

Overcoming Barriers to Affordable Housing in The East Central Region



January 2004

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East Central Region

**Prepared by the
EAST CENTRAL WISCONSIN REGIONAL PLANNING COMMISSION**

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ABSTRACT

TITLE: Overcoming Barriers to Affordable Housing in the East Central Region

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SUBJECT: An inventory of identified barriers to affordable housing in the East Central Region and potential solutions to address those barriers.

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This report presents an inventory of barriers to affordable housing identified by the Urban and Rural Housing Technical Advisory Committees and potential solutions that can be used to address those barriers in our communities. Its main purpose is to assist the Appleton Housing Authority in implementing their strategic plan; facilitate the development of local comprehensive plans; and to provide assistance and guidance to local governments, for profit and nonprofit housing providers and other interested parties desiring to promote the provision of safe, decent and affordable housing for all persons, regardless of age, income, gender, family structure, race, origin and disabilities.

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Introduction

In June 2001 through March 2002, an affordable housing needs study was conducted for the City of Appleton as part of the Appleton Housing Authority's strategic plan update. Since the City of Appleton is not a stand alone community, but rather one of a group of contiguous interrelated communities, the consultant's report, *Blueprint to Affordable Housing*, also includes information and recommendations regarding the entire Fox Cities urban area.

One of the issues noted in the *Blueprint to Affordable Housing* report is the increasing public sector involvement in housing development. The report recommended that the appropriate public role in affordable housing development be identified. As a result, the Public/Private Role in Affordable Housing Development Committee was established in 2002 to identify the most appropriate roles for government, private and nonprofit sectors in meeting affordable housing needs in our communities.

Four subcommittees were formed to develop implementation strategies to meet the objectives outlined by the Public/Private Role in Affordable Housing Development Committee. One of these subcommittees, the Model Policies Subcommittee, was formed to develop a "toolbox" of potential solutions to reduce barriers to affordable housing in the Fox Cities urban area. Since households with incomes under 80% of county median income (CMI) are the households, which have the greatest difficulty finding affordable housing in the area, the Model Policies Subcommittee chose to focus on the barriers most likely to affect those households¹.

During this same time period, the East Central Wisconsin Regional Planning Commission (ECWRPC) began its regional plan update. In September 2002, East Central held a series of focus group meetings throughout its ten county region to identify important regional issues. One of the issues identified in each focus group session was a perceived lack of affordable housing. This perception was confirmed by 2000 Census data, which indicated that 21,910 owner-occupied households and 16,051 renter-occupied households within the region paid a disproportionate share of their income for housing². The majority of these households live within the four urban counties in the region: Calumet, Fond du Lac, Outagamie and Winnebago. Twenty seven percent of renters and fifteen percent of homeowners in these counties spent 30% or more of their income on housing in 1999. The lack of affordable housing was further confirmed during the gaps analysis survey for the Fox Cities Continuum of Care grant application, conducted on May 16, 2003. Survey results indicated that approximately 1,000 households in the Fox Cities area are currently on waiting lists for rental assistance, because they are at risk of losing their housing.

¹ County median household incomes vary by county. In general, the committee was looking at barriers to housing for households with income below \$42,000.

² HUD recommends that households spend less than 30% of their gross income on housing. Households, which spend 30% or more of their income on housing, are considered to be at risk should these households experience financial difficulties, such as major medical bills, a job loss or other significant change in income.

Although the majority of households within the region paying a disproportionate share of their income for housing live in the urban counties, housing affordability is also an issue in rural counties. In 1999, twenty-five percent of renters and fifteen percent of homeowners spent more than 30% of their income on housing. Counties with the greatest housing affordability issues were rural recreational counties with lower county median incomes.

The Model Policies Subcommittee held its first meeting on October 17, 2002. Due to timing issues and overlap with the update of East Central's regional comprehensive plan, the committee's mission was expanded to address barriers to affordable housing, not only in the Fox Cities, but also in Oshkosh and Fond du Lac. By expanding the committee's mission, the committee had the opportunity to learn what methods other local urban communities have used to reduce barriers to affordable housing in their communities. The expansion also promoted consistency between recommendations to the Appleton Housing Authority, via the Public/Private Role in Affordable Housing Development Committee, and to the regional planning commission. For regional planning purposes, the committee was renamed the Urban Housing Policy Technical Advisory Committee. A second committee, the Rural Housing Technical Advisory Committee, was formed in May 2003 to examine and discuss barriers to affordable housing within rural areas of the region.

Purpose

Barriers to affordable housing limit housing choice, stifle economic development and place the burden of finding appropriate housing on those citizens least able to afford it. Barriers to affordable housing exist in all housing sectors and in all communities. They drive up the cost of doing business in our communities, reduce the supply of available housing and make it difficult for young adults, young families and elderly residents to find housing that meets their needs and also fits within their budget. Households, which must spend a disproportionate amount of their income on housing, will not have the resources to properly maintain their housing, nor will they have adequate disposable income for other living expenses, such as transportation, childcare, healthcare, food, clothing, entertainment, etc.

Lack of affordable housing also reduces the available labor force for low wage occupations, thereby artificially creating labor shortages in certain sectors and driving up wages in other economic sectors. Hospitals and nursing homes have trouble finding and retaining certified nursing assistants (CNA's). Restaurants, retail stores, childcare centers, service centers, and low wage manufacturing establishments, etc. have difficulty finding and retaining employees. Labor shortages and high turnover rates reduce service and productivity and increase administration and training costs, thereby discouraging business development and expansion. Providing a sufficient amount of housing options for all income levels and all age groups is important for ensuring a good quality of life for all our citizens and for promoting economic growth and development within the region.

Structure of Report

In order to facilitate awareness and understanding of housing issues and opportunities, the introduction is followed by a list of definitions. The remainder of the report outlines identified barriers to affordable housing and offers potential solutions to those barriers. A list of committee members, funding sources and summaries of proceedings are found in the appendices. The main body of the report is divided into two parts. Part I outlines identified barriers to affordable housing in our urban communities, and offers potential solutions to those barriers. Part II outlines identified barriers to affordable housing in our rural communities, and offers potential solutions to those barriers. The policies and recommendations outlined are strategies and actions that local units of government, private and nonprofit organizations can use to develop ordinances, strategies and incentives to promote affordable housing. In many instances, reducing those barriers will require cooperation between communities and across sectors and political jurisdictions. The identified barriers to affordable housing and their potential solutions have been organized into three broader categories: political barriers, regulatory barriers and economic barriers.

Political barriers include barriers, which result from public opposition, lack of awareness or disinterest in quality of life issues for households which are different from "ours" and/or earn less than households within "our" social class. These political barriers tend to be strongest in communities and neighborhoods with segregated ethnicities, income levels, age groups, and classes. A second set of political barriers results from inadequate social and capital resources to address existing housing issues. Communities may be aware of housing issues, which need to be addressed, but they may lack the staff, knowledge, financial resources or organizational capacity to address those issues.

Regulatory barriers are existing legal barriers to affordable housing, which exist in our zoning, subdivision, and health and safety codes, and environmental laws. While some regulatory barriers to affordable housing exist as a result of political barriers, others result from the unintended consequences of governments and developers attempting to protect the health and safety of their residents, the environment, aesthetics and property values of existing property owners. Regulatory barriers not only impact new affordable housing development, but also impact the maintenance and rehabilitation of the existing affordable housing stock.

Economic barriers are monetary barriers. These barriers include the costs associated with project development, maintenance and management, the income and educational levels of residents and existing economic opportunities within the community and economic region. Community barriers as they relate to planning issues and influence economic opportunities for residents are also included in this category.

The housing barriers listed in this report are not prioritized. All barriers influence the cost of housing in our communities; and therefore all barriers merit attention. Also, the relative strength of individual barriers may vary from community to community and neighborhood to neighborhood. Likewise, the solutions to barriers to affordable housing are also not ranked, although the predominate theme is increased education and awareness regarding the negative impact of barriers to affordable housing on the overall health and long term quality of life of our communities.

The solutions offered in this report are not all inclusive. Further solutions need to be identified and explored in other formats. Housing barriers are relatively easy to identify, as residents who need affordable housing, agencies which help residents locate housing, and developers which build housing, confront those barriers on a regular basis. The solutions are harder to identify and will require substantial political will to enact, as barriers are interactive and cross political, social and economic boundaries.

We encourage communities and agencies to review the options presented, and choose the best option, or combination of options, which best serve the needs of their residents and clients. Communities and individuals from the private and nonprofit sector are also encouraged to develop additional solutions and share those solutions with others. Only by working together can we improve the quality of life for all residents in our communities and within our region.

Definitions

The following definitions include terms and programs referenced within the report. These terms are followed by list of housing types as defined by the U.S. Census Bureau, and a list of housing options, some of which exist within the region and others that do not. These lists are provided to increase the level of understanding regarding existing housing, programs and options that exist, or could be created or used, to meet housing needs within the region.

Affordable Housing: HUD considers housing to be affordable when total housing costs, including rent or mortgage payment, utilities, maintenance, insurance and property taxes comprise less than 30% of the households gross income.

Brownfields: Abandoned, idled or underused industrial and commercial facilities/properties, which have real or perceived environmental contamination on site.

Community Reinvestment Act (CRA): A Congressional act, which was designed to encourage federally insured banks and thrifts to meet the credit needs of their entire community, including low- and moderate-income residents. (See <http://www.fdic.gov/regulations/community/> for more information).

Continuum of Care: A coordinated effort of housing and service providers, which is designed to provide comprehensive, long-term solutions to problems associated with homelessness and inadequate housing. The Continuum of Care model is designed to move individuals/families from homelessness to stable housing. (A guide to continuum of care planning can be found at: <http://www.hud.gov/offices/cpd/homeless/library/coc/tcocguide/index.cfm>.)

Get Checking: Get Checking is an educational workshop designed to teach individuals how to choose and properly manage a checking and/or savings account. Get Checking is a collaborative effort between UW-Extension, WE Energies, FISC and local financial institutions.

Income: Income in this report refers to household income, which by Census definition, includes the income of the householder and all other persons age 15 years and older in the household.

County Median Income (CMI): County Median Income in this report refers to the county median household income as calculated by the Census Bureau. The median divides the income distribution into two equal parts, with half of the households having income above the median and half of the households having income below the median.

HUD divides households into income ranges based on their percentage of county median income. While many programs base funding on income by household size, for simplicity's sake, this report looks at total households within the HUD defined ranges listed below:

Extremely Low Income: Households with incomes below 30% of the county median income, regardless of household size.

Very Low Income: Households with incomes between 30% and 50% of the county median income, regardless of household size.

Low Income: Households with incomes between 50% and 80% of the county median income, regardless of household size.

Moderate Income: Households with incomes between 80% and 100% of the county median income, regardless of household size.

Life cycle housing: Life cycle housing is based on the concept that housing needs change based on life stages. Six commonly recognized life stages include pre-child, child-bearing, child-rearing, child-launching, post-child and later life.

No Tolerance Rules: Rules established by HUD, which allow public housing providers to evict tenants for known legal violations, such as illegal drug use.

Rent Smart: Rent Smart is a tenant education program developed by UW-Extension to improve tenants understanding of budgeting, rental agreements, laws and tenant rights and responsibilities.

Section 8: A HUD program, which provides housing choice vouchers through public housing authorities. The housing choice vouchers allow very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned rental housing.

Tax Incremental Financing (TIF): A mechanism cities and villages can use to fund development and redevelopment within an identified, established area of their jurisdiction, known as a Tax Incremental District (TID). A defined portion of future tax revenues from the TID are used as an income stream to pay off the costs of making the improvements necessary to promote the development or redevelopment of the area. (See the Wisconsin Dept. of Commerce website for more information: <http://www.commerce.state.wi.us/MT/MT-FAX-0815.html>.)

Traditional Neighborhood Design (TND): TND is a planning concept that calls for neighborhoods to be designed as they were prior to widespread use of the automobile. Traditional neighborhoods have compact, mixed use development with grid street patterns that allows residents to live within easy walking distance of shops, schools, churches, and recreational facilities. It also incorporates a mixture of housing types, open space, pedestrian facilities and human scale buildings. Automobiles are accommodated, but they do not dominate the landscape.

Housing Types

The following list includes housing types as defined by the Census Bureau. All housing types, except group quarters, may be occupied by one person, a nuclear or extended family or a group of eight or less unrelated individuals.

Condominiums: Condominiums are housing units in which a person owns an apartment or house in a development of similarly owned units and holds a common or joint ownership of some or all of the common areas and facilities, such as land, roof, hallways, swimming pool, etc. Condominiums can be single family or multi-family units.

Duplex or Two Family: A type of residence with two residential units within the structure. Duplexes may be rented or owner-occupied.

Group quarters: Group quarters are residential units which contain 9 or more unrelated individuals. The Census Bureau recognizes two types of group quarters, institutional and noninstitutional.

Institutional Group Quarters: Institutional group quarters are institutions which provide formally authorized supervised care or custody. They may or may not provide nursing or medical care. Examples of institutional group quarters include correctional facilities, nursing homes, and mental hospitals.

Noninstitutional Group Quarters: Noninstitutional group quarters are institutions which do not provide formally authorized supervised care or custody. Examples of noninstitutional group quarters include college dormitories, military barracks, group homes, missions, and shelters.

Mobile Homes: Mobile homes are factory built homes without permanent foundations.

Multi-Family: A type of residence with three or more residential units within the structure. Multi-family units may be rented or owner-occupied.

Owner-occupied Multi-family: An owner-occupied unit in a structure with three or more residential units. Typically, owner-occupied multi-family units are called condominiums. However, condominiums can also be single family units. (See Condominiums).

Renter-occupied Multi-family: A renter-occupied unit in a structure with three or more residential units. These units are typically referred to as apartments.

Other: Other units include any living quarters occupied as a housing unit that does not fit into the previous categories. Examples that fit into this category include boats, vans, cars, tents, and campers.

Single Family: A type of residence with one residential unit within the structure. It may be rented or owner-occupied, detached or attached.

Single family detached: A one unit residential structure that has open space on all four sides. This category also includes single family houses with a business as long as the structure has open space on all four sides. It also includes mobile homes which have permanent rooms attached to the structure.

Single family attached: A one unit residential structure that has one or more walls extending from ground to roof separating it from adjoining structures. Single family attached housing includes row houses, townhouses, double houses or houses attached to non-residential structures.

Housing Options

The housing options below are a generic list of additional housing types, which could be used to meet housing needs within the region. Some of these options exist in our region; others do not.

Accessory Units: Accessory units, or “granny flats”, are semi-independent or independent housing units built above a garage or attached to a single family house. These units typically contain a bedroom, bathroom and living room or sitting room. They may or may not contain separate kitchen facilities.

Co-housing: A collaborative housing community designed to be participatory and pedestrian friendly. Co-housing developments are characterized by private dwellings supplemented with common facilities, which are managed by a homeowner or condo association and designed for daily use and provide a broad range of activities. Developments typically include a common house, which is owned and used by all residents. The common house typically includes a common kitchen, dining area, sitting area, children's playroom and laundry and may also have a workshop, library, exercise room, crafts room and/or one or two guest rooms.

Cooperative Housing: Housing in which a legal cooperative corporation owns the building, land and any common areas. Members of the cooperative buy shares in the co-op. (For more information, contact UW Center for Cooperatives reynolds@aae.wisc.edu or Cooperative Development Services CDS@co-opdevelopmentservices.com.)

Leasing Cooperative: The property is leased from an investor on a long-term basis, sometimes with an option to buy. The residents operate the property as a cooperative.

Limited Equity Cooperative: The return on shares is limited when shares are sold. The amount of return is determined by a formula established in the corporation's bylaws.

Market Rate Cooperative: Shares in the cooperative are sold at full market value in the original sale and permitted in any future sales of shares.

Mutual Housing Association: A nonprofit corporation set up to develop, own and operate housing. Normally, the association is owned and controlled by the residents.

Senior Housing Cooperative: Design features and services are appropriate to senior residents.

Courtyard Housing: Housing where units are arranged around a common court which provides a play area for children and a way to enter dwelling units and facilities.

Efficiency apartment: Efficiencies or studio apartments have separate bath and kitchen facilities, while the living area and bedroom are combined.

Emergency Shelter: Temporary overnight shelter designed to provide a safe environment and meet the short term needs of homeless individuals and families.

Factory Built Housing: Factory built housing is housing built to code in a climate controlled factory and transported as a complete unit or in sections to the dwelling site.

Manufactured Housing: Manufactured housing is factory built housing built and transported as a complete unit to the dwelling site.

Mobile Homes: Mobile homes are factory built homes that were built prior to 1976.

Modular Housing: Modular housing is factory built housing built and transported in sections and assembled at the dwelling site.

Panelized Homes: Wall panels are built in the factory and transported to the dwelling site for assembly.

Pre-cut Homes: Precut homes are homes where the building materials are cut and shaped in the factory. All assembly is done on site. Example: log homes

Permanent Supportive Housing: Subsidized affordable housing combined with supportive services. Supportive services vary and are based on the tenant's needs and interest. Services are designed to foster independence among tenants.

Row Housing: Attached houses, which are build on narrow lots facing the street.

Safe Haven: A "form of supportive housing that serves hard-to-reach homeless persons with severe mental illness who are on the street and have been unable or unwilling to participate in supportive services, " McKinney Act, Title IV, Subtitle D. Ideally, these individuals should at some point be able to move from the safe haven to transitional housing or more permanent supportive housing.

Stick Built Housing: Stick built housing is housing built on the dwelling site.

Single Room Occupancy Units (SROs): Single room occupancy units are zero-bedroom dwelling units designed for one person occupancy. They may contain food preparation and/or sanitary facilities, or food preparation and sanitary facilities may be separate facilities that are shared with other units within one building.

Transitional Housing: Rental housing with supportive services designed to move individuals or households from emergency shelters to more stable housing. Average length of stay in transitional housing is 6 months to one year.

Universal Design: Universal design is where products, communications, and the built environment are designed to be usable by as many people as possible of all ages and abilities without the need for adaptation or specialized design.

**Part I: Overcoming Barriers to Affordable Housing in the
Fox Cities, Oshkosh and Fond du Lac Urban Areas**

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Section I. Political Barriers

A variety of political barriers to affordable housing were identified in the *Blueprint to Affordable Housing* and by the Urban Housing Policy Technical Advisory Committee. These barriers have been grouped into five categories: public opposition, lack of political will/support, insufficient knowledge/resources, housing provider opposition and resident opposition/difficulties. Each category contains a number of identified issues, followed by a list of solutions that may help communities and organizations reduce those barriers.

Public Opposition

Identified Issue: Lack of Understanding

A lack of understanding exists regarding the extent of need for affordable housing.

- Community costs associated with the lack of affordable housing are not understood.
- A perception exists that providing affordable housing encourages low-income "undesirables" to move to your community.

Potential Solutions to Lack of Understanding:

Address the lack of understanding through education and information.

- More education is needed. – Techniques could be developed by the Education and Public Relations Subcommittee to the Public/Private Role in Affordable Housing Development Committee.
 - Define affordable – put a human face on it, not by accenting victimization, but showing “normal” people in our communities who have difficulty finding affordable housing, ex. police officers, school employees, retail employees, CNAs, etc. A picture is worth a 1,000 words.
 - Stress the relationship between economic competitiveness and affordable housing.
 - More coordination is needed between affordable housing developers and communities. Both should share in the education process and establish neighborhood buy in early in the development process.
 - A factual brochure would be very helpful.
-

Identified Issue: Property Value Impacts

People fear that property values will decline if affordable housing is built in their neighborhood.

- For many people, their home is the biggest investment they have made.
- Affordable housing is viewed as aesthetically unattractive.
- It is associated with high-density, low quality construction, because examples exist where sub-standard or bare minimum quality materials were used.

Potential Solutions to Property Value Impacts:

Document studies, which show that affordable housing does not lower property values.

- In particular, provide local examples where the presence of affordable housing has actually enhanced property values.
- The City/Village/Town should develop a pamphlet with supporting data obtained from the local assessor's office.

Make affordable housing look more like market rate housing.

- Provide more architectural interest in keeping with the existing neighborhood.
- Include amenities, such as trails in, or by, the development.

Provide local evidence, which may contradict the perception that affordable housing results in declines in property values.

- Example 1: small, well-maintained houses that were originally built as affordable units in the 1940's, but are no longer considered affordable housing.
- Example 2: homes built in the early 1960's under HUD's 235 housing programs.
- Note how these homes have increased in value. Note how these homes have blended into the community/neighborhood. Also note how these homes have not negatively impacted area housing values.
- Present evidence showing upkeep and change in property values for existing mixed income neighborhoods.
- Compare real estate sales between mixed income and homogeneous income neighborhoods.

Present development options from other locales, which show affordable housing developments that have strengthened property values. Ex. traditional neighborhood design projects (TND).

- TND projects by definition include a mix of housing prices and styles. However, results have not always been affordable, because market influences and development costs often drive up the purchase price of these homes.

Identified Issue: Association with Negative Stereotyping

Affordable housing is associated with minorities, single parents, "welfare mothers" and crime.

- High concentrations of extremely low-income households coupled with poor management increases instances of dysfunctionality regardless of race, ethnicity or marital status.
- Well publicized examples of projects with high police calls, trashed and poorly maintained units and vandalized properties exist here and elsewhere.
- Little attention and publicity has focused on **successful** affordable housing projects.
- The growing minority community has had a huge impact on this community, which has had little exposure to other cultures.
- A huge gap exists in the knowledge regarding cultural differences.
- Language is also a barrier for some groups.

Potential Solutions to Association with Negative Stereotyping:

More publicity is needed regarding successful affordable housing developments.

- Use personal witness stories or quotes from individuals/families who have benefited from access to affordable housing.

Education is needed to:

- overcome negative stereotyping;
- explain benefits of mixed income and life cycle neighborhoods;
- increase awareness and understanding between races, cultures, classes and generations;
- and reduce language barriers.
- In some instances, tenant training or life skills training is needed.

More positive opportunities for cross-cultural, cross-class and multi-generational interaction are needed.

Police officers and social workers need to view and report problem households in context.

- Police calls and disturbances to a 50 unit multi-family project should be reported as number of calls by unit, rather than number of calls per one unit. Ie. Rather than identifying complex, problem households within the complex should be identified.
- Care should be taken when making single family to multi-family comparisons.

Communities should proactively deal with issues before they become problems.

Require all rental properties to have permits, which have to be periodically renewed.

- A review process would include building inspections and possible management reviews.
- Rental properties with substandard units or poor management could be fined, or risk losing their permit, if violations were not addressed.
- Owners of substandard units should be encouraged to make positive changes through education and incentives.
- Awards or certificates could be provided to rental properties based on the condition of the unit and management review.

This issue needs additional attention in order to come up with positive creative solutions.

- Research indicates that mixed income and life cycle neighborhoods are healthier than homogeneous communities; but research does not indicate what mixes and ratios are most desirable.
 - Education must be conducted in a fashion that increases understanding without reinforcing negative stereotypes and opinions.
 - Requiring permits for rental properties could in itself become a barrier to affordable housing. Incentives would be needed to obtain developer and landlord buy-in, particularly for units affordable to very low-income households.
-

Identified Issue: Modular Housing Opposition

Public opposition exists towards modular housing.

- In some instances, the opposition may not be from the “public”, but rather from stick builders objecting to the competition.

Potential Solutions to Modular Housing Opposition:

Point out positive local examples, such as the modular units in Lawrence Court in Appleton.

Present visual information to neighborhoods and city council members early in the development process.

Review information and design to show neighbors, planning commission and elected officials that modular homes meet uniform dwelling code standards.

Provide cost comparison between comparable modular and conventional units.

Identified Issue: Mobile Home Opposition

Opposition is particularly strong towards mobile homes.

- Opposition is based on local historical problems resulting from poorly maintained and managed parks.

Potential Solutions to Mobile Home Opposition:

Recognize that a niche market exists for mobile homes and that mobile homes must be accommodated on a regional scale.

Adopt esthetically pleasing, cost-effective design standards for mobile home parks.

- Include amenities in and near the park.

Encourage a mix of income levels within the park.

Recognize that good management is essential for maintaining quality mobile home parks.

Identify creative solutions to address problems association with existing parks, which need upgrades.

Identified Issue: Multi-family Housing Opposition

Opposition to multi-family housing exists not only for low income multi-family projects, but also for high income, luxury multi-family projects.

- Multi-family housing has a reputation of being poorly managed and poorly maintained, thereby drawing low income people into the community, who place a drain on city resources.
- Poorly managed multi-family developments have not always provided an adequate number of collection points for waste products and recycling. When these areas overflow, they create noticeable eyesores within the community.

Potential Solutions to Multi-family Opposition:

Government staff, plan commissions and council members must take an active leadership role in:

- demonstrating the need for multi-family housing and
- encouraging choice within the housing market.

Education may be needed up front to gain neighborhood buy-in.

Document infrastructure savings, both from a development and maintenance perspective.

Provide assessment information, which shows that multi-family projects do not lower property values of surrounding single family housing.

New multi-family housing should be well constructed and designed to blend into the neighborhood.

Good management is essential to maintaining quality multi-family housing.

Better waste and garbage management controls.

- Developments should provide screened, adequate waste and recycling storage space, which is only accessible by residents.
-

Identified Issue: Housing for the Extremely Low Income

The most difficult to site housing is that needed for individuals and families on the lowest rung of the economic ladder. i.e. Homeless shelters, transitional housing units and single room occupancy units (SRO's).

- These units require a level of management well beyond that needed for other forms of housing.
- Potential issues include: alcohol, drug abuse and/or medical, psychological or emotional problems. Life skills training, credit counseling, and additional education or job training is also likely needed.
- These individuals usually will have bad credit, because their resources aren't enough to meet their needs.
- Current HUD regulations along with a shortage of housing for this population has allowed housing providers to "cherry pick", making it more difficult for individuals with the most needs to find appropriate housing.
- Return on investment may be low for certain properties.

Potential Solutions to Housing for the Extremely Low-Income:

A recognition that a need for this type of housing exists and must be provided.

- Identify "friendly" developer – most likely will be nonprofit.

Expand funding to existing programs and add new programs to provide

- life skills training for tenants
- case management and/or mentoring for tenants.

Good quality, on-site management helps alleviate public opposition to these units.

- Hire housing managers that are trained and skilled in dealing with lower income tenants and families.
- Provide additional training as necessary to maintain staff skills.
- Retaining quality managers may require better wage levels, professional development training and better policing and control powers.

Create tenant associations to:

- set rules for the development
- provide peer mediation and peer support groups and
- facilitate communication between management staff and tenants.

Small, scattered site housing, which blends into the neighborhood and has an on-site manager, may be the best solution for certain populations.

Develop a process whereby tenants can redeem themselves.

- Once tenants have corrected previous issues, they should have the opportunity to clear their record, or be given a second chance.

Refer issue to Hard to House Subcommittee for additional solutions.

Lack of Political Will/Support

Identified Issue: Lack of Political Support for Affordable Housing Developments

Affordable housing developments get little or no support from local government entities.

- Local governments often want to increase their tax base and/or prefer "grandeur" uses for the land.
- More property tax revenue is linked to higher value property. As a result, local governments may be biased toward higher end housing projects and commercial and industrial uses.
- Local officials also tend to favor high end, low density single family housing over multi-family housing, even though multi-family housing typically generates more tax revenue per square foot than low density, higher end single family housing.
- Fear of public opposition to these projects. - In order to stay in power, local officials need to get reelected.
- Insufficient data presented to support the need for additional units.
- Lack of understanding regarding the impact affordable housing has on the overall economic vitality, cost of services and quality of life within the community.
- Concern that added funding for lower income housing will act as a magnet for the community, and that adding resources will increase the draw of lower income people into your community. eg. "If you fund it and build it, people will come."
- Local officials and plan commissions often respond to vocal minorities, rather than obtaining a broader view from the greater community.

Potential Solutions to Lack of Political Support for Affordable Housing Developments:

Develop an educational program.

- Tie affordable housing to economic development.
- Note the need to locate affordable housing near lower paying retail/service jobs.

Build coalitions with other departments/organizations.

- Economic development groups will usually support affordable housing developments in areas where they realize that wages do not cover local housing costs.

Provide more detail regarding the project.

- Visual renderings of the development and additional information may reduce opposition to the project.

Develop regional solutions.

- Affordable housing should be distributed throughout the urban area.
 - In instances where certain communities appear to be bearing the burden of providing governmental/local agencies resources to support low-income or other dependent populations, communities benefiting from this arrangement should provide resources to reduce the burden on the host community.
-

Identified Issue: Housing Bias

Affordable senior housing projects are typically preferred over family housing projects, regardless of relative need.

Potential Solutions to Housing Bias:

Identify “friendly” officials/champions that will help push for acceptance of projects, which meet identified needs.

More stringent guidelines are needed to encourage better management of affordable family housing developments.

Put a face on the project.

- Identify the niche the development will fill.
 - Indicate the type of families that the development could provide homes for.
 - Show the need for life cycle housing.
-

Identified Issue: Negative Feedback Loops

Negative feedback loop or synergy exists between public opposition and public official response.

- Vocal opposition to affordable housing projects may negatively influence a public official’s response.
- A public official may understand the need for the project and may personally support it, but vote against the project because of vocal opposition to the project.

Potential Solutions to Negative Feedback Loops:

Develop a process that involves the public earlier in process.

- The process should follow an educational campaign.

Identify local affordable housing advocates (citizens).

- Encourage them to attend public meetings to voice their support.
- Develop a cost-effective method of communicating with these individuals, so that they are aware of potential projects and hearing dates and locations.

Public officials must exercise more leadership.

Develop a statewide model or “suggested” plan to help communities deal with this issue.

Insufficient Knowledge/Resources

Identified Issue: Inadequate Funding

Government programs and resources that make housing affordable are limited, particularly for the extremely low income.

- Not enough funding to subsidize new construction and preserve and revitalize existing neighborhoods.
- Funds and services to prevent homeless are insufficient.

Potential Solutions to Inadequate Funding:

More federal funding and more funding per unit is needed to develop housing for extremely low income households.

- Encourage the federal government to provide more funding for extremely low income housing programs.

Due to government budgetary considerations, communities also need to identify alternative forms of funding and resources.

Use TIF property for low income and homeless housing development, where feasible.

- May be possible in situations where other property within the TIF generates substantial income.

In some instances, brownfield redevelopments could be designed around low-income housing needs and lower income industrial employment.

- Communities will need to weigh the cleanup costs against the economic benefits of potential land uses.

Government and affordable housing organizations need to work closer with lenders.

- Community Reinvestment Act (CRA) dollars need to be used more effectively.
- More information needs to be brought to the table regarding financing options for new construction and rehabilitation of existing units.

Staff needs to be better informed and educated.

- Staff must understand cash flow in order to determine the most efficient use of scarce resources.
- To make the best use of resources, staff also needs to be aware of program options, requirements and accessibility.
- Encourage and promote staff training.

Develop community impact fees for large low wage employers, who pay their employees less than a living wage.

- Conduct a study to determine the local economic impact of low wage employment.
 - Determine the per unit impact fee needed to offset the community costs associated with low wage employment.
 - Fees generated would be used to offset the community costs that result from employers paying less than a living wage.
 - Potential uses for these funds include childcare benefits, healthcare benefits, transportation allowance, or housing subsidies.
 - Such an impact fee would likely only work if **all** communities agreed to its adoption.
 - Communities will need to demonstrate the employer advantages of this program, ie potential for less turnover, absenteeism, etc.
-

Identified Issue: Homeless Prevention

No comprehensive approach to preventing homelessness exists.

Potential Solutions to Prevent Homelessness:

Study and address chronic homelessness to determine steps to reduce the cause for each community.

Strengthen existing resources and coalitions within the community and region.

- More services should be attached to homeless, transitional and low income housing (combination of mental health services, AODA treatment, credit counseling, etc.)
- Community support groups and committees (church, government, social, etc.) should coordinate to identify gaps and avoid duplication of services.

Strengthen/expand family based networks and community links to stable employment and housing.

Strengthen/expand family adoption networks/sponsorship programs

Provide a sufficient number of single room occupancy units to meet needs.

- Creative solutions will be needed to cover financing and support service costs.

Increase awareness of state and regional family support hot lines - emergency housing, health care, energy assistance, first responders, and financial aid and support.

Create a one stop center for housing issues, similar to job centers for employment and training.

- Consider coordinating the housing center and job center.
-

Identified Issue: Grant Competition

Some grant programs are extremely competitive and difficult to obtain.

- Some programs and resources are directly available to developers or individuals.
- Other programs require the grant or funding application to be sponsored by a local government unit.
- Some funding programs are not very well promoted or advertised.
- In other instances, the paperwork, complexity and processing time to obtain these resources may be considered onerous. As a result, potential applicants may be unwilling to apply.

Potential Solutions to Grant Competition:

Funding sources could:

- develop a more efficient application and monitoring process
- promote awareness of grants and programs.

Encourage joint applications from potential recipients to promote the sharing of expertise/resources.

Identified Issue: Inefficient Use of Resources

Waste or inefficient use of resources.

- May result from bad policy decisions, due to lack of knowledge, or incorrect use of data.
- "Roller-coaster" funding makes it difficult to meet the needs of people in need of lower income housing loans.
- Higher income and gated communities will not allow lower income housing into their neighborhoods, these developments will fight until the last dollar is spent to keep lower income housing and people out of their communities – current legal actions and governmental programs are not effective or cost efficient.

Potential Solutions to Inefficient Use of Resources:

Encourage financial institutions to provide home loans to residents in low income neighborhoods with older housing stock.

- Emphasize the stability that homeownership brings to these neighborhoods.

Educate prospective homeowners regarding the fact that older housing in older neighborhoods offer the homebuyer more square footage for the dollar spent.

Provide stable to increasing funding for low income housing loans and construction loans for low income housing.

Find creative ways to educate higher income households on the benefit of mixed income neighborhoods.

Provide incentives to developers who create mixed income neighborhoods.

Developers should seek out in fill lots and substandard building lots within existing developed areas where infrastructure is already present.

- This will increase the efficiency of existing services, and
- disperse, rather than concentrate low income households.

Governments should identify substandard building lots within existing low income neighborhoods and consider using these lots to create amenities for those neighborhoods.

- Additional amenities may create a sense of neighborhood pride, and
 - may encourage “higher” income households to move into these neighborhoods.
-

Identified Issue: Over-regulation of Funding

Over-regulation of funding.

- Set aside units for specified populations are not always efficient. When a change in population results in an insufficient number of households in the target audience to fill specified units, projects end up with high vacancy rates.
- Compliance results in high administration and management costs.
- Competition, amount and eligibility of funding vary based on your city’s class. This complexity increases administrative costs.
- Competition between districts for project funds and tax base can result in turf wars between agencies and communities.
- Piece-meal funding and development does not solve the community’s needs.

Potential Solutions to Over-regulation of Funding:

Lobby for change in state and federal regulations

- Encourage less micro-management
- Encourage more flexibility to respond to local needs and issues, rather than promote a “one size fits all” strategy.
- Encourage realistic funding and resource goals to meet community wide objectives.

Link state funding to comprehensive plans for a more holistic approach.

- Fund plan strategies/recommendations designed to resolve housing issues identified within the plan.

Develop regional housing partnerships to reduce competition and increase effectiveness.

- Government must partner with private and nonprofit organizations to help meet the needs of low income households in an efficient, cost effective manner.
- Cooperation between local governments will also provide better solutions to addressing housing needs and regional economic goals.

Develop memo of understanding that is tied to revenue sharing between communities (and agencies).

Do not apply for funds, which create sub-population pockets.

- Concentrating low income populations increases instances of disfunctionality and stresses local services.
 - Creating pockets of individual ethnic groups discourages interaction between ethnic groups.
-

Identified Issue: Lack of Geographic Equity

Tax credits are granted by political agencies with no regard to geographic equity.

Potential Solutions to Lack of Geographic Equity:

Tax Credits must be regulated and ear marked to regions in need of funding (home ownership, home repair, new construction etc.) – example – severely economically depressed districts and pockets of lower income households.

Tax Credits must be used to draw industry and jobs to an area (TIF programs) and to offer employment training to persons in need of skills training.

Tax credit projects should be mixed income.

- More discussion is needed regarding the appropriate ratio of low income to market rate units.
 - More creative solutions are needed to encourage economic integration.
-

Identified Issue: Funding Cycle Restrictions

Government finance also has a “use or lose” mentality.

- Recipient does not have the opportunity to be selective
- Funds can not be held over for a better project for next year.

Potential Solutions to Funding Cycle Restrictions:

Given the state financial woes, the time may be right for recommending changes in how grants are awarded.

- Instead of spending funds just to use them up, policy changes are needed to apply the tight funding to appropriate projects.
- Linking awards to comprehensive plans would encourage communities to be more proactive, rather than reactive.

Long term, long range development planning calls for the same type of funding and government must learn to fund along these time lines.

Identified Issue: Lack of Knowledge

Local government staff and officials may not be aware of existing programs and funding sources.

- They may not have the knowledge necessary to apply for and administer these funds.
- In some instances, local governments do not have paid staff available to apply for or administer these programs.

Potential Solutions to Lack of Knowledge:

Increase/improve communications between funding sources, government and housing providers.

- Ensure funding is geared toward the community need.
 - Provide information about available funding sources to local governments and local housing providers through additional workshops and seminars.
 - Encourage local government staff and officials to take advantage of grant writing and administration training opportunities.
 - Have lead agency act as a clearing house for INTERNET access of funding availability.
 - Local governments must inform funding agencies of their needs and future growth patterns-population, industrial, and educational needs.
-

Identified Issue: Unwillingness to Apply for Funds

Local governments may be aware of existing programs and funds, but may refuse to apply for funds.

Potential Solutions to Unwillingness to Apply for Funds:

Identify funding needs.

Educate local government staff and officials about the benefits of accessing programs and funding to meet community needs.

Identify local official/champion and citizen advocates, who will encourage local governments to meet identified needs.

Identified Issue: Need for a Defined Role

Municipal/town staff or officials may be aware of regional affordable housing issues and be willing to help find a solution, but may not see a defined role for them to play in providing affordable housing, due to:

- Public opposition within their community
- Existing zoning regulations, which prevent affordable housing development
- Density of the built environment may make locating affordable housing economically unfeasible
- They are unaware of any mechanism, which would allow them to provide support for affordable housing outside of their community.

Potential Solutions to the Need for a Defined Role:

Provide data to support the need for affordable housing in their community and the region.

Educate policy makers and elected officials.

- Explain fiscal and economic impacts of existing zoning regulations and development patterns.
 - Encourage them to modify existing zoning regulations to encourage affordable housing.
 - Encourage them to engage in partnership with neighboring communities.
-

Housing Provider Opposition

Identified Issue: Private Sector Fear of Competition

Local rental property owners may fear that the increase in competition will drive down rents and increase vacancy rates.

- Slim profit margins - The cost to own and operate private affordable rental housing (insurance, utilities, damage to units, turn-over, evictions, etc.) may be only slightly lower than what the current rental market will bear.
- Potential for loss of income increases.

Potential Solutions to Private Sector Fear of Competition:

Evaluate the need for additional units.

- Discourage additional units in niche markets where supply exceeds demand.
 - Identify niche markets where supply does not meet demand.
 - Determine which sector (private, nonprofit, government, combination) is the most appropriate sector to respond to the identified need.
-

Identified Issue: Nonprofit Fear of Competition

Local housing authorities and other nonprofit providers may be concerned that the increase in units may result in higher vacancy rates

- Higher vacancy rates will increase their operating costs.

Potential Solutions to Nonprofit Fear of Competition:

Evaluate the need for additional units.

Evaluate how well the existing stock is meeting the needs of lower income populations.

- Recognize that changes may need to be made to existing units to accommodate current housing needs for lower income populations.
 - Correct residential/employment mismatches – housing should be located near current employment opportunities
 - Determine the appropriate mix of residents for local conditions (ie elderly and disabled or elderly only projects)
-

Identified Issue: Competition for Resources

Since funding is limited, providers receiving grants and funding may view new projects as competition for scarce revenue resources.

- Increased competition could require owners of older rental properties to upgrade the quality of their property in order to stay competitive.

Potential Solutions to Competition for Resources:

Allow funding to build over a series of years, thereby allowing communities and housing developers to develop long range plans to meet the areas growth needs.

Financial institutions could provide lower (long term) term interest rates to owners of older rental property to up grade their holdings. Growth of housing should be geared to regional needs.

Government funded programs could be developed/expanded to encourage homeowners with older properties to up grade and repair their properties, to compete with newer housing on a cost per dollar value.

Provide some form of tax relief to owners of older property who upgrade and repair their properties.

- Gradually phase in additional taxes resulting from increases in property value assessments.
 - Provide a partial property tax exemption based on the increase in assessed value due to improvements.
-

Identified Issue: Investment Risks

Realtors and single family developers may express concerns regarding the impact of affordable housing development on property values and housing market conditions, particularly for older housing stock.

- Rate of property value increase could slow.
- Properties could spend more time on the open market.
- An over supply of new affordable single family housing could make older homes in older neighborhoods less attractive.
- Fear that older homes will be converted to rentals, which will not be properly maintained.
- Realtors and developers may also fear that locating affordable housing next to an existing higher value neighborhood will drive down the value of those properties.

Potential Solutions to Investment Risks:

Educate realtors and developers on the advantages of mixed-income neighborhoods.

Provide incentives for:

- developers to incorporate market rate housing near low-income housing and/or
- incorporate low-income housing into a market rate development.
- owners of older housing stock to upgrade their property

Demonstrate the need for additional affordable housing

- Identify underserved populations
-

Identified Issue: Private Sector Disincentives

The private sector has little incentive to produce affordable housing for lower income households.

- Long-term rental management issues are more difficult for affordable housing projects.
- Risks are higher and profit margins are lower for both rental and owner-occupied affordable projects.
- Profit margins for affordable projects may be lower than the developers desired pro forma.
- Higher end single family housing projects experience less opposition, take less approval time and the net dollar value per square foot is higher, which results in larger profits for developers.
- Production or management of lower income properties may also result in a lack of prestige for developers or managers. That lack of prestige may, in turn, reduce the earnings potential of the company.

Potential Solutions to Private Sector Disincentives:

Communities need to begin requiring mixed use developments.

- Tie the process to the smart growth comprehensive planning process.
- Offer incentives (higher density, reduced permitting fees, smaller lots, narrower streets, etc.) for affordable housing initiatives.
- Develop an educational process to stress the importance of requiring mixed use developments
- Show examples of how it can be done and not negatively impact the community.

Encourage communities, which do not require mixed use developments, to support mixed use developments when they are proposed by developers.

Expand government subsidies for housing developments (single and multi family other than high rise) - subsidize land cost and ownership to low income population

Find funds or programs that makes low income housing affordable to homeowners, builders, the community as a whole, land and real estate developers, and financial institutions.

Resident Opposition/Difficulties

Identified Issue: Shortage of Acceptable Section 8 Units

Section 8 recipients have difficulty finding an acceptable unit that will participate in the program.

- In Appleton, many landlords participate in the program. However, for the urban area as a whole, demand for units exceed supply, not only of units, but also of vouchers.
- High market rents have made it difficult for recipients to find units that are affordable under the voucher program.

Potential Solutions to Shortage of Acceptable Section 8 Units:

Expand government subsidies for housing developments (single and multi family other than high rise) - subsidize land cost and ownership to low income population.

Provide financial help for older and newer homes in need of building code compliance and construction up dating.

Provide financial "fix-up" grants as incentive to landlords to accept Section 8 vouchers.

Provide tax credits for landlords using older apartment units.

Increase landlord awareness of the Rent Smart Program.

Require Section 8 recipients to go through the Rent Smart program.

Identified Issue: Many Landlords do not Participate in the Section 8 Program

A significant percentage of rental property owners do not participate in the Section 8 program.

- Many landlords do not understand the program or believe, incorrectly, that they will have to make modifications to their units in order to participate in the program.
- Current rental market will bear higher rents than the Fair Market Rents assigned by HUD for the area.
- Some landlords perceive Section 8 clients to be risky tenants (ie will not properly maintain property).
- Landlords, who have had bad tenants under the Section 8 program, are reluctant to give another family a chance.
- Bad tenants have contributed to the perception that Section 8 clients are risky tenants.

Potential Solutions to Many Landlords do not Participate in the Section 8 Program:

More education and/or marketing is needed.

- Housing Authorities should evaluate the effectiveness of existing education and marketing regarding the Section 8 program.
 - Successful techniques should be continued.
 - Additional educational sessions and/or materials may need to be developed.
-

Identified Issue: Inadequate Resources for Nonhousing Expenses

Many low- to extremely low-income households live on the margin.

- Lack of sick child daycare, dependable affordable transportation and health insurance can seriously compromise job security and erode financial resources otherwise used for housing related expenses.
- Some individuals/households are dependent on public transportation.

Potential Solutions to Inadequate Resources for Nonhousing Expenses:

Mixed land use developments that include affordable housing and employment opportunities for low income households may provide these households with more options.

- Employment and residential land uses should be compatible.
- Innovative techniques which more efficiently leverage government dollars should be considered.

Support services that affect housing affordability need to be increased.

- Provide health care benefits to support individuals and families at all levels of need.
- Child care services that meet the needs of low income workers- income is paramount to home ownership and stable renters, child care supports this need.

Expand local transportation options

- Public transit - small scale metro transit vehicles on a set peak hours schedule.
- Expand public transportation systems with regular peak and daily schedules to area industrial parks and other districts of lower income employment.
- Encourage public/private partnerships (ie industrial parks or other low density districts could provide connecting shuttles or a subsidy to extend the transit system).
- Increase the number of evening and weekend routes.
- Encourage communities to increase funding for transit, so that transportation routes between cities within the Fox Valley can be increased.
- Evaluate and improve communication and coordination between housing providers and transit authorities as needed.
- Establish car-pooling networks, which are set up and run for low income people.
- Use employer sponsored transportation when public transportation is not economically feasible.

Increase income potential:

- through employer and community based training and educational programs
- trade unions could open up their training programs to people in need of employment.
- On the job training through both trade schools and trade unions.

Flexible work and training hours/schedules for those workers in need of higher paying employment and skill levels.

Identified Issue: Limited Housing Options

Local focus on the 2 parent/2 child family limits housing choice.

- Lack of housing choice for singles.
- Large families may find that there are too many people in their family for personal square footage city code will permit.

Potential Solutions to Limited Housing Options:

Provide a greater range of housing options.

Review zoning ordinances and remove housing restriction from ordinances.

Consider options to allow accessory units to accommodate extended families.

Identified Issue: Lease Restrictions

Potential resident may object to lease restrictions landlords have instituted to protect their property.

- No pets
- No smoking
- Need to sign lease

Potential Solutions to Lease Restrictions:

Tenants should acknowledge landlords right to protect their property.

Landlords should be willing to make reasonable accommodations for responsible tenants.

Tenants or landlords could carry additional insurance to cover property damage.

Where needed, public funds could guarantee lease agreements or provide funds for security deposits.

Identified Issue: Undesirable Location

Location may not be considered desirable.

- Neighbors are too close or too far
- Proximity to work, school, park does not meet expectations
- High crime area
- Lack of public transportation, or inadequate public transportation to meet needs
- Poor reputation of the local school and its teachers
- Lack of public services, such as garbage pickup, snowplowing or natural gas hookups.
- Concentration of other ethnic groups.
- Lack of family services, such as grocery stores, shopping areas, medical facilities, etc.

Potential Solutions to Location Issues:

Provide greater housing options.

- Ensure that affordable housing is built next to employment centers, schools and parks.
- Encourage a range of lot sizes.
- Encourage more citizen involvement in the planning process.
- Encourage pedestrian and transit friendly developments.

Communities should provide adequate police protection for all areas.

- Increase crime prevention measures in high crime areas.

Encourage more planned unit developments, such as traditional neighborhoods.

- Governments could provide incentives to encourage this type of development.

Develop cooperative housing for families and individuals, who desire or need cooperative living arrangements.

Provide incentives to teachers and administrators trying to improve the educational opportunities and overall school environment.

- Offer support for additional education and training to upgrade educational staff.
 - Build community support network for the local school.
 - Encourage increased positive interaction between teachers and parents.
-

Identified Issue: Housing Features

The existing housing stock may not match market demands.

- Yard is not big/small enough
- No garage
- Garage not big enough
- No basement

Potential Solutions to Housing Features Issues:

Provide a variety of housing options throughout the community.

Conduct visual preference surveys to educate public on potential housing options and gain insight into preferred options.

Conduct market studies to determine what features may be desired, particularly in niche markets, such as newly emerging households, elderly households, or ethnic neighborhoods.

Identified Issue: Landlord/Tenant Conflicts

Lack of communication between tenants and landlords may increase management issues.

- Either side may be unclear of their rights and responsibilities.
- Expectations regarding the type and level of maintenance to be provided by the landlord or tenant may differ.
- Landlords claim tenants need more incentives to improve behavior.
- Tenants may not hold ownership in their place of residence.
- Tenants may not have the life skills necessary to properly maintain a unit.
- Tenants may have additional issues, which need to be addressed, such as alcohol and drug abuse (AODA) problems, domestic violence, or inadequate financial skills and/or resources.

Potential Solutions to Landlord/Tenant Conflicts:

Education

- Landlord/tenant training can help define landlord/tenant rights and responsibilities.
- Landlords and tenants should be encouraged to take advantage of existing programs such as the Rent Smart program offered by UWEX or other programs offered by the Fair Housing Center, FISC or Legal Services.

Refer tenants with AODA, domestic violence or inadequate life skills to the appropriate Continuum of Care agency.

Mediation may be necessary in some cases.

Identified Issue: Unrealistic Expectations

Potential tenants or home-buyers may have unrealistic expectations about what housing is available within their price range.

Potential Solutions to Unrealistic Expectations:

Education

- Increase credit counseling services and budget education.
- Disseminate information to low income households about predatory lending.
- Provide fact sheet about current housing market conditions.
- Provide fact sheet or pamphlet about the advantages of renting/owning a less expensive home than the maximum amount that you can finance.

For new developments, homeowners could be given a choice of a set series of housing plans.

Identified Issue: Current Housing is Not Affordable

Residents may rent, purchase or own units that are above their financial capabilities.

- Such households will not have the financial resources necessary to properly maintain the unit.

Potential Solutions to Current Housing is Not Affordable:

Where possible, encourage households to avoid these situations

- Increase credit and budgeting education.
- Provide fact sheet or pamphlet about the advantages of renting/owning less of a house than you can afford.
- Include home-buyer education materials with loan application materials.
- Recommend that all first time home-buyers attend home-buyer education seminars.
- Ensure that potential homeowners realize costs associated with owning a home.

When households are already in financially difficult situations

- Encourage households to reduce their housing burden.
 - Direct households to agencies, such as FISC for financial counseling.
 - Encourage renters to apply for rental assistance.
-

Identified Issue: Delayed Recognition of Financial Difficulties

Pride, lack of responsibility or lack of financial understanding may delay residents from asking for assistance until serious problems develop.

Potential Solutions to Delayed Recognition of Financial Difficulties:

Residents must understand that one is not expected to know all the answers, therefore there is no shame in asking and seeking help before the problem becomes a major family or living issue.

- Emphasize the fact that individuals who seek additional financial training and assistance are being financially responsible.

Financial education is needed at all levels, and should begin as early as kindergarten.

Use marketing/advertising to:

- encourage financial responsibility
 - provide education about financial choices
 - provide information about when and where to go for assistance and education.
-

Section II. Regulatory Barriers

A variety of regulatory barriers to affordable housing were identified in the *Blueprint to Affordable Housing* and by the Urban Housing Policy Technical Advisory Committee. These barriers have been grouped into three categories: barriers that impact new development, barriers that impact rehabilitation of existing units and barriers that limit access to subsidized housing and housing subsidies. Each category contains a number of identified issues, followed by a list of solutions that may help communities and organizations reduce those barriers.

New development

Identified Issue: Barriers to the Development of Moderately Priced Homes

Recently developed new SF subdivisions are not designed for moderately priced homes.

- Restrictive zoning, developer standards, homeowner or community council and review board and governmental development standards
- Larger minimum house sizes
- Larger minimum lot sizes
- Decreased allowable densities
- Ordinances which redefine existing smaller lots of record as nonconforming lots.

Potential Solutions to Barriers to the Development of Moderately Priced Homes:

Identify ways to make non-conforming lots buildable.

Encourage smaller lots for efficiency of services and to save costs.

Offer developers incentives such as higher density, reduced permitting fees, smaller lots, narrower streets, etc. for affordable housing initiatives.

- An educational process will likely be necessary to stress the importance of doing this.

Permit the development of accessory units, which could provide:

- homeowners with additional sources of income
 - housing for extended family members
 - on-site housing for workers or caretakers
-

Identified Issue: Restrictions on Mixed Use Development

Zoning ordinances that prohibit mixed use development lower choices and increase costs. These ordinances:

- exclude some forms of affordable housing, such as apartments above stores and accessory units above garages;
- create spatial economic mismatches;
- increase transportation costs;
- restrict transportation choice and
- restrict mobility of nondrivers.

Potential Solutions to Restrictions on Mixed Use Development:

Collect data showing increase in value of traditional neighborhoods.

An educational process is going to be needed to stress the importance of mixed use development, along with showing examples of how it can be done and not negatively impact the community.

Identified Issue: Insufficient Land Supply for Development

An insufficient amount of land to meet market demands artificially raises land costs.

Potential Solutions to Insufficient Land Supply for Development:

Seek out and develop infill construction lots.

- Communities should ensure that ordinances do not prevent the development of non-conforming smaller or odd shaped lots.
- Lots in need of redevelopment, reconstruction, and clearing should be identified.

Encourage brownfield redevelopments.

Encourage smaller lots to preserve land.

Encourage choice in lot/subdivision characteristics.

Identified Issue: Restrictive Development Standards

Restrictive development standards should be identified and their short and long term economic impacts evaluated. Restrictive development standards may include, but are not limited to:

- requirements for more expensive building materials;
- landscaping requirements;
- wider streets;
- increased lot widths;
- ornate lighting.

Potential Solutions to Restrictive Development Standards:

Recognize that some development standards, such as more expensive building materials landscaping or ornate lighting, may increase the initial development costs; but will provide long term benefits, such as lower maintenance costs, increased property values, pride of ownership and a sense of community pride.

- Offset initial development costs by allowing reduced lot widths, smaller lot sizes and narrower streets.
- Encourage homes that maximize value, rather than costs (smaller, but well designed).
- Encourage and allow design flexibility.

Allow developers and builders to use new materials and methods of construction to help lower prices – (example SIP's (Structural Insulated Panels) construction – and the use of more engineered building products).

- Care should be taken that these materials are safe and environmentally friendly, so that we are not creating future health and safety problems.

Like Habitat for Humanity, new homeowners (perhaps future tenants also) should be allowed to be part of the construction process itself, thereby reducing prices and giving pride of ownership.

Identified Issue: Community Objections to New Urbanism Standards

Communities are reluctant to approve more affordable/desirable development standards including concepts like narrower street widths, smaller minimum lot sizes and reduced setbacks.

- Public works, fire and/or police departments may discourage narrower streets.

Potential Solutions to Objections to New Urbanism Standards:

Conduct studies to demonstrate the benefits of these concepts to the community/municipality.

Conduct visual preference surveys and/or education sessions.

- Provide information to the community to allow them to distinguish density from design.

Encourage technologies that allow public works and health and safety departments to cost effectively serve developments build to new urbanism standards.

Communities and developers should encourage more creative designs. Such designs could include:

- off street parking and park-n-ride services to area residents.
 - Smaller lot sizes in planned unit developments where natural plantings take the place of standard subdivision lawns (ex. Prarie Crossing in Grey's Lake, IL.)
 - Community spaces joined with limited lot sizes for the homeowner.
-

Identified Issue: Cost of Greenfield Development

Greenfield development

- Requires the construction of new infrastructure.
- Impact fees may be charged to offset the cost of providing services to the new development.

Potential Solutions to Costs Associated with Greenfield Development:

Narrower street widths, smaller minimum lot sizes and reduced setbacks along local roads will reduce the construction cost of new infrastructure.

- Collectors and aerial streets will need wider street widths and larger setbacks.

Impact fees could be lowered for pedestrian and transit friendly designs.

Identified Issue: New Water Quality Standards

New performance standards for stormwater and erosion control.

Potential Solutions to New Water Quality Standards:

As communities develop/modify existing stormwater and erosion control ordinances to meet the new standards, the potential housing costs associated with these ordinances must be considered.

Rehabilitating Existing Units

Identified Issue: Decline in Existing Affordable Housing Stock

The supply of older, existing affordable housing stock is stable to declining.

Potential Solutions to Decline in Existing Affordable Housing Stock:

Subsidize low-income homeowners where needed. Potential forms of aid include:

- homeowners insurance
- housing repairs assistance
- and home ownership training.

Provide financial help for all homes in need of building code compliance and construction updating.

Provide tax incentives for repairing older homes.

Identified Issue: Costs of Building Code Requirements

Building code requirements that apply to rehabilitation of existing units are not cost effective in a low income housing market.

- Environmental regulations designed to protect the health and safety of individuals such as the lead base paint remediation and asbestos removal rules are extremely costly.
- Regulations make it cost prohibitive to retain historical features on affordable properties, which are not on the historic register, yet contain period features.
- Removing these historical features destroys the home's character and lowers its potential market value.
- Newer environmental regulations which are being drafted to alleviate mold will drive up the cost of rehabbing newer units, which were built with newly engineered wood and construction techniques.

Potential Solutions to Costs of Building Code Requirements:

Identify properties, which are not historically significant, yet have historic features and are in need of rehabilitation.

- Market these properties to individuals willing and financially capable of rehabilitating these units and preserving the historic features.

Encourage funding agencies to approve additional funds to preserve historic features.

New building materials and techniques should be evaluated for potential health and safety issues prior to market approval.

Develop and adopt new building codes for houses built prior to the adoption of the Uniform Building Code. (see New Jersey and Wichita, KS for examples)

Identified Issue: Gentrification

Gentrification may displace lower income households.

Potential Solutions to Gentrification:

Recognize the benefits of mixed income neighborhoods.

- Develop economic programs to help lower income households remain in the neighborhood.
 - Provide rehabilitation assistance to lower income owner-occupied households willing to remain in the neighborhood.
 - Provide rehabilitation assistance and tax incentives to landlords who retain rental units for lower income households.
 - Provide relocation assistance to displaced lower income households. Avoid relocating these households into other predominately lower income neighborhoods.
-

Access to Subsidized Housing and Housing Subsidies

Identified Issue: Increasing Competition for Subsidies

Competition for subsidized housing and housing subsidies has increased.

- Waiting lists exist for subsidized housing and Section 8 vouchers.
- HUD rules for Section 8 eligibility have become a barrier to housing choice for individuals and families who do not meet all the criteria, as managers have the opportunity to be more selective in who they accept as tenants.
- "No tolerance" rules designed to make public housing safer for its residents, allows the manager to evict households where drugs are present, even if the primary leaseholder is unaware of their presence.

Potential Solutions to Increasing Competition for Subsidies:

More funding is needed.

Recognize that the “no tolerance” rules have made public housing safer for its residents.

Aid and encourage individuals and families on the waiting list to take advantage of programs to improve their life skills, credit and earning potential.

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Section III. Economic Barriers

A variety of economic barriers to affordable housing were identified in the *Blueprint to Affordable Housing* and by the Urban Housing Policy Technical Advisory Committee. These barriers have been grouped into four categories: development costs, maintenance and management costs, income barriers and community barriers. Each category contains a number of identified issues, followed by a list of solutions that may help communities and organizations reduce those barriers.

Development Costs

Identified Issue: Land Costs

Cost of land acquisition

Potential Solutions to Land Costs:

Establish a community land trust.

Reduce minimum lot sizes and lot widths.

Counties and communities could purchase land in planned growth areas, and set aside this land for future purchase and development of affordable housing.

- In the interim, the land could be rented for agriculture.

Encourage businesses relocating to industrial parks to sell their land to the city for future TIF development and low income housing.

- The land would need to be evaluated for potential environmental contamination.

Require affordable housing set asides in new greenfield developments.

- Recognize that set asides may not work in every development.
 - Provide options for developers, such as a fee-in-lieu of set aside.
-

Identified Issue: Financing Difficulties

Access to financing is more difficult to obtain for affordable housing projects, than financing for market rate projects.

- Financing for affordable housing projects may also be more complex than financing for market rate projects.

Potential Solutions to Financing Difficulties:

Provide training and educational opportunities for staff.

See list of funding sources, which was developed by the Model Project Subcommittee. (Appendix B)

Identified Issue: Cost of Feasibility Analysis

Cost to explore the feasibility of a project (market studies, site plans, etc.).

Potential Solutions to Costs of Feasibility Analysis:

Create an endowment fund, which can be used to develop market studies, site plans and conduct environmental assessments of potential redevelopment sites.

- The studies, plans and reviews would become property of the nonprofit organization created to manage the fund and maintain resource materials.
 - Member nonprofit developers would have free access to the information and materials developed.
 - For profit developers would pay a fee to access the information and materials.
-

Identified Issue: Construction Costs

Construction costs.

Potential Solutions to Construction Costs:

Allow developers and builders to use new materials and methods of construction to help lower prices – (example SIP's (Structural Insulated Panels) construction – and the use of more engineered building products).

Like Habitat for Humanity, new homeowners (perhaps future tenants also) should be allowed to be part of the construction process itself, thereby reducing prices and giving pride of ownership.

Reuse salvageable construction material that meets health and safety standards.

Identified Issue: Permitting Costs

Permitting costs.

Potential Solutions to Permitting Costs:

Reduce permit costs for contiguous development, which includes smaller lots, housing for low to moderate income households and mixed use development.

Increase building inspection staff.

- Project delays can cost developers money.
- Project delays may also create market inefficiencies.
- Additional staff would speed up the plan review process, thereby reducing the costs to the developer.

Standardize the review process to make it more user friendly.

- Provide a brochure outlining needed permits and provide directions on how to obtain permits.
- Establish consistent building codes, so that inspectors do not contradict one another.

Identified Issue: Extensive Infrastructure Costs

Extensive infrastructure costs for sewer, water, storm sewer, wide streets, etc.

Potential Solutions to Extensive Infrastructure Costs:

Reduce mandatory lot widths to reduce infrastructure costs for sewer, water, storm sewer and streets.

Reduce street widths for local residential streets.

Maintenance and Management Costs

Identified Issue: High Property Taxes

High property taxes.

Potential Solutions to High Property Taxes:

Recognize that high property taxes reduce housing affordability, particularly for elderly and low income residents.

Find alternative income streams.

Reduce minimum lot sizes and minimum square footage of residential units.

Identified Issue: Operational Costs

Cost to own and operate affordable housing properties.

- Insurance
- Utilities
- Damage to units
- Turn-over
- Evictions
- Time

Potential Solutions to Operational Costs:

Tenant training to improve life skills.

Rental housing owners must provide additional education (and period up grading) to their managers.

Housing managers must be fair and direct in their dealings with tenants – owners and managers must work as a unit to offer their tenants a secure/safe housing project.

Improve tenant selection procedures.

Provide better ongoing post-leased management.

Provide education/training for small landlords on how to better manage units.

Identified Issue: Cost of Hiring Quality Managers

Quality managers for rental properties are very expensive.

- Small landlord outfits, which own a limited number of units, can't afford to hire quality managers.
- Even larger complexes may have trouble affording good quality management.

Potential Solutions to the Cost of Hiring Quality Managers:

The cost of hiring quality managers should be compared to the savings generated by the rental property's reputation and cost effective maintenance.

Develop core classes and training programs to educate future housing managers.

- These programs could be provided at existing colleges and universities.
 - Large residential developers could offer training programs for their managers, or provide funding for colleges to institute such a program or classes.
 - Apprenticeship programs could be developed by schools and developers to train future managers.
 - Ongoing training and tenant management skills should be provided.
-

Income Barriers

Identified Issue: Insufficient Household Income to Support the Costs Associated with New Units

A shortage of local communities with sufficient household income to support the cost of rental housing exists.

- This shortage creates a rental housing shortage in market niches where household income levels are not sufficient to cover the cost of housing construction within those price ranges.

Potential Solutions to Insufficient Household Income to Support the Costs Associated with New Units:

Provide educational programs to help people gain higher wage levels and employment skill.

Promote the development of higher paying jobs.

Educate local officials regarding the mismatch between the construction, maintenance and management costs of rental property and prevailing wage scales in their community.

- Encourage them to consider these factors, when they are reviewing housing development proposals and proposals from businesses wishing to locate in the areas.
-

Identified Issue: Employer Disconnect Between Wages and Housing Costs

An employer disconnect between wages and housing costs exists.

- Some local employers are unable or unwilling to pay wages that allow their employees to obtain decent, safe, affordable housing.
- This, in turn, reduces the employer's ability to attract and retain a sufficient number of qualified employees.

Potential Solutions to Employer Disconnect Between Wages and Housing Costs:

Provide educational programs to help people gain higher wage levels and employment skills.

Identified Issue: Lack of Communication Between Economic Development Professionals and Housing Providers

Lack of communication between economic development professionals and housing providers.

- Economic development professionals typically focus on increasing the number of jobs and businesses, and not necessarily on the income potential of those jobs.
- When large employers are brought into an area without sufficient communication with housing providers, the unexpected demand for housing for the increased labor force creates a housing shortage.
- The housing shortage drives up housing prices, making it difficult for new and existing businesses to find and retain qualified employees.
- It is difficult for housing developers to determine how much added housing is needed, as workers may commute from a variety of outlying areas.
- Housing developers are also concerned with the new business' "staying power". If the business fails or lays off people, the developer may be stuck with high vacancy rates and low demand for their rental units or homes for sale.

Potential Solutions to Lack of Communication Between Economic Development Professionals and Housing Providers:

Increase communication between economic development professionals and housing providers.

- Expand existing economic development organizations to include housing providers.
- Coordinate discussion between economic development professionals and housing providers regarding growth targets.

Educate economic development professionals and prospective employers about existing housing market conditions.

- Provide current MLS data, market rents, existing number of housing units by type, and vacancy rates for owner- and renter-occupied units in economic development packets.
- If the housing stock is insufficient to meet the potential demand for housing these new workers, large employers should team up with local housing providers and lending institutions to provide regional housing for their future employees.
- Employers and economic development professionals may need to work with transportation providers to provide transportation from outlying areas with available housing to the work site location.

Area planning agencies and governments must take great care who they bring into the area.

- Large low wage employers may provide more community costs than benefits.
 - Here again – gone again employers are not an economic benefit for the community.
-

Identified Issue: Lack of a Living Wage

Some sectors and occupations do not provide a living wage.

- This causes an increase in demand for social services and nonprofit support, which places a financial burden on the entire community.
- It may also cause a labor shortage in those occupations and sectors where wages do not cover housing costs.

Potential Solutions to Lack of a Living Wage:

Recognize that some low wage businesses, such as dry cleaning, retail and restaurant establishments are a necessary component of our economy and quality of life.

Promote and encourage housing options, such as apartments above stores or accessory units.

Encourage small, locally owned business establishments, as the profit from these businesses is more likely to stay in the community.

Develop community impact fees for large low wage employers who pay their employees less than a living wage.

- These impact fees would be used to offset community costs associated with the employers presence, such as housing, transportation, childcare or medical subsidies.
-

Identified Issue: Shift from High Wage to Low Wage Employment

A decline in manufacturing (higher wage) and an increase in service sector (lower wage) employment is occurring in our communities.

Potential Solutions to Shift from High Wage to Low Wage Employment:

Increase economic development efforts to attract higher wage employers in industrial sectors for which the area has a competitive advantage.

- Provide additional education, training and retooling to upgrade labor force skills and maintain a competitive advantage in the labor market.

Provide greater incentives to encourage the development of locally owned businesses over franchises.

Accept and accommodate current trends by recognizing that multiple low wage jobs will be needed to compensate the loss of higher wage jobs.

- A greater population/employment base will be needed to provide the same revenue stream.
 - A greater share of new housing stock will need to be built to accommodate lower income households.
-

Identified Issue: Landlord's Chosen Rate of Return

A landlord's chosen rate of return may not be in line with existing income opportunities.

- In Oshkosh, some landlords expect a full year's rent up front.
- These landlords may control a large share of the rental market.

Potential Solutions to Landlord's Chosen Rate of Return:

Provide tenant education regarding options.

Expand other rental opportunities.

Community Barriers

Identified Issue: Community Preference for Siting Low Wage Employers

Community opposition exists to siting new industry, particularly heavy industry.

- Preferential community acceptance of new retail or service establishments.

Potential Solutions to Community Preference for Siting Low Wage Employers:

Communities need to evaluate the cost-benefit ratio to various industries and make an informed choice as to which sectors they are willing to support.

- The analysis should include wages, potential tax revenues and expenditures, transportation costs and impacts, environmental impacts, housing needs, economic development impacts and trade-offs.
- Public information and education should also be included.

Provide greater incentives to encourage the development of locally owned businesses over franchises.

Identified Issue: Lack of Planning

Lack of planning.

- To often, communities try to retrofit infrastructure, rather than proactively plan for future upgrades.
- Retrofitting can be very expensive.
- In an effort to lower costs when communities expand roads, they typically pick the cheapest land.
- Often the cheapest land, and land acquisitions which generate the least public opposition, is land where low-income housing is located.
- Expansion of government facilities may force the relocation or destruction of affordable housing in downtown areas.

Potential Solutions to Lack of Planning:

The community as whole must increase their educational programs to meet the needs of the present employment base as well as future job opening.

Governments must plan and put aside land for both present and future employment growth.

Employers must invest in their employee's future – up grading job skills, educational benefits/rewards, and in house promotions where job skills warrant.

Local (regional) employers and government must work as a unit to encourage future development in employment and related housing construction.

Infrastructure must be planned and developed with current and future community needs in mind. Hereby encouraging future employers to locate to the area and again encouraging present employers to expand their job offerings.

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Part II: Overcoming Barriers to Affordable Housing in Rural Areas of the East Central Region

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Introduction

This section of the report presents the barriers to affordable housing identified by the Rural Housing Policy Technical Advisory Committee, and potential solutions they devised to help alleviate those barriers. While the barriers and potential solutions identified focus on rural communities, some may also be applicable to urban communities as well. As with the recommendations from Part I. of this report, the policies and recommendations outlined are strategies and actions that local units of government, private and nonprofit organizations can use to develop ordinances, strategies and incentives to promote affordable housing. In many instances, reducing those barriers will require cooperation between communities and across government, private and nonprofit sectors and across political jurisdictions. The identified barriers to affordable housing and their potential solutions have again been organized into three sections: political barriers, regulatory barriers and community and economic barriers.

Political barriers include barriers, which result from public opposition, lack of awareness or disinterest in quality of life issues for households which are different from "ours" and/or earn less than households within "our" social class. These political barriers tend to be strongest in communities and neighborhoods with segregated ethnicities, income levels, age groups, and classes. A second set of political barriers results from inadequate social and capital resources to address existing housing issues. Communities may be aware of housing issues which need to be addressed, but they may lack the staff, knowledge, financial resources or organizational capacity to address those issues.

Regulatory barriers are existing legal barriers to affordable housing, which exist in our zoning, subdivision, and health and safety codes, and environmental laws. While some regulatory barriers to affordable housing exist as a result of political barriers, others result from the unintended consequences of governments and developers attempting to protect the health and safety of their residents, the environment, aesthetics and property values of existing property owners. Regulatory barriers not only impact new affordable housing development, but also impact the maintenance and rehabilitation of the existing affordable housing stock.

Economic barriers are monetary barriers. These barriers include the costs associated with project development, maintenance and management, the income and educational levels of residents and existing economic opportunities within the community and economic region. Community barriers as they relate to planning issues and influence economic opportunities for residents are also included in this section.

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Section I. Political Barriers

A variety of political barriers to affordable housing were identified by the Rural Housing Policy Technical Advisory Committee. These barriers have been grouped into 5 categories: public opposition, limited political support, insufficient knowledge/resources, housing provider opposition and resident opposition/difficulties. Each category contains a number of identified issues, followed by a list of solutions that may help communities and organizations reduce those barriers.

Public Opposition

Identified Issue: Public Opposition to Affordable Housing

Opposition exists to the term “affordable housing”.

- People do not want additional lower income people moving into their communities.
- They feel their resources are already insufficient to meet current needs.
- The perception exists that lower income households do not properly maintain their residence.
- Examples of poorly maintained properties exist.

People may resent assistance provided to lower income households.

- An “I made it, why can’t they” mentality exists.

Public opposition exists towards Habitat homes.

- Habitat does not build garages, so vehicles are often left outside.
- Lack of storage may result in toys and other items left outside.

Potential Solutions to Public Opposition to Affordable Housing:

Recognize that Habitat’s focus is to build the maximum living space the family can afford (within organizational guidelines), and yet maintain low property taxes; so they can stay in their home.

- Work with households and Habitat to provide affordable storage options.

Recognize that some flexibility exists, and that not all Habitat affiliates provide identical housing options.

- Some Habitat affiliates always provide a storage shed for toys and other items, such as lawn maintenance equipment.

Education is needed to:

- overcome negative stereotyping;
 - explain benefits of mixed income and life cycle neighborhoods;
 - increase awareness and understanding between classes and generations;
 - and increase awareness that many households are only a disaster or two away from needing assistance themselves.
 - In some instances, tenant training or life skills training is needed.
-

Identified Issue: Lack of Understanding

A lack of understanding exists regarding the extent of need for affordable housing.

- Community costs associated with the lack of affordable housing are not understood.
- A perception exists that providing affordable housing encourages low-income "undesirables" to move to your community.

Potential Solutions to Lack of Understanding:

Address the lack of understanding through education and information.

- More education is needed.
 - Define affordable – put a human face on it, not by accenting victimization, but showing “normal” people in our communities who have difficulty finding affordable housing, ex. police officers, school employees, retail employees, CNAs, etc. A picture is worth a 1,000 words.
 - Stress the relationship between economic competitiveness and affordable housing.
 - More coordination is needed between affordable housing developers and communities. Both should share in the education process and establish neighborhood buy in early in the development process.
 - A factual brochure would be very helpful.
-

Identified Issue: Property Value Impacts

People fear that property values will decline if affordable housing is built in their neighborhood.

- For many nonfarm families, their home is the biggest investment they have made.
- Affordable housing is viewed as aesthetically unattractive.
- It is associated with low quality construction, because examples exist where sub-standard or bare minimum quality materials were used.

Potential Solutions to Property Value Impacts:

Document studies, which show that affordable housing does not lower property values.

- In particular, provide local examples where the presence of affordable housing has actually enhanced property values.
- The City/Village/Town should develop a pamphlet with supporting data obtained from the local assessor's office.

Design affordable housing to fit into the existing neighborhood.

- Provide more architectural interest in keeping with the existing neighborhood.
- Include amenities, such as trails in, or by, the development.

Provide local evidence, which may contradict the perception that affordable housing results in declines in property values.

- Example 1: homes built in the early 1960's and 1970's under HUD's housing programs.
- Example 2: homes built through FMHA/USDA Rural Development programs.
- Note how these homes have increased in value. Note how these homes have blended into the community/neighborhood, and not negatively impacted area housing values.
- Present evidence showing upkeep and change in property values for existing mixed income neighborhoods.
- Compare real estate sales between mixed income and homogeneous income neighborhoods.

Present development options from other comparable locales, which show affordable housing developments that have strengthened property values. Ex. traditional neighborhood design projects (TND).

- TND projects by definition include a mix of housing prices and styles. However, results have not always been affordable, because market influences and development costs often drive up the purchase price of these homes.

Identified Issue: Cultural Differences

Cultural differences may play a role in the opposition to affordable housing.

- This may be due in part to language barriers.
- Prejudice also plays a role in isolating people of color or different ethnic backgrounds from the established community.
- A huge gap exists in the knowledge regarding cultural differences.
- The growing minority community has had a huge impact on many communities, which have had little exposure to other cultures.

Potential Solutions to Cultural Differences:

More positive opportunities for cross-cultural, cross-class and multi-generational interaction are needed. Such opportunities could include:

- festivals
- Welcome Wagons

Education is needed to:

- overcome negative stereotyping;
 - increase awareness and understanding between races, cultures, classes and generations;
 - and reduce language barriers.
-

Identified Issue: Housing for Seasonal and Migrant Workers

Public opposition exists towards housing for seasonal and migrant workers.

- Opposition is strongest in communities, where the economic benefit is not readily apparent.
- Opposition may coincide with cultural differences.
- Opposition also results from examples of overcrowding, poorly maintained properties and incidences of littering.

Potential Solutions to Housing for Seasonal and Migrant Workers:

A recognition that a need for this type of housing exists and must be provided.

- Educate public and elected officials regarding the link between housing and economic development.
- Identify "friendly" developer – most likely will be a nonprofit agency, or the company or proprietor who owns the farm or business.

Provide community education regarding cultural differences.

Provide tenant training and financial education to seasonal or migrant workers.

- Existing programs may be available through United Migrant Opportunity Services (UMOS), UW-Extension or FISC.

Increase communication between the community and the developer.

- Communities should anticipate the need for seasonal or migrant workers and approach developers regarding the type of housing needed and the community's expectations for that housing.
 - Communities should be willing to provide incentives to developers to encourage the type of housing they would like to see in their community for this temporary workforce.
-

Identified Issue: Housing for Farm Laborers

Public opposition exists towards housing for year round farm laborers.

- Opposition is strongest in communities, where the economic benefit is not readily apparent.
- Opposition may coincide with cultural differences.
- Opposition also results from examples of overcrowding and poorly maintained properties.

Potential Solutions to Housing for Farm Laborers:

A recognition that a need for this type of housing exists and must be provided.

- Educate public and elected officials regarding the link between housing and economic development.
- Identify "friendly" developer – most likely will be a nonprofit agency, or the company or proprietor who owns the farm.

Provide community education regarding cultural differences.

Provide tenant training, financial education and language skills as needed.

- Existing tenant training and financial education programs are available from UW-Extension, FISC and USDA Rural Development.

Increase communication between the community and the developer.

Identified Issue: Housing for the Extremely Low Income

The most difficult to site housing is that needed for individuals and families on the lowest rung of the economic ladder. i.e. Homeless shelters, transitional housing units and single room occupancy units (SRO's).

- These units require a level of management well beyond that needed for other forms of housing.
- Potential issues include: alcohol, drug abuse and/or medical, psychological or emotional problems. Life skills training, credit counseling, and additional education or job training is also likely needed.
- These individuals usually will have bad credit, because their resources aren't enough to meet their needs.
- Current HUD regulations along with a shortage of housing for this population has allowed housing providers to "cherry pick", making it more difficult for individuals with the most needs to find appropriate housing.
- Return on investment may be low for certain properties.
- Rural communities may not have the capacity or resources to meet the needs of this population.

Potential Solutions to Housing for the Extremely Low-Income:

A recognition that a need for this type of housing exists and must be provided.

- Identify "friendly" developer – most likely will be nonprofit.
- Identify appropriate areas, where these facilities can be located.
- Provide temporary services for individuals in areas where these facilities are not available. (Ex. Good Samaritan Fund, overnight shelter in churches or motel rooms).
- Distinguish between those who need temporary assistance due to unanticipated economic difficulties and those who need long term assistance.
- Partner with urban service agencies to meet the needs of these populations.

Build the capacity to serve extremely low income households.

- Identify resources available to serve this population, and create a booklet containing up to date information.
- Provide information on available resources at points of entry.
- Partner with existing rural agencies to address the needs of this population.
- Partner with urban service agencies for training, technical assistance and case management assistance.

More funding is needed to provide

- life skills training for tenants
- case management and/or mentoring for tenants.

Good quality, on-site management helps alleviate public opposition to these units.

- Hire housing managers that are trained and skilled in dealing with lower income tenants and families.
- Provide additional training as necessary to maintain staff skills.
- Retaining quality managers may require better wage levels, professional development training and better policing and control powers.
- Rural communities or agencies could partner with urban service agencies for technical and case management assistance.

Create tenant associations to:

- set rules for the development
- provide peer mediation and peer support groups and
- facilitate communication between management staff and tenants.

Small, scattered site housing, which blends into the neighborhood and has an on-site manager, may be the best solution for certain populations.

Utilize existing programs

- USDA Rural Development and HUD provides funds for transitional housing in rural areas.
- The Veterans Administration provides services to homeless veterans and their dependents.

Identified Issue: Poorly Maintained Properties

Poorly maintained exteriors and yards are unattractive.

- Houses may need paint or repair.
- Yards may not be maintained.
- Property may be cluttered.
- These conditions detract from the community or neighborhood's overall appearance.
- These conditions may also discourage individuals who wish to live in a "nice" neighborhood from locating to the area.

Regardless of the quality of construction, poorly maintained properties deteriorate over time, increasing the incidence of substandard housing.

- Lack of proper maintenance may result from the inability to make repairs due to lack of knowledge, lack of funds, lack of skills or physical limitations.
- Lack of proper maintenance may also result from the lack of a sense of ownership or pride of place, an unwillingness to conform to social norms or fear that property values will rise.
- Lack of proper maintenance may also occasionally result from a landlord's unwillingness to properly maintain rental property.

Potential Solutions to Poorly Maintained Properties:

Provide nonthreatening educational opportunities to teach people how to maintain their homes and yards.

- "How to be a Good Neighbor" seminars
- Welcome Wagon packets with information regarding where to purchase equipment and supplies, maintenance fact sheets, contact information for local "experts" and repair companies, etc.
- Incorporate education and training into existing institutions, such as elementary and secondary schools, UW-Extension and outreach programs and technical colleges.
- Strengthen and market existing educational and training programs, which exists through UW-Extension, CAP agencies, FFA, scouts, 4-H, etc.

Encourage neighborhood improvement activities.

- Identify funding opportunities.
- Build a sense of neighborhood pride.
- Organize neighborhood clean up/fix up activities.
- Develop neighborhood coops, where neighbors trade or share their skills and talents.

Use the area's social network to identify issues and facilitate improvements.

- Encourage individuals to share their skills and knowledge with their neighbors.
- Encourage individuals and local groups to aid elderly residents with home maintenance issues.

Enforce existing zoning regulations.

- Issue tickets for violations, which require individuals to attend educational sessions.
- Community could cut the grass and clean up the yard, then add the expense of doing so to the property tax bill.

Communities, which do not have ordinances that allow them to fine property owners for lack of maintenance, could create such ordinances.

- The ordinance should take into account affordability issues.

Provide positive reinforcement for landlords, who maintain their property.

Reduce the incidence of poorly maintained rental properties.

- Provide landlord compliance education.
- Help landlords recognize that maintaining properties is a good business decision.
- Encourage better landlord tenant communication and coordination.
- Adopt building codes, which permit regular building inspections.
- Provide a mechanism for tenants and others to anonymously report needed repairs, which go unattended.

Develop a program to respond to landlord neglect of properties.

- This program should provide necessary maintenance and repairs, plus maintain rental affordability without rewarding landlords for neglect.

Identified Issue: Difficulty in Providing New Senior Housing

Development of new senior units is difficult, because hospitals, grocery stores and other services are not close by.

- Funding sources are reluctant to provide resources for senior housing in areas with no services.
- The residents themselves may wish to be located in an area with easy access to health care, other services and grocery stores.

Existing residents may be concerned about the potential impact of specialized populations, such as the elderly, disabled and/or low income.

Developers may be reluctant to build specialized housing in rural areas.

- The small population may result in high vacancy rates.
- The population may be too small to provide affordable onsite management.

Potential Solutions to the Difficulty in Providing New Senior Housing:

Develop new senior housing in nearby communities, which have existing services.

Encourage funding agencies to modify criteria to support the development of senior housing options in rural areas.

Identify and pool existing funding sources.

- Various funding sources have different criteria for funding and different missions.
- Mix and match funding to meet the overall need.

Provide support for extended family networks.

- Extended family networks offer opportunities for senior housing, senior care and/or childcare; but they will not work in every situation.
 - Modify zoning ordinances to allow development of granny units in residential neighborhoods.
 - Educate families, which need financial assistance, on potential sources of funding to help cover the cost of remodeling or expansion of their existing housing unit to accommodate elderly family members.
 - Educate families regarding affordable design options to facilitate remodeling, which may be necessary to accommodate elderly family members and provide privacy for all family members.
-

Identified Issue: Difficulty in Helping Seniors Stay in Their Current Housing

Seniors may not have the financial resources to make the needed repairs or modifications to their home.

- Seniors may not be aware of funding opportunities, which will provide the needed assistance.
- Seniors may be too proud to accept help.
- One potential financial source, reverse mortgages, is not popular, because seniors do not want to give away the only financial inheritance they have to give to their children.

Seniors may not be able to stay in their own home without assistance in meeting their daily care needs.

Transportation services may be needed in order for seniors to obtain goods and services and for social interaction.

Potential Solutions to Help Seniors Stay in Their Current Housing:

Identify funding sources that allow seniors, who wish to do so, to remain in their homes longer.

- USDA Rural Development may be able to provide home repair assistance grants, if the individual is age 62 and older and meets income guidelines.

Create partnerships to more effectively meet senior's needs.

- Ex. In Waushara County, Habitat for Humanity and the Department of Aging work together to make improvements to senior housing.

Modify senior's residence to include independent living quarters for live-in caretakers.

Seniors could consider the potential of one or more roommates for social interaction and to help share expenses.

A combination daycare/senior center may provide social and intergenerational interaction.

Identified Issue: Opposition to Mobile Homes

Opposition is particularly strong towards mobile homes.

- Opposition is based on local historical problems resulting from poorly maintained and managed mobile home parks.
- Parks do not remove homes, which have been allowed to deteriorate to the point where they no longer provide decent, safe and sanitary housing.

Potential Solutions to Opposition to Mobile Homes:

Adopt strict guidelines for new factory built home parks.

Adopt esthetically pleasing, cost-effective design standards for factory built home parks.

Eminent Threat may be used to remove unsafe homes.

Identified Issue: Rural and Exurban Conflicts

Exurban residents build or purchase a home in a rural area close to a farm, then complain and create problems for area farmers.

- Disputes arise over noise, odor and slow moving equipment on roads.

A distinct opposition exists to "spoiling" the land with too much development or the wrong type of development.

- Criteria for parcel size, use etc may be established to prevent the development of certain types of housing.

Potential Solutions to Rural and Exurban Conflicts:

Develop a "farmers bill of rights" that is signed at the time a building permit is issued and is recorded with the deed, so future owners are aware.

Limited Political Support

Identified Issue: Limited Political Support

Affordable housing developments get little or no support from local government entities.

- Local governments often want to increase their tax base and/or prefer "grandeur" uses for the land.
- Higher property taxes are linked to higher value property. As a result, local governments tend to favor higher end housing projects and commercial and industrial uses over low income housing projects.
- Local officials also tend to favor high end, low density single family housing over multi-family housing, even though multi-family housing typically generates more tax revenue per square foot than low density, higher end single family housing.
- Fear of public opposition to these projects. - In order to stay in power, local officials need to get reelected.
- Insufficient data presented to support the need for additional units.
- Lack of understanding regarding the impact affordable housing has on the overall economic vitality, cost of services and quality of life within the community.
- Concern that added funding for lower income housing will act as a magnet for the community, and that adding resources will increase the draw of lower income people into your community. eg. "If you fund it and build it, people will come."

Potential Solutions to Limited Political Support:

Develop an educational program.

- tie affordable housing to economic development
- note the need to locate affordable housing near lower paying retail/service jobs

Build coalitions with other departments/organizations.

- Economic development groups will usually support affordable housing developments in areas where they realize that wages do not cover local housing costs.
- Local industries, which are having difficulty retaining or recruiting employees, may also support affordable housing developments.

Provide more detail regarding the project.

- Visual renderings of the development and additional information may reduce opposition to the project.
- Provide documentation indicating why the project is needed and who it will help.

Develop regional solutions.

- Affordable housing should be distributed throughout the area.
 - In instances where certain communities appear to be bearing the burden of providing governmental/local agencies resources to support low-income or other dependent populations, communities benefiting from this arrangement should provide resources to reduce the burden on the host community.
-

Insufficient Knowledge/Resources

Identified Issue: Inadequate Funding

Government programs and resources that make housing affordable are limited.

- Waiting lists for certain programs, such as USDA Rural Development, are quite long in certain areas.
- Insufficient amount of resources exists to help home-buyers in rural areas.
- Not enough funding to subsidize new construction and preserve and revitalize existing neighborhoods.
- Funds and services to prevent homelessness are insufficient.

Potential Solutions to Inadequate Funding:

Preserving existing housing and programs is essential.

More federal funding and more funding per unit is needed to develop housing for extremely low income households.

- Encourage the federal government to provide more funding for extremely low income housing programs.

Due to government budgetary considerations, communities also need to identify alternative forms of funding and resources.

- Develop a regional clearinghouse for potential resources.

Use TIF property for low income and homeless housing development, where feasible.

- May be possible in situations where other property within the TIF generates substantial income.

In some instances, brownfield redevelopments could be designed around low-income housing needs and lower income industrial employment.

- Communities will need to weigh the cleanup costs against the economic benefits of potential land uses.

Government and affordable housing organizations need to work closer with lenders.

- Community Reinvestment Act (CRA) dollars need to be used more effectively.
- More information needs to be brought to the table regarding financing options for new construction and rehabilitation of existing units.

Educate banks and financial institutions on the advantages of becoming more involved or in providing more community support.

- Increased financial literacy will increase financial stability within the community.
- Increased capacity and equity leads to increased community prosperity.

Staff needs to be better informed and educated.

- Staff must understand cash flow in order to determine the most efficient use of scarce resources.
 - To make the best use of resources, staff also needs to be aware of program options, requirements and accessibility.
 - Encourage and promote staff training.
-

Identified Issue: Grant Competition from Charitable Organizations

Some grant programs are extremely competitive and difficult to obtain.

- Some programs and resources are directly available to developers or individuals.
- Other programs require the grant or funding application to be sponsored by a local government unit or nonprofit organization.
- Some funding programs are not very well promoted or advertised.
- In other instances, the paperwork, complexity and processing time to obtain these resources may be considered onerous. As a result, potential applicants may be unwilling to apply.

Potential Solutions to Grant Competition:

Funding sources could:

- develop a more efficient application and monitoring process
- promote awareness of grants and programs.

Encourage joint applications from potential recipients to promote the sharing of expertise/resources.

- Develop we are "neighbors" mentality rather than we are competitors mentality.
-

Identified Issue: Lack of Knowledge

Local government staff and officials may not be aware of existing programs, funding sources and funding application cycles.

- They may not have the knowledge necessary to apply for and administer these funds.

The transition from paper to electronic applications is confusing.

- Local government staff and officials may not know which applications are to be submitted via paper, and which are to be submitted electronically.

Potential Solutions to Lack of Knowledge:

A booklet or brochure should be developed to provide this information.

Sponsor semi-annual housing conferences that invite the public in to learn more about housing programs and resources they may find useful.

Establish a Friends of Affordable Housing Coalition, which will consist of persons and agencies willing to:

- share their interest and knowledge to assist small communities in gathering information, preparing applications and promoting cooperation,
- attend local council/board meetings to present information,
- and provide other forms of technical assistance upon request.

Provide continuous training for staff.

Identified Issue: Lack of Marketing

Funding sources are not adequately marketed.

- Local governments may not know what funding is available.
- Local governments may not know when to submit applications for funding.
- When local governments obtain funding, they are not always effective in reaching potential recipients of that funding.
- Residents may be unaware of homebuyer and rehabilitation funding sources available through their local government.
- Residents may know about rental and financial assistance programs, but not know how to obtain them.

Current marketing techniques need to be improved.

- Some organizations distribute program brochures to various locations such as grocery stores or churches; but they do not replenish the supply when the brochures run out.

Some individuals may want to own a home and be able to afford the home, but are unaware that they have sufficient income to do so.

Potential Solutions to Lack of Marketing:

Sponsor quarterly or semi-annual housing conferences that invite the public in to learn more about housing programs and resources they may find useful.

Sponsor homebuyer education seminars.

Organizations, which distribute brochures, should monitor displays and replenish as necessary.

Publish information listing financial education resources and assistance available to local residents.

- Printed material could be distributed through the local buyer's guide.
- Information could be made available on a county or community's website.
- Funding sources could provide a subscription service, notifying interested parties about upcoming funds, training sessions and application deadlines.
- Existing subscription services should be better advertised, so that local governments and agencies can take advantage of them.

Develop an information and referral system, similar to Marathon County's First Call or the Fox Cities Information and Referral program.

Identified Issue: Staff Limitations

Many rural communities have part-time staff, who maintain full-time jobs elsewhere.

- As a result, paid staff is not available to apply for or administer programs.

Rural communities may have retirees or others within the community, who have skills and expertise they would be willing to share. However,

- These individuals may not be aware of opportunities to share their skills and expertise.
- These individuals may not be willing to volunteer those resources without a personal invitation.
- They may need additional income, and therefore will not volunteer their time; but expect a salary instead.
- Communities may not be aware of the local talent that is available.

Potential Solutions to Staff Limitations:

Identify funding sources, which could offset the cost of hiring staff.

Partner with other communities or organizations to build the capacity to address identified issues.

Identify volunteers, who may have the time, expertise and willingness to assist in addressing housing issues.

- Establish a talent pool, which allows potential volunteers the opportunity to sign up for specific tasks.
 - Establish framework to partner these volunteers with identified issues.
 - Identify marketing strategies to encourage public involvement and gain volunteers.
-

Identified Issue: Access to Funds

Access to funds is limited.

- Some funds are only available for urban areas.
- Many applications for funding or assistance are difficult for individuals to understand.
- Restrictions on use of funds may prevent project from moving forward.
- Agencies may have to apply for multiple funds in order to make the project feasible.
- Wisconsin gets less money back than it sends in to the federal government.

Potential Solutions to Access to Funds:

Simplify applications.

Provide training sessions to guide government and nonprofit staff through the application process.

Encourage officials and government representatives to increase the share of federal dollars that come back to Wisconsin.

Identify private funding sources.

- Community foundation dollars could be used to leverage other funds.
- Community foundation dollars could be used as seed money to initiate new projects.

Identify successful fund raising strategies.

Identified Issue: Need for a Defined Role

Municipal/town staff or officials may be aware of regional affordable housing issues and be willing to help find a solution, but may not see a defined role for them to play in providing affordable housing, due to:

- public opposition within their community
- a belief that affordable housing is not an issue pertinent to local government
- no expressed interest on the part of their citizenry
- existing zoning regulations, which prevent affordable housing development
- density of the built environment may make locating affordable housing economically unfeasible
- they are unaware of any mechanism, which would allow them to provide support for affordable housing outside of their community.

Potential Solutions to the Need for a Defined Role:

Provide data to support the need for affordable housing in their community and the region.

Educate policy makers and elected officials.

- Explain fiscal and economic impacts of existing zoning regulations and development patterns.
- Encourage them to modify existing zoning regulations to encourage affordable housing.
- Explain the relationship between economic development and affordable housing.

Encourage interested citizens and agencies, which are aware of housing needs within the community, to voice their support for affordable housing programs.

Housing Provider Opposition

Identified Issue: Expiring Tax Credits

Tax credits are expiring and the landlords of those properties want out of the program.

- As landlords leave the program, the number of affordable units will decline.
- Tax credits have a predetermined return on the investment.
- The maintenance budget for the property may not have been large enough to properly maintain the units.
- The costs associated with purchasing and rehabilitating tax credit projects are too high for nonprofit agencies to purchase and keep projects within the affordable housing stock.

Potential Solutions to Expiring Tax Credits:

Identify cost effective ways to recycle these units.

Change government regulations to reduce the costs of obtaining and renovating these properties.

Provide funds to buy down the front end costs of obtaining these units.

Identified Issue: Absentee Landlords

Landlords, which do not live in the community, may not always properly maintain their rental property.

- These landlords may not be aware of the condition of the rental property.
- Some of these landlords chose not to properly maintain their rental property.

Potential Solutions to Absentee Landlords:

Enforce existing zoning ordinances and building codes.

Encourage absentee landlords to develop a mechanism for monitoring the condition of their properties. Landlords could:

- hire on-site managers.
- regularly inspect their properties.
- pay the local building inspector to inspect and report on the condition of the property.
- facilitate communication between themselves and their tenants.

Develop a program to respond to landlord neglect of properties.

- This program should provide necessary maintenance and repairs, plus maintain rental affordability without rewarding landlords for neglect.
-

Identified Issue: Nonprofit Fear of Competition

Local housing authorities and other nonprofit providers may be concerned that the increase in units may result in higher vacancy rates

- Higher vacancy rates will increase their operating costs.

Potential Solutions to Nonprofit Fear of Competition:

Evaluate the need for additional units.

Evaluate how well the existing stock is meeting the needs of lower income populations.

- Recognize that changes may need to be made to existing units to accommodate current housing needs for lower income populations.
 - Correct residential/employment mismatches – housing should be located near current employment opportunities.
 - Recognize that certain services (transportation, grocery stores, health care, case management, etc) may be needed to make the housing location attractive or successful.
 - Determine the appropriate mix of residents for local conditions (ie elderly and disabled or elderly only projects).
-

Identified Issue: Investment Risks

Realtors and single family developers may express concerns regarding the impact of affordable housing development on property values and housing market conditions, particularly for older housing stock.

- Properties could spend more time on the open market.
- An over supply of new affordable single family housing could make older homes in older neighborhoods less attractive.
- Realtors and developers may also fear that locating affordable housing next to an existing higher value neighborhood will drive down the value of those properties.

Potential Solutions to Investment Risks:

Reduce public opposition to affordable housing developments.

- Explain, or demonstrate, the need for additional housing within the defined price range.
- Educate public on the advantages of mixed-income neighborhoods.

Educate realtors and developers on the advantages of mixed-income neighborhoods.

Provide incentives for:

- developers to incorporate market rate housing near low-income housing and/or
- developers to incorporate low-income housing into a market rate development.
- owners of older housing stock to upgrade their property

Demonstrate the need for additional affordable housing

- Identify underserved populations
-

Identified Issue: Private Sector Disincentives

The private sector is generally not motivated to produce affordable housing for lower income households.

- Lack of incentives for private developers to become involved in affordable housing projects.
- Long-term rental management issues are more difficult for affordable housing projects.
- Risks are higher and profit margins are lower for both rental and owner-occupied affordable projects.
- Profit margins for affordable projects may be lower than the developers desired pro forma.
- Higher end single family housing projects experience less opposition, take less approval time and the net dollar value per square foot is higher, which results in larger profits for developers.
- Production or management of lower income properties may also result in a lack of prestige for developers or managers. That lack of prestige may, in turn, reduce the earnings potential of the company.

Potential Solutions to Private Sector Disincentives:

Educate communities regarding the advantages of mixed use developments.

- The apartment above the store may provide a steady income to balance out months or seasons when the store is earning little to no profit.
- Tie the process to the smart growth comprehensive planning process.
- Offer incentives (reduced permitting fees, rent subsidies, free land or reduced land costs, install streets, curb and gutter or subsidize the infrastructure costs, etc.) for affordable housing initiatives.
- Develop an educational process to stress the importance of requiring mixed use developments.
- Show examples of how it can be done and not negatively impact the community.

Expand government subsidies for housing developments (single and multi family other than high rise) - subsidize land cost and ownership to low income population.

Find funds or programs that makes low income housing affordable to homeowners, builders, the community as a whole, land and real estate developers, and financial institutions.

Resident Opposition/Difficulties

Identified Issue: Lack of Affordable, Dependable Transportation

Dependable transportation is necessary to maintain decent, safe and affordable housing in rural areas, as jobs, healthcare and other goods and services may be many miles from an individual's residence. However:

- Many individuals cannot afford reliable vehicles.
- Some elderly residents are no longer able to drive safely due to physical limitations.
- Transportation costs increase with distance.
- Public transportation is not always available.
- Government regulations and insurance costs may limit transportation options.

Potential Solutions to Lack of Affordable, Dependable Transportation:

Expand community based transportation options.

- Establish car-pooling networks, which are set up and run for low income people.
- Use employer sponsored transportation when public transportation is not economically feasible. Ex. Speed Queen in Ripon operated a bus to transport workers from Berlin to Ripon and back.
- Partner elderly paratransit service with job/employment opportunities, where feasible and allowed within funding guidelines.
- Encourage the local job center to explore the possibility of operating a bus.
- Consider partnering/costsharing with the local school district so buses could be used for paratransit or work related trips, when they are not needed for school transportation.
- Identify opportunities, which permit volunteer drivers.

Provide housing near employment

- Pedestrian and bicycle accommodations, which connect housing with employment centers, must be provided.
-

Identified Issue: Inadequate Resources

Some households do not have adequate funds to pay for transportation, housing, housing maintenance and other living expenses.

- Households with moderate to above average income, who also have high healthcare costs, may also have inadequate resources to spend on maintaining their home.

Daycare costs for families with young children may absorb a significant share of their household income, which leaves the family with inadequate resources to cover the cost of housing and housing maintenance.

- Daycare assistance may be available for qualifying households through social services.
- Moderate income households may earn too much to qualify for assistance, yet not earn enough to cover expenses.

Many elderly are on fixed incomes, which are not large enough to cover their needs.

- Many elderly residents are reluctant to use reverse mortgages, which could provide additional income.

Rent is too high compared to income, so families cannot save enough money to buy a house.

Other residents do not have a consistent minimum income adequate to make \$350 monthly payments for mortgage, taxes and insurance combined.

- Many are too poor to be considered as potential homeowners.
- Many have sporadic or seasonal income.

Some individuals do not have access to the financial system.

- Some banks require minimum balances and/or account fees, and individuals may not have enough money to maintain the minimum balance or pay the service fees.
- They may have misused checking or savings accounts in the past.
- They may not have access to loans due to a bad credit history or the lack of a credit history.

For some households, incomes lag behind the cost of living, so their ability to maintain their current housing decreases over time.

Single parent households often have only one income. As a result, they will likely have more difficulty finding affordable housing than a dual income family.

Potential Solutions to Inadequate Resources:

Encourage the development of living wage jobs.

Promote local economic opportunities.

Encourage individuals to enroll in programs such as Rent Smart or Get Checking in order to learn how to better manage the resources they have.

- A Get Checking certificate will make it easier to get a new account.
 - If an individual has outstanding bad checks, those will have to be cleared up in order to open a new account.
-

Identified Issue: Shortage of Acceptable Section 8 Units

Section 8 recipients have difficulty finding an acceptable unit that will participate in the program.

An insufficient number of vouchers are available to meet housing needs.

Potential Solutions to Shortage of Acceptable Section 8 Units:

Expand government subsidies for housing developments (single and multi family other than high rise) - subsidize land cost and ownership to low income population.

Encourage HUD to pull unused vouchers and redistribute them to areas with voucher shortages.

Provide financial help for older and newer homes in need of building code compliance and construction updating.

- Identify financial resources to offset rehabilitation costs.
- Provide lead abatement assistance.

Provide financial "fix-up" grants as incentive to landlords to accept Section 8 vouchers.

Provide tax credits for landlords using older apartment units.

Increase landlord awareness of the Rent Smart Program.

Require Section 8 recipients to go through the Rent Smart program.

Identified Issue: Housing for the Extremely Low Income

Housing does not exist for individuals and families on the lowest rung of the economic ladder.

- The need for this type of housing may not be recognized.
- These individuals may be viewed as transients rather than local citizens.
- These individuals may also need support services such as case management and life skills training.

Potential Solutions to Shortage of Housing for the Extremely Low Income:

Demonstrate the need for this type of housing by:

- determining the number of individuals or households within this income category.
- explaining their connection to the community, eg. farm laborers, retail employees, CNAs, elderly or disabled individuals on fixed incomes, etc.
- identifying the type of housing and services needed.

Encourage nonprofits and churches to assist in providing temporary shelter.

Provide job training as needed to increase an individual's income potential.

- Provide job search assistance for the underemployed.

Promote collaboration between agencies within and without the community to better serve these individuals.

- Identify and develop urban-rural partnerships.
- UW-Extension and financial counseling services can provide financial education.
- Encourage CAP agencies to provide case management services and help develop housing.
- Job training may be available through the local workforce development center or technical college.

Hold housing symposiums to provide information regarding available housing options and programs to community staff and local employers.

Encourage employers to build or help subsidize housing for their employees.

- Some employer-assisted programs include down payment or closing cost assistance to qualifying employees.
-

Identified Issue: Limited Housing Options

Local focus on the 2 parent/2 child family limits housing choice.

- Lack of housing choice for singles.
- Large families may find that there are too many people in their family for personal square footage city code will permit.

Potential Solutions to Limited Housing Options:

Provide a greater range of housing options.

Review zoning ordinances and remove housing restriction from ordinances.

Consider options to allow accessory units to accommodate extended families.

Identified Issue: Lease Restrictions

Potential resident may object to lease restrictions landlords have instituted to protect their property.

- No pets
- No smoking
- Need to sign lease
- Credit checks

Potential Solutions to Lease Restrictions:

Tenants should acknowledge landlords right to protect their property.

Landlords should be willing to make reasonable accommodations for responsible tenants.

Tenants or landlords could carry additional insurance to cover property damage.

Where needed, public funds could guarantee lease agreements or provide funds for security deposits.

Identified Issue: Housing Features

The existing housing stock may not match market demands.

- Yard is not big/small enough
- No garage
- Garage not big enough
- No basement

Potential Solutions to Housing Features Issues:

Provide a variety of housing options throughout the community.

Conduct visual preference surveys to educate public on potential housing options and gain insight into preferred options.

Conduct market studies to determine what features may be desired, particularly in niche markets, such as newly emerging households, elderly households, or ethnic neighborhoods.

Organize a skill cooperative, where residents can trade services. For example, residents could trade painting services for electrical services.

Identified Issue: Current Housing is Not Affordable

Residents may rent, purchase or own units that are above financial capabilities.

- Such households will not have the financial resources necessary to properly maintain the unit.

Potential Solutions to Current Housing is Not Affordable:

Where possible, encourage households to avoid these situations

- Increase credit and budgeting education.
- Provide fact sheet or pamphlet about the advantages of renting/owning less of a house than you can afford.
- Include home-buyer education materials with loan application materials.
- Recommend that all first time home-buyers attend home-buyer education seminars.
- Ensure that potential homeowners realize costs associated with owning a home.

When households are already in financially difficult situations

- Encourage households to reduce their housing burden.
 - Direct households to agencies, such as FISC for financial counseling.
 - Encourage renters to apply for rental assistance.
-

Identified Issue: Unrealistic Expectations

Potential tenants or home-buyers may have unrealistic expectations about what housing is available within their price range.

Social pressure and advertisements may convince individuals that they cannot live without items that are beyond their means.

- These individuals may confuse “wants” or “desires” with “needs”.

Instant gratification may be an issue.

- Children may be reluctant to purchase a starter home and build equity, preferring instead to start out with a house the equivalent of the one it took their parents years to be able to afford.

Potential Solutions to Unrealistic Expectations:

Education

- Increase credit counseling services and budget education.
 - Disseminate information to low income households about predatory lending.
 - Provide fact sheet about current housing market conditions.
 - Provide fact sheet or pamphlet about the advantages of renting/owning a less expensive home than the maximum amount that you can finance.
 - Provide education about the true costs of owning and maintaining a home.
 - Provide education regarding existing financial products and organizations.
-

Identified Issue: Poor Financial Knowledge/Skills

A lack of financial knowledge and understanding exists.

- Poor financial skills coupled with easy credit allow individuals to become overextended before they are aware of the consequences.

Credit is too easy to obtain.

- People may use credit to obtain wants, which exceed their financial resources.
- Examples exist where someone with a limited income loaned their credit card to friends, who did not pay them back.
- Credit cards, cash stores and by now pay later programs provide an opportunity for individuals to take unnecessary financial risks.
- The proliferation of easy to get credit cards has forced banks to be more lenient in loaning money in order to compete in the financial market place. Many individuals assume that if a bank will loan you money, you must have the resources to make the payments.

Some individuals lack the resources, life skills and motivation to maintain a home.

- A prolonged financial struggle may have left these individuals so discouraged that they do not believe things can get better.

Individuals may use funds to cover other expenses during the period of time that utilities can not be shut off, rather than keep their utility bills current.

Individuals may not realize the impact utility costs may have on housing affordability.

- Some households are paying more for utilities than they are in rent or mortgage.

Lack of understanding as well as liability of credit during and after a divorce.

- A misconception exists that, if a debt is granted to an ex-spouse by a judge or court order, you are not automatically released from that responsibility by the debtor.

High schools are hesitant to mandate another class, although some legislation has been proposed to do so. The bill, AB94, is currently in the state assembly.

Potential Solutions to Poor Financial Knowledge/Skills:

Increase advertising of existing educational programs.

Encourage individuals to live within their means.

Increase financial education and awareness by encouraging individuals to take advantage of existing programs.

- Get Checking, a UW Extension Community Outreach program, is available as an educational resource to help people without checking accounts become acquainted with banking, and how to manage money.
- Make sure that the Family and Consumer Science departments in area high schools are aware of financial programs such as the High School Financial Planning program that provides student workbooks on basic money management. Build networks and work with CESA, UW-Extension to provide financial education workshops for teachers.
- Rent Smart is a UWEX program for renters to learn about their responsibilities as a renter. Money management is part of the program.

Develop new programs and educational resources to increase financial education and awareness.

- Teach life skills in schools.
- Locate grants that schools could apply for to do financial education.
- Many financial institutions offer free materials such as the National Endowment for Financial Education.
- Suggest that schools require a minimum of a semester course in financial education as a high school graduation requirement. (The Appleton Area School District has instituted this as a requirement.)
- Encourage Technology departments and Family Consumer Science departments at area high schools to offer basic home maintenance courses to their students.
- Encourage Technology departments and Family Consumer Science departments at area high schools to offer basic home maintenance courses as mini-courses as a community outreach series.
- Work with WE Energies and Wisconsin Public Service to invest financial resources and/or bring in their outreach staff to teach and do outreach work on basic home maintenance, to help students save on their housing dollars for the near future.
- First time home buyer educational classes can be offered to help potential homebuyers learn the steps to buying a home, including every day budgeting and cleaning up bad credit.

Develop a mechanism to test the financial skills level of potential renters or homebuyers.

- Require those with limited financial skills to obtain financial education prior to renting or purchasing a home.

Identified Issue: Delayed Recognition of Financial Difficulties

Pride, lack of responsibility or lack of financial understanding may delay residents from asking for assistance until serious problems develop.

When income is reduced, the average family does not change spending habits for 6 months.

Potential Solutions to Delayed Recognition of Financial Difficulties:

Residents must understand that one is not expected to know all the answers, therefore no shame exists in asking and seeking help before the problem becomes a major family or living issue.

- Emphasize the fact that individuals who seek additional financial training and assistance are being financially responsible.
- Emphasize that as soon as income changes, spending must also be adjusted. Employers should be encouraged to provide in house financial education to employees when lay-offs are expected.
- Employers could provide financial information on a regular basis as a workshop or information in the form of a display, newsletter, or table tents in break rooms etc.

Financial education is needed at all levels, and should begin as early as kindergarten.

- Emphasize the importance of creating and maintaining a good credit rating.

Use marketing/advertising to:

- encourage financial responsibility.
- provide education about financial choices.
- provide information about when and where to go for assistance and education.

Work with the local Information and Referral agencies to be sure that they are aware of existing resources and refer families to the appropriate agencies.

Identified Issue: Access to Financial Training and Assistance

Some residents may realize they need housing or financial assistance and training, but do not know how to obtain it or access programs.

Some training programs are available, but funding is inadequate to implement financial counseling.

Potential Solutions to Access to Financial Training and Assistance:

Publish and widely distribute information listing financial education resources and assistance available to local residents.

- Printed material could be distributed through local buyer guide.
- Information could be made available on a county or community's website.
- Landlords could distribute information to renters.
- Printed material could be made available at local government offices, libraries and schools.
- Information and articles could be distributed in church, community, school or employer newsletters.
- Post financial education resources and assistance in laundry mats, stores and gas stations.
- Imitate distribution techniques used by cash and go stores and other easy credit lenders.

First time homebuyers should either be required or strongly encouraged by their lender to attend financial training or budgeting sessions.

Develop a media campaign to establish awareness of outreach initiatives.

- Write a series of newspaper articles that are printed in local newspapers and shoppers (papers which are distributed at no cost to the consumer) which give information on upcoming training sessions.
- Work with area radio stations to do outreach on basic money management with local resource people, who listeners can contact after the program is over.
- Identify local champion with the presence and resources to reach a broad audience.

Develop a regional clearing house or an information and referral system, similar to Marathon County's First Call or the Fox Cities Information and Referral program.

- Work with area Information Resource and Referral Agencies to make sure they have the materials.

Develop information on financial training that is available at the worksite.

- Offer worksite education on basic financial education.

Encourage nonprofits to apply for additional funds as necessary to maintain or increase the level of financial training and assistance to meet local needs.

Identified Issue: Poor Maintenance Knowledge/Skills

Individuals may not have the knowledge and skills necessary to maintain their housing unit.

Renters may not understand which maintenance items they are responsible for and which maintenance items landlords are responsible for.

Potential Solutions to Poor Maintenance Knowledge/Skills:

Teach life skills in schools.

Encourage neighbors, who have the knowledge and skills to properly maintain their housing, to positively mentor neighbors who may not have these skills.

- Develop a "skills" coop, where neighbors could trade skills, such as painting for electrical, plumbing for financial training, etc.
- Organize educational sessions where a person that knows what to do for proper home maintenance is teamed up with a renter/homeowner and they work together. Learning from one another what basic work needs to be done.
- Use the SCORE chapter concept to allow retired contractors and skilled tradesmen to share their knowledge with others.

Encourage individuals to take advantage of free training sessions offered at Home Depot stores.

- Encourage local hardware stores to initiate similar programs, in exchange for tax deductions.

Where available, utilize cable TV to advertise programs or provide education and assistance.

Encourage people to become involved in Habitat for Humanity as a volunteer to learn new skills.

Encourage renters to attend educational seminars, such as Rent Smart.

Encourage landlords to spell out exact tenant rights and responsibilities.

Write into new lease or funding agreement that recipients/tenants are required to participate in educational sessions.

- Identify existing programs or develop educational programs prior to expanding leases or funding agreements to require participation in educational sessions.

Offer easy to read fact sheets or videotapes on simple home repairs at area libraries, hardware stores, etc.

Organize Home Fix-up Fairs.

Identify projects that need to be done within the neighborhood, then pool projects together to negotiate with local contractors for free labor in exchange for tax deductions.

Publish a list of "Do It Yourself" videos, which are available at libraries, video stores etc.

Encourage communities to provide this type of information to new residents.

- Printed materials or flyers could be included as part of a welcome wagon packet.
- Realtors or lenders could include the information in packets to new homeowners.

Identified Issue: Landlord/Tenant Conflicts

Lack of communication between tenants and landlords may increase management issues.

- Either side may be unclear of their rights and responsibilities.
- Expectations regarding the type and level of maintenance to be provided by the landlord or tenant may differ.
- Landlords claim tenants need more incentives to improve behavior.
- Tenants may not hold ownership in their place of residence.
- Tenants may not have the life skills necessary to properly maintain a unit.
- Tenants may have additional issues, which need to be addressed, such as alcohol and drug abuse (AODA) problems, domestic violence, or inadequate financial skills and/or resources.

Potential Solutions to Landlord/Tenant Conflicts:

Encourage both sides to recognize that landlords and tenants both have rights and responsibilities.

Education

- Landlord/tenant training can help define landlord/tenant rights and responsibilities.
- Landlords and tenants should be encouraged to take advantage of existing programs such as the Rent Smart program offered by UWEX or other programs offered by the Fair Housing Center, FISC or Legal Services.

Refer tenants with AODA, domestic violence or inadequate life skills to the appropriate Continuum of Care agency.

- Assist parties in locating the Continuum of Care agency.

Mediation services, if available, may be necessary in some cases.

Section II. Regulatory Barriers

A variety of regulatory barriers to affordable housing were identified by the Rural Housing Policy Technical Advisory Committee. These barriers have been grouped into 3 categories: barriers that impact new development, rehabilitation of existing units, and access to subsidized housing and housing subsidies. Each category contains a number of identified issues, followed by a list of solutions that may help communities and organizations reduce those barriers.

New development

Identified Issue: Restrictive Development Standards

Restrictive development standards prevent the development of moderately priced homes.

- They may exclude cultural preferences for smaller living spaces.
- They limit housing options for the growing number of nonfamily and one person households.

Restrictive development standards in rural areas include, but are not limited to:

- large minimum lot sizes
- large minimum square footage
- restrictive covenants
- excessive infrastructure, such as wide streets

Potential Solutions to Restrictive Development Standards:

Work with elected officials and county and township decision makers to increase understanding of:

- the implications of restrictive development standards.
- zoning administration issues.
- the options that are available to better plan for the future of their communities.
- housing issues that lower income families face and
- the need to have long range planning in place to address some of those issues.

Conduct future planning workshops – examine the impacts and outcomes of current trends and alternative scenarios.

- Use visual demonstrations to help increase understanding of these issues.

Provide education opportunities regarding alternative designs.

Organize bus tours to:

- familiarize elected officials and community decision makers with issues resulting from overly restrictive development standards.
- visually demonstrate alternative development patterns.

Amend zoning and subdivision ordinances to:

- encourage, or at least permit smaller lots.
- offer incentives for higher densities.

Reduce the minimum square footage required for dwelling units.

Discourage overly restrictive deed/plat covenants.

Work with public works personnel for reduced street widths.

Rehabilitating Existing Units

Identified Issue: Decline in Existing Affordable Housing Stock

The supply of older, existing affordable housing stock is stable to declining.

Lead abatement costs are very high.

- It is difficult to find the financial resources to proceed with lead abatement, yet maintain housing affordability.

Material costs needed for maintenance and rehabilitation are also high.

Potential Solutions to Decline in Existing Affordable Housing Stock:

Communities should become involved in ensuring that the existing affordable housing stock is maintained.

- Discourage conversion of older neighborhoods to non-residential uses.
- Develop joint applications for CDBG funds for rehabilitation of older homes.
- Identify and apply for additional funding to help with home repairs and rehabilitation.
- Encourage construction firms to donate materials in exchange for tax deductions.

Subsidize low-income homeowners where needed. Potential forms of aid include:

- homeowners insurance
- housing repairs assistance
- and home ownership training.

Provide financial help for all homes in need of building code compliance and construction updating.

Provide tax incentives for repairing older homes.

Convert vacant industrial buildings into affordable rental units.

Identify corporations willing to donate building materials to local nonprofits.

Identified Issue: Costs of Building Code Requirements

Building code requirements that apply to rehabilitation of existing units are not cost effective in a low income housing market.

- Environmental regulations designed to protect the health and safety of individuals such as the lead base paint remediation and asbestos removal rules are extremely costly.
- Regulations make it cost prohibitive to retain historical features on affordable properties, which are not on the historic register, yet contain period features.
- Removing these historical features destroys the home's character and lowers its potential market value.
- Newer environmental regulations which are being drafted to alleviate mold will drive up the cost of rehabbing newer units, which were built with newly engineered wood and construction techniques.

Potential Solutions to Costs of Building Code Requirements:

Identify properties, which are not historically significant, yet have historic features and are in need of rehabilitation.

- Market these properties to individuals willing and financially capable of rehabilitating these units and preserving the historic features.

Encourage funding agencies to approve additional funds to preserve historic features.

New building materials and techniques should be evaluated for potential health and safety issued prior to market approval.

Develop and adopt new building codes for houses built prior to the adoption of the Uniform Building Code. (see New Jersey and Wichita, KS for examples)

Access to Subsidized Housing and Housing Subsidies

Identified Issue: Meeting Housing Needs for Targeted Subsidies

The USDA's federal goal is to increase funding for minorities.

- The orientation and values of minority groups must be considered.
- In order for Rural Development to successfully reach this goal, housing options, which meet the needs of the targeted audience, must be available.
- Community restrictions, such as a maximum number of persons per room or square footage requirements, may limit housing options for large families and/or extended families.
- Language may be a barrier.
- Computer programs used to process clients do not recognize families with more than 8 members.

Potential Solutions to Meeting Housing Needs for Targeted Subsidies:

USDA needs to increase awareness by better marketing/advertising of products.

- If necessary, additional funds should be allocated for marketing and promotion to meet the goal.
- Create a resource directory, which will be available to individuals, communities and leaders.
- Understand that USDA will likely have to go to targeted populations to explain available programs.

Housing providers, service agencies, communities and funding agencies need to become better educated regarding cultural ways of living of groups such as the Hispanic, Native American and Hmong in order to better understand family structures and housing needs.

Identified Issue: Increasing Competition for Subsidies

Competition for subsidized housing and housing subsidies has increased.

- Waiting lists exist for subsidized housing and Section 8 vouchers.
- HUD rules for Section 8 eligibility have become a barrier to housing choice for individuals and families who do not meet all the criteria, as managers have the opportunity to be more selective in who they accept as tenants.
- "No tolerance" rules designed to make public housing safer for its residents, allows the manager to evict households where drugs are present, even if the primary leaseholder is unaware of their presence.

Potential Solutions to Increasing Competition for Subsidies:

More funding is needed.

Recognize that the “no tolerance” rules have made public housing safer for its residents.

Aid and encourage individuals and families on the waiting list to take advantage of programs to improve their life skills, credit and earning potential.

- Allow families who do improve skills to move up on the waiting list.

Encourage agencies, which provide subsidies to annually reevaluate usage and redistribute unused vouchers to properties or communities with waiting lists.

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Section III. Community and Economic Barriers

A variety of community and economic barriers to affordable housing were identified by the Rural Housing Policy Technical Advisory Committee. These barriers have been grouped into 4 categories: development costs, existing market conditions, maintenance costs and management costs and income barriers. Each category contains a number of identified issues, followed by a list of solutions that may help communities and organizations reduce those barriers.

Development Costs

Identified Issue: Land Costs

The price of land in rural areas:

- is too high to build housing, which is affordable to many residents.
- may be too low to encourage communities to use land efficiently.
- is only evaluated in the short term. As a result, the long term value of protecting agricultural land from conversion to other uses is not recognized.

Potential Solutions to Land Costs:

Establish a community land trust.

Reduce minimum lot sizes and lot widths.

Promote increases in density, thereby reducing per unit costs.

Counties and communities could purchase land in planned growth areas, and set aside this land for future purchase and development of affordable housing.

- In the interim, the land could be rented for agriculture.

Encourage businesses relocating to industrial parks to sell their land to the city for future TIF development and low income housing.

- The land would need to be evaluated for potential environmental contamination prior to the community accepting the land.
-

Identified Issue: Material Costs

Material costs are too high.

- High material costs reduce housing affordability.

Potential Solutions to Material Costs:

Coordinate projects to reduce material costs.

- Larger orders may result in a reduction in delivery charges.
- Larger orders may allow the purchaser to negotiate a lower price from the supplier.

Identify corporations willing to donate materials to nonprofit agencies.

Existing Market Conditions

Identified Issue: Inflated Market Values

The supply of existing decent, safe and affordable housing stock is very limited.

- The price differential for a country lot versus a village lot is quite high. For example, a double wide mobile home on a one acre country lot may sell for as much as \$100,000.
- Many sellers are upside down. As a result, they must sell their home for more than its assessed value.
- Some loan products, such as Nehemiah, American Dream are causing artificially inflated market values by driving up the sale price to allow sellers to provide concessions for downpayments and fees.

Potential Solutions to Inflated Market Values:

Deflation

Work with local assessors to set values at the true market value.

Provide education so that lenders, brokers, realtors and potential buyers are aware of the wide variety of loan products that are available.

- Encourage them to use loan products that do not inflate market prices.
-

Identified Issue: Lack of Developable Land

Limited space for housing development exists.

- Communities need to decide what type or combination of housing should be built in areas with limited development opportunities.

Potential Solutions to Lack of Developable Land:

Through comprehensive planning efforts, communities should provide an adequate supply of land dedicated to a range of housing options that meet the needs of persons of all income levels.

Provide incentives for more contiguous development with higher density levels.

Identified Issue: Lack of Infrastructure

Public water, utilities and sanitation services and infrastructure may be inadequate to support additional development.

Public water, utilities and sanitation services and infrastructure may be nonexistent.

Potential Solutions to Lack of Infrastructure:

Identify grants to help pay for building or upgrading infrastructure.

Through comprehensive planning efforts, communities should identify infrastructure upgrades and expansions needed to accommodate current and anticipated development.

Identified Issue: Substandard Housing

Affordable housing in rural areas is often substandard.

- The well and septic system may also be below standard.
- Some owner-occupied housing within the region has been built to minimum construction standards, or even below standard.
- Improperly maintained low quality construction deteriorates at a faster rate, than higher quality construction.

Some rental properties were built with low interest financing to minimum construction standards.

- In some instances, no maintenance dollars were allocated within the project's budget.
- Owners may have used the property as a tax write off, or used the rent as income, rather than to maintain the property.

Absentee landlords may not maintain their property.

- These landlords may not be aware of the current condition of their unit.
- They may not take an active interest in maintaining their properties.

Potential Solutions to Substandard Housing:

Identify grants or tax credits, which can be used to rehabilitate substandard housing.

- Work with developers to preferentially rehabilitate existing housing, rather than build new projects.

Encourage counties to get involved in the Wisconsin Fund, which provides aid for septic system replacements.

- Jointly hire certified building inspectors to ensure quality construction.

Create a mechanism to get information on available loan/grant programs for housing rehabilitation to homeowners, landlords and communities.

Encourage absentee landlords to make frequent visual inspections of their property.

Identified Issue: Limited Available Housing

Little, if any, housing may be available for purchase or rent.

Available rentals may not be advertised.

Rental apartments may be available, but not affordable.

Potential Solutions to Limited Available Housing:

Encourage the development of tax credit properties.

Through comprehensive planning efforts, communities should:

- identify a range of housing options needed to meet the needs of persons of all income levels.
- work with developers to identify ways to create those housing options.
- identify buildings available for adaptive reuse.

Some funding is only available to communities or nonprofit agencies.

- Communities should identify and apply for funds, which will help meet housing needs within the community.

Seek ways to make housing units affordable for lower income families.

- Identify and remove regulatory barriers to the development of affordable housing.
 - Provide density bonuses to developers.
 - Provide tax credits to landlords who provide decent rental properties within a targeted income range.
 - Encourage landlords to participate in Section 8 voucher programs.
-

Identified Issue: Insufficient Number of Affordable Rental Units

Some rural areas do not have sufficient rental units to meet market demand.

Other areas may have available units. However, those units may not be properly maintained and eligible families are not willing to live in them.

Potential Solutions to Insufficient Number of Affordable Rental Units:

Through comprehensive planning efforts, communities should identify the number of rental units needed to meet market demand for persons of all income levels.

- Encourage developers to meet those needs.

Communities should ensure that available properties are properly maintained to preserve available housing.

Identify funding sources or grants that can be used to rehabilitate existing units or build additional units.

- Recognize that developers will need community support, as many of these grants are only available to governments or nonprofit agencies.

Convert vacant industrial buildings to rental housing.

Maintenance and Management Costs

Identified Issue: High Property Taxes

Rising property taxes reduces housing affordability.

- People can't afford the high taxes that come with homeownership.
- Some existing homeowners may not be able to stay in their homes.

Since nonprofit organizations do not pay taxes, the service cost to those properties is spread among the tax base, which may increase property taxes on homeowners.

Potential Solutions to High Property Taxes:

Communities need to find other ways of supporting local services and schools.

Communities should combine services to lower costs.

Communities should evaluate the advantages and disadvantages of property taxes versus service fees to cover the cost of services.

Use the comprehensive planning process to identify areas where communities can cooperate or save money.

Nonprofit organizations could provide payment in lieu of taxes to help cover the cost of services, such as snowplowing, etc.

- Nonprofit agencies typically have limited budgets. Payments made by nonprofit agencies would reduce the money they have available for operating costs, which will reduce their effectiveness.

Identified Issue: Rent Ceilings

WHEDA contract rent levels for subsidized units are too low.

- Income is not high enough to maintain and manage the units.
- The increase in the amount housing authorities are allowed to charge does not keep up with the rising cost of wages and benefits.
- Units may be lost to deterioration or lack of management staff.

Potential Solutions to Rent Ceilings:

Tax credits

Agencies, such as WHEDA, should more closely examine maintenance costs and increase their reserve deposit requirements as well as rents to cover more realistic cost projections.

Identified Issue: Operational Costs

Cost to own and operate affordable rental housing properties.

- Insurance
- Utilities
- Damage to units
- Turn-over
- Evictions
- Time

Potential Solutions to Operational Costs:

Tenant training to improve life skills.

Rental housing owners must provide additional education (and periodic upgrading) to their managers.

Housing managers must be fair and direct in their dealings with tenants – owners and managers must work as a unit to offer their tenants a secure/safe housing project.

Owner/Managers should provide clear information to tenants regarding their expectations of the tenants while the tenants are living in their units.

- Both landlords and tenants have responsibilities.
 - Clear communication between landlord and tenants should result in less maintenance calls, expenses in repairs and/or evictions and time lapses between tenants.
-

Income Barriers

Identified Issue: Lack of a Living Wage

Household income is not sufficient to meet the cost of living.

- Many jobs in rural areas are low wage.
- Jobs are often seasonal.
- Manufacturing jobs are declining.

Potential Solutions to Lack of a Living Wage:

Provide educational programs to:

- help people gain higher wage levels and employment skill.
- increase financial and budgeting skills, so they can get the most out of their current resources.

Promote the development of higher paying jobs.

Promote and encourage housing options, such as apartments above stores or accessory units.

Encourage small, locally owned business establishments, as the profit from these businesses is more likely to stay in the community.

Encourage potential new residents to find a job, then relocate, rather than move into a community assuming that a job will be available.

Identified Issue: Insufficient Household Income to Support the Costs Associated with New Units

A shortage of local communities with sufficient household income to support the cost of rental housing exists.

- This shortage creates a rental housing shortage in market niches where household income levels are not sufficient to cover the cost of housing construction within those price ranges.

Potential Solutions to Insufficient Household Income to Support the Costs Associated with New Units:

Provide educational programs to help people gain higher wage levels and employment skill.

Promote the development of higher paying jobs.

Educate local officials regarding the mismatch between the construction, maintenance and management costs of rental property and prevailing wage scales in their community.

- Encourage them to consider these factors, when they are reviewing housing development proposals and proposals from businesses wishing to locate in the areas.
- Encourage them to work with developers to obtain grants and other funding to offset the cost of construction and reduce rental costs.

Encourage employers to consider housing subsidies as part of the work benefit package.

- Employers could offer cafeteria plans with options to defray the cost of childcare, transportation, etc.

Identified Issue: Employer Disconnect Between Wages and Housing Costs

An employer disconnect between wages and housing costs exists.

- Some local employers are unable or unwilling to pay wages that allow their employees to obtain decent, safe, affordable housing.
- This, in turn, reduces the employer's ability to attract and retain a sufficient number of qualified employees.

Potential Solutions to Employer Disconnect Between Wages and Housing Costs:

Provide educational programs to help people gain higher wage levels and employment skill.

Educate employers on the cost of high employee turnover, which includes lost productivity, reoccurring training costs, etc.

Encourage employer assisted housing programs.

Identified Issue: Inability to Attract New Employers

Rural communities often find themselves at a competitive disadvantage in attracting new employers.

- A community may have invested in the construction of an industrial park, but still find itself unable to attract industries to the park.

Potential Solutions to the Inability to Attract New Employers:

County governments and local decision makers need to work together to secure places that provide employment for our communities. We can't sit back...wait and see. We need state and local government to be pro-active in bringing in higher paying jobs.

Show perspective employers that workers are available within the area they are attempting to draw the employer. In order to maintain that workforce, communities must be proactive.

- Communities should ensure that workers have decent, safe, sanitary affordable housing.
- Adequate services should be available to meet the needs of workers.
- Employment opportunities, which enable workers to continue living within the community, need to be available.

Communities must be active in all aspects. Communities:

- should align themselves with a commercial realtor to assist in the marketing of industrial park sites.
 - need to understand that many new jobs are going to have to be created from within the community.
 - should promote sites to local entrepreneurs.
 - should develop and assist home-grown business
 - should look at innovative marketing techniques.
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APPENDIX A – Committee Members

Committee Members

Model Policy Subcommittee/Urban Housing Policy Technical Advisory Committee

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Lori Bishop, Coldwell Banker, The Real Estate Group
Allison Blackmer, Town of Harrison
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Sue Kepplinger, City of Oshkosh Planning Department
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Louie Lange, Commonwealth Development Corp.
*Betty Nordeng, East Central Wisconsin Regional Planning Commission
Jim Salm, Darboy Sanitary District No. 1
Lu Scheer, ADVOCAP
Jennifer Sundstrom, Realtors Association of Northeast Wisconsin (replaced Chad June 03)
Dave Tebo, Administrator, Town of Greenville
Laura Wittmann, City of Appleton-Economic Development
Chad Zuleger, Realtors Association of Northeast Wisconsin

*Sub-committee Chairperson

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Rural Housing Policy Technical Advisory Committee

Wendel Askenette, Menominee Tribal Housing Department (invited)
Joe Baldus, Waushara Habitat for Humanity
Mike Bonertz, ADVOCAP
Lynn Brenner, Calumet County Health & Human Services
Nancy Brunner, Century 21 Olympia
Larry Cornelius, Oneida Planning Department
Karen Dickrell, UW-Extension – Outagamie County
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Lee Ebert, Village of Gresham
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Paulette Stoltzmann, Winnebago County Health Department
Mike Hendrick, Outagamie County Planning Department
Gerald Johnson, Brothertown Nation, Inc.
Arnell Jorgenson, Affordable Housing Consulting Services
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Louie Lange, Commonwealth Development Corp. (invited)
Jon LiDonne, Waupaca County Veterans Office
Jim Lincoln, Outagamie County Housing Authority
Peggie Obst, City of New London Housing Authority (invited)
Linda Olson, UW-Extension – Shawano County
Mike Olson, Cap Services, Inc.
Duf Peters, Town of Wittenberg
Arlene Scalzo, WHEDA, Region 3
Steve Sengstock, Shawano County Economic Progress Inc.
Dean Wallace, Between the Lakes Habitat for Humanity
Randy Young, Division of Community Housing, Stockbridge-Munsee

Recognition of Informal Participants

(These individuals chose not to be official committee members, but attended one or more meetings or provided written input.)

L. Gruetzmacher, Winnebago County Health Department
Pat Johnson, Brothertown Nation Inc.
Jo Ann Tyree, USDA Rural Development
Pat Wallace, Between the Lake Habitat for Humanity

APPENDIX B – Funding Sources

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As mentioned in the introduction of this report, the urban portion of this report was developed by the Urban Housing Policy Technical Advisory Committee, which had the dual function of providing input into East Central's regional plan and functioning as a subcommittee to the Public/Private Role in Affordable Housing Development Committee. The following is a list of funding sources developed by another subcommittee to the Public/Private Role in Affordable Housing Development Committee, the Model Project Subcommittee. While the focus of this committee was to identify funds that can be used for affordable housing development in the Fox Cities, many of these funding sources can also be used for affordable housing in rural communities. Committee participants are listed at the end of this section.

The best efforts of those involved were used to collect accurate information on the various funding sources. The list is intended to give people a general idea of what sources are available and what the funds can be used for. This information is not intended to be inclusive of all possible funding sources for affordable housing, nor intended to be comprehensive information on each funding source. A funding glossary and matrix is also incorporated into this section, so that those interested in affordable housing can more easily find the funding sources that apply to them.

Funding Source and Brief Description

BEDI Grant. CDBG entitlement communities and non-entitlement communities eligible to receive loan guarantees are eligible to apply. Brownfield Economic Development Initiative Grant can be used for brownfield sites (converting old industrial to residential). BEDI and Section 108 funds must be used in conjunction with the same economic development project, and a request for new Section 108 loan guarantee authority must accompany each BEDI application. Funds can be used to benefit low-moderate income persons, prevent/eliminate slum and blight, and address imminent threats and urgent needs (usually follow the same guidelines as CDBG). More specifically, funds can be used for land writedowns, site remediation costs, funding reserves, over-collateralizing the Section 108 loan, direct enhancement of the security of the Section 108 loan, and provisions of financing to for-profit businesses at below market interest rates. The maximum grant amount is \$2 million, and the minimum BEDI to Section 108 ratio is 1:1. For more information, contact Lisa Peoples in HUD's Office of Economic Development at (202) 708-0614 ext. 4456 or by e-mail at lisa_peoples@hud.gov or visit the web site at:

<http://www.hud.gov/offices/cpd/economicdevelopment/programs/bedi/bedifacts.cfm>

CDBG (entitlement). Federal funds given to local municipalities considered entitlement communities. Some municipalities (like Appleton) give these funds as grants to local agencies through a competitive process. Funds cannot be used on new construction, but can be used on acquisition (building and land), rehabilitation, professional services, down payment assistance, and infrastructure for low-moderate income households (under 80% CMI). For more information, contact the Milwaukee HUD office at (414) 297-3214 or go to the web site: <http://www.hud.gov/local/index.cfm?state=wi>

CDBG (small cities). Federal funds given to the state. Small cities, towns, and villages with populations of less than 50,000 are eligible to apply. Funds are used for housing and neighborhood improvement activities for low-moderate income households, including rehabilitation, acquisition, relocation, demolition of dilapidated structures, and handicap accessibility improvements. The maximum grant to a municipality is \$500,000. For more information, contact Caryn Stone at the State of Wisconsin – Division of Housing and Intergovernmental Relations - (608) 267-3682 or go to the web site:
http://www.doa.state.wi.us/pagesubtext_detail.asp?linksubcatid=321

CDBG Set-aside. There is a set-aside for special projects for small cities and entitlement communities. This is a one-time allocation, which can be used for different purposes than the annual CDBG allocations (new construction, for example). Local municipalities can request a set-aside through a higher political office (federal representative or senator). For more information, contact your local Community Development Department or Mayor's office.

Community Reinvestment Act. Through the Community Reinvestment Act (CRA), banks/financial institutions are required to invest in the community (not necessarily restricted to affordable housing). They receive points based on this involvement. CRA requires banks to help meet the credit/investment needs of their markets with a primary purpose of community development. This is in part accomplished through direct grants/investments or loans to non-profits or agencies to develop affordable housing. Direct loans are also given to individual households of which a certain percent must go to low-moderate income households.

Community Development Loan/Investments Examples:

- Loans/Investments for affordable housing, for low and moderate income households (low-income housing tax credit projects, below market/affordable rents).
- Loans/Investments which support community service/facilities (affordable day-care/health services) targeted to benefit low and moderate-income households.
- Loans/Investments for activities that promote economic development by financing businesses and farms. Examples include: financing a business to increase labor force with low/moderate income employees, financing a business in a redevelopment zone (brownfield), financing the rehab of a commercial property utilizing historic tax credits, financing environmental clean-up (PECFA, SBA).
- Financing/Investment activities that benefit low/moderate income geographics.

For more information, contact your local financial institution.

Fannie Mae – Loan to municipality. Municipality must be willing to purchase the site or otherwise support the development (requires local government to pledge some collateral or a general obligation). This could bridge funds that the city is able to secure in the future, such as CDBG. For more information, contact Andrew Palec at (414) 274-3153 or visit the website at: www.fanniemae.com

Fannie Mae – Loan to the sponsor. Provides a short-term loan to the developer. Developer must be creditworthy and have a source of repayment if the project does not move forward. For more information, contact Andrew Palec at (414) 274-3153 or visit the website at: www.fanniemae.com

Fannie Mae Foundation Grants. The Foundation will accept grant requests from national, regional, and local organizations working to increase/preserve the affordable housing supply through new construction or rehabilitation, or increase sustainable homeownership (via homebuyer counseling, etc). Funds are extremely competitive. For more information, contact Ianna Kachoris in Chicago, IL at (312) 368-8801.

First-Time Homebuyer Programs. Many Public Housing Authorities and CAP Agencies use state and federal funds to provide down payment, closing cost, and rehabilitation assistance to low- to moderate- income first-time homebuyers. Contact your local Housing Authority or CAP agency for more information.

FHA. Homeownership loan insurance program for first time buyers as well as previous homeowners. Mortgage options vary from fixed to variable rate packages. Loans can be used to build or purchase existing units. FHA insured loans are available for 1-4 family units. FHA loan insurance programs are available through local lending institutions.

Single-family: Eligibility is determined by gross family income, debt to income ratio's, credit history and total cost of home. FHA interest rates are usually slightly higher than conventional loan rates. However, the lower down payment requirement (3% of the sale price) compared to 10% of conventional loans, and more relaxed total monthly mortgage payment to total debt ratios, (29%/41% with FHA and 28%/36% conventional) makes it easier to purchase a home.

2-4 Family: FHA loan insurance available to purchase up to a 4-family unit. 2-4 family units insured through FHA, must be rented to households with incomes in the low to very-low income range (which varies by state and county) and cannot exceed HUD's fair market rent. Check with your local lending institution for additional qualifying criteria.

FHLB and Affordable Housing Program funds. The Affordable Housing Program (AHP) provides subsidized loans (advances) and direct subsidies (grants) to member (lending) institutions to assist in the creation and preservation of housing for low-moderate income families and individuals. Awards are given for up to \$600,000 per initiative. The Chicago Bank contributes a minimum of 10% of its previous year's net income to the AHP fund. Member financial institutions in Illinois and Wisconsin have access to 75% of these funds through a competitive application process conducted twice a year. The Bank's member institutions work with local housing organizations to apply for funds to support initiatives that serve very low- to moderate-income households in their communities. Only member financial institutions of the Federal Home Loan Bank of Chicago can apply for AHP funds. Each application must also be sponsored by the initiative's developer. The developer may be a for-profit or nonprofit developer, a municipality, a Native American tribe, or a state or local agency. The subsidy is

provided as a direct payment through the member institution to a housing agency to reduce the cost of the housing, or, in special circumstances, as a subsidized loan. The AHP subsidy must be used to finance the purchase, construction, or rehabilitation of either: 1) Owner-occupied housing for households at or below 80% CMI or 2) Affordable rental housing, with at least 20% of the units occupied by households with incomes at or below 50% CMI. Projects using AHP funds are subject to household-income and housing-payment restrictions during an affordability-retention period. The affordability-retention period is five years for ownership projects and 15 years for rental projects. Eligibility guidelines, a list of scoring criteria, and an application package are available online at www.fhlbc.com. You can also contact FHLB Chicago and talk to Debra Pater at 312-565-5745.

Habitat for Humanity. Through volunteer labor and donations of money and materials, Habitat builds and rehabilitates simple, decent houses with the help of the homeowner (partner) families. Habitat houses are sold to partner families at no profit, financed with affordable, no-interest loans. The homeowners' monthly mortgage payments are used to build still more Habitat houses. Habitat is not a giveaway program. In addition to a down payment and the monthly mortgage payments, homeowners invest hundreds of hours of their own labor (sweat equity) into building their Habitat house and the houses of others. For more information, contact Habitat for Humanity at (920) 954-8702 or visit the website: www.foxcitieshabitat.org

HCRI funds. Similar to HOME funds, HCRI grants are given to local sponsors (local governments, housing authorities, non-profit and for-profit corporations, and Native American Indian Tribes) to reduce the housing costs for low-moderate income households. Funds can be used for down payment, rental assistance, mortgage assistance, and acquisition to assist low-moderate income households (up to 80% CMI). Funds cannot be used for rehabilitation. For more information, contact Betty Kalscheur at the State of Wisconsin – Division of Housing and Intergovernmental Relations at (608) 267-6904 or by e-mail at betty.kalscheur@doa.state.wi.us or go to the web site at http://www.doa.state.wi.us/pagesubtext_detail.asp?linksubcatid=305

HOME funds (CHDO). The state sets aside 15% of its HOME funds to be given to Community Housing Development Organizations (i.e. Housing Partnership, ADVOCAP, etc.) for Rental Development. The funds can be used as a pass-thru from the CHDO to another agency, but the CHDO has to have some ownership in the property (at least 1%). Funds can be used for new construction, rehabilitation, acquisition, and conversion for single room occupancies (SRO), homeless, transitional, and supportive housing for low-moderate income households. There is a \$600,000/project maximum for these funds (up to \$60,000/unit). Rent restrictions apply. They are often used with tax credits. For more information, contact Meryl Lesch at the State of Wisconsin - Division of Housing and Intergovernmental Relations at (608) 267-6912 or by e-mail at meryl.lesch@doa.state.wi.us or go to the web site: http://www.doa.state.wi.us/facts_view.asp?factid=31

HOME Rental Rehab funds. Funds are given to government and non-profit housing agencies. They can be used to provide loans to rental property owners for up to 75% of the project cost. Owners are required to lease the units at or below HUD's Fair Market Rents, and the units must be occupied by households with incomes below 60% CMI. A maximum of \$24,999/unit can be used for rehabilitation and conversion of rental property for low-income households. An affordability period applies. There is also a set-aside of HOME Rental funds through WHEDA that can be used in conjunction with tax credit projects. For more information, contact Sandi Capps at the State of Wisconsin - Division of Housing and Intergovernmental Relations at (608) 267-6908 or by e-mail at sandi.capps@doa.state.wi.us or go to the web site: http://www.doa.state.wi.us/facts_view.asp?factid=37

HOME/ Homebuyer funds. State funding typically given to homeownership programs (local governments and housing organizations) and most often used to provide low-moderate income households (under 80% CMI) a no/low-interest deferred loan. Funds can be used for down payment assistance, closing costs, acquisition, new construction, and rehabilitation. An affordability period applies depending on the amount of funding used. Typically, less than \$15,000/unit is used with a five-year affordability (if household lives there less than 5 years, some of the money may be recaptured). There is also a HOME set-aside to Weatherization programs for rehabilitation and accessibility. For more information, contact Betty Kalscheur at the State of Wisconsin – Division of Housing and Intergovernmental Relations at (608) 267-6904 or by e-mail at betty.kalscheur@doa.state.wi.us or go to the web site at http://www.doa.state.wi.us/pagesubtext_detail.asp?linksubcatid=343

Movin' Out. Movin' Out, Inc. provides training, information and referral, and housing counseling regardless of income and as its resources allow, to individuals and families with disabilities. It provides housing subsidies and loans only to those individuals and families with low or moderate income, as defined in HUD regulations. It devotes its energy and resources towards development of small-scale, integrated housing arrangements that do not congregate people with disabilities. It helps to create opportunities for people with disabilities and their families to establish and maintain their own homes in housing of their choice that is safe, accessible and integrated into the larger community. For More Information contact Movin' Out at 1-877-861-6746 or email: movin@chorus.net You can visit their website at: www.movin-out.org

Other Private Foundations. There is a list of private foundations who are providing grants for the local community. That list can be found at www.foxcitiesgrants.org

Outagamie County Housing Authority Trust Funds. The Trust Fund is a housing grant program which will provide stimulus to create affordable housing in Outagamie County. The Trust Fund is seen as a means to address the lack of affordable, available housing in both urban and rural parts of the county that limit housing choices especially for persons with low and very low incomes. Eligible applicants include community- or neighborhood-based organizations, governmental subdivisions, housing authorities, community action agencies, non-profit organizations and for-profit entities that are working in conjunction with one of the

foregoing applicants. Eligible applicants are expected to provide at least 10 percent of the grant award amount in matching funds. Eligible activities include new construction, rehabilitation, acquisition, housing for persons who have special housing needs, and housing in areas determined by the Housing Authority to be of critical importance for the continued economic development and economic well-being of a community and where a shortage of affordable housing exists. For more information, go to the website at www.outagamiehousing.us or call 731-9781.

PHA bond financing. The local Housing Authority has the ability, under state statute, to generate income through the sale of tax-exempt bonds to help with financing of housing developments. See WHEDA Tax Exempt Bond Financing for more information.

Section 108 funds. Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. CDBG entitlement communities and eligible non-entitlement communities are able to apply. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. The same criteria as CDBG funds applies. This is a loan that a municipality gets from the federal government, using future CDBG allocations as collateral to repay the loan. The interest rate is usually more or the same as what cities traditionally get for loans so it may not be used often. Funds can be used for property acquisition, rehabilitation of publicly owned property, housing rehabilitation eligible under CDBG, senior citizen housing and amenities, assistance to private and non-profit developers, related relocation, clearance, and site improvements (including installation of sidewalks, utilities, streetlights, etc.), renovation/conversion of vacant buildings, payment of interest on the guaranteed loan and issuance costs of public offerings, debt service reserves, and in limited circumstances, housing construction as part of community economic development, Housing Development Grant, or Nehemiah Housing Opportunity Grant programs. In most cases, communities may apply for up to five times the public entity's latest approved CDBG entitlement amount, minus any outstanding Section 108 commitments and/or principal balances of Section 108 loans. For more information, contact the local HUD office or visit the web site at:
<http://www.hud.gov/offices/cpd/communitydevelopment/programs/108/summaries/index.cfm>

Section 202. Provides interest-free capital advances under an annual competition to non-profit organizations for acquisition, rehabilitation, and/or construction of affordable multi-family rental and co-op housing for elderly persons (over 62 years of age). It provides very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc. The program is similar to Supportive Housing for Persons with Disabilities (Section 811). The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years. Project rental assistance funds are provided to cover the difference between the HUD-approved operating cost for the project and the tenants' contribution towards rent. Project rental assistance contracts are approved initially for 5 years and are renewable based on the availability of funds. For more information, contact HUD's web site at:
<http://www.hud.gov/offices/hsg/mfh/progdesc/eld202.cfm>

Section 8 – homeowner assistance. Section 8 eligible persons can use their Housing Choice Voucher towards their mortgage (instead of their rent). The person must go through the PHA, but most PHA's do not offer this as an option yet. For more information, contact the local Public Housing Authority.

Section 8 - Project based assistance. Housing Choice Voucher that is tied to the unit (instead of the family) through the Public Housing Authority (PHA). The person living there must qualify for Section 8 (less than 50% CMI) and only pays 30-40% of their income toward rent. The PHA pays the remainder up to a certain amount. For more information, contact the local Public Housing Authority.

Section 811. HUD provides funding to nonprofit organizations to develop rental housing with the availability of supportive services for very low-income adults with disabilities, and provides rent subsidies for the projects to help make them affordable. Interest-free capital advances may be used to construct, rehabilitate, or acquire structures to be developed into a variety of housing options. Types of housing include small group homes, independent living projects, and dwelling units in multi-family housing developments, condominium and cooperative housing. Funds must be used for very low-income persons with disabilities (those with physical disabilities, developmental disabilities, mental illness, or diagnosed with AIDS). The capital advance does not have to be repaid as long as the housing remains available for very low-income persons with disabilities for at least 40 years. Nonprofit organizations with a Section 501(c)(3) tax exemption from the IRS can apply to develop a Section 811 project if they can, among other requirements, submit a resolution that they will provide a minimum capital investment equal to 0.5 percent of the capital advance amount, up to a maximum of \$10,000. The program is similar to Supportive Housing for the Elderly (Section 202). Each project must have a supportive services plan. Services may vary with the target population but could include case management, training in independent living skills and assistance in obtaining employment. However, residents cannot be required to accept any supportive service as a condition of occupancy. For more information, go to HUD's web site at: <http://www.hud.gov/offices/hsg/mfh/progdesc/disab811.cfm>

Tax Increment Financing. Tax Increment Financing (TIF) helps cities/villages in Wisconsin attract growth in underdeveloped and/or blighted areas. TIF Districts can only be created by Wisconsin State Statute (among other statutory requirements) if not less than 50% of the district is a blighted area or is suitable for industrial development purposes. A city or village can designate a specific area within its boundaries as a TIF District and develop a plan to improve its property values. Developers receive funds based on the estimated increase in property value and sign a development agreement guaranteeing that value. The taxes generated by the increased property value pay for the funds that were originally used for land acquisition, public works projects and/or other eligible project costs as defined by State Statute. Note that Wisconsin State Statute specifically identifies that project costs associated with newly platted residential development for any tax incremental district is not eligible for TIF assistance if the project plan was approved after September 30, 1995. In order for these funds to be useful in affordable housing, the development may need to be a mixed-use or mixed-income development to guarantee the increased property value. For more information, contact the local Community Development Department.

Tax Increment Financing – Brownfield areas. Brownfield areas with known contamination that will be redeveloped may benefit from establishing an Environmental Remediation Tax Incremental Financing District (ER TIF). Counties, cities, villages and towns may all create ER TIF Districts. Eligible costs from the clean up of contamination are recovered through property taxes generated by the increase in values that occurs as a result of the cleanup and redevelopment (same as a TIF district). Details of the process, procedures and eligible project costs are further defined in Wisconsin State Statute 66.1106 Environmental Remediation Tax Incremental Financing. For more information, see State Statute 66.1106 or contact the local Community Development Department.

Traditional lenders. Various lenders have different programs for affordable homeownership options and/or development options. Contact your local lenders for information on the program(s) they offer.

United Way Fox Cities. United Way Fox Cities has identified affordable housing as a priority issue within our community. United Way acknowledges that more units of affordable housing are needed; however the organization does not have financial resources to back major capital projects at this time. The Community Investment Grant Fund may be an opportunity for program-related aspects of the project. Non-profit [501 (c)(3)] organizations, health and human service organizations, can apply for grant awards ranging from approximately \$1,000 to \$20,000 (dependent on amount of dollars in the fund at time of application). For more information, call (920) 954-7210.

Utilities. Applications must meet one of the priority areas. For example, WE Energies and other utility companies typically give grants of approximately \$15,000 for energy efficient design elements. There is a possibility of some grants for mechanical and infrastructure, energy efficiency, etc. For more information on types of grants available, contact the local utility companies in the community.

WHEDA Foundation. The WHEDA Foundation awards grants to local municipalities and non-profit organizations through the Persons-in-Crisis Program Fund to support the development or improvement of housing facilities in Wisconsin for low-income persons with special needs. Special needs is defined as homeless, runaways, alcohol or drug dependent, persons in need of protective services, domestic abuse victims, developmentally disabled, low-income or frail elderly, chronically mentally ill, physically impaired or disabled, persons living with HIV, and individuals or families who do not have access to traditional or permanent housing. There are two separate housing competitions: Emergency/Transitional category, and Permanent category. The maximum grant award is \$35,000 per project. There is no minimum grant award and smaller funding requests are allowed. Applicants may submit only one application per category. Funds can be used for acquisition/purchase, new construction, rehabilitation, accessibility improvements, conversions, or additions. For more information, go to WHEDA's web site at <http://www.wheda.com/programs/grants/about.asp>

WHEDA Home Improvement Loan. Similar requirements as a WHEDA HOME Loan. This loan has no equity requirement, a fixed interest for up to 15 years, but a slightly higher than market rate interest. For more information, go to WHEDA's web site at: http://www.wheda.com/my_home.asp

WHEDA HOME Loan (Homebuyer assistance). Through a participating lending institution, WHEDA provides lower interest loans to first-time homebuyers with a good credit rating. The program has a higher income eligibility than is allowed with HOME/HCRI funds (varies by county). They accept lower down payments and higher debt-to-income ratios than traditional lending practices allow. There is a recapture tax if the value of the home or the household income significantly increases in the first 10 years. For more information, go to WHEDA's web site at: http://www.wheda.com/my_home.asp

WHEDA HOME PLUS. Through a participating lending institution, WHEDA provides up to \$10,000 in a loan for low-moderate income homebuyers (income guidelines same as WHEDA Home Loan) to be used for down payment, closing costs, and home repairs. Interest rates are slightly higher than market rate. For more information, go to WHEDA's web site at: http://www.wheda.com/my_home.asp

WHEDA Major Rehabilitation Loan. Similar eligibility as a WHEDA HOME Loan. This loan requires the borrower to spend at least 1/3 of the purchase price on repairs plus an additional 10% of those repairs for cost overruns. The total of the purchase price and repairs cannot exceed the WHEDA Purchase Price Limits or a 90% loan to value ratio. The loan for the repairs is rolled into the mortgage at a below-market interest rate at a fixed rate for 30-years. For more information, go to WHEDA's web site at http://www.wheda.com/my_home.asp

WHEDA Partnership for Homeownership. This loan is similar to the WHEDA HOME Loan, but is used in combination with a Rural Development loan for use in communities smaller than 20,000. The loan provides low interest rates, no PMI is charged, and no down payment is required. For more information, go to WHEDA's web site at: http://www.wheda.com/my_home.asp

WHEDA Tax Credits. Non-profit or for-profit developers can apply for tax credits through WHEDA's tax credit program. The credits are a dollar for dollar reduction of taxes that are sold to an investor (usually for between \$0.75 to \$0.80 on the dollar). The money received from the sale of the tax credits can then be used as equity to develop rental property (new construction or rehabilitation) for units serving low-income households (60% CMI or less). The program is designed primarily to assist those households closer to the 60% CMI level. In cooperation with the tax credits, WHEDA receives a HOME set-aside that can be applied for as a grant to assist in developing rental units for those under 50% CMI. For more information, go to WHEDA's web site at: http://www.wheda.com/cat_mf/taxcredit.asp

WHEDA Tax Exempt Bond Financing. Tax-Exempt Bond Financing provides long-term (15-30 years, fixed), below market interest rate financing for the construction, acquisition and rehabilitation of affordable rental housing. Funds can be used for new construction, acquisition and/or rehabilitation of existing properties, historic preservation, Community Based Residential Facilities (CBRF's), Residential Care Apartment Complexes (RCAC's), and Section 8 properties. Although the development must be used mainly for residential purposes, some mixed use is acceptable, such as retail space or day care facilities. For more information, go to: http://www.wheda.com/cat_mf/tax_ex.asp

Wisconsin Historical Society. The Wisconsin Historical Society has two programs for preserving historical buildings/homes. A) Through the Society's division of Historic Preservation they administer a program of 25% state income tax credits for repair and rehabilitation of historic homes in Wisconsin. To qualify it must be a personal residence of the applicant and the residence must be one of the following: 1). Listed in the state or national register, 2). Contributing to a state or national register historic district; or 3). Be determined through the tax credit application process to be eligible for individual listing in the state register. The owner must spend at least \$10,000 on the following types of eligible work within a 2-year period: a). Work on the exterior of the home, such as roof replacement & painting, but not including site work such as driveways and landscaping; b). Electrical wiring, not including electrical fixtures; c). Plumbing, not including plumbing fixtures; d). Mechanical systems, such as furnaces, air conditioning, and water heaters; and, e). Structural work, such as jacking up floors.

B) Owners of historic income-producing properties in Wisconsin may be eligible for two income tax credits that can help pay for their building's rehabilitation. The Federal Historic Preservation Credit returns 20% of the cost of rehabilitating historic buildings to owners as a direct reduction in their federal income taxes. The Wisconsin Supplemental Historic Preservation Credit returns an additional 5% of rehabilitation costs to owners as a discount on their Wisconsin state income taxes. Owners that qualify for the Federal Historic Preservation Credit automatically qualify for the Wisconsin supplement if they get National Park Service approval before they begin any work. For additional information on qualifying, visit www.wisconsinhistory.org.

Glossary of Terms

- AHP** – Affordable Housing Program
- BEDI Grant** – Brownfield Economic Development Initiative Grant
- CBRF** – Community Based Residential Facility
- CDBG** – Community Development Block Grant
- CHDO** – Community Housing Development Organization
- CMI** – County Medium Income
- CRA** – Community Reinvestment Act
- ER TIF** – Environmental Remediation Tax Incremental Financing
- FHA** – Federal Housing Administration
- FHLB** – Federal Home Loan Bank
- HCRI** – Housing Cost Reduction Initiative
- HUD** – U.S. Department of Housing and Urban Development
- PECFA** – Petroleum Environmental Cleanup Fund Act
- PHA** – Public Housing Authority
- PMI** – Private Mortgage Insurance
- RCAC** – Residential Care Apartment Complex
- SBA** – Small Business Administration
- SRO** – Single Room Occupancy
- TIF** – Tax Increment Financing
- WHEDA** – Wisconsin Housing and Economic Development Authority.

Funding Matrix

Funding Source	Individual	Non-Profit	For-Profit	Government
BEDI Grant				*
CDBG (entitlement)				*
CDBG (small cities)				*
CDBG Set-aside				*
Community Reinvestment Act	*	*	*	
Fannie Mae - Loan to municipality				*
Fannie Mae - Loan to the sponsor		*	*	
Fannie Mae Foundation Grants		*	*	*
FHA	*		*	
FHLB and Affordable Housing Program funds		*	*	*
First-time homebuyers program	*			
Habitat for Humanity	*			
HCRI funds		*	*	*
Home funds (CHDO)		*	*	*
HOME Rental Rehab funds		*		*
HOME/Homebuyer funds		*		*
Movin' Out	*			
Other Private Foundations		*		
Outagamie County Housing Authority Trust Funds		*	*	*
PHA bond financing		*	*	*
Section 108 funds				*
Section 202		*		
Section 8 - homeowner assistance	*			
Section 8 - Project based assistance			*	*
Section 811		*		
Tax Increment Financing			*	*
Tax Increment Financing - Brownfield areas			*	*
Traditional Lenders	*	*	*	
United Way Fox Cities		*		
Utilities		*		
WHEDA Foundation		*		*
WHEDA Home Improvement Loan	*			
WHEDA HOME Loan (Homebuyer assistance)	*			
WHEDA HOME PLUS	*			
WHEDA Major Rehabilitation Loan	*			
WHEDA Partnership for Homeownership	*			
WHEDA Tax Credits		*	*	
WHEDA Tax Exempt Bond Financing		*	*	*
Wisconsin Historical Society	*	*	*	

Model Project Sub-Committee Members:

Gayle Hardt – United Way of the Fox Cities
 Bruce Haupt – Van’s Realty and Construction
 Pat Leigl – Salvation Army
 Lynn Raether – Valley Home Builders Association
 David Lindstrom – M&I Bank
 John Weyenberg – Fox Cities Habitat for Humanity
 *Laura Wittmann – Economic Development, City of Appleton

*Sub-committee Chairperson

Additional Funding Sources

Two funding agencies, which operate within our region and were not included in the Model Policies Subcommittee report, include USDA Rural Development and the Veterans Administration. Veterans benefits are available throughout the region through individual county offices. USDA Rural Development funds are available in rural communities only. A very brief description of products is provided below.

USDA Rural Development: USDA Rural Development offers a variety of housing products, which are available in rural areas. Information about individual products listed below was obtained from the USDA Rural Development website at: www.rurdev.usda.gov/rhs. For additional information, please check out the website, and/or contact your local Rural Development office in Fond du Lac or Shawano, or the state office in Stevens Point.

Single family home products include:

- Guaranteed loans and direct loans, which are primarily used to help low-income individuals or households purchase homes in rural areas.
- Housing repair and rehabilitation grants and loans, which are primarily used to improve or modernize a home, or to remove health and safety hazards.
- Self-Help technical assistance grants, which are designed to help fund nonprofits, who provide technical assistance to help low-income families build their own homes.
- Mutual Self-Help loans, which are targeted to low income households to help them build their own home.
- Rural housing site loans, which provide funds to nonprofit groups to purchase and develop housing sites for low income households.

Multi-family housing products include:

- Loans and grants, which finance the development of affordable rural multi-family rental housing.
- Grants, which provide funds to nonprofit organizations, local governments and Native American Tribes to renovate existing multi-family units. These funds can also be used to help individuals repair private homes.
- Rental assistance, which helps subsidize the rent for persons with very low and low incomes, the elderly, and persons with disabilities living in nonprofit owned units financed by Rural Development.

Farm labor housing products include:

- Loans and grants to public and nonprofit entities or individual farmers, which provide funds for the construction of farm labor housing.
- Farm labor housing technical assistance grants, which are designed to help public and nonprofit agencies meet special needs of farm laborers.

Veterans Administration: The Veterans Administration provides a variety of housing products for eligible veterans and their dependents. Products include low cost loans for purchase, construction or repair of owner-occupied housing. Contact your county veterans service office for information about specific programs.

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APPENDIX C – Summary of Proceedings

Summary of Proceedings

for the

**Urban Housing Policy Technical Advisory Committee/
Model Policy Subcommittee**

SUMMARY OF PROCEEDINGS

Develop Model Policies/Standards Subcommittee Meeting
ECWRPC Offices
Date: October 17, 2002

The meeting was called to order by Betty Nordeng at 1:05 P.M.

Those in attendance were:

- Carol Kasimor City of Neenah Community Development
- Jeff Gill Appleton Housing Authority
- Dave Tebo Town of Greenville
- Bob Hoepfner Heritage Development Corporation
- David Eisele Martenson and Eisele, Inc.
- Laura Johnston City of Appleton Planning Department
- Bud Klister Kaukauna Housing Authority
- Jim Salm Darboy Sanitary District
- Lori J. Bishop Coldwell Banker – Neenah Office
- Laura Wittmann City of Appleton Economic Development
- Mike Hendrick Outagamie County Planning Department
- Betty Nordeng ECWRPC Staff

1. Review mission and pertinent objectives of the Public/Private Role in Affordable Housing Development Committee

Betty Nordeng briefly discussed the Appleton Housing Authority’s housing needs study and explained that this subcommittee was developed to help implement the recommendations in the *Blueprint to Affordable Housing* report, which was commissioned by the Appleton Housing Authority as part of their strategic planning process. She noted that the Develop Model Policies/Standards Subcommittee is one of four subcommittees established by the Public/Private Role in Affordable Housing Development Committee to more efficiently address the issues associated with defining the Fox Valley’s public and private role in addressing the affordable housing needs in our communities. Betty presented the mission statement of the Public/Private Role in Affordable Housing Development Committee and reviewed the goals and objectives that had been assigned to the Develop Model Policies/Standards Subcommittee.

2. Define/revise subcommittee mission, goals and objectives

The subcommittee discussed the goals and objectives presented. Dave Eisele stated that he would rather see the committee recommend ordinances, rather than policies. He noted that policies are easily changed. Written ordinances provide a framework for developers to work within. The goals and objectives were further modified so that they can be more easily addressed in a committee structure. Mike Hendrick recommended that the mission statement be changed from “to develop a set of policies and standards” to “develop a consistent set of policies and standards”, the subcommittee mission statement was revised to read:

“To develop a consistent set of policies and standards that would help eliminate some of the barriers to developing affordable housing, and bring those policies to the various local units of government and propose that they adopt those policies/standards that will facilitate the provision of affordable housing in their community.”

Betty volunteered to type up the revised goals and objectives and bring them back to the subcommittee for review and approval at the next subcommittee meeting.

3. Establish subcommittee framework

Betty Nordeng explained that the East Central Wisconsin Regional Planning Commission (ECWRPC) was in the process of developing their regional "Smart Growth" plan. She asked that the subcommittee consider the relationship and timing between this subcommittee's work and the Commission's efforts to develop the regional plan. She presented two alternatives. The first alternative would expand the subcommittee to include individuals from the Oshkosh and Fond du Lac Urban Areas, and turn the subcommittee into a technical advisory committee to the regional plan's housing element. This would allow for the development of a consistent set of urban policy recommendations to ECWRPC's regional plan and to the Public/Private Role in Affordable Housing Development Committee. In the second alternative, the subcommittee would maintain its present status. The subcommittee recommendations would then go to the Public/Private Role in Affordable Housing Development Committee and to an ECWRPC technical advisory committee. ECWRPC's technical advisory committee would then have the option of accepting the subcommittee's recommendations, or revising them with input from the Oshkosh and Fond du Lac Urban Areas.

The subcommittee discussed the issues involved in enlarging the subcommittee's mission. Jeff Gill and Laura Wittmann expressed concern that enlarging the committee may detract from the initial goal, which was to provide direction to the Appleton Housing Authority. Carol Kasimor noted that the Fox Cities Housing Coalition was involved in the implementation of these recommendations. The Coalition involves several agencies and government entities that work throughout the Fox Cities. As a result, the focus for this subcommittee had already been expanded to include the entire Fox Cities. Other issues raised included time commitments, overlapping interests, meeting location, committee size, unique community issues and consistency of purpose. Committee members questioned Oshkosh & Fond du Lac's interest in participating in this effort. Jeff Gill noted that the Appleton Housing Authority had spent the time and money to identify affordable housing needs in the Fox Cities. Oshkosh and Fond du Lac may not be facing the same set of issues as the Fox Cities. Dave Eisele noted that one of the barriers in the Fox Cities was the price of land. He noted that land prices were cheaper in Fond du Lac, so that issue may not be as important to them. The subcommittee decided that Betty would contact representatives from Oshkosh & Fond du Lac. If they were interested in participating in this effort, then the subcommittee would become a technical advisory committee to the regional plan. Otherwise, the subcommittee would maintain its present status.

The subcommittee then discussed the time frame for meeting the subcommittee's goals and objectives. Betty recommended that the work be completed in 8 months or less, in order to coordinate with other subcommittee's efforts. Laura Wittmann briefly identified the other committees and subcommittees that had been formed to implement the recommendations in the *Blueprint to Affordable Housing* report. She noted that the mission of one of the other subcommittees was to organize a half day mini-conference to be held next summer where the findings from the other committees and subcommittees would be presented.

4. Identify process.

The subcommittee discussed various methods for meeting the goals and objectives outlined. It was determined that no further breakouts will occur. All issues and recommendations will be discussed by the subcommittee as a whole. The subcommittee will meet monthly on the second Thursday of the month until the goals and objectives are met. The committee will attempt to meet those goals and objectives within 8 months or less. Prior to the next meeting, subcommittee members will individually compile a list of barriers to the provision of affordable housing in the area. Laura Johnston noted that some of those barriers had already been identified in the *Blueprint to Affordable Housing*. Jeff Gill offered to provide a copy of the report to any subcommittee members who had not received a copy of the report. The barriers identified will be discussed at the next meeting.

5. Schedule next meeting date.

The next meeting will be held on Thursday, November 14, 2000 at 1:30 P.M. at the ECWRPC office.

SUMMARY OF PROCEEDINGS

Urban Housing Policy Technical Advisory Committee Meeting
ECWRPC Offices
Date: November 14, 2002

The meeting was called to order by Betty Nordeng at 1:45 P.M.

Those in attendance were:

Mike Bonertz	.....	ADVOCAP
Lu Sheer	.....	ADVOCAP
John Angeli	.....	City of Fond du Lac
Sue Kepplinger	.....	City of Oshkosh Planning Department
Chad Zuleger	.....	WI Realtors Association
Russell Klug	.....	Contemporary Designs
Jim Salm	.....	Darboy Sanitary District
Bud Klister	.....	Kaukauna Housing Authority
Laura Wittmann	.....	City of Appleton Economic Development
David Eisele	.....	Martenson and Eisele, Inc.
Laura Johnston	.....	City of Appleton Planning Department
Betty Nordeng	.....	ECWRPC Staff

1. Review revised mission statement, goals and objectives of the Urban Housing Policy Technical Advisory Committee

John Angeli noted that the mission statement was quite long, and recommended that it be rewritten in a more succinct fashion. Sue Kepplinger stated that the mission statement was narrowly focused and as written would not fulfill all the requirements of the housing element of the regional plan. Betty Nordeng agreed. She explained that this committee was serving a dual function. She noted that this committee is functioning as a subcommittee to the Fox Cities Public/Private Role in Affordable Housing Development Committee and as a technical advisory committee to the regional plan. The subcommittee’s assigned role is to develop model policies/standards to reduce barriers to affordable housing in the Fox Cities. One of the recommendations in the Smart Growth housing element guide is that communities identify barriers to affordable housing and make recommendations to reduce those barriers. In order to coordinate both efforts, and complete the subcommittee’s work in a timely fashion, this TAC was designed to focus only on the portion of the housing element which dealt with barriers to affordable housing in the urban communities in the East Central region. She noted that other committees would be formed at a later date and additional opportunities would be provided for communities to provide further input into the regional plan. Laura Wittman noted that other committees and subcommittees were meeting to deal with other housing issues identified in *Blueprint to Affordable Housing* report, which was commissioned by the Appleton Housing Authority as part of their strategic planning process. Committee members revised the mission statement. Dave Eisele reiterated his desire to see the committee recommend ordinances, rather than policies. Minor modifications were also made to the goals and objectives. Betty photocopied the revised mission statement, goals and objectives. Committee members agreed to review the revisions prior to the next meeting.

2. Discuss identified barriers to affordable housing

Betty opened the discussion by briefly listing the issues which had been identified in the *Blueprint to Affordable Housing* report and in focus groups held to provide public input into East Central’s regional plan. Sue Kepplinger stated that some of the issues identified were not issues in the City of Oshkosh. Betty explained that not every community would have the exact same issues. She also noted that a one size fits all solution would not work for all communities either. The goal of the committee was to identify

barriers to affordable housing in our communities, note cases that were unique and develop a toolbox of solutions which communities can use to address the barriers that exist within their communities. Committee members listed and discussed various barriers to the development and retention of affordable housing. Betty offered to compile the identified barriers into a text document to be presented for review at the next meeting. She asked that committee members submit any additional comments or issues to her so that they can also be included in the text.

3. Schedule next meeting date.

The next meeting will be held on Thursday, December 12, 2002 at 1:30 P.M. at the ECWRPC office.

4. Meeting was adjourned at 3:45 p.m.

SUMMARY OF PROCEEDINGS

Urban Housing Policy Technical Advisory Committee Meeting
ECWRPC Offices
Date: December 12, 2002

The meeting was called to order by Betty Nordeng at 1:40 P.M.

Those in attendance were:

John Coughlin	.....Coldwell Banker, The Real Estate Group
John Angeli	..... City of Fond du Lac
Louie Lange	..... Commonwealth Development Corp
Russell Klug	..... Contemporary Designs
Chad Zuleger	..... WI Realtors Association
Mike Hendrick	..... Outagamie County Planning
Dave Tebo	..... Town of Greenville
Sue Kepplinger	..... City of Oshkosh Planning Department
David Eisele	..... Martenson & Eisele, Inc.
Laura Wittmann	..... City of Appleton Economic Development
Betty Nordeng	.....ECWRPC Staff

1. Review revised mission statement, goals and objectives of the Urban Housing Policy Technical Advisory Committee

The committee reviewed and adopted the revised mission statement, goals and objectives.

2. Discuss identified barriers to affordable housing

Betty Nordeng opened the discussion by asking for comments on the preliminary draft of Barriers to Affordable Housing report. John Angeli stated that he would be more comfortable with the barriers listed in bullet points, rather than in paragraph form. Louie Lange agreed and also stated that he would like to see the unedited comments from each individual, so that he would understand where everyone is coming from. Laura Wittmann echoed his sentiment. Betty offered to compile the comments as listed by each individual if the rest of the committee was in favor. They were. Betty agreed to distribute the comments prior to the next meeting. Louie also noted that real life examples of the listed barriers might be more effective.

The committee then began discussing identified barriers listed under public opposition. Sue Kepplinger noted that the City of Oshkosh has property tax data, which can show that the presence of affordable housing does not lower property values. She stated that a real life example that can be used to help reduce public opposition is the small, well-maintained houses that were originally built as affordable units in the 1940's. Many of these units are no longer considered affordable housing. We should explain to the public that we wish to create a new supply of these units to meet market demand. She also noted that the market for small infill lots is very competitive in Oshkosh. John noted that others may not care if affordable housing is needed. They don't want "those" people in their community.

In reference to poor management issues, Louie noted that the cost of management for rental properties is very high. Mom and Pop outfits can't afford to hire quality managers. Even larger complexes may have trouble affording good quality management.

Sue stated that Oshkosh needs SRO's (single room occupancy units); however, these units are scare people and developers. They are a management nightmare, as many of the people who need these units

have issues that need to be addressed. She also noted that these units have a low return on investment. Each community looks at that (the return on investment).

John Coughlin asked how many of each type of unit do we need? Has anyone identified numerically the amount of units needed? Laura Wittman referred him to the *Blueprint to Affordable Housing Report*.

The committee discussed the growing minority community. Members noted that while the actual numbers are very small, their presence has had a large impact on this area. A huge gap exists in the knowledge regarding cultural differences. Language is also a barrier for some groups.

The potential for zero lot line development was raised. Louie Lange stated that no market existed for that type of development. Sue Kepplinger stated that that is a perception problem. We are underestimating the market.

Dave Eisele stated that one of the barriers to constructing new affordable housing is finding a bank that will loan for these projects. John Coughlin noted that Fannie Mae wants to loan on these projects.

3. Other business.

Russell Klug provided a video, "Back to the Future: Designs for Walkable Neighborhoods", for the committee to watch. The video, produced by Citizens for a Better Environment, shows examples of standard suburban development and compares it with pedestrian-friendly developments such as compact, mixed-use development, pedestrian-oriented site design and traditional neighborhood street design. The video uses examples from communities in Wisconsin and Illinois.

Chad Zuleger provided copies of the Winter 2003 issue of *On Common Ground*, which includes several articles on affordable housing and smart growth.

4. Schedule next meeting date.

The next meeting will be held on Thursday, January 9, 2003 at 1:30 P.M. at the ECWRPC office.

5. Meeting was adjourned at 3:40 p.m.

SUMMARY OF PROCEEDINGS

Urban Housing Policy Technical Advisory Committee Meeting
ECWRPC Offices
Date: January 9, 2003

The meeting was called to order by Betty Nordeng at 1:30 P.M.

Those in attendance were:

John Angeli	.....	City of Fond du Lac
Louie Lange	.....	Commonwealth Development Corp
Russell Klug	.....	Contemporary Designs
Mike Hendrick	.....	Outagamie County Planning
Carol Kasimor	.....	City of Neenah
Jim Salm	.....	Darboy Sanitary District
Jeff Gill	.....	Appleton Housing Authority
Laura Wittmann	.....	City of Appleton Economic Development
Betty Nordeng	.....	ECWRPC Staff

1. Discuss identified barriers to affordable housing

The committee continued to review the Political Barriers section of the preliminary draft of *Barriers to Affordable Housing* report. Betty Nordeng opened the discussion by asking for additions or changes to the lack of political will/support section. Russell Klug noted that competition between districts for project funds and tax base should be added. Louie Lange stated that pet projects can also be a barrier to certain forms of affordable housing. For example, Louie noted that senior housing projects are typically more acceptable than family housing projects. Tax credits are granted by political agencies with no regard to geographic equity. Government finance has a "use or lose" mentality. As a result, the housing provider and/or community does not have the opportunity to be selective, nor can they hold the funds over for a better project for next year. Russell Klug noted that expansion of government facilities often forces the relocation or destruction of affordable housing in downtown areas. John Angeli noted that the Bureau of Housing arranges cities into classes. Competition, amount and eligibility of funding varies based on your city's class.

Discussion was expanded to include the insufficient knowledge/resources section. Mike Hendrick noted that waste or inefficient use of resources often results from bad policy decisions, which resulted from a lack of knowledge. Laura Wittmann stated that turf wars exist because of a lack of resources. Louie Lange stated that soft money is over regulated. John Angeli agreed, noting that over regulation of the process makes projects less effective. He stated that more flexibility is needed. Populations change. As a result, a project that is designed for a target audience may not over time fit reality. When a change in population results in an insufficient number of households in the target audience to fill specified units, projects end up with high vacancy rates. It is unrealistic to expect developers to cover the cost resulting from high vacancy rates in this situation. Both Louie and John stated that less regulation is needed. Regulations not only drive up the cost for the developer, but also drive up administration and management costs.

Tax credit units, for example, are designed to serve households with incomes at 60% of county median income (CMI). In Appleton, tax credit projects are currently 98.6% occupied; but the city has an even greater need for housing for households at 30% to 50% of CMI. In the past, tax credit projects in Neenah have had high vacancy rates; and currently, tax credit projects in Fond du Lac have high vacancy rates. Mike Hendrick stated that regional sharing of information may help eliminate some of these barriers.

John Angeli noted that location is not the only issue. Senior housing built to specifications in Fond du Lac in the 1960's is now functionally obsolete. As a result, these projects have high vacancy rates, while new units have waiting lists. Laura Wittman noted that Appleton has the same problem. It was also noted that high vacancy rates can also result from people's perception that a particular development is a "bad" place to live.

Mike Hendrick noted that lack of planning is also an issue. To often, communities try to retrofit infrastructure, rather than proactively plan for future upgrades. Retrofitting can be very expensive. Russell Klug agreed. He noted that new roads or road expansions increase land costs. Taxpayers pay for the roads. In an effort to lower costs when communities expand roads, they typically pick the cheapest land. Often the cheapest land, and land acquisitions which generate the least public opposition, is land where low-income housing is located.

2. Other business.

Betty Nordeng informed the committee that a draft of the issues and opportunities and housing element chapters of the region's state of the region report had been completed. The draft report is expected to go before the Commission in January for approval, then again in April for adoption. Key findings for these sections will be presented to the committee as an informational item.

3. Schedule next meeting date.

The next meeting will be held on Thursday, February 13, 2003 at 1:30 P.M. at the ECWRPC office.

4. Meeting was adjourned at 2:30 p.m.

SUMMARY OF PROCEEDINGS

Urban Housing Policy Technical Advisory Committee Meeting
ECWRPC Offices
Date: February 13, 2003

The meeting was called to order by Betty Nordeng at 1:40 P.M.

Those in attendance were:

Carol Kasimor	.....	City of Neenah
Jim Salm	.....	Darboy Sanitary District
Louie Lange	.....	Commonwealth Development Corp
Russell Klug	.....	Contemporary Designs
Laura Wittmann	.....	City of Appleton Economic Development
Laura Johnston	.....	City of Appleton
David Eisele	.....	Martenson & Eisele, Inc.
Betty Nordeng	.....	ECWRPC Staff

1. Presentation of pertinent key finds identified in the draft report, *Milestone Report #1: State of the Region*

Betty Nordeng summarized key findings from the Issues and Opportunities and Housing Chapters of *Milestone Report #1: State of the Region*. Betty explained that the draft report was on East Central's website by chapter, so that anyone with access can view and comment on the draft. She also explained that the next report, *Milestone Report #2: Issues/Opportunities and Visioning*, is expected to be completed in October 2003. As a result, staff will soon be forming technical advisory committees to provide input into East Central's regional plan.

Betty stated that she would be forming two committees to address housing issues. One committee will be a short term rural equivalent of this committee. The other committee will be to provide input throughout the region for the remainder of the housing element. Betty then passed around sign up sheets, so that any interested committee member could sign up for either committee.

2. Continue to discuss identified barriers to affordable housing and begin identifying potential solutions.

Betty Nordeng noted that the committee needed to complete its task in June; so while it was okay to continue to expand and refine the discussion regarding barriers to affordable housing, it was important that the committee begin forming potential solutions to the identified barriers. The committee discussed potential solutions to the NIMBY barriers.

Potential solutions primarily revolved around the need to educate the public, bring them into the development process earlier, increase coordination between developers and community staff and pay more attention to design issues. Carol Kasimor noted that we can alleviate some of the anxiety people have about affordable housing by connecting the dots for them, ie showing them what it will look like, who will likely live there, etc. Others agreed. David Eisele noted that when his firm has kept neighbors of a proposed development informed throughout the process, the approval process has gone smoother. Laura Johnston stated that the city assessor can document that affordable housing does not lower property values. Committee members noted that a pamphlet or brochure with supporting evidence and documentation would be very helpful. Laura Wittmann noted that another subcommittee had been established to educate the community and improve public relations. We should coordinate with them, so we are not duplicating what is being or has already been done.

Committee members noted that the traditional neighborhood design (TND) concept had most of the elements necessary to make housing affordable. However, many TND projects are not affordable. Committee members spent considerable time discussing the economic and political realities that result in TND projects becoming upscale projects, rather than affordable projects. Louie Lange stated that he was aware of some projects in Tennessee and the Carolinas that included an affordable component. Projects Louie discussed included Harbor Town, Port Royale, Habersham and Biltmore Park.

3. Other business.

Betty explained that East Central would be losing its large conference room to other functions. Committee members discussed other potential meeting sites. Members decided to continue to meet at the ECWRPC offices, using the smaller conference room for meetings. Should this become inconvenient, meetings can be moved to another location.

4. Schedule next meeting date.

The next meeting will be held on Thursday, March 13, 2003 at 1:30 P.M. at the ECWRPC office.

5. Meeting was adjourned at 3:40 p.m.

SUMMARY OF PROCEEDINGS

Urban Housing Policy Technical Advisory Committee Meeting
ECWRPC Offices
Date: March 13, 2003

The meeting was called to order by Betty Nordeng at 1:40 P.M.

Those in attendance were:

Russell Klug	.....	Contemporary Designs
Mike Hendrick	.....	Outagamie County Planning
Carol Kasimor	.....	City of Neenah
Laura Wittmann	.....	City of Appleton Economic Development
Sue Kepplinger	.....	City of Oshkosh
Louie Lange	.....	Commonwealth Development Corp
Betty Nordeng	.....	ECWRPC Staff

1. Continue to discuss identified barriers to affordable housing and begin identifying potential solutions.

The committee continued to discuss potential solutions to neighborhood opposition to affordable housing, in particular focusing on negative associations with affordable housing. Susan Kepplinger noted that we know that high concentrations of affordable units don't work. However, we don't know what the appropriate mix is. Louie Lange stated that investors in tax credit properties won't agree to a mix of affordable and market rate housing, because they do not want to lose equity in the property. He also stated that it would not work financially for the developer. Laura Wittman noted that the Model Project Subcommittee looked for research that evaluated affordable/market rate housing ratios and single family/multifamily ratios. The subcommittee was unable to find any evidence or evaluation of various ratios. After considerable discussion, the committee decided that more time and effort is needed to address this issue. The committee did make the following recommendations towards alleviating some of the negative associations with affordable housing projects:

- More publicity needs to be focused on successful housing projects.
- An early intervention process should be developed and in place to deal with any problems which arise within projects.
- Education such as tenant training, "Rent Smart" or other life skills/financial education programs should be available.
- Communities could develop a rental permit process, whereby potential rental property owners would have to obtain a permit, which would be good for a specified number of years. A property owner would only be able to obtain and renew a permit, if the property past a building inspection.

The committee separated the modular home issues from mobile home issues. Sue Kepplinger stated that the only opposition to modular housing in Oshkosh comes from stick builders. Louie Lange noted that modular homes are not necessarily affordable. Russell Klug noted that quality may not be consistent between all vendors. The committee determined that public opposition to modular housing could, in most instances, be alleviated by showing the neighborhood and city council pictures of the modular units, which will be placed on site.

Most committee members present were opposed to mobile homes themselves, and were therefore reluctant to form potential solutions to eliminate opposition to mobile homes. Betty Nordeng noted that in some areas of the country they do provide an affordable housing alternative. After some discussion, it was determined that, while mobile homes exist locally, mobile homes are culturally unpopular in this area. Mike Hendrick noted that a niche market for mobile homes may exist. He recommended that mobile homes be accommodated on a regional scale.

The committee discussed opposition to multi-family projects. It was recommended that city/county staff and councils/plan commissions provide more of a leadership role. Sue Kepplinger noted that the assessor for the City of Oshkosh conducted a study that showed that some multi-family projects actually increased property values for nearby single family homes. The committee recommended more up front education and information about projects. Sue Kepplinger noted that we should document infrastructure savings, both from a development and maintenance perspective.

The committee discussed the difficulties with siting and developing housing for the extremely low income (ie emergency shelters, SROs, etc). An additional barrier identified was the combination of intake assessment under the new HUD rules and an insufficient number of vouchers, which allowed housing authorities to "cherry pick" the residents they will serve. It was determined that this housing most likely could only be developed by a nonprofit agency. More soft money is needed. For transitional housing and permanent supportive housing, the committee felt that scattered, small units, with high quality on-site management, was the preferred alternative.

2. Other business.

Louie Lange brought a pilot DVD developed by WHEDA to show successful tax credit projects. Louie also presented pictures of one of his projects.

3. Schedule next meeting date.

The next meeting will be held on Thursday, April 10, 2003 at 1:30 P.M. at the ECWRPC office.

4. Meeting was adjourned at 4:00 p.m.

SUMMARY OF PROCEEDINGS

Urban Housing Policy Technical Advisory Committee Meeting
ECWRPC Offices
Date: April 10, 2003

The meeting was called to order by Betty Nordeng at 1:35 P.M.

Those in attendance were:

- Laura JohnstonCity of Appleton Planning Dept.
- Laura Wittmann City of Appleton Economic Development
- Mike Hendrick Outagamie County Planning
- John Angeli City of Fond du Lac
- Russell Klug Contemporary Designs
- Sue Kepplinger City of Oshkosh
- David Eisele Martenson & Eisele, Inc.
- Betty NordengECWRPC Staff

1. Continue to discuss identified barriers to affordable housing and begin identifying potential solutions.

The committee began the discussion with identifying potential solutions to barriers to affordable housing associated with a lack of political will or support. Suggestions included providing more detail regarding the project, showing why the project is needed, who it is expected to serve, and developing coalitions with other departments or organizations, which may be supportive. John Angeli noted that economic development groups, in particular, would be likely allies if they realized that wages for certain industries did not support housing. It was also suggested that politicians should have more backbone, as sometimes the right decisions are not the most popular decisions.

Potential solutions to insufficient knowledge or lack of resources were the next topic of discussion. Russell Klug suggested that TIF property or brownfield redevelopments may be appropriate sites for low income housing. Sue Kepplinger and Laura Wittman noted that while the sites might be in appropriate locations, financially such projects were unlikely. TIFs need to generate income and environmental cleanups are usually quite expensive. Betty Nordeng noted that some such projects exist, and questioned whether or not some unique circumstances may allow for such developments. After some discussion, both suggestions were included with financial caveats. Sue Kepplinger noted that redevelopment projects were complex and that they are not always successful. She discussed the difficulty Oshkosh has had in trying to redevelop the old Mercy Hospital site. She noted that it is very important that the staff involved in the project understand cash flow. Often, staff do not have the education or training to properly select or manage these projects. Better trained staff would help resolve these issues.

The discussion turned to the problems associated with large low wage employers. Dave Eisele suggested that governments could develop regulations or ordinances, which required large low wage employers to provide some form of housing support. Betty stated that San Francisco requires such employers to provide housing or funds that can be used towards housing for low-income households. Committee members also described how St. Joseph’s hospital in Milwaukee bought up property surrounding the hospital to clean up a deteriorating neighborhood and to provide convenient housing for their staff. Sue Kepplinger suggested that communities could develop an impact fee, which was inversely proportional to wages. Laura Johnston noted that it would be very difficult to pass such a measure unless communities did it together. Sue recommended that the report include a statement up front that clearly stated that all communities in the area have affordable housing issues and that we all need to work together to solve those issues.

John Angeli proposed requiring a housing component in business parks to reduce transportation costs. Mike Hendrick suggested that an impact fee could be used for housing or transportation. He also suggested that the business park could furnish a shuttle to transport low wage employees from off site housing to businesses within the park. Sue Kepplinger noted that an impact fee could be used to offset any community costs associated with employers, which paid less than the living wage. She mentioned that childcare or health care benefits would also be appropriate uses for those funds.

Committee members discussed the lack of communication between economic development professionals and housing providers. It was noted that CHAMPCO in Oshkosh does not keep the City of Oshkosh informed regarding their economic development activities, and seems to give little consideration to the relationship between wages and the cost of housing. Mike Hendrick stated that the Fox Cities Economic Development Partnership only pursues industries that pay \$15.00 per hour or more. However, low wage businesses, particularly retail, seem to automatically follow development.

One of the identified barriers to affordable housing for families was a preference for pet projects, such as senior housing. John Angeli stated that newly developing areas in Fond du Lac had been receptive to the concept of life cycle housing.

Lack of government funds is another important barrier to affordable housing. While we may be able to encourage more funding for housing, with current budget shortfalls, increased funding is unlikely. Committee members suggested that governments need to work closer with lenders to obtain financing for affordable housing development. Sue Kepplinger stressed the need to bring financial institutions to the table. She stated that the Community Reinvestment Act (CRA) has not worked. John Angeli agreed that the intent of the legislation has not matched reality. CRA dollars can be used for a variety of projects, including financing fireworks shows.

2. Other business.

Betty Nordeng reminded the committee that the original intent was to complete the committee's work by June, and noted that considerable work needs to be completed prior to the end of June. She asked for a stated preference for meeting the deadline. Committee members present chose to agree to additional work between meetings, rather than scheduling additional meetings to complete the project.

3. Schedule next meeting date.

The next meeting will be held on Thursday, May 8, 2003 at 1:30 P.M. at the ECWRPC office.

4. Meeting was adjourned at 3:45 p.m.

SUMMARY OF PROCEEDINGS

Urban Housing Policy Technical Advisory Committee Meeting
ECWRPC Offices
Date: May 8, 2003

The meeting was called to order by Betty Nordeng at 1:30 P.M.

Those in attendance were:

Russell Klug	.....	Contemporary Designs
Bud Klister	.....	Kaukauna Housing Authority
John Angeli	.....	City of Fond du Lac
Mike Bonertz	.....	ADVOCAP
Lu Sheer	.....	ADVOCAP
Carol Kasimor	.....	City of Neenah
Mike Hendrick	.....	Outagamie County Planning
Betty Nordeng	.....	ECWRPC Staff

1. Continue to discuss identified barriers to affordable housing and identify potential solutions.

Betty Nordeng reminded the committee that only two meetings were left. She suggested that the committee focus discussion on barriers to affordable housing, which currently have no suggested solutions. Formatting issues were also discussed.

Bud Klister stated that some of the suggested solutions for public opposition barriers would also work for some of the housing provider opposition barriers. He noted that many barriers are based on perception, not necessarily on fact; and that education and information may combat many of the barriers listed in the report.

John Angeli discussed the difficulty of getting past bad reputations. He described two affordable housing projects in Fond du Lac, which historically had not performed well and had high incidences of problems associated with extremely low income tenants with poor life skills. John explained that even though both projects had been upgraded, they still performed poorly. Their proximity to one another and their previous reputation outweighed the investments in the projects. John also noted that while the changes made may have worked in a larger city, such as Milwaukee, they did not work in Fond du Lac.

The committee discussed the need for more flexibility in federal and state regulations and guidelines to fit local conditions. Mike Hendrick stated that one size fits all solutions do not work. While barriers may seem similar, the same solutions will not work everywhere. The committee agreed that communities should be able to develop more locally designed projects, rather than follow a standard package. Mike suggested that project funding be tied to the state comprehensive planning legislation. Communities, which have developed a plan in compliance with the state statues, should have identified recommendations to address local issues, which need to be addressed in the context of that community's characteristics, conditions and vision. This more holistic approach should be more effective at addressing issues within the community.

Lu Sheer recommended expanding the issue associated with resident's reluctance to ask for assistance until serious financial problems develop. She stated that pride is not the only opposition. Residents may have seriously overextended themselves, because they lacked the financial training to understand the consequences of decisions they have made. Some residents may also lack of sense of responsibility. The committee discussed the need for financial education at all ages and income levels. Carol Kasimor noted

that marketing and advertising may be effective techniques to help guide individuals to make better financial choices.

The committee discussed regulatory barriers to affordable housing development. John Angeli recommended that the committee locate Wisconsin examples where developers were required to set aside funds or build affordable units in subdivisions. These examples should be included in an Appendix. Lu Sheer stated that we could likely find examples in Door County or Mequon.

The committee discussed community opposition to new urbanism design, which includes narrower street widths, smaller minimum lot sizes and reduced setbacks. John Angeli noted opposition is more likely to come from the public works departments, than planning departments. Other committee members agreed. Potential solutions discussed included education, encouraging the use of new technologies and budgetary considerations. Mike Hendrick stated that the push for narrower streets may have to come from developers. Development costs are going up all the time. If communities want to facilitate development, they need to be willing to give something back to the developers. The less stringent design standards associated with new urbanism may be it. Lu Sheer suggested that the Village of Oakfield in Fond du Lac County may be a good candidate for a new urbanism project within the region.

2. Other business.

Betty Nordeng thanked the committee for their input, and reminded the committee that June 12th will be the last meeting. She explained that an updated draft of the report would be presented to the Appleton Housing Authority parent committee, the Public/Private Role in Affordable Housing Development Committee, for their input on May 22, 2003. Any revisions would be made and brought back to this committee and to ECWRPC's Economic Development Committee in June for their input. A committee to identify barriers to affordable housing in rural communities had been formed and would begin meeting at the end of May. Betty also explained that East Central staff was forming additional regional plan technical advisory committees for all plan elements, and that those committees would begin meeting in June.

3. Schedule next meeting date.

The next meeting will be held on Thursday, June 12, 2003 at 1:30 P.M. at the ECWRPC office.

4. Meeting was adjourned at 3:45 p.m.

SUMMARY OF PROCEEDINGS

Urban Housing Policy Technical Advisory Committee Meeting
ECWRPC Offices
Date: June 12, 2003

The meeting was called to order by Betty Nordeng at 1:40 P.M.

Those in attendance were:

Russell Klug	.....	Contemporary Designs
Bud Klister	.....	Kaukauna Housing Authority
Sue Kepplinger	.....	City of Oshkosh Planning Department
Carol Kasimor	.....	City of Neenah Community Development
Dave Eisele	.....	Martenson & Eisele, Inc.
Laura Wittman	.....	City of Appleton Economic Development
Laura Johnson	.....	City of Appleton Planning Department
Jennifer Sunstrom	.....	Realtors Association of Northeast Wisconsin
Mike Hendrick	.....	Outagamie County Planning Department
Betty Nordeng	.....	ECWRPC Staff

1. Continue to discuss identified barriers to affordable housing and identify potential solutions.

Betty Nordeng noted that this was the last committee meeting, and asked members for their input on the latest draft. The committee discussed formatting issues. The decision was made to proceed page by page through the document. Betty reminded the committee that far more attention had been paid to the beginning of the document, than the end; so the committee would need to be cognizant of reaching the end of the document at this meeting.

Sue Kepplinger recommended that the language in the introduction, which discusses the need for all communities to work together, be strengthened. Several other committee members also noted the importance of stressing the need for cooperation. Sue also recommended expanding the discussion regarding the number and type of sectors that need to be involved in addressing the barriers to affordable housing.

Sue Kepplinger stated that many of the definitions listed in the definitions section are HUD definitions. She suggested that those clearly be referenced as HUD definitions. She also stated that program definitions were incomplete. She stated that the programs mentioned should be eliminated, or expanded to include other commonly used HUD programs. Betty Nordeng explained that the programs within the definitions section were only included, because they were mentioned in the text. Betty stated that she did not think it was appropriate to include other programs in the definitions that hadn't been mentioned in the text. Betty stated that another committee had been formed to identify barriers to housing in rural areas. At the first meeting, that committee asked that a list of available funding programs be developed and included in an appendix. Laura Wittman stated that the Model Project Subcommittee was developing such a list and suggested that that list could be included in this report as an appendix.

Betty noted that this committee was set up to provide direction in implementing the Appleton Housing Authority's strategic plan in the context of the Fox Cities housing needs and market conditions. Due to timing and overlap issues with East Central's regional planning process, the committee and the committee's mission had been expanded to also include Oshkosh and Fond du Lac. Betty stated that this report could be a standalone document if the committee so desired. However, from East Central's perspective, it would be better to have one final document that included this draft report plus the barriers and solutions identified by the rural committee. She asked the committee if it would be acceptable to

wait for a final document that included all identified barriers and solutions in the region, with the understanding that the committee could make as many copies of the urban draft for their own use in the meantime. The committee agreed to one final document, which includes the barriers and solutions identified in urban and rural areas and the list of funding sources developed by the Model Project Subcommittee.

The committee discussed the need to clarify or remove any terms, which might be unfamiliar to individuals with no housing background. Recommendations were also made to expand the list of definitions. Sue Kepplinger stated that housing types should also be included in the definitions. Dave Eisele noted the confusion between the terms mobile homes, manufactured housing and modular housing. He suggested they be clarified in the text and in a list of housing types.

The committee reviewed the remainder of the report, noted which terms should be clarified or modified, and made suggestions for expanding the text to offer additional explanation or additional solutions. Many changes were minor. Others generated additional discussion. Several of the barriers and solutions, which generated additional discussion, included those associated with difficult tenants.

Jennifer Sunstrom questioned the proposed use of impact fees. The committee discussed impact fees, their function and their use within Wisconsin. The committee also discussed issues associated with economic development and community costs associated with low wage employment.

Committee members also expressed concern regarding lack of choice within the housing market, the need for additional housing market analysis to provide a better fit between the housing stock and market demand, and the need to avoid creating pockets of poverty within communities.

2. Other business.

Betty Nordeng thanked the committee for their input. She also informed committee members that they would be receiving a notice regarding East Central's upcoming public information sessions, and encouraged committee members to attend.

3. Meeting was adjourned at 4:00 p.m.

Summary of Proceedings
for the
Rural Housing Policy Technical Advisory Committee

SUMMARY OF PROCEEDINGS

Rural Housing Policy Technical Advisory Committee Meeting
FVTC – Clintonville Campus
Date: May 30, 2003

The meeting was called to order by Betty Nordeng at 9:30 A.M.

Those in attendance were:

Karen Dickrell	.....	UW-Extension, Outagamie County
Larry Cornelius	.....	Oneida Tribe of Indians
Dean Wallace	.....	Between the Lakes Habitat for Humanity
Pat Wallace	.....	Between the Lakes Habitat for Humanity
Randy Young	.....	Stockbridge-Munsee Community
Lee Ebert	.....	Village of Gresham
Barb Gabrielson	.....	Grant Administrator, Mid-America Planning Services
Nancy Brunner	.....	Century 21 Realtor
Jerry Johnson	.....	Brothertown Indian Nation
Julie Giese	.....	USDA Rural Development, Fond du Lac
Jon LiDonne	.....	Waupaca County Veteran Services
Linda Olson	.....	UW-Extension, Shawano County
Jim Lincoln	.....	Outagamie County Housing Authority
Betty Nordeng	.....	ECWRPC Staff

Those providing input, but not in attendance:

Joe Baldus	.....	Waushara County Habitat for Humanity
Arnell Jorgensen	.....	Affordable Housing Consulting Services
Paulette Stoltzmann	.....	Winnebago County Health Department

1. Review proposed mission statement, goals, objectives and process.

Lee Ebert suggested that substandard housing was at least as big of an issue and affordable housing in rural areas. Nancy Brunner noted that bad wells and septic systems were also an issue. Julie Giese stated that USDA Rural Development uses the phrase decent, safe, sanitary affordable housing. Committee members suggested adding the words "decent, safe, sanitary and" to the mission statement. The term "non-financial" was removed from Goal 4, as the committee determined that identifying financial resources was critical to improving the supply of decent, safe, sanitary affordable housing in rural areas. The committee identified a fifth goal: "Identify ways to reduce substandard housing in our communities."

2. Discuss identified barriers to affordable housing

Betty Nordeng presented barriers to affordable housing, which had been identified by committee members not able to be present at this meeting, and asked committee members present if they had any additional comment on those identified barriers. Julie Giese had two comments. Arnell Jorgenson, Affordable Housing Consulting Services, had noted that attempts to build Senior rental units in rural areas had been looked at negatively, because the areas did not have hospitals, grocery stores and things like that close. Julie Giese commented that both funding sources and residents looked at these attempts negatively. Funding sources want to ensure that support services are available and seniors want to be close to hospitals grocery stores and other services. Another comment by Arnell expressed difficulty with finding support in helping people with repairs to allow them to stay in their home. Julie stated that USDA Rural Development may be able to help if the individual is age 62 and older.

Betty then asked committee members to identify additional barriers. Lee Ebert stated that Gresham had difficulty with existing trailer parks, which had allowed homes within the park to deteriorate. He stated that the village had checked with an attorney to see if they could do anything about the substandard trailers on site. The attorney had said no. Larry Cornelius noted that the Oneidas had developed strict guidelines for new mobile home parks. He questioned if the village could use Eminent Threat to remove unsafe trailers. Julie Giese said that USDA could not help if the trailers were on leased land.

Jim Lincoln noted that restrictive covenants were an issue. Other committee members noted that lack of knowledge regarding available resources and programs was an important issue. The suggestion was made that a booklet or brochure could be developed to provide this information. Betty Nordeng stated that she had developed a guidebook a few years ago with some of that information; but that the guidebook needed to be updated and expanded, particularly for rural counties.

Larry Cornelius stated that the Town of Oneida had used prison labor in the past to save on construction costs. However, as more groups were using prison labor, the rules were changing and it was becoming more expensive to do so. Others noted that waiting lists for certain programs, such as USDA Rural Development, could be quite long. Julie noted that the waiting lists varied by area. Another barrier listed was that many applications for funding or assistance are difficult for individuals to understand. Access to funds is also an issue. Some funds are only available for urban areas.

Lee Ebert stated that transportation was a large barrier. Many individuals cannot afford reliable vehicles and some elderly residents are past the point where they can drive safely. Distance costs are also a factor. Others noted that some households did not have the funds to pay for transportation, housing and other living expenses.

TIF can't include a lot of residential. Local zoning, which includes large minimum lot sizes and restrictive subdivision covenants, is a barrier. Dean Wallace noted that the City of Brillion has a minimum house size of 1,100 square feet, which increases the cost of housing beyond what some households can afford. He also noted that a hostility to low income exists. Lee Ebert noted that people don't want Habitat homes, because they do not build garages, so vehicles and toys, etc. are left outside. Julie noted that Habitat's focus is to build the maximum living space the family can afford, and yet maintain low property taxes; so they can stay in their home.

Committee members discussed the loss of manufacturing jobs, and noted that many jobs in rural areas are low wage. Jobs are also often seasonal.

Dean Wallace noted that social factors are often barriers to affordable housing. Single parent households often have only one income. Wants may exceed financial resources. A lack of financial knowledge and understanding exists. He noted one example, where someone with a limited income loaned their credit card to friends, who often did not pay the person back. The inability to handle money can be a large barrier. Credit is also too easy.

Jerry Johnson asked if schools could apply for grants to do financial education. It was noted that life skills are not being taught in school. Larry Cornelius noted that young kids want it right now, and want more than their parents did. Rent is too high, so families cannot save money to buy a house. Jim Lincoln commented that the Outagamie Housing Authority has nice units, which are affordable; but people have turned down three bedroom units, because they weren't carpeted. Jon LiDonne stated that not enough incentive exists for some households to get out of their hole. Julie Giese noted that some people will never be successful homeowners. They lack the resources, life skills and motivation to maintain a home.

Julie Giese stated that USDA's federal goal is to increase funding to minorities. Their orientation and values need to be considered.

The cost of living can be a barrier to affordable housing if incomes do not keep up.

It was noted that urban areas have professional staff, while rural areas don't. Many rural communities only have fractional staff, because their staff have full time jobs elsewhere.

Very little housing on the market in rural areas is decent, safe and affordable. The price of housing is being driven up, because some sellers are upside down. The price differential for a country lot versus a village lot is high. Nancy Brunner noted that it can cost \$100,000 for a one acre lot with a double wide home on it.

Healthcare costs for the elderly reduce the amount these households have to spend on maintaining their home. Karen Dickrell questioned whether elderly use reverse mortgages. Julie Giese stated that opposition exists to reverse mortgages. Many elderly feel that their home is all they have to leave their children. Many elderly are on fixed incomes, which are not large enough to cover their needs.

Jim Lincoln noted that WHEDA contract rent levels for subsidized units are a barrier. He stated that Outagamie County has 200 units. 100 of those units are in severe financial straights, because they can't get enough funding to maintain and manage the units. He stated that the housing authority may have to layoff staff, because the increase in the amount they are allowed to charge does not keep up with the rising cost of wages and benefits. Others noted that tax credits are expiring and the landlords of those properties want out of the program. As a result, the number of affordable units will decline. Jerry Johnson suggested adding a sixth goal to preserve and protect the affordable housing we have.

3. Schedule next meeting date

The committee members present decided that all future meetings would be held at 9:30 a.m. on the 4th Friday of the month, except for July, October and November. The July and October dates conflict with East Central's Commission meetings and November would conflict with Thanksgiving. Betty Nordeng asked if the Clintonville New London area worked for everyone. Karen Dickrell suggested that if the committee met in different locations, it would give the members the opportunity to see the type of housing and development that existed in other parts of the region. Several committee members offered to take turns hosting the meetings. Jon LiDonne offered to host the next meeting. He stated that he would call Betty with a confirmed location. It was agreed that the next meeting will be held at 9:30 a.m. on June 27, 2003.

4. Meeting was adjourned at 11:45 a.m.

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SUMMARY OF PROCEEDINGS

Rural Housing Policy Technical Advisory Committee Meeting
Oneida Police Department
Date: June 27, 2003

The meeting was called to order by Betty Nordeng at 9:30 A.M.

Those in attendance were:

Karen Dickrell UW-Extension, Outagamie County
Julie Giese USDA Rural Development, Fond du Lac
Leanne Doxtater Oneida Tribe of Indians
Jerry Johnson Brothertown Indian Nation
Mike Hendrick Outagamie County Planning Department
Lee Ebert Village of Gresham
Betty Nordeng ECWRPC Staff

Those providing input, but not in attendance:

Annette Larie UW-Extension, Winnebago County
Steve Sengstock Shawano County Economic Progress, Inc.

1. Review revised mission statement, goals and objectives.

The committee reviewed the revised mission statement, goals and objectives. Two changes were recommended. In the mission statement, the word "propose" was replaced with "encourage". Objective 1 was revised to read "To strongly recommend..."

2. Discuss identified barriers to affordable housing

Betty Nordeng asked committee members if they had any additional comments on barriers identified in the first meeting. Leanne Doxtator suggested changing the word Hispanic to people of color under the identified issue of negative stereotyping. Mike Hendrick noted that the Urban Housing Policy Technical Advisory Committee had identified several NIMBY issues. He stated that many of the same issues identified by that committee are also present in rural areas. Mike noted that the urban committee had determined that many of the issues can be addressed through education. Leanne agreed that education is needed. However, she stated the Oneidas have had difficulty getting people to come to public information sessions. They have had better luck with festivals. The committee discussed the need to recognize differences in cultural values. They noted that extended families are important to some groups and not to others. It was stated that the term "affordable housing" is in itself a barrier.

The committee began discussing additional barriers. Lee Ebert stated that poor exterior maintenance of the house and yard are barriers, especially when people leave junk lying around. Leanne stated that not everyone has the knowledge and skills to maintain their yard. They need education to know what equipment to purchase, how to use it and how to maintain it. She also noted that some patches of what may look like weeds to some people are medicinal plants to others. Julie Giese suggested "How to be a Good Neighbor" seminars or Welcome Wagon packets as potential solutions to these barriers. Lee Ebert stated that people moving into areas need to accept the standards of the existing community.

Jerry Johnson stated that all the new units in the Berlin area are single family or duplex. More multi-family is needed to meet housing needs. Julie noted that multi-family residents of rental properties may not have a sense of ownership. Condominium development in rural areas is limited, because options for

purchase of condos are limited. Julie stated that the secondary market won't loan until 70% of units in the condominium complex are sold. Jerry stated that the Berlin area needs rentals.

Lee Ebert questioned the focus of the committee. Are we trying to house people, or are we trying to improve people? After some discussion, the committee decided that, where possible, solutions should be offered for both.

Julie stated that when you have a trashy neighborhood, you are not going to be able to attract people who want to live in a "nice" neighborhood. Jerry stated that that is not always the case. He explained that his son had moved into a run down area and bought an older home to fix up. He briefly explained the process his son had gone through to fix up his property and encourage and aid the neighbors in fixing up their properties. The committee discussed gentrification and neighborhood preservation issues.

The committee returned to rental property issues. Jerry stated that good managers are needed to maintain quality rental properties. He also noted that good managers are hard to keep. Karen Dickrell noted the difficulty in getting absentee landlords to fix up their property. Julie stated that developers and landlords are in the business to make money. Leanne noted that many tenants, particularly first time renters, had no understanding of their rights and responsibilities. She stated that residents may blame landlords for the condition of the unit, without realizing that they are responsible for some of the things they are complaining about. Lee Ebert suggested that if tenants did some of the maintenance work, they would have greater ownership in the unit and may make up for absentee landlord indifference. He noted the example of Habitat for Humanity, which requires sweat equity for potential Habitat homeowners. Julie stated that it is illegal to require tenants to maintain rental units. Julie also agreed that in instances where sweat equity is used, homes are better maintained. Julie stated that buy-in make a big difference in a household's sense of ownership and willingness to maintain their property. She stated that sweat equity, downpayment, education and training all increase the likelihood of households maintaining their property.

Leanne noted the difficulty the Oneidas had had with a low income development, the Three Sisters. She said that they had been able to reduce problems through zoning enforcement, onsite residential management and by providing a lawnmower for the resident's use. Julie stated that tribes have more authority. Leanne noted that communities have zoning ordinances that they can and need to enforce. Leanne noted that they have had considerably less problems with mixed income properties. Leanne also stated that attitude makes a big difference. If someone really wants a house, they are going to take care of it and learn what they need to know to take care of it. She noted that the tribal housing authority had strict guidelines and that individuals who did not want to comply would go elsewhere for housing. Jerry noted that ownership, regulation and education are all important.

Lee Ebert asked what programs were available off reservation. Karen Dickrell stated that UW-Extension does education and training, but people do not always take advantage of those programs. She mentioned the Rent Smart program. Betty explained that Linda Olson, who was not able to be at this meeting, would be the person for him to contact regarding these programs in Shawano County. Julie Giese noted that you have to build these programs. She stated that you may not be able to get existing tenants into these programs if they are unwilling to go. However, you can write into a new lease or funding agreement that recipients/tenants are required to participate in educational sessions. Jerry asked if it were possible for technical colleges to also do training. Leanne stated that requirements will drive renters away. She stated that we shouldn't wait until kids are in the rental market. She suggested adding these programs to existing middle and high school classes, such as Family and Consumer Education classes. Julie suggested that communities could issue tickets for maintenance violations, which require the recipient to attend educational sessions.

The committee discussed the problems associated with households, who do not pay their utility bills during the winter, as they know that utilities can not be shut off during certain months. It was noted that if this is all you know, that's what you do. Committee members again noted that schools are not

teaching life skills. Karen Dickrell stated that Appleton now requires students to take a financial course in order to graduate.

Lee Ebert noted that urbanism introduces a lack of civility. In small rural communities, you get to know everyone whether you want to or not. This may give rural communities a comparative advantage in identifying and reaching individuals and households, which need education and assistance. Julie noted that as commuting has increased, people do not work and shop in the community they live in anymore, so that connectivity is decreasing, even in rural areas.

Betty noted that the committee was out of time. She passed out a draft of "Overcoming Barriers to Affordable Housing in the Fox Cities, Fond du Lac and Oshkosh Urban Areas". She asked committee members to review the document, cross out the items which did not apply in their communities and highlight the items which did apply in their communities. Betty asked committee members to return the edited documents to her at the next meeting for incorporation into the rural draft document.

3. Identify next meeting date

The next meeting will be held at the Waupaca County Courthouse on July 18, 2003.

4. Meeting was adjourned at 11:40 a.m.

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SUMMARY OF PROCEEDINGS

Rural Housing Policy Technical Advisory Committee Meeting
Waupaca County Courthouse
Date: July 18, 2003

The meeting was called to order by Betty Nordeng at 9:45 A.M.

Those in attendance were:

- Ron Karrels Mayor, City of New Holstein
- Lee Ebert Village of Gresham
- Pat WallaceBetween the Lakes Habitat for Humanity
- Dean WallaceBetween the Lakes Habitat for Humanity
- Nancy Brunner Century 21 Olympia
- Karen Dickrell UW-Extension, Outagamie County
- Linda OlsonUW-Extension, Shawano County
- Jon LiDonneWaupaca County Veteran Services
- Julie GieseUSDA Rural Development, Fond du Lac
- Jerry JohnsonBrothertown Indian Nation
- Leanne Doxtater Oneida Tribe of Indians
- Larry Cornelius Oneida Tribe of Indians
- Jim Lincoln Outagamie County Housing Authority
- Betty NordengECWRPC Staff

Those providing input, but not in attendance:

- Joe Baldus Waushara County Habitat for Humanity
- Lynn Brenner Calumet County Department of Human Services

1. Discuss identified barriers to affordable housing

Betty Nordeng asked committee members if they had any additional comments on barriers identified at this point. Lee Ebert noted that in rural areas the majority of low income households were white, so he did not believe that people in rural areas associated people of color with poverty. The committee discussed issues associated with negative stereotyping, with many members agreeing that color or race and low income were separate distinct issues. Dean Wallace noted that when Chechs moved into Calumet County, there were cultural issues and language barriers that arose between their community and residents of the communities they moved into, even though they were white. Larry Cornelius agreed that culture was a bigger issue than color. He stated that German families who had lived on the reservation for many years and adopted Indian culture had the same issues with the dominant culture as the Oneida families did.

Betty asked committee members to expand the report discussion on public opposition to low income households in rural areas. Lee Ebert suggested that jealousy was an issue. Jim Lincoln noted that an 'I made it why can't they' mentality exists. People do not want more poor people moving into their communities. Jim stated that public housing has learned not to build housing that does not fit into the neighborhood. Others noted that it was little stuff that upset the neighbors, such as lack of maintenance and toys on the lawn. Ron Karrels stated that it was a perceived lack of care. He noted that sometimes the residents renting a property care for it and pay their rent, but the landlord takes the rent money and doesn't use it to maintain the property. Residents, in turn, get blamed for the deterioration, even though it is not their fault. Jim Lincoln commented that public housing authorities currently do not have the dollars necessary to properly maintain their properties.

Dean Wallace commented on the criticism that Habitat families leave toys and other items outside, because they have no storage space. Dean stated that he did not know how other Habitats built properties; but the Greater Fox Cities Habitat for Humanity and the Between the Lakes affiliate always provides a storage shed, so that residents have someplace to store toys and lawn maintenance equipment. These items do not have to be left outside. He also stated that Habitat does not build garages, but residents are allowed to improve their home/property. Julie Giese asked if Habitat families could take out a second mortgage to build a garage. Dean stated that they could after they build enough equity into their home, or if they had a change in income, which allowed them to afford two mortgages. Lee asked how much difference sweat equity makes in allowing residents to build equity compared to a conventional loan. Dean stated that he did not know, but in his experience, it usually takes Habitat families about 10 years to gain equity in their homes. Julie asked what happens to the equity if Habitat builds a \$100,000 house for a family and they sell it after 3 years for \$130,000. Dean stated that Habitat does not build homes for profit. Families earn 10% equity per year. Lee asked what happens if a family moves into a Habitat home and then has the opportunity to obtain a better job if they are willing to relocate. Dean stated that the Habitat affiliate should work with that family to allow transfer of their property to another party.

Committee members discussed issues associated with poorly maintained properties. Jerry Johnson stated that Berlin has an ordinance. If the property owner does not maintain their yard, the city cuts the grass, cleans up the yard and adds the cost of doing so to the property's tax bill. He suggested that communities, which do not have such an ordinance, should adopt one. Lee noted that maintenance is needed to keep the existing housing stock from degrading.

Committee members spent considerable time discussing senior housing issues. Julie noted that public opposition does not exist to senior housing. The opposition stems from lack of services to support seniors. She also noted that increasing senior housing and keeping seniors in their existing homes are two separate issues. Lee stated that seniors want to stay in their home community if they can. Jim noted that substantial incentives exist to keep seniors in their homes, because it saves lots of money. Jerry noted that many seniors are proud, and will not ask for help, even if they need it. Julie stated that it is important to work together. Programs vary between agencies. Some agencies can do things others cannot.

Karen Dickrell asked what financing issues were associated with locating senior housing in rural communities. Lee stated that the density is too low. If seniors move out, the owner may not be able to find someone to rent the unit. Jim noted that developers want everything up front, and the deep subsidies to build senior projects no longer exist. Julie stated that competition exists for the resources that are available; and scoring priorities work against small rural communities, with limited or no services. Jon LiDonne asked if seniors were really served by providing housing in areas where services do not exist. Julie noted that a community may be big enough to support 4 units of senior housing, but cash flow is difficult for a developer to build and manage small projects. Ron Karrels agreed. Julie stated that USDA Rural Development had smaller units that were suffering financially. Elderly residents in those units had to move to obtain the services they need. Also, some may have children nearby. If those young families move, they typically take their parent with them so they are close enough to make sure their parents are well cared for.

Leanne Doxtater stated that the Oneida Nation supports extended families by providing subsidies to allow children to expand their homes to accommodate elderly family members. Leanne reviewed program options the tribe provides. Jerry stated that many rural communities lack good paying jobs. Young families can't afford to keep their relatives with them, even if they want to. Jon noted that two income families do not have the time to care for elderly relatives. Karen noted that extended families may help with other issues. She noted that one such benefit was that healthy grandparents could provide childcare. Larry stated that that only works in situations where grandparents have the tolerance to deal with children. He stated that nowadays, children are not always as well disciplined as elders think they should be. Leanne agreed. In some instances they have been told we love our grandchildren, but do not put them next to us. She noted that it has to be a personal decision. Lee stated that the tribe has

provided options for extended families. He questioned whether such options exist elsewhere. Jon stated that programs could be developed, but different guidelines would have to be in place to do so. Leanne agreed that USDA Rural Development and Fannie Mae would have to change some of their policies to make these programs work. Larry stated that design was very important. Any additions to accommodate elderly relatives may increase the square footage of your house. Families should be aware of the tax implications associated with the addition. Leanne described design options that the tribe used. Larry noted that the committee was discussing two households becoming one. He stated that it may be possible to sell one house and use the money from the sale of the house to finance the remodeling of the remaining house. Julie stated that families should consider the financial implications up front. By merging household incomes, family members may no longer meet income guidelines for certain programs. If the household merger does not work out for whatever reason, the party, which would end up being responsible for the property, needs to be sure they can afford to stay in the home. Leanne noted that the tribe counsels families to make larger payments up front in case that happens.

Dean stated that the Greater Fox Cities Habitat for Humanity has built duplexes in the Fox Cities. These two owner duplexes have separate mortgages. He suggested that that may be a potential option to the difficulty associated with dual household income issues. It was noted that if one of these units sold, an exterior maintenance agreement must be negotiated with the new owners. Julie noted that zoning laws have to permit 0 lot line development for these to be built. She cautioned that people should not look at these units as a cost savings measure. They may not be any more affordable than other options. Lee asked if USDA Rural Development would finance condominiums, as that would lower land costs. Julie stated that the condominium complex has to be 70% occupied before Rural Development will finance a mortgage for a condo unit in the complex.

The discussion turned to accessory units. Julie noted that Rural Development will not finance a remodeling project for accessory units that include kitchens, as they may be turned into a rental property at a later date. Betty noted that rural communities have limited income opportunities and limited affordable housing options, so a rental unit may provide an affordable housing option for someone to stay in the community and give the property owner additional income. Julie stated that Congress was quite specific that the money could not be used for potential income generating projects.

Karen noted that many rural communities have larger two story homes. She suggested that the 'Golden Girls' model may be an option. Julie stated that Rural Development would consider the total income for all residents in the house for lending purposes, and that might make the parties ineligible for their financing. Karen noted that maintaining social interaction for seniors is an important consideration when exploring housing options. Jon stated that care issues were also important. Larry suggested that the upper floor of a two story home could be remodeled into a live in caretakers apartment. Julie stated that if the caretaker was a family member, Rural Development would count their income as part of the total household income. They would not count the income if the caretaker was a nonfamily member. Jon noted that the Veteran's Administration income rules were opposite Rural Development's guidelines.

Ron stated that a perception exists that affordability is a larger issue in urban areas than rural areas. Julie disagreed. Jim noted that people move into urban areas, because they think there are more opportunities there. Lee noted that the Village of Gresham has historically seen retired farmers move into town as their kids take over the farm operation. He stated that the new housing coming on the market is now too expensive for them to do so. He noted that locals with low income can no longer afford to purchase property in the community they grew up in. Lee stated that families need two incomes now to afford to live in rural areas. Karen noted that that is creating latch key problems in rural areas. Jon suggested that a combination daycare and senior center may be an option to consider.

2. Identify next meeting location

The next meeting will be held at the Outagamie County UW-Extension Office on August 22, 2003.

3. Meeting was adjourned at 11:40 a.m.

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SUMMARY OF PROCEEDINGS Rev.

Rural Housing Policy Technical Advisory Committee Meeting
Outagamie County UW-Extension Office
Date: August 22, 2003

The meeting was called to order by Betty Nordeng at 9:35 A.M.

Those in attendance were:

Dean Wallace	.....	Between the Lakes Habitat for Humanity
Jerry Johnson	.....	Brothertown Indian Nation, Inc.
Pat Johnson	.....	Brothertown Indian Nation, Inc.
Julie Giese	.....	USDA Rural Development, Fond du Lac
Jim Lincoln	.....	Outagamie County Housing Authority
Jon LiDonne	.....	Waupaca County Veteran Services
Mike Hendrick	.....	Outagamie County Planning
Karen Dickrell	.....	UW-Extension, Outagamie County
Linda Olson	.....	UW-Extension, Shawano County
Larry Cornelius	.....	Oneida Tribe of Indians
Leanne Doxtater	.....	Oneida Tribe of Indians
Betty Nordeng	.....	ECWRPC Staff

Those providing input, but not in attendance:

Joe Baldus	.....	Waushara County Habitat for Humanity
Duf Peters	.....	citizen, Town of Wittenberg
L. Gruetzmacher	.....	Winnebago County Health Department
P. Stoltzmann	.....	Winnebago County Health Department

1. Discuss identified barriers to affordable housing

Betty Nordeng asked committee members to review changes made to the document based on input at the last meeting and comments submitted in the interim. She asked that committee members pay particular attention to issues, which have been identified as being pertinent to both urban and rural communities, as the wording may need to be revised to better fit rural communities. Members noted that some opposition exists to properties owned by nonprofits, as they are not on the tax rolls. It was suggested that nonprofits could eliminate that opposition by providing payment in lieu of taxes. Karen Dickrell noted that the statement that a persons' house is often the biggest investment they have made is incorrect for farm families, as their investment in land, infrastructure and equipment is likely larger than their investment in their house.

Committee members discussed opposition to migrant housing, and noted the need to distinguish between migrant, or seasonal housing, and housing for year round farm laborers. Mike Hendrick discussed difficulties Outagamie County companies have experienced siting housing for their workers. Julie Giese agreed, and noted that many workers live in urban communities and commute to the worksite. Jim Lincoln noted that in instances where the housing was located in the community the plant was located, and where locals were aware that the plant could not operate without these workers, it was easier to site housing for these workers. Mike Hendrick agreed. Julie stated that USDA Rural Development has a labor housing program, which allows nonprofits, individual farmers or corporations to borrow money to build workforce housing. Julie also noted the need for increased education on the connection between housing and economic development.

Committee members noted that part of the opposition to siting migrant and farm worker housing stems from the fact that many of these jobs are filled by individuals from different cultures. Larry Cornelius noted that some of this opposition comes from a fear of the unknown. Educating communities about cultural differences may help alleviate some of these fears. Julie Giese stated that communities need to be accepting and understanding of these cultural differences. She also noted that communities not only need to understand the culture, but also need to understand the context. For example, the choice to live temporarily in "overcrowded" conditions may not necessarily be a reflection of that culture, but an economic decision to save as much money as possible in the short term, for use at a later time.

Committee members noted that communities tend to associate migrant housing with overcrowding, junk cars and trash along the roadside. Committee members noted the need for owners and developers of migrant housing to maintain their property and to monitor the behavior of their workers. Julie Giese stated that UMOS had built a demonstration project, which included tenant training and banking education. This demonstration project shows communities how things could be. She stated that communities should take on the responsibility to seek out developers of migrant and farm labor housing and say this is what we want. These are our expectation and this is what we are willing to provide in return. Karen Dickrell asked how that could be accomplished. Larry Cornelius stated that communities need to be proactive. He suggested that if communities knew it was coming, they may be willing to be more proactive. Julie reiterated the need for developers and communities to work together. Jon LiDonne suggested that communities should extend an invitation to developers to bring them to the table. Mike Hendrick noted that the committee was describing how a comprehensive planning process should work. Julie stated that corporations were starting to recognize the need for education and that she had been invited to talk to workers about USDA Rural Development programs that were available to them.

In regards to housing for low wage workers, Jon LiDonne noted that communities needed to recognize that these people will be here anyway. We can be proactive and do it right, or chose to live with something that is less than desirable. Dean Wallace stated that we should not only consider new housing in that light, but also deal with existing substandard units. He mentioned some examples of units Habitat clients had moved out of, and noted that some sort of decent housing standards should be set. Jim Lincoln noted that standards by themselves would not work. Enforcement is also needed. Julie Giese stated that if landlords fix units, then they increase the rent, and the rent increase may be more than the tenant can afford. Jim noted that existing programs will subsidize the cost of rehab, but some landlords will not take advantage of the programs, because they do not like the strings attached. He also noted that public officials do not like subsidies either. Julie stated that USDA Rural Development restricts the use of funds for some programs unless the housing is brought up to specified standards. Jim noted that state rules do not always allow you to do everything that you need to do.

Dean Wallace noted that some communities have local ordinances, which allow them to step in and do certain neglected maintenance activities, such as snow shoveling, then bill the landowner. He suggested that communities could do the same for properties with leaky roofs, etc. Other committee members questioned the effectiveness of such an ordinance. Jim Lincoln noted that legal fees could be an issue. Jerry Johnson noted that when it comes to code enforcement, communities typically pay more attention to businesses than residential properties. Julie Giese stated that if no one reports a problem, communities may not know of an existing problem. Mike Hendrick suggested that some tenants won't report problems, because they are afraid of losing their housing. Others noted that absentee landlords are very difficult for tenants to reach. Larry Cornelius suggested developing a provision that allowed for anonymous reports. Mike noted that a difference exists between public and private easements and suggested that landlord compliance education may help. Karen Dickrell suggested forming a group that could fix substandard units identified by Habitat. Concerns were expressed that this would reward lazy landlords. Jerry suggested rewarding good landlords with lower taxes. Julie disagreed, noting that homeowners would have to make up the difference in property taxes. Jim Lincoln stated that good landlords treat their property like a business, and therefore take care of it without any other incentives.

The committee moved on to discussing credit issues. Dean Wallace noted that too many people want more than they can afford. Things, which used to be considered luxuries, are now considered necessities. Karen Dickrell stated that a lack of understanding also exists regarding utility costs. She explained that she had worked with families whose utility bills were higher than their rent. Larry Cornelius noted that the cause of the problem must be understood before it could be effectively addressed. He noted that a difference exists between someone who has bad credit because they lost their job and/or had unexpected bills, versus someone who was unwilling to get a job. Jim Lincoln noted that a lack of a living wage is an issue. Others noted that the lack of a living wage is compounded by daycare costs and other job expenses, such as cars and work clothes, which can total more than the income for that particular job. Larry noted that increasing income opportunities will address many of the issues we have discussed. Julie noted that it is important for the public to recognize that most people are only one or two disasters away from losing what they have.

Committee members discussed housing options for the very low income. Karen Dickrell noted that most rural communities do not have homeless shelters. Jerry Johnson stated that some churches have Good Samaritan Funds, which can provide temporary help in an emergency. Julie Giese and Jim Lincoln both noted that USDA Rural Development and HUD have funds for transitional housing in rural areas and that these programs have not been utilized, largely because of the restrictions accompanying the programs. Karen Dickrell suggested approaching churches regarding these programs. Jim Lincoln noted that it takes experience to effectively run transitional housing programs. Julie suggested that churches or other groups could partner with other agencies for case management. Mike Hendrick suggested that programs, which have not been used, should be reviewed and changed to make more user friendly. Larry Cornelius stated that some of these programs are not used, because the government expects too much documentation. Julie stated that the documentation is needed to let the public know where their dollars are going. Jon LiDonne noted that the VA has homeless programs for veterans and their dependents. Jim stated that partnering is needed to meet the needs of this population in rural areas. Betty Nordeng suggested examining the possibility of an urban/rural partnership, whereby experienced agencies in urban areas could share their knowledge and experience with rural agencies. Mike Hendrick suggested developing a how to booklet that also provides a list of resources. Jerry noted that the information needs to be at the point of entry. Committee members discussed applying for a grant and attracting volunteers to help develop a program. Jon suggested tapping into the retired businessmen association. Julie suggested that communities have lots of resources to tap into. Jim noted that caution should be used as we have a responsibility to protect the tenants and the public dollars.

2. Identify next meeting location

Jerry Johnson agreed to find a location in Berlin for the next meeting, which will be held on September 26, 2003.

3. Meeting was adjourned at 11:40 a.m.

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SUMMARY OF PROCEEDINGS

Rural Housing Policy Technical Advisory Committee Meeting
Steele's Restaurant, Berlin WI
Date: September 26, 2003

The meeting was called to order by Betty Nordeng at 9:40 A.M.

Those in attendance were:

Joe Baldus Waushara County Habitat for Humanity
Jim Lincoln Outagamie County Housing Authority
Arlene Scalzo WHEDA
Ron Karrels City of New Holstein
Jon LiDonne Waupaca County Veteran Services
Betty Nordeng ECWRPC Staff

Those providing input, but not in attendance:

Mike Hendrick Outagamie County Planning

1. Discuss identified barriers to affordable housing

Betty Nordeng asked committee members present if they had any additional comments to add to changes made to the document, based on comments from the last meeting. No additions were suggested.

Committee members reviewed the barriers identified and proposed solutions listed under limited political support. Joe Baldus noted that while local officials may have some concerns regarding public opposition to their projects, the Waushara County Habitat for Humanity has received good support from the City of Wautoma. Ron Karrels provided an example of why elected officials may oppose affordable housing projects. He stated that a private developer had built 28 units of multi-family housing in New Holstein for low income households. He noted that the units were built with low quality construction and had not been properly maintained. As a result, they had deteriorated over time. He stated that currently tenants in these units are very transitional. Renters move into the units for 2 or 3 months, until they can find better housing, then move elsewhere.

Arlene Scalzo stated that some developers had obtained low interest financing, then built units to minimum standards and did not include maintenance dollars in their budgets. In some instances, owners used these units as tax write offs, or collected the rent and did not reinvest the money back into the project. Jim Lincoln stated that the rents from project based Section 8 units were controlled, and the market rents established for those units are too low to create adequate maintenance funds.

Jim noted that it was easier to site senior housing than family units, as communities anticipate problems resulting from low income family housing. Arlene noted that seniors often prefer to remain in their home, especially if it is paid for, rather than move into senior housing. She stated that issues can arise if the seniors have medical expenses or other bills that are so high that they do not have enough money left to maintain their home. Jon LiDonne described the facilities available at King for Veterans and their families.

Jim suggested that citizen committees could be established to support affordable housing, provided the committee was comprised of individuals in support of affordable housing. Ron stated that communities

needed to truly look at affordable housing needs. Before projects are built, communities should determine who needs help the most and what assistance would best meet their needs.

Members discussed issues associated with inadequate funding. Arlene and Jim stated that we need to preserve existing housing and programs. Arlene noted that on a personal level, renter and owner-occupied credit education is key for maintaining housing affordability. Jon agreed, noting that the poor often stay poor, because they do not have the skills to manage money. Arlene noted that some individuals do not have access the financial system. She also stated that FDIC has training programs, but no funding is allocated to implement counseling. Joe stated that some people do not make enough money to live on, so credit is not an issue. Since they do not have enough money to live on, even with counseling and good management skills, they will not be able to obtain good credit. Members agreed, but stated that credit counseling, funding and an invitation to access existing programs is needed for many households. Jim stated that it takes substantial will power to get out of poverty. Jim and Ron both noted that people need to take responsibility for their actions. Joe stated that communities need to realize that poverty is a detriment to our entire community. In order for a community to prosper, poverty issues need to be addressed. Arlene stated that the affordable housing problem is very complex. It is comprised of inadequate funding, income, bad credit, inadequate maintenance budgets, and inadequate counseling and management. Jim agreed, stating that we need to look at the whole picture.

In regards to suggested solutions for inadequate funding, members were uncomfortable with the concept of an impact fee for large low wage employers. They stated that it is very difficult for rural communities to attract any sort of business, and they would rather have a low wage employer than none at all. Ron noted that New Holstein has an industrial park and would be willing to virtually give the land away, but they still cannot attract employers. Joe noted that CAP Services runs a business incubator in Waushara County. The Village of Endeavor also has a business incubator. Ron stated that New Holstein is studying the concept of a business incubator to see if one could work in their community. Arlene stated that we need to encourage more federal funding. Jon stated that banks and financial associations should provide more to communities.

Committee members discussed issues associated with lack of knowledge. Jim stated that some local government officials and staff may not want to learn about existing programs and funding opportunities, because it is not a high priority for them. Others suggested that communities should partner with organizations or consultants who already have the knowledge. Arlene noted the need for communities to think as neighbors, not competitors.

Committee members discussed issues associated with lack of marketing. Jim noted that the public sector has traditionally not done a good job of marketing. Arlene noted that people may be familiar with the term "rental assistance", but they don't know where to go to obtain assistance. Jon stated that Waupaca County publishes a guide to programs within the county. Every year the guide is updated and included in the buyers guide. Jim noted that some organizations put brochures in grocery stores, churches and other visible locations, but they do not replenish the supply of brochures on a regular basis. Jon stated that a resource referral program would be useful, not only for housing, but also for food and other assistance. Arlene suggested that people review Marathon County's First Call program. She said that it is very good. Jim noted that the Information and Referral system in the Fox Cities is also good. It was noted that smaller rural counties may have difficulty starting such programs. It was suggested that smaller counties band together to develop a multicounty information and referral service. Jon suggested that a website could also be a useful marketing tool, provided it was updated and maintained.

In regards to staff limitations and access to funds, Arlene suggested that continuous training be made available to staff. Jim suggested that politicians and funding agencies fill out their applications to determine how user friendly the application process is. He suggested that some application processes should be simplified, and funding cycles should be better advertised. Arlene noted that the transition from paper to electronic filing is confusing for many people. Some grants applications must be filed

electronically, while others must be filed in hard copy. It was suggested that a subscription service would help.

Committee members discussed the fact that many communities do not see a defined role for them to play in addressing affordable housing issues. Jim noted that agencies also need to know how they fit into a community's hierarchy. They also need to know what the community needs, wants or is willing to accept. Joe noted that Waushara County does not see a role for themselves in addressing affordable housing issues, because no unified citizenry has stepped up and said that they need to do something to address these issues. Jon suggested building a coalition to support affordable housing programs. Ron stated that it is hard to obtain citizen input. He stated that New Holstein held a well advertised town listening session, and only one person showed up. Arlene suggested that perhaps more individuals may become involved as communities start developing comprehensive plans.

2. Project status and regional plan update.

Betty complemented the committee on their thoughtful discussion of issues. She stated that she has been very pleased with the committee's efforts and progress. She noted that the original plan was to wrap up the committee's work by November. However, she would be willing to continue meeting with the committee afterwards, if they felt that several issues still needed to be addressed. She noted that only so much work could be accomplished during meetings, and encouraged members to submit information between meetings.

Betty provided an update on the status of the regional plan. She stated that the Regional Housing Technical Advisory Committee (TAC) had developed a regional vision for housing and had identified core goals to bridge the gap between identified housing issues and the regional vision. She stated that the issues, opportunities and goals will be published in Milestone Report # 2, which is scheduled to go before the East Central commission in late 2003/early 2004. She stated that the Regional Housing TAC will begin meeting in October to develop policies to achieve the goals identified in Milestone Report # 2. This effort, which will be published in Milestone Report # 3, will start in October 2003 and continue through August/September 2004. She stated that any Rural Housing Policy TAC members that would like to be involved in that process are welcome to join the committee.

3. Identify next meeting location

Joe asked if the next meeting could be held close by. Betty asked if he would be willing to find a meeting location in Wautoma. Joe agreed to see what might be available on October 17, 2003.

4. Meeting was adjourned at 11:40 a.m.

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SUMMARY OF PROCEEDINGS

Rural Housing Policy Technical Advisory Committee Meeting
Capsell Building, Wautoma WI
Date: October 17, 2003

The meeting was called to order by Betty Nordeng at 9:40 A.M.

Those in attendance were:

Mike Bonertz	.....	ADVOCAP
Jon LiDonne	.....	Waupaca County Veteran Services
Gerald Johnson	.....	Brothertown Indians
Joe Baldus	.....	Waushara County Habitat for Humanity
Arlene Scalzo	.....	WHEDA
Betty Nordeng	.....	ECWRPC Staff

Those providing input, but not in attendance:

1. Discuss identified barriers to affordable housing

Betty Nordeng asked committee members present if they had any additional comments to add to changes made to the document, based on comments from the last meeting. No additions were suggested.

Committee members began by discussing barriers associated with staff limitations. Jon LiDonne suggested that communities could use volunteers. He noted that many of the retirees in rural communities have talents and skills that they may be willing to share with local communities. Joe Baldus stated that many communities have a lack of communication problem. People that need help do not know what is available and retirees may not know what is needed. He also stated that people often liked to be individually asked. Jerry Johnson questioned the availability of volunteers. He stated that volunteer organizations such as Kiwanas, the Rotary, churches, etc. have seen their membership decline. Mike Bonertz agreed, noting that it is very hard to get younger people involved in those organizations. He suggested that organizations, which are losing volunteers, take the time to discover the cause. Potential difficulties associated with attracting volunteers may include a lack of marketing, access, a perceived lack of acceptance or individuals may not see the relevance of the organization.

Mike Bonertz stated that another issue associated with access to funds is the rules governing what you can do with the funding. In order to address housing issues, you may need to do a variety of things, but each funding source will only let you do a part of what needs to be done to make the project successful. As a result, you have to successfully obtain money from more than one funding source in order to complete a project. Arlene Scalzo noted that Wisconsin sends more money into the federal government than it gets back, and suggested that Wisconsin try to increase their fair share of return on federal dollars.

Committee members discuss private funding options. Mike questioned the availability of large amounts of private funding. Arlene agreed, but noted that funds from community foundations can be used to leverage other funds. Mike stated that community foundation grants can also be used as seed money. Joe noted that he was unaware of any good source of private funding. He stated that his organization was constantly looking for resources and funding. Jerry stated that Berlin was considering starting a Habitat for Humanity chapter. He questioned the need to do so, since Green Lake already has a chapter, and they would both be competing for local funds. Joe agreed that they would be competing for funds. However, he stated that Waushara County's Habitat for Humanity chapter is county wide, and it can be

difficult to find workers willing to work in that large of a region, as the travel time and expenses have to be donated, as well as the labor. Joe stated that their organization would benefit from inexpensive land for development. Jerry Johnson stated that by cutting taxes, governments had cut funds for housing assistance. Arlene stated that too many administrative layers existed. Jon questioned the relative effectiveness of regional fund raising activities versus local fund raising activities. Joe said that sometimes local efforts were more successful, as donors want to see tangible results. Jerry stated that the boy scouts do a good job of fund raising and they tap into funds at all levels. He suggested that that may be the approach to take.

Committee members discussed expiring tax credit properties. Mike Bonertz stated that ADVOCAP would like to pick up tax credit properties, but they can not afford to do so. The property owners are looking for a return on their investment, and most properties they have considered purchasing have needed substantial rehab investments. He suggested that government regulations be changed to reduce the costs of acquiring these properties. Arlene noted that maintenance budgets for tax credit properties were often insufficient. She stated that some method needs to be established to recycle these units. Jerry mentioned that Catholic hospitals used to be able to hold costs down, because nuns provided much of the labor for little to no costs. Mike stated that free labor doesn't exist anymore. Companies, including nonprofits, must also buy down the front end costs, plus acquire enough dollars to maintain the units.

Minimizing investment risks was the next topic of discussion. Arlene stated that tax credit properties were popular with some investors, because they provided a predetermined return on their investments. Mike noted that sometimes, even if you have carefully assessed the market, investments do not work out. He stated that ADVOCAP built units in Oakfield after the tornado went through to replace some of the destroyed housing stock and serve existing residents. However, the nature of the community changed after the tornado went through. The units they'd built had high vacancy rates, as their expected clientele chose to locate in Fond du Lac instead of staying in Oakfield, as they had better access to services and grocery stores in Fond du Lac and transportation was less of an issue. Arlene suggested adding correcting housing/service mismatches under potential solutions to evaluating how well the housing stock meets the needs of lower income and elderly populations.

Jerry noted that the committee was focused on expanding housing and service opportunities, but no discussion had yet occurred regarding the impact urban expansion has on farmland. He noted that most communities are built on or near the best soils. Farmland will be even more important to future populations as land available for food production will decrease as populations increase and development expand outwards. He suggested that the conversion be taken into account.

Joe Baldus stated that educating realtors and developers on the advantages of mixed income neighborhoods would not be effective, unless the public was educated first. Arlene stated that mixed use was just as important as mixed income. Joe questioned the effectiveness of meeting affordable housing needs with mixed use developments. He stated that mixed use projects he is familiar with tend to be upscale, not affordable. Mike stated that it can work in areas where you are rehabbing older neighborhoods. He stated that he was not aware of any new mixed developments where housing remained affordable. Mike noted that our culture is so tuned into automobile use that the car is considered a necessity, even in mixed use areas and parking becomes a problem. Arlene noted that mixed use developments could help with financial stability. She noted that an apartment above a store would provide a steady source of income, where income from retail establishments is not necessarily steady in rural communities.

Committee members discussed private sector disincentives to providing affordable housing. Mike Bonertz asked if the disincentives were the same for scattered low density housing as they are for higher density projects. Arlene Scalzo stated that duplexes are more acceptable in rural communities than a 10 unit complex would be. Joe agreed, noting that most communities are too small for large units to blend in. Arlene stated that small scattered site units are harder to manage. Members noted that lots in rural communities are often larger than those in cities, which increases the cost of land. Joe stated that land

in rural areas is relatively cheaper than land in urban areas. As a result, the need to conserve land is not recognized. Committee members discussed a variety of incentives, which could be used to encourage the private sector to build more affordable housing in rural communities, including reducing land costs and infrastructure costs. Arlene noted that the Village of Deforest had chosen to build wider streets to allow on street parking, which allowed the village to reduce lot sizes.

Committee members discussed potential solutions to addressing the lack of affordable, dependable transportation. Arlene suggested that job centers could run buses. Jerry stated that employers could as well. He stated that Speed Queen ran a bus between Berlin and Ripon to transport employees between work and home. Arlene also noted that most counties provided paratransit services. She recommended exploring the possibility of partnering elderly paratransit services with job/employment opportunities. Jon noted that all rural school districts ran buses, and that these buses usually sat idle during the day. He suggested that communities or employers could partner with school districts to use the buses for transportation during idle hours. Committee members also discussed using volunteer drivers to reduce community based transportation costs. Mike noted that communities would need to check into liability issues and funding requirements. He stated that who owns the bus matters in terms of access, use and ability to use volunteer drivers.

2. Identify next meeting date and location

Betty noted that the committee had considerable work left to do; so more than one additional meeting would need to be held. The next meeting was scheduled for November 21, 2003 at 9:30 a.m.. Committee members discussed potential meeting sites. Betty agreed to contact Shawano County members to see if they would like to host the next meeting. She also noted that we would soon be experiencing winter weather conditions, and asked members to provide phone numbers, in case a meeting needed to be canceled due to the weather.

3. Meeting was adjourned at 11:45 a.m.

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SUMMARY OF PROCEEDINGS

Rural Housing Policy Technical Advisory Committee Meeting
Shawano City Hall, Shawano, WI
Date: November 21, 2003

The meeting was called to order by Betty Nordeng at 9:40 A.M.

Those in attendance were:

Mike Hendrick	Outagamie County Planning
Julie Giese	USDA Rural Development
Jo Ann Tyree	USDA Rural Development
Karen Dickrell	UWEX Outagamie County
Linda Olson	UWEX Shawano County
Gerald Johnson	Brothertown Indians
Betty Nordeng	ECWRPC Staff

Those providing input, but not in attendance:

1. Discuss identified barriers to affordable housing

Betty Nordeng asked committee members present if they had any additional comments to add to changes made to the document, based on comments from the last meeting. No additions were suggested.

Committee members began by discussing barriers associated with inadequate resources. Members noted that healthcare costs were an issue for many households, not just the elderly. Karen Dickrell stated that a needs assessment conducted by UW-Extension indicated that healthcare was a high priority. Members present ask for clarification regarding the issue associated with a lack of access to the financial system. Betty Nordeng said that she believed that was a reference to an inability to afford the service fees or an inability to obtain financing due to bad credit. She stated that she would clarify that and add additional detail to the text. Mike Hendrick suggested that promoting local economic opportunities may be a way to increase jobs. Linda Olson noted that the Rent Smart and Get Checking programs were designed to help people learn to better manage their resources.

In discussing the issues associated with a shortage of Section 8 units, members noted that a shortage of Section 8 vouchers also existed. Linda Olson stated that some landlords were unwilling to participate in the program. Julie Giese stated that more information is needed regarding financing options and available financial resources for repair or rehabilitation. She noted that lead abatement is a big issue, as units must be lead safe in order for Section 8 voucher recipients to rent the unit. Linda Olson stated that sometimes in Homebuyer Education seminars, people find out that a mortgage can be cheaper than the rent they are paying. Karen Dickrell noted that winterizing is important. She stated that some renters have energy bills that are higher than their rent. Julie Giese suggested that HUD should pull unused vouchers and distribute them to areas which have a shortage of vouchers. Jerry Johnson stated that smaller communities don't wish to give away dollars.

Committee members discussed issues associated with housing for the extremely low income, noting that these individuals often need support services also. Housing alone is often not enough. This is what makes it difficult for smaller communities to provide assistance for these individuals. It was suggested that CAP agencies provide support services in some communities. Karen Dickrell noted that not all CAP agencies provide the same service. She also noted that the level and type of service each agency provides may also vary within the region they serve. Collaboration is needed to provide support services

in rural areas. She also let the committee know that Senator Feingold's office has a staff member that will do grant searches. She suggested working with local officials to encourage them to check with Feingold's staffer to find out what's available. Jerry noted that newsletters or articles in the local paper would let the public know, and they would likely push elected officials to do so. Julie Giese stated that Mary Bach is currently working in Calumet County to help them address housing issues for the extremely low income.

Mike Hendrick stated that it helps if you put a face on these individuals, so communities understand the issue better. Karen asked if anyone knew how many homeless individuals are transients. Betty stated that it was unclear, as these individuals are hard to count. She stated that it was her understanding that in smaller communities, the homeless are more likely to be from the local area; but she did not know the actual answer to that question. Other members present were also unclear on how many homeless individuals are transients. Linda suggested that jobs training would provide individuals the opportunity to earn higher levels of income. Mike Hendrick stated that it would help to have a clearinghouse, which provided information about available programs. Julie Giese agreed. She noted that USDA Rural Development had a little known little used program for transitional housing. She stated that the program did have strings attached. The program is only available to nonprofits. The agency must provide counseling, education and job counseling to participate in the program. Julie suggested that communities could offer credit to landlords who were willing to rent to extremely low income individuals. She stated that property taxes are a large cost, which must be covered by rent. Jerry stated that it would cost the cities money to offer property tax credits. Julie suggested that they could apply for grants to cover the shortfall. Karen asked if it would be possible to rely partially on extended family networks or build on community support. She stated that some extremely low income individuals have mental illness and can't work. Julie stated that some parents establish a life estate for a mentally ill child, which allows the supporting organization to have the house when the child no longer lives there. Other options discussed included reverse mortgages, rewriting zoning ordinances to allow accessory units to be built in single family neighborhoods, zero lot line developments, density bonuses, residential development in areas zoned for commercial development and apartments above stores.

Committee members discussed potential solutions to limited housing options. Karen noted that in some communities, employers have built housing for their employees. Julie stated that Brakebush has provided housing symposiums to let their staff know what programs and housing is available.

Committee members reviewed issues associated with lease restrictions, housing features, individuals living in housing they cannot afford and unrealistic expectations. Mike Hendrick suggested that organizing a skills coop would allow residents to trade skills, and thereby address some of the housing feature issues in a more affordable fashion. Karen suggested that brochures and community education could address some of these issues. More education is needed regarding available financial products and the organizations that provide them.

2. Identify next meeting date and location

Betty noted that the committee had considerable work left to do. Julie Giese suggested holding one final marathon meeting, where members would agree to stay until they had finished reviewing the document. Mike Hendrick suggested that committee members review the rest of the document and submit comments to Betty prior to the meeting, in order to speed the process up. Committee members present agreed to both. Betty asked committee members present to provide their comments by December 5th, so that she would have time to organize them. The next meeting was scheduled for December 12, 2003 at 9:00 a.m. at the Outagamie County Extension office.

3. Meeting was adjourned at 11:45 a.m.

SUMMARY OF PROCEEDINGS

Rural Housing Policy Technical Advisory Committee Meeting
Outagamie County UWEX Offices, Appleton WI
Date: December 12, 2003

The meeting was called to order by Betty Nordeng at 9:20 A.M.

Those in attendance were:

Julie Giese	.....	USDA Rural Development
Linda Olson	.....	UWEX Shawano County
Leanne M. Doxtater	.....	Oneida Planning Dept.
Larry Cornelius	.....	Oneida Planning Dept.
Mike Hendrick	.....	Outagamie County Planning
Karen Dickrell	.....	UWEX Outagamie County
Gerald Johnson	.....	Brothertown Indians
Jon LiDonne	.....	Waupaca County Veterans Services
Betty Nordeng	.....	ECWRPC Staff

Those providing input, but not in attendance:

1. Review and make modifications to final draft

Betty Nordeng distributed an updated draft document, which included input provided by committee members since November’s meeting. She explained to the committee that the final document could be presented as two separate documents, one for rural areas and one for urban areas, or as one document with an urban section and a rural section. Committee members present stated a preference for one document.

Betty asked for any additions or clarifications within the definitions section. No changes were suggested. Betty then noted that she had made changes to the discussion regarding housing for the extremely low income based on the considerable discussion and input from the last committee meeting. She asked committee members present to review those changes. Leanne Doxtater stated that it is important not to stereotype or label individual households. Larry Cornelius suggested that the number of households receiving free or reduced lunches at public schools could be used as a surrogate to determine how many households are in this income category. Linda Olson and Julie Giese stated that while that would get many households, households without school age children would not be included in those numbers. Larry agreed, and suggested that elderly households on fixed incomes should be added to the list of household examples that could fit into this category. Julie Giese stated that communities need to recognize that these individuals are in our communities and are needed to perform certain types of employment. Leanne stated that low income does not necessarily mean low employment skills or inadequate education. Some of these individuals may have good skills and be well educated, but have not been able to find a job in their field. As a result, they may be underemployed or unemployed. Committee members discussed job training programs, in which the government paid a portion of the salary for new graduates, during their first few months of employment. Larry noted that such programs may not be realistic given the budget cuts that are occurring. He suggested that a tax break may work better. Committee members discussed barriers to accessing assistance. Mike Hendrick suggested that a regional clearing house would simplify the process. Karen Dickrell stated that Goodwill in the Fox Cities was attempting to provide that function. She suggested that in rural areas, schools and local libraries may be good places to provide information for these households.

Committee members discussed issues associated with daycare costs, noting that daycare costs are an issue not only for extremely low income households, but also moderate income households. Julie Giese noted that some daycare assistance is available for qualifying households through social services. Linda Olson and Julie both noted that moderate income households may earn too much to qualify for assistance, yet not earn enough to cover expenses.

Committee members discussed CAP agencies' abilities to address the needs of the extremely low income. Members discussed the difference in services provided and how CAP services vary between counties and CAP agencies. Some of the issues discussed included differences in the size of various agencies, their need to fit around existing programs, and who determines which services they choose to provide.

Linda Olson noted that some companies provide downpayment or closing cost assistance for their employers. Committee members questioned how that could work. Betty Nordeng explained a program that had been proposed in Shawano County, whereby eligible employees could receive a grant for closing costs or down payment assistance, provided they agreed to stay with the company for 5 years. If the employee left the company prior to the stated agreement, then the employee would have to reimburse the company the grant money.

Committee members moved on to discuss poor financial knowledge/skills. Jon LiDonne noted that some individuals may be so discouraged that they do not believe they can change. Leanne Doxtater stated that children and young adults have unrealistic expectations, and their parents have contributed to the problem by giving them too much. Larry Cornelius stated that parents may be afraid to discipline their children, and so do not teach them as much as they might otherwise. Committee members discussed the issues associated with easy credit, including credit cards, cash stores and buy now pay later programs. Mike Hendrick noted how advertising works to convince people they need something that they could do without. Larry agreed, noting that individuals need to learn the difference between needs and wants. Leanne stated that current lax credit practices have set kids up for failure. It is too easy for them to end up with bad credit before they understand what impact it will have on their future. Jerry Johnson noted that the proliferation of easy to get credit cards has forced banks to be more lenient in loaning money in order to compete in the financial market place. Committee members identified a number of existing and potential educational programs that could be used to teach people how to handle finances and credit responsibly. Committee members also asked if it was possible to make financial education a requirement. Linda Olson noted that we don't have control over other programs. However, she also stated that a state legislative bill (AB94) has been proposed, which would require financial education in public schools. The bill has been through committee, but has not yet been brought to the floor.

Committee members discussed issues associated with delayed recognition of financial difficulties. Linda noted that on average, it takes households 6 months to change their spending habits. She suggested that companies, which are in the process of laying off employees provide training sessions that discuss the importance of households changing their spending habits now, so that they do not increase their financial difficulties. Jerry Johnson suggested that labor unions could provide similar training.

Committee members discussed access to financial training and assistance. Leanne noted that information regarding available resources and assistance could be distributed in any number of locations, including church, community or employer newsletters, schools, bulletin boards in laundry mats, stores and gas stations. Members suggested exploring media options. Mike Hendrick noted that such an advertising campaign would need a champion to take it forward and implement it or provide the financing for someone else to implement it. Karen Dickrell noted that in the Fox Cities, they are trying to get a phone number, 211, established that individuals could use to call and gain information or referral to programs that would meet their needs.

Committee members discussed issues associated with poor maintenance knowledge or skills. Leanne suggested including phone numbers of individuals willing to help in a welcome wagon packet. Karen Dickrell described a program in Kansas City, called Front Porch, which helps promote safe neighborhoods

and helps with minor home repair, neighborhood clean ups, etc. Karen and Linda noted that UW-Extension used to provide videotapes, which demonstrated how to handle some simple home maintenance and repairs. Julie Giese noted that Mt. Horeb has a well developed bartering coop, that allows neighbors to exchange skills. Linda stated individuals could learn skills by volunteering for Habitat for Humanity. Others noted that Home Depot offers free training sessions. Individuals could attend those or communities could encourage their local hardware stores to initiate similar programs, in exchange for tax deductions. Larry Cornelius noted that skills coops shouldn't be limited to home maintenance and repair, but rather could include other skills, such as financial management. Mike Hendrick agreed, and noted that the SCORE chapter concept could be used to allow retired contractors and skilled tradesmen to share their knowledge with others. Other suggestions included Home Fix-up Fairs, pooling projects to negotiate with local contractors for free labor in exchange for tax deductions, and utilizing cable TV to advertise programs or provide education and assistance. Committee members completed the review of Section I by making minor changes to issues associated with landlord tenant conflicts.

Committee members then began reviewing Section II. Regulatory Barriers. Karen Dickrell suggested providing a bus tour to familiarize elected officials and community decision makers with issues resulting from overly restrictive development standards and to visually demonstrate alternative development patterns. Mike Hendrick suggested that other visual demonstrations should also help increase understanding of these issues. Mike also noted a need for increased education regarding alternative designs and zoning administration issues.

Committee members discussed issues associated with the decline in the existing affordable housing stock. Members discussed the high costs associated with lead abatement procedures, and the increase in material costs. It was suggested that construction firms should be encouraged to donate materials in exchange for tax deductions. Karen Dickrell noted that sometimes Walmart, Home Depot or other corporations may donate building materials to nonprofits.

Committee members discussed issues associated with meeting the housing needs of targeted populations. Julie Giese noted that language is a real barrier. She also noted that computer programs, which are used to process clients, do not recognize families with more than 8 members. Community restrictions may also penalize large families and/or extended families.

Committee members reviewed Section III Community and Economic Barriers. One addition issue was added, the high cost of materials. Minor modifications were made to the issues associated with inflated market values and substandard housing. Members present discussed issues associated with limited available housing and an insufficient number of rental units. Julie Giese noted that developers need the support of the community in order to address these issues. She noted that many funding programs accept applications only from governments or nonprofits. Individuals and for profit developers are not eligible for these funds. Adaptive reuse was also added as a potential solution.

Committee members discussed issues associated with maintenance and management costs. Members discussed the advantages and disadvantages of property taxes versus service fees. Julie Giese noted that developers do not get enough of a return on their investment to properly maintain rental units for very low income households. Rehab funds are needed to keep these projects in good condition. She stated that communities would be better off if they preferentially repair and rehabilitate older properties, rather than subsidize the building of new facilities, if the community already has an adequate number of units to serve the population. Otherwise, she said tenants will leave the older structure and move to the newer structure, which increases the rate of deterioration of the older unit. It was noted that needs assessments typically document the total number of low income households, but may not discount the households that are already in existing housing. Feasibility studies can be a conflict of interest, if it is in the consultants best interest to say a need for additional housing exists. Jerry Johnson suggested that perhaps communities should do their own study. It was noted that studies cost money. Communities

could do the study as part of the comprehensive planning process or ask for additional information from the consultant.

Committee members recommended that the following changes be made to the income barriers section. Individuals, particularly young adults, should not move into a community thinking they will find a job there. It is best to find a job, then relocate. Members recommending removing the solution which recommended that communities adopt impact fees for large low wage employers. Mike Hendrick noted that rural communities have trouble attracting employers. Many would rather have a low wage employer, than no employer. It was suggested that encouraging communities to provide cafeteria benefits may be a better solution.

2. What happens next?

Betty Nordeng stated that she would edit the document based on today's discussion, and add comments submitted by Linda Olson prior to the meeting. She encouraged committee members to submit any other suggestions they may think of in the next couple weeks. The final document will be presented at ECWRPC's January quarterly commission meeting. Afterwards, all committee members would receive a final copy. Leanne Doxtater suggested that the committee meet again in a year to discuss progress on reducing barriers to affordable housing.

3. Meeting was adjourned at 2:30 p.m.

APPENDIX D – Resolution No. 05-04

RESOLUTION NO. 05-04

**ACCEPTANCE OF THE REPORT: OVERCOMING BARRIERS TO AFFORDABLE HOUSING
IN THE EAST CENTRAL REGION**

WHEREAS, the Economic Development Committee has reviewed and recommended the report *Overcoming Barriers to Affordable Housing in the East Central Region* to the Commission for acceptance, now therefore

**BE IT RESOLVED BY THE EAST CENTRAL WISCONSIN REGIONAL PLANNING
COMMISSION:**

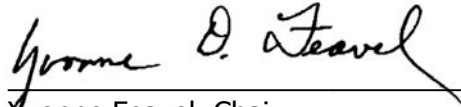
Section 1: That the Commission accept the report *Overcoming Barriers to Affordable Housing in the East Central Region*.

Section 2: That the report *Overcoming Barriers to Affordable Housing in the East Central Region* is intended to inform and assist local communities, agencies and developers in identifying solutions to address barriers to affordable housing in their communities.

Effective Date: January 30, 2004

Submitted By: Economic Development Committee

Prepared By: Betty Nordeng



Yvonne Feavel, Chair