



To: Members, Wisconsin Assembly Committee on Housing and Real Estate

From: Tom Larson, Executive Vice President

Date: October 25, 2021

Re: AB 608 – Workforce Housing Regulatory Reform

The Wisconsin REALTORS® Association (WRA) supports AB 608, 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 report titled “Falling Behind: Addressing Wisconsin’s Workforce Housing Shortage,” authored by Professor Kurt Paulsen, UW-Madison, indicates that one of the primary reasons for Wisconsin’s workforce housing shortage is that Wisconsin has outdated land use regulations that drive up the cost of housing.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

https://obamawhitehouse.archives.gov/sites/whitehouse.gov/files/images/Housing_Development_Toolkit%20f.2.pdf

This Legislation

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, 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:

- Requiring every municipality (w/public sewer and water) to have **at least 1 area zoned for multi-family development** (suitable for at least 16 units/acre)
- Making residential use (suitable for at least 16 units/acre) **a permitted use in all areas zoned commercial** unless the residential use would
 - Be located immediately adjacent to an industrial area
 - Have an adverse health or safety impact on neighbors
- Requiring municipalities to assign **street addresses at the time of plat approval**
- Requiring the creation of a **90-day approval process for workforce housing projects** and requiring approval if the project is consistent with the community's
 - Housing element in its comprehensive plan, or
 - Zoning ordinance
- Requiring courts to approve a housing development if the developer can demonstrate that the **municipality failed to comply with any of the following statutory requirements:**
 - Housing element, as required by Wis. Stat. § 66.1001(2)(b)
 - Housing affordability report, as required by Wis. Stat. § 66.10013
 - New housing fee report, as required by Wis. Stat. § 66.10014

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