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TO: Senate Committee on Housing, Commerce and Trade
FROM: Senator Rob Stafsholt
DATE: February 3, 2022
SUBJECT: Testimony in Favor of Senate Bill 840

Thank you, Chairman Jagler and members of the Senate Committee on Housing, Commerce and Trade for allowing me to submit testimony in favor of Senate Bill 840.

Senate Bill 840 is intended to increase the supply and affordability of workforce housing by reducing regulatory burdens builders and developers deal with. This legislation contains provisions to alleviate burdensome regulations relating to zoning and permit approval of workforce housing.

The bill requires that at least one multi-family housing district must be permitted use in any city, village or town that has adopted a zoning ordinance and furnishes water and sewer. The amendment clarifies for towns, that such use must be permitted use by right, not subject to any conditional use permit or special permit.

The bill also establishes a 90 day process for approving, denying, or conditionally approving an application for a workforce housing project. Any application for workforce housing project must be approved as long as it is consistent with the housing element of the political subdivision's comprehensive plan and zoning ordinance.

In addition, the bill provides that a person affected by the failure of a political subdivision to approve an application for workforce housing project including at least four residential units may appeal to the circuit court of the county in which the project was to be completed. If the court finds the subdivision has failed to satisfy certain statutory requirements related to the comprehensive planning or failed to prepare certain reports, the court must order them to approve the application.

Lastly, the bill requires municipalities assign street addresses to the lots within in the plot at the time of approval.

Thank you, members. I ask for your support and would be happy to have further discussions on the bill.



ROBERT BROOKS

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

Hearing Testimony
Senate Committee on Housing, Commerce, and Trade
Thursday, February 3, 2022
10:00 A.M.
Wisconsin State Capitol, Room 300 Southeast

Chairman Jagler and members of the Senate Committee on Housing, Commerce, and Trade, thank you for affording me the opportunity to provide testimony on Senate Bill 840.

Wisconsin is in the midst of a growing workforce housing shortage. According to a 2019 report titled *Falling Behind: Addressing Wisconsin's Workforce Housing Shortage*, since 2012, Wisconsin has created seventy-five percent fewer lots and fifty-five percent fewer new homes than pre-recession averages.

This scarcity has been further compounded by a series of other factors. The National Association of Home Builders estimates that excessive and outdated regulations add an average of \$93,870 to the final price of a home – or increase the total by approximately 23.8 percent. Rents are also growing faster than incomes, and the cost of construction materials is increasing.

As a result, Wisconsin's median age for first-time home buyers has risen to thirty-three. The state is also running a migration deficit with individuals aged twenty to twenty-four and has a lower homeownership rate for households ages twenty-five to thirty-four and thirty-five to forty-four than all neighboring states, except Illinois.

Senate Bill 840 was part of a larger legislative package to provide safer, more affordable housing options across the state.

Senate Bill 840

Senate Bill 840 is an important first-step towards reducing the regulatory burdens communities and developers faces when trying to build affordable workforce housing. Senate Bill 840 updates some outdated and burdensome regulations related to zoning and permit approval processes. This bill requires municipalities providing sewer and water services to zone at least one district for multi-family housing. In addition, it allows residential to be a permitted use in all areas zoned commercial, unless the commercial use could adversely affect the health or safety of neighboring residents.



ROBERT BROOKS

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

All other provisions in the bill relate to the approval process. Specifically, these provisions are aimed at expediting and implementing approval that have already been made by local governments. First, it establishes a ninety day process for the review and approval or denial of housing applications that are consistent with either (a) the community's zoning ordinance, or (b) its comprehensive plan. In other words, if the community wants housing located in a specific place within the community, then it needs to establish a timely approval process for that housing.

The bill also provides that if an individual legally challenges a local government's denial of a workforce housing project and the circuit court finds that the local government has failed to satisfy the basic statutory requirements related to the planning for housing, the court must order the local government to approve the application. In other words, if the community has not done the bare minimum for determining its housing needs, then their decision to reject a proposed workforce housing development should not be upheld by the court.

Finally, Senate Bill 840 mandates that street addresses within a plat are approved by the date the plat itself is approved.

As a real estate broker and investor for more than twenty-five years, I have witnessed many ups and downs in the market, but I have never seen affordable housing at such a premium. We can no longer sit back and wait. We need to take action now to address affordable housing.

I am happy to answer any questions you might have.



Department of Administration
Intergovernmental Relations Division

Cavalier Johnson
Mayor

Sharon Robinson
Director of Administration

Kimberly Montgomery
Director of Intergovernmental Relations

City of Milwaukee Testimony on Senate Bill 840 relating to: local approvals of workforce housing projects; zoning for certain residential uses; and a requirement that street addresses be assigned at the time of subdivision plat approval.

February 3, 2022

Committee on Housing, Commerce, and Trade

Chairman Jagler, Vice-Chair Feyen, and members of the Committee on Housing, Commerce and Trade. Thank you for the opportunity to testify before you today on Senate Bill 840.

The City of Milwaukee supports conceptually the move to mandate communities to loosen restrictions on workforce housing. The proposed legislation makes a number of new requirements on local government related to planning, land use and development.

The City of Milwaukee's existing zoning requirements currently comply with and meets the proposed zoning provisions in the bill. In addition, a slight workflow adjustment maybe be necessary to ensure street addresses be assigned at the time that subdivision plats are approved by the Common Council.

The City is concerned with the ability of a developer/applicant to appeal to Circuit Court, a decision by the municipality to deny a project. The proposed bill also includes a *building permit application, not just a zoning change application*. Therefore, a developer could attempt to bypass the zoning change process by making an application for a workforce development project that does not comply with zoning requirements for the locations of the project by claiming the project advances the goals of the Comprehensive Plan.

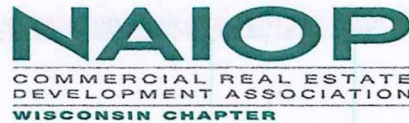
The proposed legislation would require a fundamental shift in the land use review process for workforce housing developments. At times the City Plan Commission, Common Council, or Board of Zoning Appeals makes the determination of project approval. In effect, the proposed legislation could limit or prevent determinations currently made on land use review for any workforce housing developments. Therefore, having the unintended consequences of undermining the process of local control that Milwaukee successfully utilizes to align local zoning and area planning.

Again, the City of Milwaukee applauds the intent to reduce barriers to the construction of affordable housing in municipalities who have used the zoning process as a barrier; however, we believe the legislation would weaken local control over land use planning.

For the reasons mentioned, the City of Milwaukee opposes Senate Bill 840 and urge the committee to vote against the proposed legislation.

For additional information and questions, please contact:

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To: Members, Wisconsin Senate Committee on Housing, Commerce and Trade

From: Tom Larson, WRA Executive Vice President and NAIOP-WI lobbyist

Date: February 3, 2022

Re: SB 840/AB 608 (as amended) – Local Workforce Housing Regulatory Reform

The Wisconsin REALTORS® Association (WRA) supports SB 840/AB 608 (as amended), legislation seeking to increase both the supply and affordability of workforce housing in Wisconsin by reducing costs associated with local land use regulations.

Background

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

A recent titled "Falling Behind: Addressing Wisconsin's Workforce Housing Shortage," authored by Professor Kurt Paulsen, UW-Madison, indicates that one of the primary reasons for Wisconsin's workforce housing shortage is that Wisconsin has outdated land use regulations drive up the cost of housing. Local land-use regulations such as large minimum lot sizes, prohibitions on non-single-family housing, excessive parking requirements, requirements for high-end building materials, and long approval processes raise the cost of housing.

According to a 2019 Executive Order issued by President Trump aimed at eliminating regulatory barriers to workforce housing:

- Many of the markets with the most significant workforce housing shortages have the most restrictive state and local regulatory barriers.
- Regulations add more than 25% to the cost of a new home, and as much as 42% to the cost of new multifamily construction.

See Executive Order 13878 of June 25, 2019

<https://www.federalregister.gov/documents/2019/06/28/2019-14016/establishing-a-white-house-council-on-eliminating-regulatory-barriers-to-affordable-housing>

In 2016, the President Obama White House produced the "Housing Development Toolkit" that was aimed at identifying ways in which local governments could address the issue of housing affordability by revamping their local regulations and development approval processes. The Toolkit identifies local government regulations (such as land use regulations, zoning codes, parking minimums, residential conversion restrictions, and laws designed to prevent or restrict multifamily development) as one of the biggest barriers to housing affordability. See Housing Development Toolkit

This Legislation

SB 840/AB 608 attempts to increase both the supply and affordability of workforce housing in Wisconsin by reducing the costs associated with local land use regulations. Specifically, SB 840/AB 608 seeks to lower the regulatory costs associated with developing workforce housing by increasing densities, expediting the development approval process, and making sure that the decision-making process is more predictable and well-informed through the following provisions:

- **Increases densities** by requiring every municipality (w/public sewer and water) to have at **least 1 area zoned for multi-family** (w/ a min. density of 16 units/acre)
- **Streamlines the approval process** for residential conversions by making residential use (w/ a min. density of 16 units/acre) a **permitted use in all areas zoned commercial unless**
 - Located immediately **adjacent to an industrial area**
 - Would have an **adverse health or safety impact** on neighbors
- **Cuts bureaucratic red tape** by requiring municipalities to assign **street addresses at the time of plat approval**
- **Expedites the approval process** by requiring the creation of a **90-day approval process** for workforce housing projects and **approval** if the project is consistent with community's
 - Housing element (comprehensive plan), or
 - Zoning ordinance
- **Encourages more informed local decision-making** by requiring courts to approve a housing development if the municipality fails to comply with any of the following statutory requirements:
 - Housing element (Wis. Stat. § 66.1001(2)(b))
 - Housing affordability report (Wis. Stat. § 66.10013)
 - New housing fee report (Wis. Stat. § 66.10014)

We respectfully request your support for SB 840/AB 608. If you have questions or need additional information, please contact us.

BARRON'S

ECONOMY & POLICY

How Cities Can Solve Their Office Crisis and Housing Affordability in One Go

COMMENTARY By Salim Furth Updated Oct. 5, 2021 9:29 am ET / Original Oct. 5, 2021 6:00 am ET



Buildings, many of them nearly empty, stand in lower Manhattan on April 16, 2021 in New York City.

Spencer Platt/Getty Images

About the author: [Salim Furth](#) is a senior research fellow and director of the Urbanity Project with the [Mercatus Center at George Mason University](#). He's the author of a new policy brief on "[Housing Reform in the States: A Menu of Options](#)."

Many American cities are facing a dual real-estate crisis: Residential prices are soaring while office buildings sit empty. Neither of these problems can be solved overnight, but cities and states can help address both by making it easier to redevelop commercial sites for residential use.

This housing-cost crisis has been decades in the making. Zoning codes have become stricter, limiting where housing can be built and attaching costly requirements such as large minimum lot sizes. As a result, the United States has been building fewer and fewer new homes per capita. When a supply-constrained market is hit with a surge in demand, prices skyrocket. And housing demand has surged mightily in 2021 as people working from home want more space, and low interest rates have stretched the buying power of those with good credit.

In the office sector, the popularity of flexible-work arrangements, especially among younger workers, is making companies rethink their leases. When it comes time to renew, even some profitable, growing office tenants will downsize—or take advantage of lower prices to move to a better location. Real-estate services company JLL estimates that at least one-fifth of office space is vacant in 17 of the 54 major U.S. markets, including New Jersey, Dallas, Denver, and Miami.

Retail markets are in much better shape than offices. Vacancies are steady around 5%. But the sector faces headwinds with the steady rise of e-commerce and decline of malls, and there are always retail locations that have lost their viability. Although retail space is not the center of a current crisis, expanding zoning flexibility now will help cushion the sector against future economic changes.

To be sure, zoning is not the only barrier to repurposing commercial real estate. Some locations are unattractive for housing. Most commercial structures cannot be repurposed; they have to be replaced. And financial investors can be skeptical of creative—that is, unproven—concepts.

But for the many sites where residential construction could work, zoning is often the dealbreaker. A combination of local fiscal worries and the loud voices of a Nimby ("not in my backyard") minority have made many local governments finicky about growth. In some jurisdictions, most new developments are channeled through an opaque "planned unit development" process that allows local officials a veto over everything from density to aesthetics, which opens the door to corruption. Other jurisdictions would prefer to keep abandoned sites vacant in hopes of someday landing a lucrative commercial taxpayer.

Taking the long view, cities have much to gain from allowing and encouraging residential growth in underperforming commercial sites. Unlike greenfield construction, redevelopment of an existing site adds nothing to the city's long-term maintenance liabilities for roads, utilities, and stormwater management. And the Nimby resistance to new housing is likely to be muted on commercial sites.

What types of housing are right for former commercial spaces? In neighborhoods and downtowns, the solutions might involve adaptive reuse rather than new construction. But most underperforming commercial space is, not surprisingly, in second-tier locations, like half-empty suburban office parks. These lend themselves to suburban-style residential development: garden apartments, Texas doughnuts, and manufactured home parks. Larger sites can become subdivisions or planned communities, with whatever mix of housing styles makes sense in the local market.

In North Chesterfield, Virginia, local officials recently allowed new apartments on land that had been zoned and waiting decades for office development that never came. And in Wellesley, Mass., an office-park owner has proposed a partial redevelopment that would include multifamily space along with a broader mix of commercial uses. Such developments are not uncommon—but they take longer, cost more, and are much rarer when they rely on case-by-case rezoning.

The simplest and most necessary step to allowing residential redevelopment is to permit residential uses in commercial zones on a by-right basis. Many cities do so already.

But cities need to go further, allowing parcel subdivision (ideally down to 1,000 square-foot lots, which can host a small townhome) and shrinking or eliminating parking minimums so that parking lots can be redeveloped without necessarily demolishing a partially occupied commercial building.

States can get into the act as well. While no city can solve a regional housing crisis on its own, state action has a fighting chance. Legislatures can open all commercial areas to both multifamily and single-family residential construction with small lot sizes, although they ought to write in exceptions for the few locations that are physically unsafe or give cities the right to appeal.

States seeking a lighter touch can limit applicability of legislation by vacancy status, location, or parcel size. One alternative is to preempt local zoning only for underused parking lots and parcels with a high vacancy rate on the date of passage. Another is to apply it only where a commercial parcel can be connected to a neighborhood street grid. A third would be to limit the changes to parcels of two acres or more.

Cities and states might be tempted to add a list of costly conditions to residential conversion rezoning, such as requiring ground-floor retail, luxury-design standards, or inclusionary zoning. But they should resist the urge to tinker—because construction won't happen at all unless it pencils out. In second-tier locations, that's more likely to mean simple starter homes than the perfect "lifestyle center" drawn in a planner's pastels.

Times change. Cities change. Zoning needs to change along with them.

Guest commentaries like this one are written by authors outside the Barron's and MarketWatch newsroom. They reflect the perspective and opinions of the authors. Submit commentary proposals and other feedback to ideas@barrons.com.



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To: Senate Committee on Housing, Commerce and Trade
From: Curt Witynski, J.D., Deputy Director, League of Wisconsin Municipalities
Toni Herkert, Government Affairs Director, League of Wisconsin Municipalities
Date: February 2, 2022
Re: SB 840/AB 608, Mandating Certain Municipal Zoning and Subdivision Practices Relating to Multifamily Housing and Workforce Housing Projects

The League of Wisconsin Municipalities opposes SB 840/AB 608, which imposes several mandates on cities and villages, including the following:

1. Provide for at least one zoning district in which multifamily housing not fewer than 16 residential units per acre is a permitted use.
2. Permit residential use at a density of at least 16 units per acre in any commercial zoning district.
3. Establish a process for approving or denying a workforce housing project within 90 days of receiving application.

The League opposes this bill because it interferes with local policy decisions about the housing density and character of a community. Regardless of whether one thinks the requirements in the bill have merit as good public policy, these types of land use policy decisions are best made by the village trustees and city council members elected by the residents of their community to make those decisions. They are familiar with the character of their community and are tasked with responding to the needs and desires of the citizens that elected them. Density requirements and zoning policy should not be determined from above and imposed by the state on localities.

We urge you to vote against recommending passage of SB 840/AB 608. Thanks for considering our comments.



February 3, 2022

To: Senate Committee on Housing, Commerce and Trade
From: Wisconsin Land Information Association
Re: Opposition to Street Address Assignment Requirement in Senate Bill 840

Good morning, Chairperson Jagler and committee members. Thank you for the opportunity to testify before you on Senate Bill 840.

My name is Fred Iausly, a Member of the Wisconsin Land Information Association (WLIA) Board of Directors, Vice-Chair of WLIA Technical Committee and a Senior GIS Analyst at Dane County.

For background, WLIA is a grassroots organization consisting of over 1,000 public and private sector professionals who develop, maintain, distribute, and utilize land information systems and data critical to all sectors of business in Wisconsin. Our members work with Geographic Information Systems (GIS), which is a computerized digital mapping system consisting of points, lines and polygons that represent real-world geographic features. This representation is referred to as “geospatial data.” Key geospatial data includes parcels, the Public Land Survey System (PLSS), aerial imagery, elevation data, streams and water bodies, zoning, government boundaries, geodetic control, road centerlines and addresses. The data our members produce and maintain is essential for economic development, public safety, emergency management, environmental monitoring, engineering, transportation, marketing and demographic analysis, utilities and more.

To be clear, WLIA opposes the requirement of **Section 8** of the legislation that changes language to Wis Stat. 236.11 by requiring that street addresses be assigned at the time of subdivision plat approval. Our members work directly and indirectly with plats and addressing across the state. This change may appear to be a minor modification, however it will have many negative, unintended consequences.

This language intends to require addresses be made available to the public quickly for the benefit of what would be a small group. However, the platting and addressing process is involved and the resulting data serves many stakeholders which may be negatively impacted. This change will:

- Unnecessarily complicate the platting and addressing process.
- Lengthen the plat approval by involving another process to assign addresses.
- Complicate efforts to correct addressing errors.
- Require plat addendums to be recorded for address changes.

All of which adds additional time to addressing, adds cost to taxpayers, and potentially adds additional fees to the public.

A little clarification on the platting and addressing process. Once a plat is approved, an applicant has up to three years to record the plat. During this time a number of revisions may occur before its final recording. Developers change their mind, zoning changes can occur, and consolidation or subdivision of lots are common. In towns and in some cities and villages the address assigned is determined on the location of the access driveway.



If Wis. Stat. 236.11 is modified as written, addresses will need to be assigned before zoning, lots and driveway locations are finalized and any changes will require a plat amendment and each change will complicate the process and add costs to the taxpayer. When addressing large subdivisions these costs will be multiplied.

Correcting an address will be further complicated when included on the plat, because an address change will require the recording of a plat addendum that will include added cost and time to approve a new address or make a correction. Several other implications exist should **Section 8** of **SB-840** pass:

- Some jurisdictions have Emergency Management ordinances specifically intended to prevent the assignment of addresses prior to first establishing driveway access.
- Many jurisdictions assign addresses as part of their zoning and septic permit process.
- Zoning changes after a plat has been recorded can create addressing challenges when multi-addresses are required and not anticipated at the initial platting process.
- The issuance of an address sign will need to be posted and who will be responsible for the cost of the sign, posting and if an address has to be changed?
- Annexations and detachments may also occur in the interim between plat approval and recording which will mean a change in jurisdiction and necessitate a change in the address numbers and street names which follow different municipal standards.

Finally, the State of Wisconsin is moving forward with the implementation of NextGen-911 and the correcting of addressing issues should not be made more complicated for something as critical to emergency services as addresses. Specific to the legislation before you today, WLIA members develop and maintain the GIS data that is the backbone to NextGen-911.

For the reasons stated and others, WLIA would ask that the proposed changes in **Section 8** to Wis. Stat. 236.11, a requirement that street addresses be assigned at the time of subdivision plat approval be removed from **SB-840**. WLIA would be willing to work with any group to develop process improvements, best practices and even legislation that would improve the addressing process across the state.

Thank you for your time today, and your consideration of this important legislation. I would be happy to answer any questions you may have.