. In the meeting about lived experience, we heard powerful testimony highlighting the importance of creating a stronger safety net through more affordable housing, and challenging details from people with specific financial or health challenges face in securing housing. Builders and developers discussed effective incentives, regulatory impediments, escalating materials cost, shortage of skilled labor, and challenges specific to development of affordable housing. The zoning and policy meeting focused on identifying barriers in current zoning and policies, possible replacements for these policies, while also discussing ways to improve the discussion around affordable housing. The finance meeting was attended by senior representatives from many area lenders, developers and economic development professionals and examined the various underwriting requirements and scrutiny that affordable housing developments must complete, reflecting that affordable housing projects must show expected cashflow and typically hold greater cash reserve than a market project.

In addition to the large stakeholder gatherings and sector group meetings, the Task Force core team members held dozens of interviews and other small meetings to build expand the coalition, collect information, reason through challenges, and discuss potential solutions. The core team met and corresponded separately to coordinate approach, aggregate information and resources, and produce this report.

The Task Force is assembled around the mission of "collective impact" of harnessing local resources of many kinds around the clearly articulated shared goals of advancing housing solutions, particularly for people that are experiencing challenges in securing safe and affordable housing. This approach recognizes that successful housing efforts must align many mutually supportive strategies from any parties, public and private, and be regularly updated. Cities are on the front lines for leading this important effort in ensuring health and economic opportunities for residents as well as continue further economic prosperity that is widely shared.

Goal Statement

Fair and equitable access to safe, quality, healthy, stable housing for all individuals and families is critical for success in health, economic stability, education, and social mobility. Housing is a fundamental component of community vitality that affects the daily life and livelihood of all people. Disparities resulting from differences in race, ethnicity, income and location must be positively and effectively addressed.

Consensus Statements

The following represent key consensus findings of the participants of the Task Force. The statements are not listed in order of priority or certainty.

- Many of the key drivers of rising housing costs are the result of national trends, including building materials, labor shortages, interest rates, and lingering impacts of the lack of new construction during the recent recession.
- Housing supply in the Chippewa Valley is insufficient to meet current need and demand in every income category and housing type. The most acute need is for quality rental housing that is affordable for persons of low-income.
- The overall housing effort must be regarded as a continuous, long term mission that integrates complementary short-, medium- and long-term strategies and tactics that are regularly evaluated and updated.
- Employers and economic development entities report that supply of housing is hindering recruitment of employees from young professionals to executives, and that overall supply of housing is among the top constraints to growth.

- Housing is a significant impediment to current and long-term economic development in the region.
- Housing, community design, and the built environment are key social and physical determinants of health.
- Identify measures and indicators of success, and report on progress.
- Local development regulations may be a barrier to infill and redevelopment that would improve housing supply and affordability.
- Many households face challenges to accessing stable housing independent of housing supply that require additional attention and resources, including but not limited to mental health, conviction and rental history, racial and cultural stereotyping.
- Rising costs of non-housing essential services such as health care and child care are resulting in increased cost burdens for persons who have low to moderate income and further exacerbate housing challenges.
- Partnerships and collaborations between government, private firms, non-profits and civic groups will be required to effectively address our current housing challenges.
- Effective and coordinated advocacy by informed citizens and civic groups is necessary to maintain momentum, refine and support policy proposals that reflect community goals, and contribute to implementation.
- Macro-economic trends are generating an increasing percentage of jobs on the low- and higher-income brackets, and to median wages not keeping up with increased cost in household essential services, directly contributing to housing affordability challenges at the community scale.
- There are opportunities to better coordinate housing and development, and the Task Force provided one venue to create connections.
- Continue the efforts of the Task Force in some fashion.
- Raising public awareness and political will are aligning toward action.

Define "Affordable"

There are multiple definitions utilized to identify what level of household income constitutes "affordable" living situation. This was a matter of frequent discussion during the Task Force meetings. Further, this definition may be highly contextual, as there are other factors that impact household access to housing, such as how housing location impacts transportation and other lifestyle costs, access to employment and services, and other impediments or hardships a person may encounter. Additional variables include the quality of housing, utility expenses, and others.

> **"Affordable Housing" is most typically defined as total housing and related expenses that comprise no more than 30% of gross household income.**

Determining housing affordability is complex and the commonly used housing-expenditure-to-income-ratio tool has been challenged. "Affordable Housing" is most typically defined as housing expenses that comprises no more than 30% of household income (including utilities, insurance, property taxes, upkeep, and related expenses). Households spending more than 30% are considered "cost burdened", and households spending more than 50% are considered "severely cost burdened". While this simple standard tends to "overstate housing affordability challenges for high-cost markets and for higher-income and smaller households", it does provide a reliable generalized indicator at the community level if utilized with caution due to variation in housing types and income conditions[1].

The Task Force adopted this general definition, recognizing that there are many life contexts, situations and dynamics that make a one-size-fits-all definition tenuous. For example, a household may choose to pay more for housing, being "cost burdened" by the standard measure, but in so doing select a location that allows them to live near employment and services, therefore reducing other costs such as transportation or child care, or to dedicate commuting time saved to other pursuits.

Housing is typically a fixed cost rent or mortgage contract, as housing and social justice researcher and advocate Mathew Desmond describes: "**The rent eats first**". Desmond continues:

> "The majority of poor renting families are spending at least half of their income on housing—and one in four is spending over seventy percent just on rent and utilities. The lack of affordable housing is a wellspring for many social problems—from family and community instability to poor health—and evictions, which used to be rare in our country, are running through the city, acting like a cause, not just a condition, of poverty. We cannot hope to fix poverty in America if we continue to ignore the affordable-housing crisis."

The issue of housing affordability is frankly increasingly in the public eye because a large and increasing percentage of the population, including middle income households and the growing population of retirees, are finding themselves in challenging positions due in part to housing costs raising faster than wages, and housing supply that is not keeping up with demand. Increasing political attention is being paid to this issue partially as a result. However, housing insecurity and affordability is a persistent issue that has never really gone away.

The Task Force recommendation is to utilize area median income (AMI) for the metropolitan statistical area (MSA) as the standard benchmark for determining housing affordability and defining sectors of the market. The MSA includes all of Eau Claire and Chippewa Counties. The purpose for utilizing the MSA AMI is that most people can choose where to live within the region, and there is a significant percentage of the population who commute between local jurisdictions. AMI figures for individual municipalities should be also be used as a reference where appropriate. U.S. Housing and Urban Development (HUD) prepares annual housing cost figures that are utilized in Federal programs. These figures will need to be utilized as necessary.

"Workforce Housing" is another term utilized increasingly in recent years to gain support for policies and strategies to address supply of housing for moderate- and middle-income households. The construction of the term is clearly to indicate employed persons. This term comes with limitations, as it is typically defined as housing that is "affordable" to households earning between 60% and 120% of the County Median Income,[2] particularly those persons that do not rely upon other financial supports to obtain housing. Critics push back that this rephrasing and redefinition of "affordable" to "workforce" is simply an attempt to jettison some of the negative stereotypes sometimes applied to affordable housing, such as poor quality and upkeep, design, and potentially racial and cultural factors; and that many households captured by this definition do not really need the added attention while the significant population that falls below this income threshold is continued to be left behind. For

[1] 2018. Christopher Herbert, Alexander Hermann, and Daniel McCue. "Measuring Housing Affordability: Assessing the 30-Percent of Income Standard". Harvard Joint Center for Housing Studies. Accessed 2018 December 1. www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Herbert_Hermann_McCue_measuring_housing_affordability.pdf

[2] Urban Land Institute (ULI), Terwilliger Center for Housing. Accessed 2018 December 1. http://uli.org/research/centers-initiatives/terwilliger-center-for-housing/

example, a single person household in Eau Claire County earning $30,000 per year, $14.57 per hour, would not be captured by this term as their income is below the target definition.

"Attainable"

Attainable is defined by the Urban Land Institute[3] (ULI) as "nonsubsidized, for-sale housing that is affordable to households with incomes between 80 and 120 percent of the area median income". Through their examination of data, they conclude that, since the mid-1980s, home prices have increased at a faster pace than household incomes, the divergence between household incomes and home prices widened dramatically during the market boom of the mid-2000s, and that rate of growth in that gap has accelerated in the years since the recovery from the Great Recession. ULI identified several contributing factors, including increasing wealth and income disparities; constrained supply, especially at lower price points; growing size of homes despite falling household sizes; larger and less affordable homes comprising a growing share of the market; and lack of "missing middle" housing types and densities.

The conclusions from ULI and other organizations examining housing constraints are similar to those heard through the Task Force discussions and investigations of local data. Attainable housing highlights the challenge for the middle-income market and solutions for increasing the supply of nonsubsidized housing. Among these solutions include findings that "although the current industry perception may be that meeting this demand means builders need to limit amenities, use lower-quality finishes, and locate in less desirable areas, research for this report reveals that consumers would prefer better locations and amenities over bigger homes or lower-density housing."

These housing types and principles identified by ULI are further explored later in this report, and include (1) small homes; (2) value housing; (3) missing-middle housing; and (4) high-density detached housing.

Refining "Affordable"

Many other elements of housing type and community design impact basic living expenses and a person's ability to lead an affordable lifestyle and pursue quality of life. Traditional measures of housing affordability do not account for transportation costs.

The Housing + Transportation Affordability Index[4] (H+T Index) is a tool developed by the Center for Neighborhood Technology (CNT) and is intended to provide a comprehensive view of affordability that includes both the cost of housing and the cost of transportation at the neighborhood level. The index is part of a broader effort to advance urban sustainability through location efficiency. This analysis builds upon the premise that many people view housing affordability based solely or principally based upon the mortgage or rent and do not take transportation into adequate consideration as these costs are indirect and comprised of several smaller elements.

Unlike other household necessities, direct and indirect transportation cost and accessibility is largely a function of the characteristics of the neighborhood in which a person chooses to live. For example, choosing to live in one neighborhood versus another within the same region may present the same housing cost, with little or no variation in food, childcare and healthcare costs, while transportation cost may be variable due to travel frequency and distance by automobile. In addition, travel time represents an "opportunity cost" in time that could be dedicated to other pursuits of employment, necessity or leisure. Adding an additional 5 minutes, one-way, onto a

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[3] 2019. *Attainable Housing: Challenges, Perceptions, and Solutions"*, Urban Land Institute.

[4] Center for Neighborhood Technology https://htaindex.cnt.org/

commute adds up to 50 minutes per week, 2,600 minutes per year, over 43 hours – an entire work week. Living near employment, services, and other destinations not only cuts down on transportation cost, but also time.

Transportation costs are considered affordable if they comprise 15% or less of gross household income.

Total transportation costs include cost to purchase the vehicle, insurance, fuel, parking, and maintenance. Combing the affordable housing benchmark of 30% and transportation of 15% of gross income, an affordable living situation would combine the two measures for **45%** of household income. This translates to $7,581 in annual transportation costs, or $632 per month, for a household earning the median in Eau Claire County ($50,538). According to the Center for Neighborhood Technology, the average household transportation cost in Eau Claire County was $11,808, or $984 per month, in 2015.

Jurisdiction	Housing % Income	Transp. % Income	Total H+T	Transp. Cost	Avg VMT	Annual GHG
City of Eau Claire	24 %	23 %	**47 %**	$ 11,808	20,343	8.44
City of Altoona	26 %	24 %	**51 %**	$ 12,347	21,487	9.32
Eau Claire County	26 %	25 %	**51 %**	$ 12,610	21,645	9.12
City of Chippewa Falls	21 %	24 %	**46 %**	$ 12,256	21,558	7.81
Chippewa County	26 %	28 %	**54 %**	$ 14,123	24,046	9.89

Source: Center for Neighborhood Technology, 2017 data release (2015 American Community Survey).
Percentages are rounded.
Vehicle Miles Travelled (VMT)
Annual Green House Gas (GHG) emissions (direct) from automobile use (metric tonnes).

In this view, the average household in the Chippewa Valley is not housing burdened (paying more than 30% of gross income). However, the average household in Eau Claire County paid nearly **156%** more of their household income for transportation in 2015 than would be considered affordable. The CNT analysis suggests that the average household in the region is cost burdened when housing and transportation expenses are combined. Fuel costs are only a fraction of the total transportation costs for those driving a car. The majority of the costs are associated to purchasing and maintaining the vehicle.

The variables that are included to model the transportation portion of the H+T Index:

7 Neighborhood Variables:

a. Households per residential acre (net density)
b. Households per total acre (gross density)
c. Average block size
d. Transit connectivity index
e. Distance to employment centers
f. Job density
g. Access to amenities

2 Household Variables:

a. Household Income
b. Household size

Incorporating transportation into the boarder housing analysis and discussion of goals and objectives is critical beyond affordability. Transportation plays a huge role in how communities are designed and managed, creating indirect costs to people through infrastructure and service costs, as well as how transportation impacts overall community health and vitality. While this Housing Report focuses on housing, the authors advocate for the incorporation of transportation in the discussion and pursuit of affordable and healthy living.

The location of new housing is dependent on a combination of market interest, landowner interest to sell or (re)develop, and City planning and zoning regulation. The City can also influence the process through active involvement in the development or redevelopment of land, including funding incentives and even land acquisition to directly facilitate the completion of a desired project.

Diverse Housing Needs

A consistent theme through the Task Force investigation is that there is insufficient supply for housing of nearly every type and form in the Chippewa Valley. However, it became increasingly clear that the approaches to address housing for particular segments of the community as defined by household income require different, and targeted and complementary, strategies and tools. The market is diverse and people experience the housing market very differently depending upon their income and other life situations.

Total cost of ownership is an important consideration that can make identifying a single affordable price point challenging. As noted in the definition of "affordable", rent or mortgage is only one part of housing cost. Housing location also creates variable transportation expense that depends upon the households mobility for employment, necessities, and services.

Consensus of the Task Force participants share that there is a critical lack of housing options for homeless and very low-income persons, that there is insufficient supply and choice for middle income households, that prices have been rising rapidly, and the lack of higher-end housing options is a challenge for recruiting higher-income professionals.

The following housing segments are generalizations for the purposes of crafting strategies, aligning and focusing priorities. There are no hard lines differentiating between the below segments, as households are very diverse in terms of their living situations. For example, two similar households with similar income may be "income insecure" or "middle income" depending upon other factors separate from income and housing cost.

Homeless and Very Low-Income includes individuals and households that generally cannot freely participate in the housing market. These individuals and households require a system of support programs and services to secure housing. Many of these individuals face additional barriers to securing housing beyond income, some of which also are contributing to income constraints.

Income Insecure includes individuals and households earning up to approximately 80% of the area median income (and some higher), and often encounter challenges in securing quality affordable housing. These challenges may be due to the relative cost of housing, but also other household cost burdens and non-financial impediments. "Income insecure" is a relative term as some individuals in this income bracket are on fixed retirement resources, while others, such as single persons without other major expenses, may be living comfortably. The income source(s) for people in this segment might be dependable (secure), but insufficient to obtain housing without becoming cost-burdened.

Middle Income includes individuals and households earning between approximately 80% to 150% of area median income ($50,538 in Eau Claire County, 2018), are generally the largest segment of the housing market, and historically had few challenges in securing affordable housing. An increasing percentage of middle-income households have become housing cost burdened due to costs of healthcare, child care, housing, and other necessities raising faster than median wages.

Income Secure includes households that are earning significantly more than the area median income, typically more than 150%. Most households in this segment self-identify as "middle income". Households in this segment drive demand for higher-end housing and generally face no constraints or barriers in affordability in this region. Households in this segment may need to compromise on desires regarding size, locations or features in housing due to current inventory, but can do so without meaningful financial strain.

Students are defined as people who are enrolled in higher education at least part time. Traditional students are attending school full-time, are typically between 18 and 24 years old, typically are working part-time and have access to additional financial resources through family and/or student loans to meet housing and essential costs. Non-traditional students may be adults returning to school or attending later in life, be attending school part time while working or managing a family, and may have additional medical or family support expenses. Like each of the housing market segments, there is significant variation within them. A relatively high student population tends to create housing market distortions due to concentration of rental units and conversion of single-family homes to rentals near college campuses. Students also create increased demand for rentals in the area, especially near campus, which can drive up cost. Concentration of housing conversions can create undesired neighborhood changes through disinvestment and deterioration of mismanaged property.

Senior Housing are purpose-built housing types that are suitable for the needs of an aging population. It ranges from independent living for downsizing older adults to 24-hour care, with a continuum of assisted living models between. Senior housing emphases safety, accessibility, adaptability and longevity that conventional housing types may lack. Many senior citizens continue to reside in traditional housing situations such as single-family homes or general market apartments.

People with **Disabilities** encounter additional challenges to obtaining secure housing due to physical or mental conditions that present challenges requiring particular physical features of the housing, or services to provide assistance in living an independent lifestyle. In addition, some people with disabilities may not be financial independent and encounter additional cost-related barriers to housing.

In addition to income-based constraints that people may experience, a number of additional challenges and impediments were identified that directly contribute to or exacerbate housing insecurity or inability to find stable and safe housing situations. These include:

- Criminal Record
- Race
- Mental Health
- ADA Accessibility

Determining Demand

Housing is as complex and complicated as a market can be, made more so due to long-lived nature of the investment that is tied to a specific place – it cannot be moved from one place to another or easily modified due to changes in the economy or consumer preferences.

"We cannot build our way out of the affordable housing challenge." – Area Finance Professional

Population projections suggest that housing demand will continue to grow in the Chippewa Valley. This is based on growth projections by the State and reinforced by the continued growth and optimistic outlook of a diverse local employment market. These projections suggest the need for about 2,690 new units in Eau Claire County and 2,100 in Chippewa County over the next 12 years, assuming approximately 2.3 persons per household, on average. This growth projection translates to averaging 224 net new units per year in Eau Claire County and 175 in Chippewa County.

	2010 Census	2018 Estimate	Percent Change 2010-18	Projected Change 2010-20	2030 Projection	Projected Change 2018-30		2040 Projection	Projected Change 2030-40	
Chippewa County	62,415	64,551	3.4 %	6.0 %	69,400	4,849	7.5 %	70,600	1,200	1.2 %
Eau Claire County	98,736	102,816	4.1 %	5.4 %	109,005	6,189	6.0 %	111,610	2,605	2.4 %
City of Altoona	6,706	7,682	14.6 %	8.3 %	7,695	13	0.2 %	7,945	250	3.2 %
City of Chippewa Falls	13,661	14,049	2.8 %	2.0 %	14,110	61	0.4 %	13,880	- 230	-1.6%
City of Eau Claire	65,931	68,043	3.2 %	5.0 %	72,225	4,182	6.1 %	73,770	1,545	2.1 %
State of Wisconsin			2.27 %							

- 2018 Estimate per Wisconsin Department of Administration Demographic Service Center
- Population projections prepared in 2013 utilizing 2010 Census demographics information
- Projected 2018-2030 change calculated based upon 2018 estimates, and 2030 projections (2013).

The utilization of population projections that are based upon demographic analysis regarding population growth and change does not address existing pent-up demand by existing residents, or by individuals who may be commuting into the region who may desire to relocate. These population projections utilize trends and demographic models, and thus, they do not account for uneven or unexpected "non-trend" factors. For example, the 2030 population estimates for the City of Altoona and the City of Chippewa Falls, based on 2010 Census figures with projections completed by the State, have nearly been met by 2018. Since recent growth in parts of the region have been above trend expectations, other tools need to be used to estimate and prepare for future change.

Data

A central interest of the Task Force was to collect and better understanding housing in the Chippewa Valley as it exists currently. In order to do this, data was collected from a variety of public sources, primarily Federal and State agencies. In addition to the previously utilized datasets and those that immediately follow, additional information is provided in Appendix A. The number in parenthesis represents the +/- margin of error in the data.

General Housing Data

	Households	Persons per household	Living in same house 1 year ago, percent of persons age 1 year+	Owner-occupied housing unit rate	Median value of owner-occupied housing units	Median selected monthly owner costs - with a mortgage	Median selected monthly owner costs - without a mortgage	Median gross rent
Altoona	2,876	2.5	82.7%	66.9%	$148,700	$1,273	$507	$769
Eau Claire	27,234	2.33	77.0%	53.6%	$141,300	$1,198	$479	$758
Eau Claire County	40,202	2.43	80.4%	62.2%	$153,200	$1,248	$492	$757
Chippewa County	24,973	2.43	86.7%	72.5%	$152,400	$1,198	$468	$752

Source: US Census Bureau QuickFacts, 2012-2016

The table below is important for understanding the ratio of multi-family housing to single family housing. Because there is a strong focus on creating single family housing, this table shows that multi-family housing is also an important part of the community. The number in parenthesis represents the margin of error.

Units in Structure

	Altoona	Eau Claire	Eau Claire County	Chippewa County
1-unit, detached	1,759 (159)	15,699 (528)	27,091 (580)	20,788 (330)
1-unit, attached	265 (119)	1,910 (253)	2,357 (270)	1,172 (226)
2 units	50 (41)	2,752 (386)	3,000 (394)	1,105 (199)
3 or 4 units	278 (119)	2,948 (400)	3,314 (403)	1,040 (230)
5 to 9 units	217 (97)	2,160 (326)	2,594 (376)	780 (207)
10-19 units	43 (40)	573 (159)	781 (178)	541 (160)
20 or more units	199 (94)	2,152 (257)	2,459 (281)	922 (166)
Mobile home	250 (112)	437 (115)	1,394 (201)	1,336 (172)
Boat, RV, van, etc.	0 (12)	0 (20)	7 (6)	5 (6)
Total	3,061 (193)	28,631 (420)	42,997 (153)	27,689 (141)

Source: American Community Survey, Housing Characteristics, 2012-2016

Key to understanding housing is looking at where housing costs currently stand and how that may be burdening residents of the Chippewa Valley. The two tables below represent the affordability aspect.

Housing Costs (Owner Occupied)

	Altoona		Eau Claire		Chippewa Falls		Eau Claire County		Chippewa County	
Housing units with a mortgage	1,358 (223)		10,255 (449)		2,042 (235)		16,961 (5016)		10,950 (359)	
Less than $500	0 (12)	0.0%	174 (92)	1.7%	92 (89)	4.5%	237 (103)	1.4%	198 (102)	1.8%
$500 to $999	459 (174)	33.8%	2,603 (214)	25.4%	850 (195)	41.6%	4,189 (338)	24.7%	3,146 (265)	28.7%
$1000 to $1,499	452 (147)	33.3%	4,808 (330	46.9%	825 (175)	40.4%	6,990 (407)	41.2%	4,329 (291)	39.5%
$1,500 to $1,999	271 (131)	20.0%	1,839 (244)	17.9%	192 (97)	9.4%	3,338 (314)	19.7%	2,242 (186)	20.5%
$2,000 to $2,499	63 (63)	4.6%	490 (127)	4.8%	50 (55)	2.4%	1,229 (190)	7.2%	576 (111)	5.3%
$2,500 to $2,999	100 (66)	7.4%	167 (73)	1.6%	19 (30)	0.9%	532 (131)	3.1%	244 (69)	2.2%
$3,000 or more	13 (21)	1.0%	174 (74)	1.7%	14 (22)	0.7%	446 (118)	2.6%	215 (69)	2.0%
Median ($)	1,188 (114)		1,198 (27)		1,039 (74)		1,269 (30)		1,216 (24)	
Housing units without a mortgage	622 (160)		4,632 (349)		1,163 (187)		8,512 (438)		7,280 (342)	
Less than $250	83 (69)	13.3%	166 (73)	3.6%	14 (23)	1.2%	518 (132)	6.1%	320 (73)	4.4%
$250 to $399	23 (28)	3.7%	760 (162)	16.4%	297 (114)	25.5%	1,437 (197)	16.9%	1,917 (203)	26.3%
$400 to $599	333 (124)	53.5%	2,469 (282)	53.3%	610 (154)	52.5%	3,977 (326)	46.7%	3,347 (268)	46.0%
$600 to $799	117 (72)	18.8%	921 (184)	19.9%	167 (83)	14.4%	1,739 (204)	20.4%	1,108 (131)	15.2%
$800 to $999	54 (36)	8.7%	174 (84)	3.8%	35 (38)	3.0%	568 (160)	6.7%	377 (75)	5.2%
$1,000 or more	12 (19)	1.9%	142 (16)	3.1%	40 (23)	3.4%	273 (79)	3.2%	211 (70)	2.9%
Median ($)	519 (48)		499 (16)		464 (23)		508 (13)		475 (10)	

Source: American Community Survey, Housing Characteristics, 2013-2017

Monthly Housing Costs as a Percentage of Household Income

	Altoona	Eau Claire	Eau Claire County	Chippewa County
Less than $20,000	13.4 (4.6)	18.8 (1.7)	16.6 (1.2)	13.5 (1.2)
Less than 20 percent	0.6 (0.9)	0.4 (0.3)	0.4 (0.2)	0.9 (0.4)
20 to 29 percent	0.4 (0.6)	1.7 (0.5)	1.6 (0.3)	1.7 (0.6)
30 percent or more	12.3 (4.7)	16.7 (1.6)	14.6 (1.2)	10.9 (1.2)
$20,000 to $34,999	16.3 (4.5)	19.0 (1.6)	17.0 (1.2)	16.6 (1.5)
Less than 20 percent	2.1 (1.7)	3.1 (0.7)	3.0 (0.5)	3.8 (0.6)
20 to 29 percent	5.9 (3.0)	5.4 (0.9)	5.0 (0.7)	4.2 (0.8)
30 percent or more	8.2 (4.3)	10.5 (1.3)	9.0 (1.0)	8.7 (1.3)
$35,000 to $49,999	17.6 (5.8)	14.3 (1.6)	14.0 (1.2)	15.6 (1.0)
Less than 20 percent	8.5 (4.2)	4.4 (0.9)	4.9 (0.7)	6.5 (0.8)
20 to 29 percent	4.1 (2.7)	6.4 (1.0)	5.5 (0.7)	5.4 (0.8)
30 percent or more	4.9 (3.1)	3.5 (0.7)	3.6 (0.5)	3.7 (0.7)

$50,000 to $74,999	16.1 (4.6)	18.7 (1.5)	19.6 (1.2)	20.0 (1.6)
Less than 20 percent	9.2 (3.6)	10.7 (1.2)	11.1 (1.0)	12.4 (1.3)
20 to 29 percent	6.0 (3.0)	6.1 (0.9)	6.2 (0.7)	5.5 (0.8)
30 percent or more	0.8 (0.9)	1.9 (0.6)	2.3 (0.5)	2.1 (0.4)
$75,000 or more	34.8 (6.4)	27.1 (1.7)	30.5 (1.3)	32.1 (1.6)
Less than 20 percent	27.6 (6.6)	23.1 (1.7)	25.2 (1.3)	26.9 (1.5)
20 to 29 percent	6.7 (2.9)	3.6 (0.6)	4.6 (0.5)	4.4 (0.7)
30 percent or more	0.6 (1.0)	0.4 (0.2)	0.7 (0.2)	0.9 (0.3)
Zero or negative income	0.0 (0.6)	1.2 (0.5)	1.0 (0.3)	0.5 (0.2)
No cash rent	1.9 (1.4)	0.9 (0.3)	1.4 (0.3)	1.7 (0.4)

Source: American FactFinder, Financial Characteristics, 2012-2016

Income limits for Section 8 highlight the levels of need in Eau Claire and are important for addressing gaps in affordability as it relates to area median income.

Section 8 Income Limits for City of Eau Claire

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Extremely Low Income (30% of AMI)	14,150	16,240	20,420	24,600	28,780	32,960	37,140	41,320
Very Low Income (50% of AMI)	23,600	27,000	30,350	33,700	36,400	39,100	41,800	44,500
Low Income (80% of AMI)	37,750	43,150	48,550	53,900	58,250	62,550	66,850	71,150

Source: HUD data, 2017, https://www.huduser.gov/portal/datasets/il/il17/Section8-IncomeLimits-FY17.pdf

Section 8 Income Limits for City of Eau Claire, monthly*

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Extremely Low Income (30% of AMI)	354	406	511	615	720	824	929	1,033
Very Low Income (50% of AMI)	590	675	759	843	910	978	1,045	1,113
Low Income (80% of AMI)	944	1,079	1,214	1,348	1,456	1,564	1,671	1,779

*Calculated maximum investment into housing, assuming **30%** of monthly income is spent on housing
Source: Calculations based on above HUD data (2017)

ALICE

ALICE, which stands for Asset Limited, Income Constrained, Employed, is a measure generated by The United Way of those who are not considered impoverished by federal standards but are also not generating enough income to afford the cost of living in the county. Below is the key data from the ALICE Reports for Chippewa County and Eau Claire County. The 2018 report was released in August and utilizes data drawn from 2016 American Community Survey figures. Anecdotally, this challenge has only worsened since 2016 as costs of living continue to raise faster than incomes.

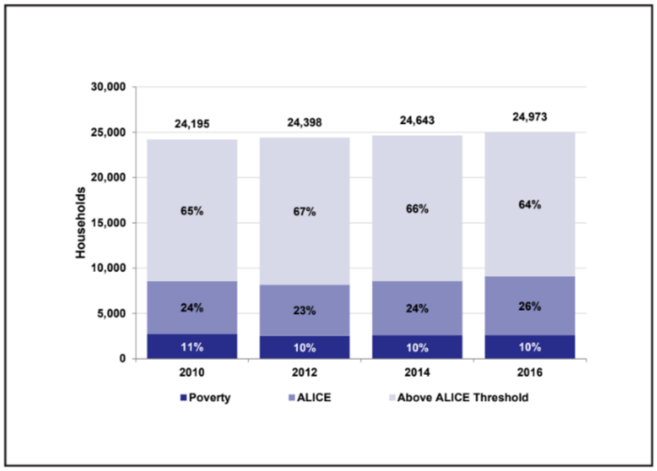
The ALICE figures indicate that **42%** of Eau Claire County Residents and **36%** of Chippewa County Residents who are employed are not earning enough income to afford the cost of living. This is an increase from 38% in Eau Claire and 35% in Chippewa in 2010. The key element to remember from the ALICE figures as these are households that are employed, not including retired or otherwise unemployed persons.

Housing plays a large role in meeting cost of living, as it is often the largest single expense. However, as shown in the *household survival budgets* calculated for ALICE utilizing Federal survey data, child care and health care costs overtake housing for households with children.

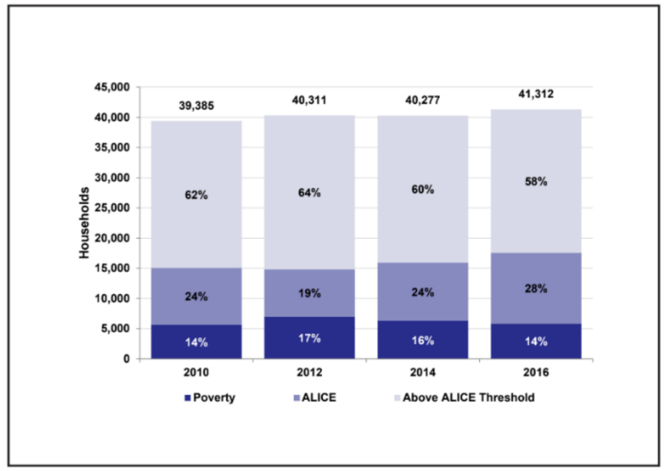
Chippewa County

Eau Claire County

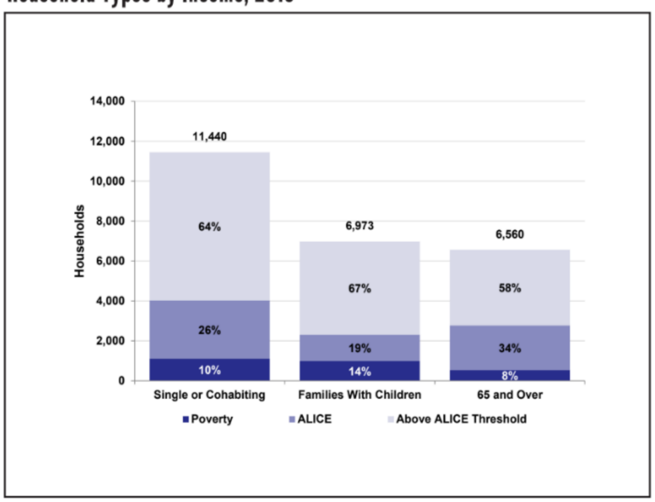
Households by Income, 2010 to 2016



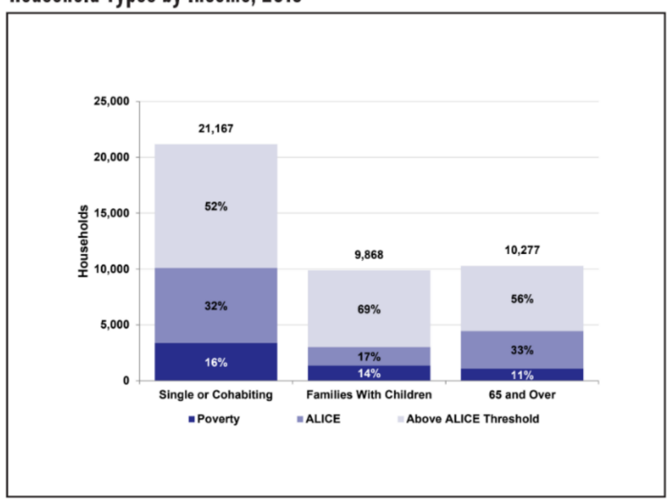
Households by Income, 2010 to 2016



Household Types by Income, 2016



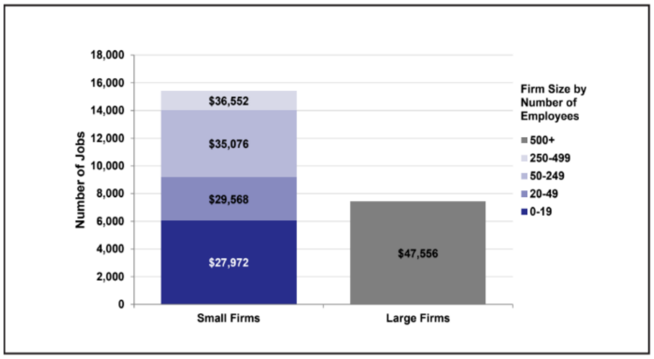
Household Types by Income, 2016



Household Survival Budget, Chippewa County		
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs		
Housing	$466	$735
Child Care	$–	$1,174
Food	$158	$525
Transportation	$349	$697
Health Care	$214	$800
Technology	$55	$75
Miscellaneous	$147	$458
Taxes	$225	$578
Monthly Total	$1,614	$5,042
ANNUAL TOTAL	$19,368	$60,504
Hourly Wage	*$9.68*	*$30.25*

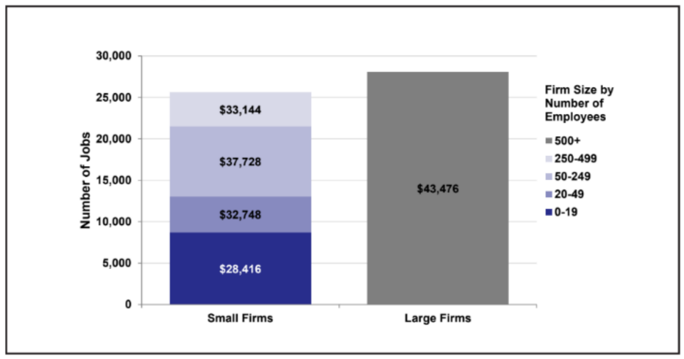
Household Survival Budget, Eau Claire County		
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs		
Housing	$466	$735
Child Care	$–	$1,294
Food	$158	$525
Transportation	$349	$697
Health Care	$214	$800
Technology	$55	$75
Miscellaneous	$147	$475
Taxes	$225	$627
Monthly Total	$1,614	$5,228
ANNUAL TOTAL	$19,368	$62,736
Hourly Wage	*$9.68*	*$31.37*

Private-Sector Employment by Firm Size With Average Annual Wages, 2016



Sources: *2016 Point-in-Time Data*: American Community Survey. ***ALICE Demographics:*** American Community Survey; the ALICE Threshold. ***Budget:*** U.S. Department of Housing and Urban Development; U.S. Department of Agriculture; Bureau of Labor Statistics; Internal Revenue Service; Tax Foundation; and Wisconsin Department of Children and Families, 2016.

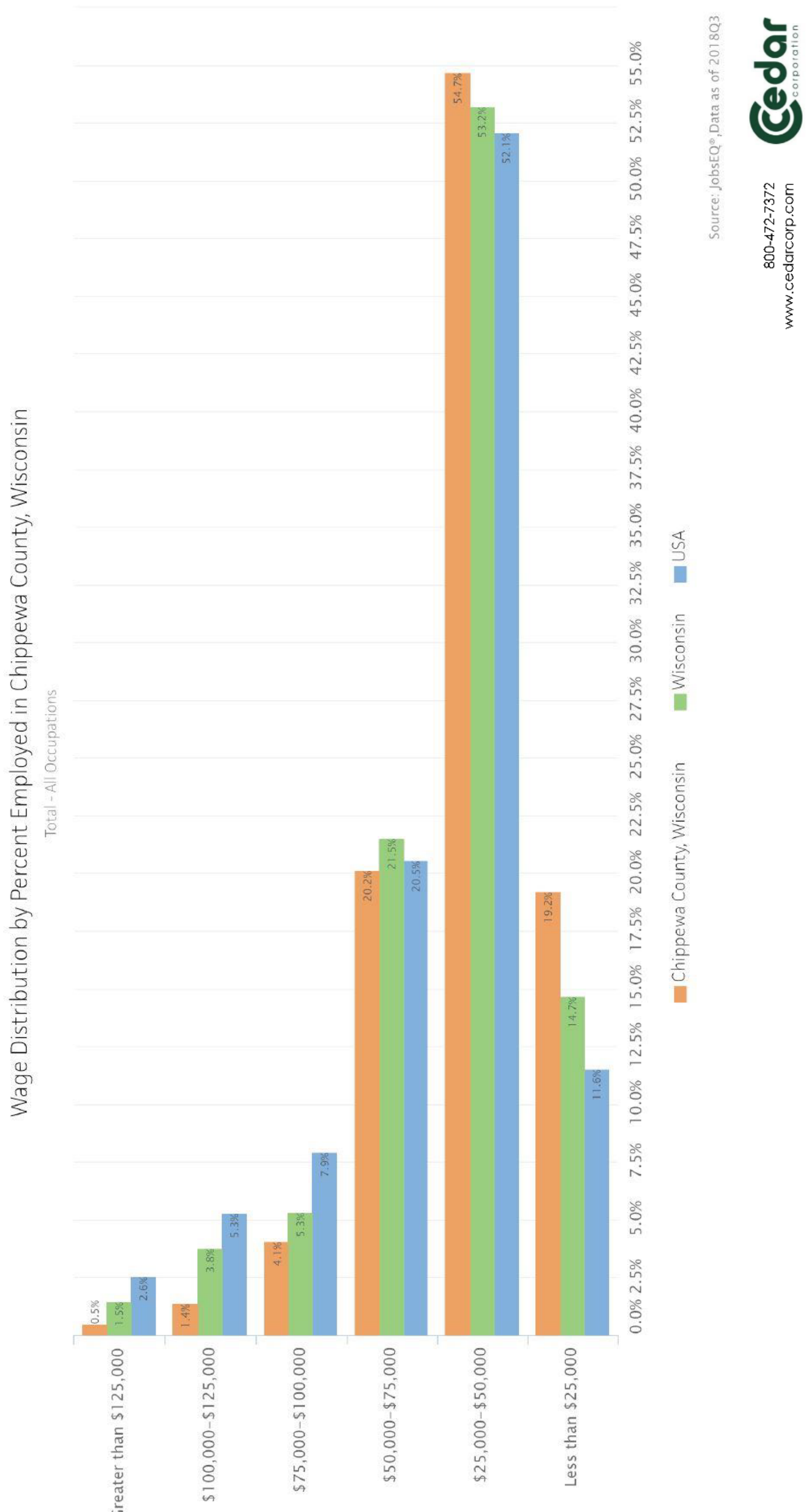
Private-Sector Employment by Firm Size With Average Annual Wages, 2016



Sources: *2016 Point-in-Time Data*: American Community Survey. ***ALICE Demographics:*** American Community Survey; the ALICE Threshold. ***Budget:*** U.S. Department of Housing and Urban Development; U.S. Department of Agriculture; Bureau of Labor Statistics; Internal Revenue Service; Tax Foundation; and Wisconsin Department of Children and Families, 2016.

Wage Distribution by Percent Employed in Eau Claire County

The following chart displays the percentage of people employed in various income groups in Eau Claire County. As shown, Eau Claire County has a higher percentage of households in the lower income quartile (less than $25,000) than Wisconsin or the U.S., and lower percentage of households earning greater than $100,000.



Industry 5-Year Trends in Eau Claire County

1. The table below shows the number of industries and 2-digit North American Industry Classification System (NAICS) number in Eau Claire County at the end of the 3rd Quarter 2018. NAICS is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.
2. The *Current* column shows the number of people employed in respective industries, average annual wages and Location Quotient (LQ). The LQ shows the occupation's share of an area's employment relative to the national average with 1.00% being the national average.
3. The 5-Year History column shows the 5-year employment trends in each industry.
4. The 1-Year Forecast column indicates the total new demand in employment in each industry.

Industry Snapshot in Eau Claire County, Wisconsin, 2018q3

		Current			5-Year History			1-Year Forecast				
		Four Quarters Ending with 2018q3			Total Change	Empl Last 'n' Years	Avg Ann % Chg in Empl		Separations (Approximate)		Growth	
NAICS	Industry	Empl	Avg Ann Wages	LQ	Empl	1 | 3 | 5	Region	Total New Demand	Exits	Transfers	Empl	Avg Ann Rate
11	Agriculture, Forestry, Fishing and Hunting	737	$19,633	0.86	16		0.4%	80	34	45	1	0.1%
21	Mining, Quarrying, and Oil and Gas Extraction	84	$57,780	0.32	73		48.7%	7	3	6	-1	-1.3%
22	Utilities	57	$97,590	0.18	-2		-0.6%	5	2	3	0	-0.2%
23	Construction	2,530	$52,104	0.72	582		5.4%	264	89	159	15	0.6%
31	Manufacturing	5,713	$50,665	1.12	355		1.3%	529	220	374	-65	-1.1%
42	Wholesale Trade	2,266	$55,417	0.95	241		2.3%	236	90	148	-2	-0.1%
44	Retail Trade	7,243	$26,890	1.10	-272		-0.7%	954	427	539	-11	-0.2%
48	Transportation and Warehousing	2,617	$48,483	0.96	217		1.7%	292	119	159	14	0.5%
51	Information	702	$46,930	0.57	2		0.0%	57	25	43	-11	-1.5%
52	Finance and Insurance	2,881	$62,396	1.18	-2		0.0%	297	105	168	25	0.9%
53	Real Estate and Rental and Leasing	717	$41,409	0.67	37		1.1%	73	33	40	0	0.1%
54	Professional, Scientific, and Technical Services	2,241	$59,285	0.54	-55		-0.5%	211	72	120	18	0.8%
55	Management of Companies and Enterprises	2,702	$84,341	2.94	618		5.3%	249	91	154	4	0.1%
56	Administrative and Support and Waste Management and Remediation Services	3,309	$28,082	0.82	-306		-1.8%	407	162	220	24	0.7%
61	Educational Services	4,318	$43,326	0.85	-141		-0.6%	406	193	207	6	0.1%
62	Health Care and Social Assistance	12,337	$56,766	1.39	1,525		2.7%	1,311	572	592	148	1.2%
71	Arts, Entertainment, and Recreation	1,104	$12,866	0.89	418		10.0%	160	70	85	5	0.4%
72	Accommodation and Food Services	5,762	$14,814	1.03	576		2.1%	945	413	520	12	0.2%
81	Other Services (except Public Administration)	2,373	$22,657	0.88	-175		-1.4%	270	123	146	1	0.0%
92	Public Administration	2,379	$47,512	0.82	-111		-0.9%	215	93	126	-3	-0.1%
	Total - All Industries	62,074	$45,060	1.00	3,597		1.2%	6,974	2,908	3,875	192	0.3%

Source: JobsEQ®
Data as of 2018Q3
Note: Figures may not sum due to rounding.

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Occupation Wages and Home Affordability

1. The table below shows occupation wages based on Standard Occupational Classification (SOC) system data for Eau Claire County as of 2017. The Standard Occupational Classification (SOC) system is a federal statistical standard used by federal agencies to classify workers into occupational categories for the purpose of collecting, calculating, or disseminating data.
2. The table uses the median income for each occupation to calculable the maximum mortgage or rent paid that would be considered affordable.
3. The *Maximum Affordable Loan (MAL)* column indicates the maximum value for a home that would be considered affordable based the median income and the criteria in MAL column.

Occupation Wages and Home Affordability in Eau Claire County, Wisconsin 2017

SOC	Title	50% (Median)	30% of Median Income	Monthly Mortgage/Rent	Maximum Affordable Loan With 30 Year Mortgage at 4.5% interest with a 5% Down Payment and 2% Mill Rate
15-0000	Computer and Mathematical Occupations	$59,000	$17,700	$1,475	$197,958
17-0000	Architecture and Engineering Occupations	$65,800	$19,740	$1,645	$220,133
19-0000	Life, Physical, and Social Science Occupations	$54,200	$16,260	$1,355	$182,305
21-0000	Community and Social Service Occupations	$34,600	$10,380	$865	$118,389
23-0000	Legal Occupations	$56,800	$17,040	$1,420	$190,784
25-0000	Education, Training, and Library Occupations	$40,100	$12,030	$1,003	$136,325
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	$32,300	$9,690	$808	$110,889
29-0000	Healthcare Practitioners and Technical Occupations	$74,600	$22,380	$1,865	$248,829
31-0000	Healthcare Support Occupations	$30,700	$9,210	$768	$105,671
33-0000	Protective Service Occupations	$34,200	$10,260	$855	$117,085
35-0000	Food Preparation and Serving Related Occupations	$20,200	$6,060	$505	$71,431
37-0000	Building and Grounds Cleaning and Maintenance Occupations	$24,100	$7,230	$603	$84,149
39-0000	Personal Care and Service Occupations	$23,700	$7,110	$593	$82,844
41-0000	Sales and Related Occupations	$25,600	$7,680	$640	$89,040
43-0000	Office and Administrative Support Occupations	$33,300	$9,990	$833	$114,150
45-0000	Farming, Fishing, and Forestry Occupations	$24,900	$7,470	$623	$86,758
47-0000	Construction and Extraction Occupations	$52,600	$15,780	$1,315	$177,087
49-0000	Installation, Maintenance, and Repair Occupations	$45,300	$13,590	$1,133	$153,282
51-0000	Production Occupations	$36,600	$10,980	$915	$124,911
53-0000	Transportation and Material Moving Occupations	$31,100	$9,330	$778	$106,976
00-0000	Total - All Occupations	$36,100	$10,830	$903	$123,281

Source: JobsEQ®
Data as of 2017
Exported on: Friday, November 30, 2018 10:24 AM

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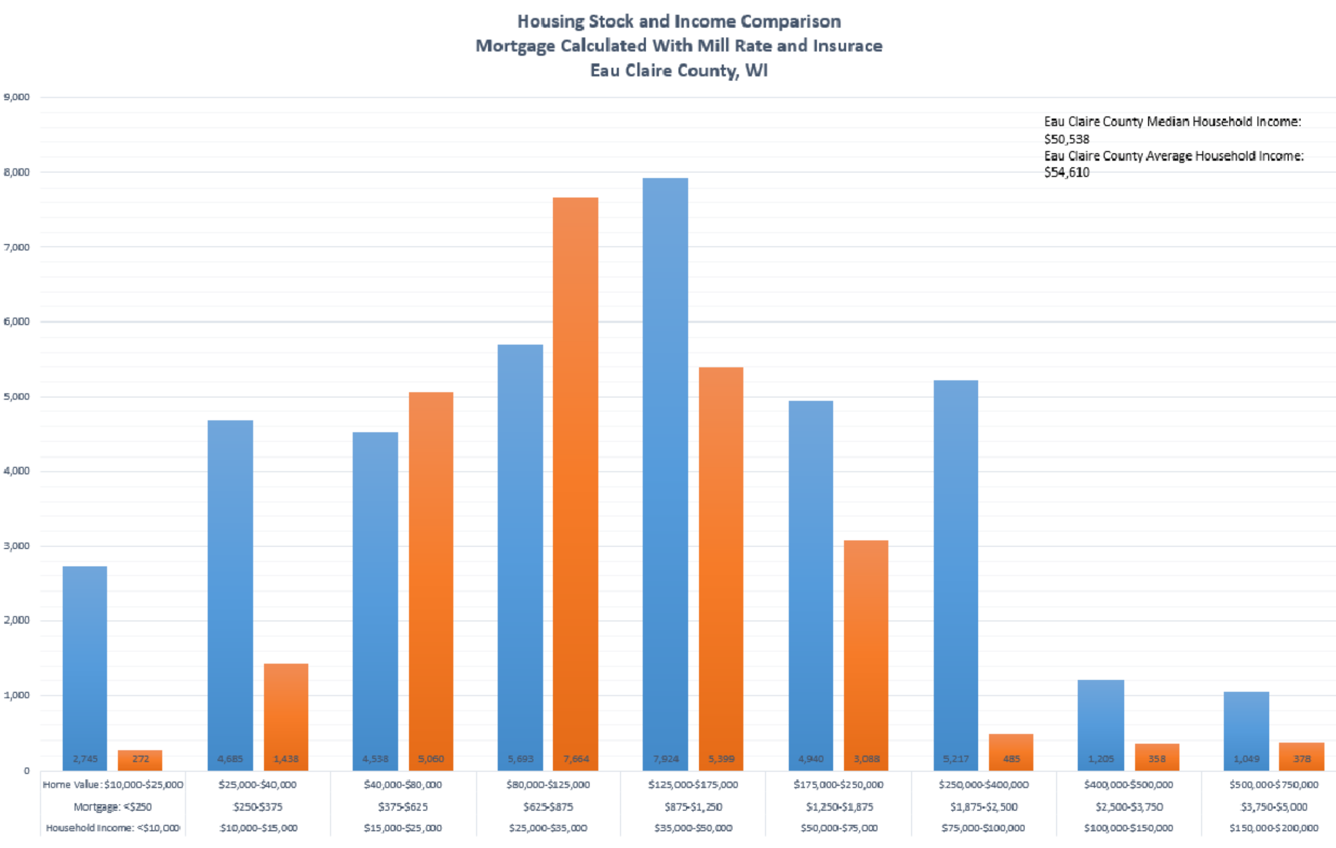
Housing Stock and Income Comparison- Eau Claire County

Data was obtained from the U.S. Census Bureau 5-Year American Community Survey 2012-2016 and consists of two parts:

1. Number of households within selected income ranges:
    - Household count shown as both total households and a percentage for each income range.
    - Monthly home payment amount determined as 30% of the upper and lower range of selected gross income amounts.
2. Number of owner-occupied homes within selected estimated value ranges:
    - Monthly mortgage amounts are calculated as 30-year fixed mortgages with a 5% down payment, 4.5% interest loan rate with a 2% mill rate. The resulting numbers are then adjusted (±$150) to match nearest income range monthly payment amount.

Data Mismatch

The household income data includes all types (owner-occupied with/without mortgage and rentals) of households within Eau Claire County. The home value data is only available for owner-occupied households within the municipally and does not represent the value of rental properties. Income data likewise is not differentiated between people who rent and those who own their residence.



Utilizing Income to Infer Housing Demand Characteristics

The *Housing Stock and Income Comparison* chart on the previous page displays the mismatch between the value of existing owner-occupied homes (as determined by U.S. Census) and number of households in many income categories. That chart overlays what the average household in that income bracket could afford for a mortgage (see assumptions) with the value of the unit. The caveat is that all households are represented, not just those that own their home. This data reflects 24,142 units identified by Census as owner-occupied with 37,996 households. The remaining households rent, or there may be multiple tax-identified households in a single unit.

That chart shows significant gap of approximately 5,720 units for households earning less than $15,000 per year. Most of these households likely rent due to limited financial resources. This chart also shows a significant gap of units for households earning greater than $75,000 per year, approximately 6,250 units. Of note is that households can pursue housing options that are affordable below their "max" range, but households earning less could not "buy up" without significant down payment or other resources.

Another explanation is that household income can change over time as persons change jobs or leave the workforce, which may not result in changing their housing situation.

Summary of Recommendations

The following are recommendations that comprise short- term tactics and long-term strategies for local units of government, businesses, non-profits, and engaged citizens to consider. A systems approach is required, as no single solution exists to "solve" for our existing housing challenges. Greater detail and reasoning are provided in the following section for many of the recommendations that further describes the element and provides examples from other communities.

These recommendations are designed to reflect the combined (1) priorities, insights, and creative ideas generated by local people, (2) examination of publicized contemporary best practices, and (3) case study of examples that are yielding success in comparison communities. These recommendations are presented with a variety of depth of detail, and it is generally understood that most will require further focused study and consideration before they are actionable. **The assembled menu as presented does not include prioritization.**

***It is critically important to propose recommendations that reflect the general consensus of the Task Force in order to reflect collective action*.** It is recognized that each jurisdiction will consider their own actions based upon these recommendations, and that non-government stakeholders will likewise weigh what their role(s) may be.

Development Regulations

Zoning is the primary tool utilized by local governments to regulate land use, intensity, character and location of development. Aside from rising costs of labor and materials, zoning was the most frequently cited and discussed impediment and opportunity to increasing housing supply and affordability.

- Revise zoning requirements to allow greater density in appropriate areas, such as amending setback requirements, lot sizes, allowable uses and intensity. Manage neighborhood change by transitioning from regulations that focus primarily on use and density and toward form-based standards that considers how a building and site design functions and performs within its neighborhood context.

- Pursue zoning and future land use maps that enable increased infill and redevelopment in existing neighborhoods and corridors throughout the region.
- Relax required automobile parking to reduce cost of developing housing and subsequent demand for automobile infrastructure, wherever appropriate.
- Investigate regulatory mechanisms to generate accessible and affordable housing that are not addressed by the State's statutory prohibition of inclusionary zoning.

City Policies

Cities utilize a variety of policies that directly and indirectly guide development decisions. The chief tool is the Comprehensive Plan, which identifies the community's vision and goals, and also includes policy statements and future land use map. These plans are primarily implemented through development regulations, City budgetary decisions such as capital priorities, as well as programs.

- Ensure that housing objectives are synergistically integrated into and advanced by land use, transportation and economic development plans and strategies.
- Identify and periodically update an inventory of infill sites and redevelopment areas.
- Evaluate existing policies and procedures to ensure that they advance housing, livability and neighborhood revitalization goals and encourage good design.
- Consider policies that require new developments and neighborhoods to be comprised of a compact mix of uses and housing types with varying sizes and building types in appropriate areas.
- Improve public engagement processes to be proactive and sensitive to neighborhood concerns while also finding reasonable options to pursue city-wide goals.
- Consider adopting a TIF policy that utilizes the affordable housing extension provision (WI Stats § 66.1105(6)(g)) to capture an additional year of increment to fund housing activities.
- Utilize existing TIF resources to strategically advance housing priorities wherever available.
- Consider policies that requires residential projects that receive financial assistance from the City, or is developed on property purchased from the City, shall meet minimum performance criteria including percentage of affordable units, ADA accessibility, and universal design.
- Consider the creation of prioritized redevelopment areas and implementation programs to facilitate higher density in nodes and corridors well served by transit, infrastructure and amenities.
- Target resources toward efforts and projects that create "win-win" opportunities to generate affordable housing while advancing overall community and neighborhood objectives.
- Identify and communicate examples of well-done density and neighborhood design.
- Explore creation of incentives or programs to encourage high-performance building design ("green buildings") that may reduce long-term operations and ownership costs and improve environment performance.
- Encourage smaller housing unit sizes to support smaller families, singles, and downsizing families/seniors; the "bookends" of the housing types, which may open opportunities for growing families in existing housing stock.
- Consider creation of an "Housing Committee" to function in a formal advisory capacity to coordinate and institutionalize an ongoing policy focus on this issue.

- Leverage *Opportunity Zones* designation to generate affordable housing and investment in infill development.

Public Funding

Utilization of public funds to assist in the generation of affordable housing often necessary. Some of these strategies and programs may function best and/or set the stage for public-private partnerships.

- Create and expand existing revolving loan program for basic home repair and improvements. May be income qualified (such as 120% of AMI) and/or targeted to specific neighborhoods. Renovation programs may improve quality of existing housing stock and improve stability of neighborhoods with a high percentage of rental property.
- Evaluate building/zoning fee reductions or rebates for projects that meet affordable housing criteria.
- Utilize TIF funding to match and attract LIHTC[5] projects.
- Focus limited public resources on those persons not well served by the private housing market.
- Create, maintain and market a clearinghouse or toolkit of housing programs, funding resources, and contact information.

Public-Private Partnerships

Effective partnerships between public, private and non-profit sectors are essential for achieving long-term community success. This dynamic is true for a healthy housing market that provides quality and affordable options for all residents.

- Create and support services such as tenant and landlord resource center, and mediation services may improve housing stability for renters and mitigate risk for landlords, especially for households facing hardships.
- Consider undertaking targeted land assembly activities to prepare sites for infill and redevelopment with the purpose of reducing barriers to generating market-rate and affordable housing options in existing neighborhoods.
- Consider crafting an infill and redevelopment incentive program.
- Facilitate the creation of employer-assisted housing programs, including large employers as well as a small employer pool[6].
- Explore creation of a lenders consortium, similar to La Crosse Promise, to facilitate reinvestment in key neighborhoods, and improve housing stability for households.
- Collaborate with architects and builders to develop or adapt a suite of “spec” building plans of various types (single-family, small multi-family, accessory dwelling) that feature superior design, environmental performance, and affordability for infill and new neighborhoods.
- Pool developer contributions for potential shared parking lots/ramps.

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[5] LIHTC is an acronym for “Low Income Housing Tax Credit”, which is the federal government’s primary program for encouraging the investment of private equity in the development of low-income housing.

[6] See Live It Up Wausau, La Crosse Promise

- Market Opportunity Zones in the region and track best practices for leveraging this federal designation for affordable housing projects.
- Host workshops and training for finance community and developers to pursue LIHTC projects.
- Facilitate opportunities for local firms to partner with experienced affordable housing developers to build local expertise and capacity.
- Organize networking and capacity building events to connect finance, investment, and development communities to facilitate partnerships and generate projects.
- Develop relationships with non-profit developers and managers of affordable housing to develop additional projects.
- Improve use of CDFI programs to support housing projects.
- Partner with area non-profits to host renter, homebuyer, and landlord education programs.

Civic Strategies

- Create a sustained engagement and education campaign regarding the importance of expanded housing choice and the urgency of improving supply and quality to counter "NIMBY" reactionism.
- Organize to improve public engagement in housing discussions, contribute to policy and program construction, and advocate for virtuous policies and projects.
- Consider creation of community land trusts, housing cooperatives and other models to building wealth through owners.
- Celebrate projects and programs that successfully deliver positive neighborhood change and housing affordability.
- Conduct a community-wide housing survey to address local gaps in data, gain insight into preferences and sentiment.
- Develop and support existing neighborhood associations as contributors in housing efforts.
- Create and distribute resource packets for builders, owners and renters.

Detail upon Recommendations

Development Regulations

Zoning is the primary tool utilized by local governments to regulate land use, intensity, character and location of development. Aside from rising costs of labor and materials, this zoning was the most frequently cited and discussed impediment and opportunity to generating increasing housing supply and affordability. The following are general principles discussed by the Building & Development Sector Group on November 14, 2018:

Recommendations:

- Transition from zoning that focuses regulation on use and density and move toward form-based standards that considers how building and site design functions with its neighborhood context.

- Pursue zoning and future land use maps that enable increased infill and redevelopment in existing neighborhoods throughout the region.
- Reduce required automobile parking to reduce cost of developing automobile infrastructure and encourage increased non-automobile mobility.

Density

In primarily residential areas density refers to the number of dwelling units per area of land. By increasing the number of units per acre, the some of the fixed costs of development can be reduced, specifically the cost land per unit, infrastructure such as roads, pipes, and stormwater facilities, and, depending upon the building type, the cost of materials. In turn, this may reduce initial development cost, while also typically corresponding to a lower public cost to maintain infrastructure and deliver services. Increased density may also allow for shared walls, structures and facilities, which may further reduce the construction cost per unit.

Density is often a vilified term to those who are accustomed to living in suburban and rural areas where homes on large lots are the norm. There can be undesirable outcomes of increased density if development standards do not address context and incorporate design best practices. Residents can react to proposals that create increased density by pointing to examples of poor design and to stated fears that increased traffic or noise will create nuisances. Debates of neighborhood change can become emotional, as it can be difficult to uncouple development density from other undesired outcomes and perceptions. Often however, change in existing neighborhoods is opposed regardless of what is proposed.

Many provisions of existing zoning in the Chippewa Valley encourage low-density development and either prohibit or make increased density challenging in many areas. Participants from each sector participating in the Task Force, from developers to affordable housing advocates, generally support investigating how zoning standards can be revised to become a tool for affordably and inclusion. There are many avenues to pursue this goal, and the following elements represent some of those areas to pursue further.

While higher density neighborhoods, developments and buildings forms can capitalize on economies of scale, higher density does not always mean “affordable”. Communities across the County and of all sizes are struggling with how to provide more affordable housing. In pursuit of this objective we recommend continuing to insist on quality design and materials, features and amenities, safety and security that results in desirable and resilient places for all people to pursue excellent quality of life. This creates a balancing act by necessity as some of these goals inevitably come at a cost.

Communication and community education are key strategies to engage neighborhoods and the entire community on the desired outcomes that increased density is intended to result. Conversations about density must be conversations about quality of life and livability.

Design guidelines can ensure that new, denser development can be sensitively incorporated into neighborhoods to be compatible with the character of the existing built environment. Some of these standards may incorporate “gentle density” strategies that more subtly incorporate denser development into existing residential neighborhoods by enabling accessory dwelling units or small multi-unit buildings that have design characteristics of comparable scale and material.

Upzoning

Upzoning is a general tactic where targeted areas are re-zoned to a higher classification to enable greater development. This can be accomplished by utilizing existing zoning classifications, or by modifying the text of the zoning ordinance to reduce development constraints. For example, rezoning a portion of an existing neighborhood or corridor from “R2” to “R3”, utilizing an existing zoning district, thereby increase the number of dwelling units permitted, building height, etc.

Another upzoning tactic is to modify the standards that apply within particular districts, or other zoning-related standards, such as what uses are permitted, bulk and area standards that are applied within a zoning district. For example, modifying height, density, or setbacks standards within a district may allow for increased flexibility and investment without changing a zoning map.

Among the feedback provided by Task Force participants is the lack of property zoned appropriately for multi-family development, as well as the reluctance to consider upzoning property in existing neighborhoods. Conversely, feedback provided by some residents include concern about the impacts new development may create in existing neighborhoods in terms of affordability due to rising desirability.

Missing Middle

“Missing Middle” is a term created by Opticos Design to describe a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living. These building forms are not new, most are building types existing in Cities across the Country and were a fundamental building block in pre-1940s neighborhoods. These building types and associated neighborhood arrangement creates moderate density that can support services, amenities and transit within walking distance, and typically feature a diversity of building and unit sizes, types, and price points.

Like many building forms that were once commonplace, zoning trends of the 1960s-1980s favored detached homes, larger lots, and accommodation and reliance on the automobile. The result was effectively prohibiting or making difficult the generation of traditional mid-density housing types and mixed-form neighborhoods in many, if not most cities.

These building forms are still present in the older areas of the Chippewa Valley, including the downtown and traditional business districts in Eau Claire and Chippewa Falls, and the nearby neighborhoods.

Common characteristics[7]:

- Walkable Context
- Small-Footprint Buildings
- Lower Perceived Density
- Smaller, Well-designed Units
- Fewer Off-street Parking Spaces
- Simple Construction
- Creates Community
- Marketable

Minneapolis 2040, the City's revised Comprehensive Plan preliminarily approved on December 7 2018, permits buildings with up to three units in the City's lowest intensity zoning classification. Housing supply and affordability are among the central policy themes in this plan, which is described as the most ambitious "upzoning" in a major U.S. City in a generation. The plan also directly connects housing with social and economic equity, transportation, sustainability, and economic development goals.

Until the update to this plan, 75% of the City was zoned exclusively for single-family dwellings. Earlier versions of the plan included allowing up to 4-unit dwellings in all zones, which was compromised down to 3. The plan passed with a 12-1 vote of the Minneapolis City Council.

This plan also eliminated minimum automobile parking space requirements.

The next step will be to implement the plan through revisions to the City zoning code.

https://minneapolis2040.com/

Incentive Zoning

Incentive Zoning, such as density bonuses, provide a performance-based regulatory mechanism to create incentives to achieve certain desirable development outcomes. For example, a developer could apply to increase the height, density, reduce parking, or flexibility from other zoning-related standards in exchange for incorporating specific features such as an affordable housing component.

The Incentive comes into play in that a developer may be able to make greater economic return on a project without the City providing direct financial assistance.

Neighborhood Design

Many factors influence neighborhood design, including zoning and subdivision standards as well as infrastructure design (particularly roadways) and transportation policy, comprehensive plan and neighborhood or subarea plans (in addition to topography, landscape features, etc.). The dynamic of neighborhood design is critical to not only housing, but overall public welfare. Although known since the early days of city development, increased research over the past several years on the intersection of planning and

[7] Opticos Design, Inc. http://missingmiddlehousing.com

public health have further elevated awareness on just how intimately linked public health is to built environment.

“Your zip code is a better predictor of your health than your genetic code.”

While the focus of this Task Force is housing, the underlying goal is the health and vitality of the community with housing as the window. Since many of the policy solutions directly concern the proximity of housing to employment and amenities as well as interconnected transportation impacts, best practices in neighborhood design must be integrated into housing solutions.

Over the past two years the City of Eau Claire was selected to participate in the national *Invest Health* program sponsored by the Robert Wood Johnson Foundation[8]. Eau Claire focused its Invest Health efforts on studying health outcomes related to housing in the Historic Randall Park Neighborhood. The groundwork around health-based community planning was laid over the past decade as the City of Eau Claire adopted a Health chapter of its Comprehensive Plan in 2015, and has continued to work on integrating health into overall community development activities and priorities.

Economic research also reveals that zip code is a strong determinant of economic mobility. Similar to the social determinants of health, this is a complex topic. To summarize, communities have increasingly been developed in relatively homogeneous income stratifications due in part to the type and size of housing, proximity to positive amenities such as schools, parks and employment, and investment decisions by the public and private sector. Over time, some neighborhoods thrive while others struggle. This issue is more complex that neighborhood design decisions, but this plays a significant role in ensuring there are diverse housing options within the same neighborhood, and that neighborhoods have equitable access to public amenities, employment, and services[9].

Neighborhoods are the fundamental building blocks of the city. They are the primary setting for civic engagement, city planning and managing change. Neighborhoods affect public health and economic outcomes for individuals at a very granular level and throughout their lives. Neighborhoods are also the scale between the building and the City that greatly impact and influence day-to-day life while incorporation the full range of city-wide (and regional) objectives.

Just as change is a constant process at the City and regional scale, neighborhoods must not be regarded as static and must be continually planned for, directed and managed.

Small Units

The costs to construct and maintain a housing unit is in part determined by its size. Allowing the construction of small homes, whether owner or renter occupied, may improve affordability. Further, small homes can be added to existing neighborhoods on small lots to utilize existing infrastructure and near existing desirable locations. The raising interest in “tiny homes” has been reported in many regions, and was frequently raised during the Task Force meetings.

8 Eau Claire Invest Health www.investhealth.org/teams/eau-claire-wi/

9 See:

- https://opportunitynation.org/latest-news/blog/zip-code-matters-better-neighborhoods-lead-higher-incomes/
- https://opportunityindex.org/download-pdfs/
- https://opportunityinsights.org/

Accessory Dwelling Units are a form of small home that enables additional units to be created in existing developed neighborhoods (although they can also be included in new developments) by sharing a lot with another home. Accessory dwelling units share a lot with a larger primary home, and may be either free-standing or attached to the primary home. These units must have the complete standards required by the Uniform Dwelling Code as an independent unit, meaning a living area, cooking area, and bathroom. Accessory Dwelling Units are commonly known as backyard cottages, granny flats, and other names.

Lot Size

One of the characteristics of mid-century suburban zoning is requiring relatively large minimum lot sizes and widths, which have the impact of spreading out neighborhoods, increasing the fixed costs of development (land, utilities, etc.). Allowing smaller lots to be created permits single family homes to be constructed with lower fixed costs and more flexible lot arrangements. This can be a tactic to provide options in both newly developed neighborhoods as well as enable infill development. For example, a relatively large lot could be subdivided to create a new development opportunity for conventional, small, or "skinny" homes.

"Cottage housing[10]" is an approach to clustering homes together in a coherent development, often but not always single-family dwellings. These may include a common area reserved by common ownership, easement, or other dedication. This approach allows densities greater than typical suburban development with buildings that are otherwise similar in scale. By designing a cluster of small homes by intention, the unified design can create complementary building features, styles, and site arrangement. This approach is also known as a cottage court or bungalow court.

Zero Lot Line Development

Traditional row houses are the prime example of owner-occupied dwellings in which the ownership of the building footprint, plus typically some front and rear yard, is defined as the lot. Each dwelling has a shared wall with the adjoining dwelling, except for those on the end of the row. Few of these exist in the Chippewa Valley, but were common housing types. Rowhouses are an alternative to multi-family structures in that the ownership of the land is tied to the unit, without common space to manage, and yet permit more compact development. This format may reduce costs of construction by more efficient use of land and infrastructure, as well as reduced exterior building materials required due to shared wall arrangements.

A "twin home" is a more common housing type in this region where there are two dwelling units on separate lots where there is a shared wall.

Character

One dynamic that causes opposition to development density is the design and character of the development and its relationship with nearby uses. Poorly designed and maintained structures and their site arrangements can create uninviting environments and thus negatively stigmatize certain housing types and densities. Opposition to "density" can be partially understood as a reaction to negative experiences with poorly designed and maintained examples that people have experienced.

Some of these challenges can be avoided by creating design and character standards and requirements for buildings, sites and neighborhoods that utilize proven strategies for resulting quality projects that are appealing. These standards should be crafted such that general standards are provided without dictating architectural style. People-focused design and scale creates environments that are appealing.

[10] http://mrsc.org/Home/Explore-Topics/Planning/Specific-Planning-Subjects-Plan-Elements/Cottage-Housing.aspx

Site standards ensure that properties are convenient and safely accessible by foot and bicycle, automobile access avoids conflicts, and that automobile storage areas do not define the character or use of the site. Landscaping and lighting standards can improve aesthetics in meaningful ways as well as improve safety and ecosystem function.

Development character can be guided and shaped through the utilizing of *design guidelines* or *form-based codes*. These are zoning related tools that focus less on building use and density and instead regulate the built environment through dimensional requirements, design characteristics and standards, and contextual relationships.

Design guidelines and form-based stands are in use throughout the Chippewa Valley, as nearly all zoning codes incorporate design characteristics to some degree, but generally as secondary to the determination of use. For example, the City of Eau Claire utilizes a "Multi-family Housing Design Manual", adopted in 2006 and currently under revision, and the City of Altoona adopted the "River Prairie Design Guidelines and Standards" that applies to a variety of commercial and residential uses in that planned development district.

Location

Location generally refers to where zoning districts are applied in order to enable by-right generation of housing near existing or planned activity centers, and areas well served by multiple transportation modes. By focusing rezoning and future land use mapping efforts to strategic areas may facilitate housing generation in places that further multiple community development goals.

Parking

Parking requirements can drive unaffordable housing types by requiring additional land and infrastructure be dedicated to the storage of automobiles rather than the housing of people. Additionally, surface parking can create uninviting site environments that detract from overall neighborhood and urban design, contributing to negative perception of certain development types and densities. At the neighborhood and City scale, this leads to a built environment that is intentionally arranged for the maximum convenience of the automobile transportation and storage.

Reducing the minimum automobile parking requirements allows developers and owners to provide an appropriate amount of parking based upon demand. Many jurisdictions that have reduced parking requirements have done so in specific areas, or include provisions where the minimum parking may be reduces due to proximity to public transportation.

Reducing or eliminating parking minimums alone may not effectively discourage developers from providing excess parking, to encourage compact development, or to encourage other modes of transportation. Modification in parking requirements should be viewed as part of a larger approach to encourage and invest in other modes of transportation along with supportive land use and development patterns.

Conditional Permitting

Conditional uses open a proposal to public hearing and conditional scrutiny, opening development proposals to potentially onerous criticism, uncertainty, and increasing difficulty in achieving approval. Reducing use of conditional uses in order to build multi-family or infill development may enable greater activity. While public engagement in development and neighborhood change is encouraged, the "not in my back yard" criticisms can pose a substantial hardship in achieving overall public goals and objectives. Utilizing design requirements and contextual standards is the recommended tool of best practice to ensure that criticisms and concerns that can arise from infill and redevelopment are addressed and managed in a proactive and standard process.

City Policies

Cities utilize a variety of policies that directly and indirectly, intentionally and unintentionally guide development decisions. The chief tool is the Comprehensive Plan, which identifies the community's vision and goals, and includes policy statements, future land use map, and other tools that inform how the physical environment is constructed and managed. These plans are primarily implemented through development regulations, City budgetary decisions such as capital priorities, as well as programs.

In addition to the Comprehensive Plan, cities may prepare subarea plans such as by neighborhood or corridor that provide more granular focus on specific recommendations for applying City-wide goals to the applicable area. For example, Eau Claire created a Neighborhood Revitalization Task Force which studied and delivered a report in 2016 that, once adopted, proves policy guides on how to improve downtown and near downtown neighborhoods. The City has utilized this report as a tool to guide the creation of neighborhood plans, and many of the recommended approaches entailed improvements in housing rehabilitation and reinvestment.

- Evaluate policy and procedures to encourage good design and revitalization.
- Identify infill sites and redevelopment areas.
- Adopt policies that require new developments to be comprised of a compact mix of housing types with varying sizes and types.
- Create prioritized redevelopment areas and programs to facilitate higher density in nodes and corridors well served by transit, infrastructure and amenities.
- Target resources toward efforts and projects that create "win-win" opportunities to generate affordable housing while advancing overall community and neighborhood objectives.
- Tie capital planning priorities to projects that facilitate redevelopment and in improvements to quality of life in priority infill areas and in neighborhoods with low economic opportunity.
- Improve public engagement processes to be proactive and sensitive to neighborhood concerns while also finding reasonable options to pursue city-wide goals.
- Identify and communicate examples of well-done density and neighborhood design.
- Celebrate projects and programs that successfully deliver positive neighborhood change and housing affordability.

Many of recommendations concerning City Policy involve implementation or complement regulatory mechanisms such as zoning or development standards.

Public Funding

Fee waivers is one mechanism to reduce or eliminate permit and inspection fees for certain projects that meet affordability benchmarks. Such fees represent a very small portion of development costs, but may be sufficient to assist in facilitating affordable units.

The Residential Infill Incentive Program in Riverside, CA provides **impact and permit fee reduction**. This program provides parameters that identifies specific neighborhoods and lot criteria that qualify for the incentive. Developers interviewed in the Chippewa Valley respond that permit fees are of marginal cost to the typical project, but should not be completely dismissed as a future program.

www.riversideca.gov/planning/zoning-infill.asp

Tax increment financing is discussed further under public-private partnerships.

Land assembly

Many areas that may be attractive for infill and redevelopment will require assembly of multiple parcels and may also involve removal of existing obsolete or deteriorated buildings, or to address site related challenges. The time and expense necessary to assemble individual parcels can be in impediment for development, and in effect, divert investment to the edge of the community. Many of these areas are located near attractive amenities, employment and services.

Communities can identify these priority areas and create more specific targeted efforts or areas plans to facilitate and/or incentivize redevelopment through acquiring property and preparing for development. Once the land is assembled and prepared, the property can be directly marketed for sale or solicit requests for proposals. The City may take a short-term loss in the process of acquiring property, removing buildings and potentially providing incentives, but the intent is to improve long-term net-positive tax revenue and spark investment, while utilizing existing infrastructure. TIF is a common tool to utilize municipal debt financing while providing a mechanism to recapture the investment, but it is not the only method.

Land Banking is a strategy of acquiring land either proactively or when it becomes available with the purpose of developing in the future, potentially as part of a larger land assembly or area plan. After a holding or assembly period, the land can be marketed for development to implement the envisioned design and use.

A parallel but distinct tactic is utilizing publicly-owned land to advance housing goals, in terms of affordability, accessibility, and/or housing type. This may be pursued in a variety of ways. First, the cost of purchase the land may be reduced in exchange for a contractual commitment to provide specific desired outcomes. While the cost of land as a portion of total development costs in this region is relatively small, the difference may be meaningful. Second, a City may identify a particular housing type need, and market the property specifically to that outcome.

Public-Private Partnerships

Tax Increment Financing

Recent changes in Wisconsin State Statues prevent Cities from utilizing “inclusionary zoning”, which is defined as utilizing zoning to require provision of affordable housing, typically as a percentage of total units. However, there are tools to encourage or incentivize the incorporation affordable housing. Provision of affordable housing can be a requirement for accessing TIF resources, accomplished through development agreement or similar instrument. Also, “incentive zoning” may be explored to allow additional development density, height, or other zoning flexibility in exchange for meeting certain benchmarks or providing specific amenities, of which affordable housing may be one benchmark.

Tax increment financing (TIF) is the primary economic development tool tied to a place that local governments utilize to facilitate development. TIF creates a defined spatial area in which the change in property tax revenue is diverted from all overlying local governments to fund qualitied investments, such as infrastructure and blight removal. Some TIF allocations take the form of assistance to private developers to redevelop or rehabilitate existing properties, or to make investments that might otherwise not generate typical return-on-investment in the market. These assistance programs can include rehabilitating historic buildings, investing in less attractive neighborhoods, and property characteristics or features such as structured parking, sustainability features, public space, and others.

TIF assistance may be used to support and secure commitments for housing projects to include affordable units. This agreement takes the form of a contract wherein a developer agrees to provide a certain number or percentage of units at a pre-defined affordability threshold, typically one defined by a State or Federal program, with verification measures, for a defined period of time (e.g. 20 years), in exchange for financial incentives in the form of performance grants or to access low- or no-interest loans.

It is important to ensure utilization of TIF is strategic with clear connection to related City goals such as location efficiency, and creating walkable, compact neighborhoods. Phoenix Park redevelopment and the Cannery District are two examples in Eau Claire where has and is being utilized to implement community objectives and encourage private development[11].

Use of incentives to promote the outward expansion of the urbanized area should be considered very cautiously. Cities that find ways to remain or become more compact are more successful over time due to improved financial capacity to maintain infrastructure and services due to ratio of taxable property to infrastructure liability, as well as the extent of area over which to provide services.

[11] The July 2019 issue of *The Municipality* magazine by WI League of Municipalities (pg. 10-11) highlighted examples of successful TIF projects in Wisconsin, including The Confluence Project in Eau Claire. www.lwm-info.org/DocumentCenter/View/3083/7-19-The-Municipality-FINANCE

The **Wausau Brownstones** project sought development proposals for 1.9 acres of City-owned property on the edge of downtown in a popular and targeted redevelopment corridor. The City had acquired and assembled several individual properties over the span of many years. The City contracted with an architect to design owner-occupied row houses to address an identified gap in the local market: modest sized, owner-occupied dwellings. The time-tested rowhouse format reduces land and infrastructure cost while providing "missing middle" density, proximity to employment and services, and serves as scale and design transition between adjacent predominately single-family neighborhood and more commercial and multi-family areas.

The City-provided preliminary design yielded a "proof of concept", including estimated construction costs, upon which developers and builders could respond. The City marketed the property in 2016, and the first phase, now known as River East Townhomes, opened in fall 2018. Ultimately, the developer made some City-approved modifications to the design to add hipped roofs, utilize materials more similar to a single-family home, and others. The developer also received low-interest loans from the City's housing program.

The first phase included ten units that are mix of one- and two-level townhomes, with two to three bedrooms and attached alley-loaded two-car garages. The price points ranged from $199,000 to $219,000, with additional customization packages. The second of three phases is planned to begin construction the summer of 2019.

www.wausaudevelopment.com/RiverfrontDevelopment/Brownstones.aspx
www.wausaurivereast.com/

Employer Assisted Housing

Employer-assisted housing (EAH) refers to any housing program, rental or ownership, that is financed or is some way assisted by an employer. It is a flexible and potentially powerful place-based tool that can be tailored to work in different community contexts and to support various housing, economic, and equity goals. Many EAH programs assist employees purchase homes, often near the workplace. Other options include rental assistance, or direct investment in housing supply near the employer. EAH can and is utilized as an extension of an employer's employee recruitment, retention, and benefit programs.

Similar to public assistance or incentive programs, EAH are generally oriented toward employees with household income meeting certain criteria, such as below 120% of AMI. Some programs, such as home purchase assistance, may come with certain conditions such as minimum duration, located within a certain distance of the workplace, require a certain renovation commitment, etc. EAH can be a powerful and effective tool for employers regarding employee recruitment and retention. Homebuying programs are often structured as a five-year forgivable loan and secured by a lien against the property, and may be “stacked” with other programs that might be available from other sources.

EAH may have benefits for the employer, employee, as well as the broader community, including (but not limited to):

- Assist moderate income working families secure affordable housing near workplaces- therefore also improving place-based investment and decrease commuting time and cost;
- Assist employers attract and retain qualified employees;
- Improve community relations between employers and their neighborhoods;
- Contribute to neighborhood revitalization by incentivizing investment in existing neighborhoods;
- Create collaborative revitalization efforts that may translate to support for other programs.

The **La Crosse Promise** is a housing umbrella effort in La Crosse that includes an employee assisted housing program that grew out of an effort by Gundersen Health System to now include Mayo Clinic to assist their employees acquire housing near work while investing in challenged neighborhoods. Additionally, Gundersen invested in its adjacent neighborhood in other ways, including constructing new housing for medical residents and supporting development activities.

https://lacrossepromise.org/hrf_faq/home-buying-incentives-available/

Live it Up Wausau is a down payment loan program that pools contributions from multiple area employers (including the City) to purchase and renovate homes within the City. Businesses make tax-deductible contributions to the Community Foundation and agree to promote the program to their employees. The City, Chamber and Foundation administer the program. To-date, the City has partnered with over 50 area employers.

http://www.wausaudevelopment.com/LiveItUpWausau.aspx

Private Partnerships

Partnerships between private firms and individuals can increase the capacity to generate supply, particularly to successfully utilize affordable housing programs such as the Low Income Housing Tax Credits (LIHTC). There is a learning curve to utilizing the program, as well as an award scoring criterion that favors developers who have experience with these tax credits. Participants in the Task Force have shared that there are very few developers native to the region that have experience utilizing LIHTC, raising the need to identify willing partners from inside and outside the region to build local capacity.

Community Development Financial Institutions (CDFI)

CDFIs are private financing institutions that provide funding to low-income, low-wealth community groups that may not be able to receive funding through traditional financing institutions. Eligible groups include small businesses, microenterprises, non-profit organizations, and affordable housing developers. CDFIs that focus on community development loan funds (CDLFs) can provide financing and development services to non-profit housing developers. CDFIs have financing and lending expertise to inform affordable housing production and preservation processes.

There are 22 CDFIs in Wisconsin, including Royal Credit Union and Impact Seven. Impact Seven is also one of the largest non-profit housing developers in Wisconsin with over 1,500 units, including three properties in the Chippewa Valley.

Nationwide, the Local Initiatives Support Coalition[12] (LISC) is a non-profit that receiving funding from banks, corporations, foundations and government agencies to provide financing, technical and management assistance to local partners and developers. Since 1979, LISC has invested over $18.6 billion and financed more than 376,000 dwellings. LISC has regional offices in St. Paul, Duluth and Milwaukee.

Tenant & Landlord Programs

Tenant and Landlord programs take a variety of forms and generally improve relations and ability of people to secure affordable housing, and for landlords to have the resources and assistance to more effectively rent to people experiencing housing insecurity or other impediments to housing access. These programs can be mechanisms for public and/or non-profits to collaborate with the private sector to advance common interests.

Tenant and Landlord Resource Center would serve as a "front door" to improve awareness of resources to improve overall community stability through fair housing relationships. The person or center would function to serve all households and provide information about tenant rights and responsibilities, direct to available services, as well as practices for safe, healthy and stable housing tenure. The person or center should serve as a resource for both tenants and landlords to prevent problems and to mediate as necessary. This center should be a centrally located physical location, complementary to other social assistance service providers, and supported by a call line and website. Staff at the center would also be up-to-date on other agencies and services in order to provide referrals, such as veterans programs, public health, and others.

The Tenant Resource Center in Madison[13] is an example of an organization providing a suite of tenant and landlord services. Founded in 1980, the center is an independent non-profit organization that serves as a clearing house to answer legal questions for tenants and landlords and provides services to people who are homeless or facing housing insecurity. Services include community outreach and education including workshops and training, housing law seminars, eviction clinic, mediation services, a campus office for students, and service provider for County-funded services. The Center-provided mediation service began as a joint project of the Center and the Apartment Association of South Central Wisconsin, but now is a function of the Center with support from the City of Madison[14].

Landlord Mediation is a voluntary process in which people with a disagreement meet together with a trained, impartial mediator. The mediator listens to both sides and guides the parties in clarifying and discussing the issues, identifying areas of agreement, developing possible solutions, and writing their own mutually satisfying agreement. Mediation can serve as an inexpensive alternative to small claims court, eviction, or other outcome that may be undesirable for one or both sides.

[12] www.lisc.org/
[13] www.tenantresourcecenter.org/
[14] www.tenantresourcecenter.org/mediation

"Good landlord programs" offer incentives and training for landlords who agree to rent to low-income households at affordable rents, households with vouchers, persons with criminal records, or the formerly homeless. Landlord incentives vary with program and can include access to funds that can cover security deposits, damage costs, monthly rental cost if a tenant vacates the unit unexpectedly, and others. Training for handling tenant relations and other skills are often paired with these programs and sometimes required for receipt of financial incentives.

Another example is the King County (Seattle) Housing Connector program[15]. Created as a County run program funded by public and non-profit groups, the program is now operated by the Seattle Metropolitan Chamber of Commerce. The purpose is to partner with property owners and manages to lower barriers to housing and increase regional workforce supply.

Renter education, counseling and assistance programs focus on providing information, skills and resources to existing renters as well as those seeking housing navigate the lease process, know their rights and responsibilities, and how to be a responsible tenant. These programs may be complemented other educational programs, such as financial literacy.

Tenant advocate is a concept wherein a municipal service or non-profit provides staff assistance dedicated to investigating tenant harassment complaints or other issues that may arise when a renter may feel as though their rights are being violated.

Homeowner education and counseling[16] can provide existing or aspiring homeowners better understand the financial options and obligations that come with home ownership. These trainings may include pre-purchase education such as financing options, mortgage basics, budgeting and credit, and others. These programs may also provide introductory trainings on home maintenance and other skills that assist new owners ensure their investments are protected and contribute to neighborhood stability. Many of these programs may be provided through or supported by lending institutions or consortia of lenders. According to HUD, housing education and counseling programs can substantially improve prospective and current homeowners' comprehension of their choices, financial decision making, and ability to address issues that arise with their homes or finances.

Housing Rehabilitation Programs

Revolving loan program

City of Eau Claire residents have access to a revolving loan fund funded by Community Development Block Grant funding that offers 0% or low interest loans to income qualified households (80% of the county median income) for rehab projects such as siding, roofing, windows, plumbing, water system replacement, etc.

A new program could be created with local funds that is not tied to federal program requirements and that either does not have income requirements, a higher income threshold (such as 120% of AMI), and/or targeted to particular neighborhoods or housing types. The intent is to more aggressively promote investment in homes and rehabilitation of older buildings. The funds could come from tax increment district resources, or dedicated from increment capture upon TIF closure.

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[15] www.housingconnector.com

[16] HUD "Evidence on Homeownership Education and Counseling" www.huduser.gov/portal/periodicals/em/spring16/highlight2.html

Potential program considerations:

1. Loans are available to all buyers of owner-occupied single-family or duplex units built before 1960.
2. Accessed value of the home must be less than area median.
3. Funds may be used for repair, modernization or energy efficiency projects, provided the total project amount for loan calculation purposes does not include landscaping, personal property or appliances.
4. Maximum loan of 30% of total project costs, minimum of $5,000 and maximum of $30,000.
5. 0% interest, monthly repayment over 10 years, or at time of sale. Not forgivable.

Eligible applicants could include contractors and investors who explicitly buy a home for the purpose of renovating it and selling it at a profit (flipping), with the requirement that loan repayment is due at time of sale.

Fix It Up Wausau[17] is an example of a rehabilitation loan program that provides loan assistance in within certain guidelines to improve the condition of existing housing stock. The program provides a 1% interest loan up to $75,000, and includes a requirement that the property must be owner-occupied for five years (via restrictive covenant). Sweet Home Menomonie[18] is a similar program set up with assistance from the City of Wausau staff.

Rental Conversion Program

The conversion of owner-occupied homes to renter-occupied homes is a common occurrence in college towns. Not all instances of this conversion are undesirable, but these conversions can create concerns among nearby owner-occupants, including noise and property management (upkeep), especially in areas where student rentals become concentrated. Therefore, it can be desirable for some renter-occupied homes to be converted back to owner-occupied units. Rental conversion programs should be targeted toward specific neighborhoods were owner/renter units have become out of balance, or where there are substantially deteriorated rental property that is impacting overall neighborhood conditions.

The City of Madison, Wisconsin's Small Cap TIF Loan Programs in the Greenbush and Mansion Hill-James Madison Park Neighborhoods provided funds for conversion of renter occupied housing to owner-occupied housing for the cost of renovations plus up to 10% of the purchase price of a home, not to exceed $80,000 for a single unit property, $90,000 for a two-unit property, and $100,000 for a three-unit property. There was a requirement that 10% of the funds go towards exterior renovations and funds cannot be used for demolition. Loans are available to homeowners who will owner-occupy or contractors and developers who will sell the property to an owner-occupant. These loans are 0% interest, with no debt service payments, and are forgiven after completion of the renovation work. A Land Use Restriction Agreement (LURA) must also be signed to ensure the property is owner-occupied for ten years. The program ended in 2017 when those TIDs closed.

The City operated a Small Cap TIF program in the near-campus Bassett Neighborhood from 2007-2017, with 23 loans totaling $1.9 million.

www.cityofmadison.com/dpced/economicdevelopment/home-loans/228/

https://madison.com/wsj/news/local/govt-and-politics/city-helps-convert-old-rentals-to-owner-occupied-housing/article_31da8558-ee87-577e-aaa8-32c896ce360d.html

[17] www.wausaudevelopment.com/FixItUpWausau.aspx

[18] www.dunnedc.com/workforce/home-sweet-menomonie and www.menomonie-wi.gov/hsm

Potential rental conversion program considerations:

1. Property must be an existing renter-occupied unit for owner-occupancy re-conversion.
2. Defined neighborhood improvement areas, such as Randall Park.
3. No income restriction.
4. Maximum loan of 30% of total project costs, with a total per-project cap.
5. 0% interest with repayment over 10 years, or at time of sale. 10% of the grant amount may be forgivable and converted to a grant if the property remains owner-occupied for the term of the loan.
6. Funds may be use for repair, remodeling, historic restoration, modernization or energy efficiency projects, provided the project amount for grant calculation purposes does not include landscaping, personal property, or furnishings.

Utility and Weatherization Improvements

The Wisconsin Focus on Energy program provides incentives and technical assistance to home owners and rental property owners to make improvements to their property to improve energy efficiency and reduce operational costs. These programs can make a meaningful improvement in the total housing related costs experienced by owners and renters, especially for those with low or fixed income. In addition to costs, these improvements may improve home health and comfort, and reduce environment and climate related impacts resulting from energy use. Some of the programs available through Focus on Energy provide additional incentives for income-qualified households[19].

Civic Strategies

The strength, sustainability and effectiveness of identifying and implementing housing solutions requires partnerships, collaborations, and alignment of organizations from all sectors. Civic refers to non-government institutions such as non-profits, faith-based groups, and engaged citizens.

Community Organizations including non-profits, faith-based organizations, and other groups can play a critical role in providing energy and resources for effective and inclusive public engagement, inform public dialogues and decision-making, as well as undertake complementary programs. These groups can represent the grass-roots level organizing necessary to educate regarding housing and related issues, provide a non-government avenue to engage the public, channel productive feedback to elected officials, and contribute to implementation. As with many community development activities, the broad support and participation by community groups can determine success or failure of a program or effort.

Already in this young effort, individuals and community organizations involved with the Task Force have identified specific polities, engagement efforts, and projects to support- and these efforts have yielded measurable outcomes.

Collaboration is the core value of the Task Force in that collective action is necessary and premised upon a proactive, inclusive dialogue. Through this process, collective capacity can be improved, identifying opportunities for mutual interest, and striving toward goals and objectives that are broadly supported. Agencies, firms and people have various strengths, resources, capacities, roles, time and energy, and through collaboration can these assets be best utilized to advance solutions.

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[19] https://focusonenergy.com/residential#program-heating-and-cooling

Community Land Trust

A Community Land Trust (CLT) is a private, non-profit corporation created to provide lasting affordability by retaining permanent ownership of the CLT land. CLT homeowners purchase only the building, not the land itself, reducing the barrier to entry for low- and moderate-income homebuyers. CLT homes are often sold with deed restrictions requiring that the house be sold back to the CLT or to a low-income household for an affordable price. Many CLTs allow homeowners to retain some of the appreciation on the home, but a CLT's primary goal is to ensure continued affordability for future homeowners. CLTs are usually organized as "membership corporations" with representation from both CLT residents and other members of the community. CLTs acquire property in a variety of ways. Many purchase properties on the open market with the help of funding from public or philanthropic sources. Cities and towns may also prioritize CLTs when disbursing public land.
Several CLT operate in Wisconsin, including Madison and Milwaukee. CLT may be one function of a larger effort to manage community development efforts within a defined neighborhood or area.

Alternative Ownership Models

A variety of alternative housing ownership and investment models exist that allow people with modest resources to achieve stability and potential gain through ownership.

Housing cooperatives[20] are a type of ownership were members own a part of a corporation that owns the building or builders as a shareholder. The shareholders pay for any mortgage or debt (if any), and maintenance of the entire building. Similar to a condominium, cooperatives have a board that governs the entity.

Madison has been a hotbed for housing cooperatives for over 30 years. Many of these are oriented toward students and single persons who own a share in return for occupancy of a room, with the remainder of the building, typically a large rooming house, managed as a collective. In addition, the cooperatives in the Madison area have created a non-profit umbrella organization that encompasses 11 properties with approximately 200 members[21]. The appeal of cooperatives is that people can pool resources and share sweat equity in creating an intentional housing situation that is more affordable, and potentially generates additional social benefits.

A similar and overlapping ownership mechanism is Cohousing. A cohousing community may be arranged as a cooperative of as a condo association. Cohousing is a type of intentional community composed of private homes supplemented by shared facilities, and managed by residents. Arboretum Cohousing[22] also in Madison is one such example, which begun in 2003 and has grown to 40 households. The Arboretum Cohousing campus includes two multi-family buildings (29 units), one duplex, and triplex with three townhouses, and six single-family dwellings across 2.2 acres.

Current Efforts

The recommendations given in this report are intended to compliment or build off of current efforts and programs to increase the supply, affordability and accessibility of housing, as listed below.

[20] www.lendingtree.com/glossary/cooperative-housing/

[21] www.madisoncommunity.coop/

[22] http://arboretumcohousing-org.cftvgy.org

Name	Description	Income and Eligibility Restrictions	Nature of Funding Assistance	Area
Community Development Block Grant (CDBG)/ HOME Investment Partnership	In 2018, the City was awarded approximately $652,433 from CDBG and $411,026 from HOME to use towards housing, public services and rehabilitation activities that benefit income eligible City Residents. Focus is given to those with income restrictions and homeless needs.	Renter households with income less than 50% of median family income (MFI) and cost burden greater than 30%, owners with income less than 80% of MFI or homes that do not meet building code, energy, accessibility, or lead paint standards, and first time homebuyers with household income between 50% to 80% of MFI or inability to purchase a home.	Loans/ grants	City of Eau Claire
Section 8 Housing Choice Voucher Program	There are 221 vouchers for rent assistance for very low income households. There is a limited number of targeted vouchers for homeless Veterans, and for families with children who are homeless or facing homelessness.	Rent is based on 30% of household income. Assistance provided to those at 50% AMI and 80% AMI. Preference is given to extremely low-income families.	Voucher	Eau Claire County
Owner and Buyer Housing Rehabilitation Program	This program provides, no-interest, deferred payment loans to remove code violations, improve structural conditions, prolong life expectancy, and otherwise improve living conditions of owner-occupied housing.	N/A	Loan	Eau Claire County (excluding the City of Eau Claire)
Rental Rehabilitation Program	No-interest loans, payable in monthly installments, for the the cost to bring substandard rental units up to decent, safe, and sanitary conditions.	The rental unit(s) must be rented to low- or moderate-income tenants for the term of the loan or five years, whichever is less. Rents must be maintained at levels as determined by the Housing Authority.	Loan	Eau Claire County (excluding the City of Eau Claire)
Emergency Rehabilitation	No-interest loans up to $2500 are available to make critical repairs to their homes, where there is threat to the immediate health and safety of the home's occupants.	Loans are available to low- and moderate-income households	Loan	Eau Claire County (excluding the City of Eau Claire)

Down Payment and Closing Cost Loans	No-interest, deferred-payment loans up to $8,000 to help obtain a first mortgage loan.	Monthly income cannot exceed 80% of the county's median income. Preference is given to families with incomes less than 50% of the area median income.	Loan	Eau Claire County (excluding the City of Eau Claire)
Family Self-Sufficiency Program	Supportive services are coordinated to assist families to achieve economic independence	N/A	N/A	Eau Claire County