

Benefit & Harm Analysis

The Housing Element of Milwaukee's Comprehensive Plan

May 1, 2025

The purpose of this Benefit & Harm Analysis is to analyze the near-term strategies recommended in the Housing Element and evaluate the potential benefits and potential unintended consequences of the proposed recommendations for future updates to the Zoning Code. The Benefit & Harm Analysis includes a focus on (1) concerns that have been raised by community members during the public engagement process to develop the Housing Element, and (2) the Plan's alignment with the City's goals for housing affordability, choice, and anti-displacement, ensuring vulnerable communities are not harmed by proposed Plan recommendations. The Benefit & Harm Analysis also includes steps that the City is proposing to track and mitigate potential unintended consequences of Plan recommendations.



Prepared by the Department of City Development

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1. Introduction

a) Purpose

The Housing Element is proposed as an updated element of the City of Milwaukee's Comprehensive Plan to support housing choice and affordability. The Housing Element incorporates goals and recommendations from a number of recent housing-related planning efforts across the city to support implementation of policies and recommendations found in the [Anti-Displacement Plan](#), the [Collective Affordable Housing Strategic Plan](#) (developed with the cross sector [Community Development Alliance](#), and endorsed by the Common Council), and the City's 14 [Area Plans](#).

One primary element of The Housing Element is to propose a series of policies and recommendations for future updates to the City of Milwaukee's Zoning Code. **These policies and recommendations are intended to benefit existing Milwaukeeans and those that will call Milwaukee home in the future.**

The purpose of this Benefit & Harm Analysis is to analyze the near-term strategies recommended in the Housing Element and evaluate the potential benefits and potential unintended consequences of the proposed recommendations for future updates to the Zoning Code. The Benefit & Harm Analysis includes a focus on (1) concerns that have been raised by community members during the public engagement process to develop the Housing Element, and (2) the Plan's alignment with the City's goals for housing affordability, choice, and anti-displacement, ensuring vulnerable communities are not harmed by proposed Plan recommendations. The Benefit & Harm Analysis also includes steps that the City is proposing to track and mitigate potential unintended consequences of Plan recommendations.

b) Alignment with Citywide Goals

The Plan's policies and recommendations align with a number of key community and City goals that can improve the quality of life for existing Milwaukeeans.

Increasing Choice & Access

Policies and regulations that restrict housing diversity increase the cost of building new housing and limit the types of housing available within individual neighborhoods. This can drive up the cost of homeownership and increase housing costs for people who rent. Recent studies have found that housing growth can help slow rent growth within our region and minimize the potential for displacement of existing residents.ⁱ

Fiscal Sustainability & Economic Development

Housing development also helps grow the tax base, which provides needed resources to support public services, parks, transit, and schools, and could reduce the tax burden on existing residents. Housing growth and development lets more people live in neighborhoods with access to jobs, neighborhood shopping, and other amenities. Businesses thrive when they have people nearby, both employees and customers. Increasing the number of people in neighborhoods, especially neighborhoods that have seen population decline, can help attract businesses and services to neighborhoods.

Sustainability & Resiliency

As Milwaukee faces the current and future impacts of climate change, there is a critical need to make it easier for people to walk, use transit, and bike, to reduce the amount and impact of driving on our environment. Milwaukee's Comprehensive Plan recognizes that land use and transportation planning are directly linked to climate resilience. The [Plan](#) calls for policy change to help foster those compact urban neighborhoods with a mix of uses and housing choices that are the most effective at reducing carbon emissions. There is increasing consensus that compact urban neighborhoods with a mix of uses and housing choices are the most effective at reducing carbon emissions.ⁱⁱ

Healthy & Thriving

A stable, affordable, attainable, and safe home is essential for health and well-being. Every Milwaukee resident should have the right to live in housing that is healthy, dry, clean, maintained, adequately ventilated, and free from pests, contaminants, and other hazards. The policies in the Housing Element support programs and ongoing work the City and partners can take on to help Milwaukee residents secure housing.

c) Why the Name Change?

The Housing Element is an update to the City of Milwaukee's Comprehensive Plan to support Milwaukee's evolving housing needs. It includes strategies and policies to increase housing choice, affordability, and sustainability.

Earlier drafts of the Housing Element were titled "Growing MKE." The title was updated to align with changes in the proposed Plan, which better reflect with the goals of meeting the housing needs of existing residents and neighborhoods, as well as those who will call Milwaukee home in the future. The updates to the Plan since the July 2024 draft reinforce these goals, which remain the foundation of the Housing Element.

Meeting Milwaukee's evolving housing needs is one part the City's overall strategy to enhance the quality of life for current residents and make Milwaukee an even more attractive place for future residents in order to grow a more resilient Milwaukee.

d) Housing "Puzzle"

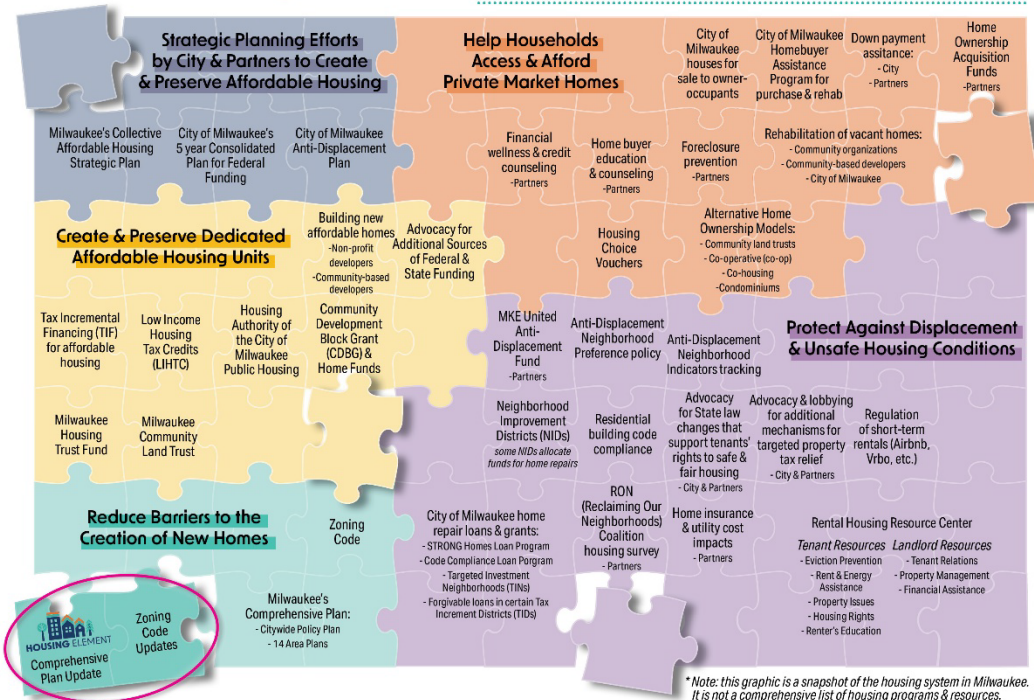
The updates to the Zoning Code proposed by the Housing Element are just one part of increasing access to affordableⁱⁱⁱ and attainable^{iv} homes for all Milwaukeeans. The Plan also highlights the complementary strategies that the City and other government entities should take to achieve the City's overall affordable housing goals. Approval of the Housing Element Plan will codify these recommendations - including those related to anti-displacement, support for homeownership and home repair, and the recommendations of Milwaukee's Collective Affordable Housing Strategic Plan - as part of the City's Comprehensive Plan, along with the recommendations for future Zoning Code updates. As the plan is implemented, ongoing community input and consensus building will continue in order to ensure that each individual strategy is deployed in a manner that is responsive to community desires, ongoing changes in

local housing needs and conditions, and local priorities and available resources.

Milwaukee's Housing System: City & Partner Strategies to Address Local Housing Needs

Zoning is just one piece of the puzzle

While changes to the Zoning Code are an important part of increasing housing diversity and affordability, zoning reform on its own will not create deeply affordable housing. Rather, changes to zoning rules should be viewed as complementary to other efforts to promote housing affordability for all Milwaukeeans.



The Housing Puzzle, includes strategies and programs that the City and partners can take to address local housing needs. These fall under the following categories:

- Strategic Planning Efforts by City & Partners to Create & Preserve Affordable Housing
- Help Households Access & Afford Private Market Homes
- Create & Preserve Dedicated Affordable Housing Units
- Protect Against Displacement & Unsafe Housing Conditions
- Reduce Barriers to the Create of New Homes

e) What the Housing Element Does (& What the Plan Does Not Do)

The Plan does:

- Update the City's Comprehensive Plan (a set of basic guiding documents to help inform future decisions).
- Acknowledge the role zoning has played in limiting housing choice.
- Provide a citywide framework for long-term growth that minimizes displacement.
- Include policies that promote homeownership and affordable rental options in all neighborhoods.
- Include recommendations for future Zoning Code updates that could increase housing options and reduce housing costs while retaining the character of existing neighborhoods.

- Include a commitment to intergovernmental collaboration and legislative advocacy to help increase funding for affordable housing, support homeownership programs, increase accountability for landlords, and to enact legislation to protect tenants' rights.
- Include a commitment to supporting homeownership, including supporting new families achieve homeownership, helping existing homeowners repair their homes, building new affordable homes, and deploying innovative homeownership strategies to create "entry level homes" affordable to existing Milwaukee residents.
- Include a commitment to anti-displacement, which includes ongoing tracking of the City's Anti-Displacement Neighborhood Indicators, continuing programs to help households buy and retain homes, advocating for legislative measures to provide additional resources for those at risk of displacement, and collaborating with community partners to identify and prioritize additional anti-displacement strategies.

Additional information about specific strategies and policies recommended to advance these commitments to legislative advocacy, homeownership, and anti-displacement can be found on page 49 of the Housing Element Plan.

The Plan update does NOT:

- Modify any existing housing programs or regulation or propose any specific real estate development projects.
- Influence the zoning and land use decisions in places outside of the City of Milwaukee.
- Solve the affordability crisis or directly control the price or property assessments of new and existing homes.
- Create or modify the specific program design or eligibility criteria for the multiple housing financing strategies needed to solve the pieces of the affordable housing puzzle.
- Discourage the development of new detached single-family homes.
- Allow the development of larger apartment buildings in 1- and 2- family residential neighborhoods.

f) Limitations of this Analysis

While the Housing Element and this Analysis are grounded in local and national data and research, there is no way to predict with certainty how various factors impacting housing development, population shifts, construction and maintenance costs, and state and federal policy will shift and interplay during the lifespan of the Plan. The cost of constructing housing and property taxes are likely to continue to rise as construction costs, demand for housing, inflation, and cost of city services increase. The Housing Element recommendations are designed to mitigate those increasing costs and maximize the production and preservation of housing that is affordable to a wide range of Milwaukee residents for homeownership and rental. The Housing Element sets forth a framework that advances the City's goals for housing choice, affordability, and sustainability while acknowledging that ongoing monitoring and community collaboration will need to be continuous, in order to balance these various goals as strategies are implemented, adjusted, and refined based on results and the changing landscape in the coming years.

2. Where are we starting from?

a) **Housing & Neighborhoods Chapter of the Citywide Policy Plan – adopted in 2010**

The existing Housing & Neighborhoods Chapter was adopted in 2010 as part of the Citywide Policy Plan. Wisconsin State Statutes required all municipalities in Wisconsin to adopt a comprehensive plan by 2010 and states that amendments to a municipality's subdivision or zoning ordinances after 2010 must be consistent with the comprehensive plan. Comprehensive plans set long-term goals, policies, and recommendations for 10-20 years out, and must be updated no less than once every 10 years. The Housing Element is an update to the Housing & Neighborhoods Chapter of the Citywide Policy Plan and was created to reflect Milwaukee's evolving housing needs.

In the 15 years since the existing Citywide Policy Plan's adoption, Milwaukee has undergone significant changes and the housing needs, challenges, and goals of the city have evolved. There has also been a significant amount of additional planning since that time. Area Plans that were created with significant input from neighborhoods throughout the city have recommended changes to zoning that permit more housing development along commercial corridors and a greater diversity of housing types within residential areas. Efforts to protect residents from displacement and support affordable housing options have taken on increased urgency as more households are unable to access attainable and affordable housing.

Many of the policies in the existing Housing & Neighborhoods Chapter remain relevant today and have been incorporated into the Housing Element, along with the recommendations from more recent Citywide and neighborhood planning related to housing.

Despite the extensive planning and engagement around housing over the past decade, the Zoning Code has seen little change. The Housing Element includes specific recommendations for future Zoning Code updates that could increase housing choice and reduce housing costs over time, consistent with the recommendations of Milwaukee's Collective Affordable Housing Strategic Plan, and other recent Comprehensive Planning efforts.

b) **Past Zoning Codes**

Milwaukee's first Zoning Code was established in the 1920s to protect newly developing residential areas outside of the core of the city from encroachment by industrial uses that could pose a risk to the health and safety of residents. Over time, the Code was updated and heavily influenced by ideas of the time related to the preferred form of cities and a desire for low-density, suburban-style development. This included restricting the number and types of homes that could be constructed in large portions of the expanding city.

A new Zoning Code was adopted in 1951 with an expanded number of zoning districts and additional regulations that reduced permitted densities. This occurred prior to the Supreme Court's 1954 *Brown v. Board of Education* decision, at a time when "de jure" forms of racial segregation remained legal and many zoning ordinances across the country were designed to foster racial segregation. By 1960, the City's land area had doubled in just 15 years and most of the newly annexed areas were zoned and developed at low densities. Federal programs promoted the construction of single-family homes for homeownership. However, these

opportunities were not available to people of color; households of color were limited to competing for older homes in redlined neighborhoods. Housing discrimination became a major focus of local civil rights leaders. As a result of these efforts, community members marched for 200 nights to protest housing segregation in Milwaukee until the passage of the Fair Housing Act in April 1968.

A detailed timeline of government actions that shaped the history of race in Milwaukee can be found on the website of the City of Milwaukee's Department of Administration:

<https://tinyurl.com/6nt8b6zp>

The Housing Element provides a framework for strategic Zoning Code updates that add greater flexibility when creating new housing units that meet current and future needs, while allowing the city to grow and evolve over time and maintain the scale and visual character of Milwaukee's established neighborhoods.

Appendix B includes a detailed chart describing each of the zoning districts that allow housing.

c) Why is the City pursuing updates to the Citywide Policy Plan & future Zoning Code updates?

- **Comprehensive Plan update requirements.** The housing element of Milwaukee's Comprehensive Plan was last updated in 2010. Since that time, the City's housing needs have evolved, and a significant amount of housing-related planning has occurred including:
 - the Collective Affordable Housing Strategic Plan
 - the Anti-Displacement Plan
 - Individual Area & Neighborhood Plans
- **A need to bring together planning efforts.** These recent plans and studies were prepared with significant public engagement, and all include recommendations related to increasing housing choice and affordability in Milwaukee. This proposed update of the Housing Element of the Citywide Policy Plan, incorporates these past efforts, establishes citywide policies that can address the unique needs of various neighborhoods, and provides guidance for future amendments to the Zoning Code to help address current and future housing needs.
- **Demographic changes.** Milwaukee's existing housing stock is not likely to meet the needs of an evolving population. Examples of this include a mismatch between housing costs and incomes, an aging population, multigenerational households, non-traditional living arrangements, a decrease in household size, and an increase in 1-person households of all ages. Traditional housing styles, such as accessory dwelling units and small apartment buildings, which are well-suited for some of these demographics, are prohibited in the vast majority of the city, limiting the ability for new supply to meet existing and future needs. The mismatch in housing size and household size also means that existing housing that could be attainable for low- and moderate-income families is taken up by 1-person households that may prefer but cannot find alternative housing types that may better meet their needs. (see page v in Appendix A for more information).
 - The Department of City Development has prepared an in-depth Housing Affordability report with a wide range of data on housing market and demographic trends and

housing affordability analysis. Milwaukee has ~234,000 households. Of those households, ~98,000 (41.9%) are homeowners, while the majority, ~136,000 (58.1%) are renters. More than half of all renter households are housing cost burdened, meaning they pay more than 30% of their income on housing costs. Milwaukee's population is made of a majority of people of color; approximately 39% of Milwaukee's population is Black, 36% is white, 21% identifies as Hispanic or Latino, and 5% as Asian. The Housing Element recommendations attempt to increase housing choice for this diverse range of housing needs. The [Housing Affordability Report](#) and key affordability metrics are updated on an annual basis and the data was utilized in developing Housing Element recommendations. The 2024 Annual Housing Affordability Report is available online: <https://tinyurl.com/5d376tp3>.

- **Rising housing costs.** Data shows that a large number of Milwaukee residents are housing cost burdened, and during city-wide and neighborhood-specific planning efforts residents continue to express concerns about the high cost of housing and the potential that rising housing costs are contributing to the displacement of low- and moderate-income residents in some areas. Data shows that Milwaukee housing prices are rising rapidly, and limited housing availability is a contributor to increasing costs as households compete for housing units. This also reduces incentives for landlords to maintain their properties. The Housing Element planning process was designed to evaluate how future updates to the Zoning Code may be able to remove barriers to the creation of new housing, including housing styles that may have lower costs and be more affordable to a wider range of Milwaukee residents.

To address these critical needs, and to consolidate housing related policies identified in recent planning efforts, the Milwaukee Common Council directed the Department of City Development to prepare an update to the housing element of the City's Comprehensive Plan. The updated Plan will help guide future zoning changes intended to remove zoning-related barriers to achieving safe and healthy housing for all Milwaukeeans.

d) How did public engagement shape the plan?

The Housing Element planning process included a community engagement process, with a focus on carrying out in-person engagement in low- and moderate-income communities. A citywide plan update requires engaging the community in many different ways. For the Housing Element planning process, this included public meetings, pop-ups and office hours at libraries and senior centers, attending existing community events and meetings, and convening a Technical Advisory Committee made up of individuals who work in the housing sector, and a Community Advisory Committee made up of neighborhood leaders from across the city to shape and review Plan recommendations (see page 31 of the Plan to learn more about these committees). 80% of all in-person engagement activities (office hours, focus groups, pop-ups, Open Houses, etc.) were hosted in or directly adjacent to Qualified Census Tracts (QCTs)^v and/or Neighborhood Revitalization Strategy Areas (NRSAs).^{vi} More than 2,000 individuals were engaged at 90+ online and in-person events designed to solicit feedback on the Plan.

Since the release of the July 2024 Draft Plan, Department of City Development staff carried out additional engagement including two citywide webinars, two citywide in-person meetings, and staff participation in 11 community meetings. That ongoing input has informed a number of adjustments to the Housing Element that are described in this Benefit & Harm Analysis. One of

the changes being proposed is in response to feedback that the Plan should prioritize preserving single-family homeownership opportunities, especially in neighborhoods where home prices remain attainable for moderate-income families. Staff also continued to hear that it is challenging to find quality and affordable rental units, showing a demand for more rental housing as well. More information on the proposed adjustments from the July 2024 Draft Plan based on community feedback is included in section 3e.

A more detailed summary of the Public Engagement process carried out during the development of the Housing Element, including a summary of plan adjustments based on community input, is included in **Appendix C**.

3. Zoning & Policy Recommendations

Below is a summary of the Housing Element Plan’s primary recommendations for near-term updates to the Zoning Code.

a) Near-Term Zoning Recommendation 1 – Neighborhood-Scale Housing:

Update the Zoning Code to define more types of neighborhood-scale housing. In the near-term, with set standards, allow accessory dwelling units, cottage courts, and attached single-family homes (townhomes on separate properties),^{vii} in all residential districts.

Why? Defining additional housing types and setting standards will improve readability of the existing code and make it more feasible for these types of housing to be built, regardless of whether they can be built by-right or require a discretionary approval. Attached single-family homes (fee-simple townhomes) are only allowed in some residential districts and allowing them in more districts could provide more homeownership opportunities.

The chart below summarizes the Near-Term Zoning Strategy #1 by Zoning District.

Table 1: Recommendation for Single-Family and Two-Family Zoning Districts

Zoning Districts	Housing types allowed under the current Zoning Code	Housing types recommended in the Housing Element
RS1-RS6 Districts	<ul style="list-style-type: none"> 1 single-family detached home 	<ul style="list-style-type: none"> Single-family detached home Accessory Dwelling Unit Attached Single-Family Home Cottage Court
RT1-RT3 Districts	<ul style="list-style-type: none"> 1 single-family detached home 1 Single-family Attached home 1 duplex 1 Townhome-style Duplex (max 2 units) 	<ul style="list-style-type: none"> Single-family detached home Single-family attached home Stacked Duplex Townhome-style Duplex Accessory Dwelling Unit Cottage Court

RT4 District	<ul style="list-style-type: none"> • 1 single-family detached home • 1 single-family attached home • 1 duplex • 1 triplex • 1 fourplex • Townhomes (max 4 units) 	<ul style="list-style-type: none"> • Single-family detached home • Single-family attached home • Duplex • Triplex • Fourplex • Townhomes (max 4 units) • Cottage Court • Accessory Dwelling Unit
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b) Near-Term Zoning Recommendation #2 – Multi-Family:

Encourage more housing opportunities in multi-family and commercial districts.

How? Adjust the Zoning Code to remove barriers to new housing on business corridors and multi-family zoning districts. Rely on height limits, setback requirements, and design standards instead of mathematical equations (e.g. floor area ratio or lot area per dwelling unit) to control the number of housing units.

Why? Multi-family buildings can provide affordability in a variety of unit sizes. When developed on or near commercial corridors, they can be close to amenities, which reduces transportation costs. When multi-family buildings are near businesses, there are more customers to support those businesses. Setbacks, height limits, and design standards can be utilized to provide neighbors and developers predictability for how a building will look. Currently, the density restrictions in many of the City’s multi-family and commercial zoning districts prohibit the styles of homes that may be desired by area plans or otherwise permitted by the height and size standards within the Zoning Code. This can prevent new housing from being built or add additional costs to a development that will eventually be passed on to the new residents of the building.

Table 2: Recommendation for Multi-family & Commercial Districts

Zoning Districts	Housing types allowed under the current Zoning Code	Housing types recommended In the Housing Element
Multi-family Districts: RM1-RM7, RO1-RO2	<ul style="list-style-type: none"> • Single-family detached home • Single-family attached home • Duplex • Triplex • Fourplex • Townhomes • Multi-family 	<ul style="list-style-type: none"> • Continue allowing the housing types listed along with Accessory Dwelling Units, and Cottage Courts
Commercial Districts: NS1-NS2, LB1-LB3, RB1-RB2, CS	<ul style="list-style-type: none"> • Triplex • Fourplex • Townhomes • Multi-family 	<ul style="list-style-type: none"> • Remove lot area per dwelling unit and floor area ratio restrictions and regulate building form and size by design standards (including height)
Industrial Mixed: IM		
Downtown Districts: C9A-C9G	Heights vary by district. Some zoning districts limit the number of principal buildings	

A detailed chart describing each zoning district is included in the Appendices.

c) Near-term Zoning Recommendation #3 – Building Design:

Update the Zoning Code to ensure that building design standards support walkable urban neighborhoods and design. This includes looking at façades, orientation, composition, windows, building widths, and parking structure design.

Why? This recommendation directly complements near-term recommendation #2 described above. Updates to the code to support the development of multi-family housing should be paired with updated design standards that are carefully calibrated to promote high-quality design appropriate for the surrounding context. Milwaukee's Zoning Code includes a number of building and site design standards that vary by zoning district. These include standards for pedestrian access, building setbacks, building heights, and in some cases, the amount of windows and types of exterior materials. Design standards provide more predictability regarding the form of new development rather than density ratios. Specific ideas to evaluate further include requiring windows on upper floors of street-facing facades in commercial areas and establishing a maximum building width in certain pedestrian-scaled districts.

d) Additional Zoning-related Recommendations

In addition to the recommendations described above, the Housing Element recommends exploring a number of additional technical updates to the standards found within Milwaukee's Zoning Code. These recommendations are designed to support the overall plan goals of housing choice, pedestrian friendly walkable neighborhoods, and removing barriers that may add to the cost of constructing new housing. This includes analyzing the existing requirements for minimum lot sizes in lower density zoning districts, lot coverage standards, process improvements, and parking requirements. As the City updates to its Zoning Code ordinance, it will be important to take a holistic approach, evaluating the impact of each change in relation to other provisions in the code. The intent is to look at these updates comprehensively and bundle and phase updates as appropriate.

e) Changes to Near-Term Zoning Recommendations based on Community Feedback

The July 15, 2024, Draft Plan of the Housing Element included additional near-term zoning recommendations to permit additional styles of neighborhood-scale housing by-right (i.e. applying directly for building permits with no zoning changes or variances necessary) within neighborhoods. These recommendations were to permit up to three dwelling units on properties zoned RS1-RS6 (Residential Single-Family Districts) and up to four dwelling units on properties zoned RT1-RT4 (Residential Two-Family Districts).

Since the release of the July 2024 Draft Plan, Department of City Development staff have carried out additional community engagement, meetings with neighborhood-based organizations, and discussions with Common Council members. That ongoing input has informed a number of adjustments to the Plan described in this Benefit & Harm Analysis. This includes removing the near-term recommendations to permit duplex, triplex, and 4-family homes in one- and two-family zoning districts where they are currently prohibited. This change is being proposed to respond to feedback that the Plan should prioritize preserving single-family homeownership opportunities, especially single-family zoned neighborhoods where home prices remain attainable for moderate-income families. Prior to the July 2024 Draft Plan release, a preliminary

recommendation to permit 5-8 family apartment buildings in RT4 districts was removed, in response to concerns from historically underinvested neighborhoods about this housing type being permitted by-right.

While this adjustment to the Plan may limit certain opportunities for housing choice and lower-cost housing options, it acknowledges public feedback and past neighborhood planning calling for prioritizing homeownership opportunities when balancing these policy goals. This feedback was often associated with concerns that permitting additional middle housing styles would provide opportunities to speculative landlords at the expense of potential owner occupants. Both of those concerns should continue to be monitored during the life span of the Plan. Future legislative, financing, and market changes may provide new tools or avenues to address these concerns and warrant additional exploration of how and where these missing middle styles of homes should be permitted and could provide homeownership opportunities that are consistent with community interests to have homeownership opportunities in a variety of housing styles.

A summary of current zoning, previous (July 2024) recommendations), and updated recommendations (March 2024) is available in the chart below:

Table 3: Current Zoning, July 2024 Recommendations, Updated 2025 Recommendations

Housing Type	Current Zoning Code	July 2024 Draft Plan Recommendations	Updated 2025 Draft Plan Recommendations
Single-Family Detached Home	Allowed in all RS & all RT Districts	<i>Continue to allow – No change from current Zoning Code</i>	Continue to allow – No change from current Zoning Code
Single-Family Attached Home (fee simple townhome)	Allowed in all RT Districts	<i>Allow in all RS and RT Districts</i>	Allow in all RS and RT Districts
Accessory Dwelling Unit	Not defined	<i>Allow in all RS and RT Districts</i>	Allow in all RS and RT Districts
Cottage Court	Not defined	<i>Allow in all RS and RT Districts with standards</i>	Allow in all RS and RT Districts with standards
Duplex (2 dwelling units)	Allowed in all RT Districts	<i>Allow in RS and RT Districts</i>	Recommendation removed - No change from current Zoning Code
Triplex (3 dwelling units)	Allowed in only RT4 District	<i>Allow in all RS and RT Districts</i>	Recommendation removed - No change from current Zoning Code
Fourplex (4 dwelling units)	Allowed in only RT4 District (if lot is large enough)	<i>Allow in all RT Districts</i>	Recommendation removed - No change from current Zoning Code

f) Summary of the Housing Element Policies

The Plan contains a set of policies that help guide land use decisions, future Zoning Map amendment proposal reviews, and related housing policies. Not all policies are related to the proposed Zoning Code or Zoning Map changes. Some policies are used to provide guidance for projects that require reviews through public hearings at the *Board of Zoning Appeals* or *City Plan Commission* or approvals by the Common Council.

The Housing Element also includes associated housing policy recommendations on topics including homeownership efforts, anti-displacement efforts, and regulation of short-term rentals. The Plan's policies are organized into the following categories.

I. Housing Choice & Access

- Diversifying housing types for all people and income levels and stages of life
- Increasing access to housing development by improving zoning processes
- Supporting homeownership efforts and programs for existing homeowners
- Assistance for those that are experiencing housing insecurity or are unhoused
- Public housing and community service programs

II. Neighborhood Repair, Connections & Health

- Supporting neighborhoods through investment and placemaking
- Adaptive reuse and rehabilitation of existing housing stock
- Regulating short-term rentals
- Tenant support – eviction prevention, advocating for fair rental practices

III. Walkable Neighborhoods & Transit-Oriented Development

- Policies supporting development near transit and mixed-use development
- Encouraging neighborhood-scale businesses in neighborhoods

IV. Neighborhood Development & Urban Design

- Zoning-related actions for reviewing and updating design and form standards
- Sustainability best practices

These recommendations and commitments are found within Goals & Policies section of the Plan, with a summary of commitments related to legislative advocacy, homeownership, and anti-displacement added to updated version of the Plan on pages 48-51.

4. Plan Benefits:

a) Who benefits from these changes?

- **Existing residents – both renters and homeowners** – could see multiple benefits as the recommendations of the Housing Element are implemented:
 - More housing choices at a variety of price points, which may help stabilize housing costs and reduce displacement pressure by reducing competition for available housing units
 - More housing choices for a variety of household sizes and needs

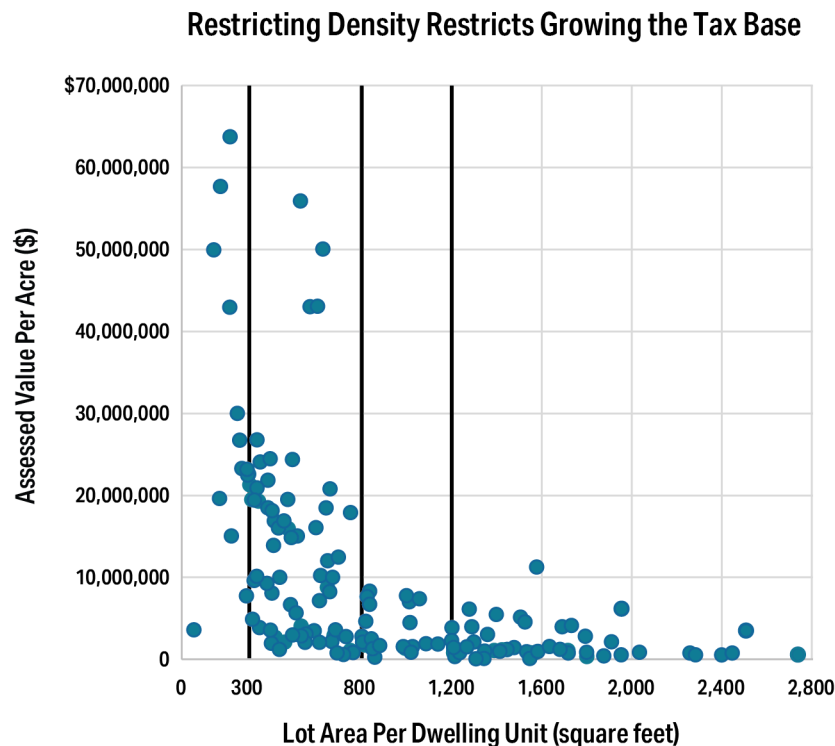
- More housing choices throughout the city
- New housing types, such as townhouses and cottage courts

The Housing Element policies will allow for a wider variety of housing types and an increased supply of housing. If zoning rules do not allow for the construction of new homes in neighborhoods seeing increased demand and population growth, existing residents are more likely to be financially impacted or potentially displaced due to rapidly rising housing costs. Recent studies of rent prices in Minneapolis after the adoption of zoning code updates to permit more housing show how zoning changes can be one part of a comprehensive strategy to address rising housing costs^{viii}. While Zoning Code updates on their own will not create housing affordable to Milwaukee's lowest income households, Zoning Code updates are a critical companion strategy to pair with the Collective Affordable Housing Strategic Plan strategies and other affordable housing financing strategies to enable the creation of additional needed affordable housing.

- **Aging in place/in neighborhoods** – More housing options will make it easier for more people to age in place in their homes and neighborhoods. Allowing housing types like accessory dwelling units creates opportunities for intergenerational living or added rental income. Around 60% of 50+ year old adults surveyed in [AARP's 2021 Home and Community Preferences survey](#) would consider living in or building housing options like accessory dwelling units (ADUs) or "in-law cottages." These housing styles enable flexibility for occupants to live near someone like a family member, but be able to maintain their own space, save money, or have nearby support for daily activities. More than half of those surveyed place "high importance on having a variety of housing types that can fit people's needs as they age such as smaller single-family homes, multi-family homes, and apartments." The Housing Element recommendations, including permitting accessory dwelling units within all residential neighborhoods, will reduce barriers to housing development that will allow seniors to age in place in their neighborhoods.
- **Non-traditional households** – the current definitions in the Zoning Code and Chapter 200 (Administration and Enforcement) of the City Code of Ordinances are limiting and do not account for the variety of "family-type units" that exist today. Updating this language will allow for a more inclusive and modern definition of household or family. It will allow for family-sized groups of people who are not related by blood or marriage to live together.
- **Walkable neighborhood business districts & amenities** – Housing growth and development lets more people live in neighborhoods with access to jobs, shopping, and other amenities. Businesses thrive when they have access to employees and customers. Increasing housing diversity in neighborhoods can bring in those employees and customers. Encouraging more housing development near commercial districts and transit corridors creates vibrant walkable environments - increasing the quality of life and providing health benefits. Transit-oriented development has been shown to help lower household transportation costs, increase access to jobs, and allow neighborhood

residents to meet more of their day-to-day needs such as shopping, worship, and recreation, without relying on an automobile.^{ix}

- **New tax base from new development** will spread the costs of paying for City services across a larger group of taxpayers, helping stem future property tax increases or service cuts, and supporting investments in new neighborhood gathering spaces, safer streets, and other core services such as libraries. Department of City Development analysis indicates that current density limits in many of the city's multi-family and commercial zoning districts prohibit the styles of multi-family development that may generate the highest assessed value per acre. The chart below depicts all multi-family housing developments constructed during the past 20 years, comparing the tax value generated by each development to the density of the development, demonstrating that existing restrictions on the number of homes that can be created within multi-family developments have significant impacts on the ability to add to the tax base in addition to limiting housing development.



- **Lower income residents seeking housing options in a wider variety of neighborhoods**
– Housing Element recommendations to allow for additional housing options (including accessory dwelling units) that may be accessible to wider range of household incomes in neighborhoods that have been previously limited to detached single-family homes as well as other recommendations to remove barriers to multi-family affordable housing in high-amenity neighborhoods will create additional housing options city-wide. Neighborhood-level analysis comparing the costs to rent versus the cost to buy in individual neighborhoods indicates this may create additional housing opportunities available to a wider range of households from low- and moderate-income households in neighborhoods throughout the city.

The Housing Element also incorporates the recommendations and goals of the Collective Affordable Housing Strategic Plan and Anti-Displacement Plan to formally include them into the City's Comprehensive Plan.

- **Small-scale emerging developers and individual property owners** – Improvements to the zoning process and clarifications in the code will help small-scale and emerging developers take on projects with more clarity and less risk. Permitting additional neighborhood-scale housing styles would also help emerging developers enter the field and provide housing responsive to community needs and desire for increased housing styles and choice. A recent Wisconsin Policy Forum report on the Associates in Commercial Real Estate (ACRE) program noted that over 300 individuals have completed the ACRE program since its inception in 2004, as well as highlighting the Emerging Developers Roundtable, predominantly made up of recent ACRE grads, many of whom are interested in pursuing neighborhood scale and middle housing styles of development.^x

5. Potential Harms & Concerns:

The Department of City Development has also explored potential harms or unintended consequences of the zoning changes recommended by the Housing Element. This includes a specific focus on concerns that were raised by residents during the public engagement process that occurred while developing the Housing Element, including the potential impacts of Zoning Code changes on displacement and gentrification, housing market speculation, property tax assessments, access to homeownership, repairing the existing housing stock, locally-designated historic districts, and local resources and infrastructure. Below is a summary of these potential harms, and steps that may be taken to continue to track and mitigate them, with a particular focus on vulnerable neighborhoods and populations.

a) Displacement & Gentrification

Potential Harm:

Residents have expressed concerns that new housing development enabled by the Zoning Code changes recommended by the Housing Element, in particular those recommended in the July 15, 2024 draft to allow up to 3-4 units in RS (single-family) and RT (two-family) zoning districts - may contribute to rising housing costs resulting in the displacement of existing residents, especially in lower-income communities. *(Definitions of displacement, anti-displacement, and gentrification are available in the endnotes)*^{xi}

Background/Analysis:

Making updates to the Zoning Code to allow for the creation of more homes and a wider mix of styles of homes is aligned with the City's Anti-Displacement strategy. Recent research and academic studies have found that increases in housing supply slow the growth in rents in the region and that additional housing supply (new housing units) has not been shown to cause significant increases in housing costs and displacement of lower-income households.^{xii} Using zoning to restrict the creation of new homes in areas where people want to live has been shown to increase housing prices across the community, potentially contributing to the displacement of existing residents.

In partnership with the Common Council, the Department of City Development created an [Anti-Displacement Plan](#) in 2018 that laid out a series of strategies for policymakers to implement to mitigate displacement risks associated with rising housing costs linked to new development. Since the release of the Anti-Displacement Plan, the Common Council and DCD have advanced many of the plan's recommendations to help existing residents remain in their neighborhoods. This includes providing financial assistance to homeowners for critical home repairs to assist them in retaining their homes, multiple strategies to support affordable homeownership opportunities, the creation of new affordable rental housing, and targeted strategies such as the Anti-Displacement Neighborhood Preference Policy.

The 2018 Anti-Displacement Plan recognized that the City's Anti-Displacement Planning efforts would be ongoing, and continue to evolve over time to address community identified priorities and respond to changing market conditions. The Department of City Development has carried out annual updates to the City's [Anti-Displacement Neighborhood Indicators](#) to track market conditions and identify neighborhoods where changing neighborhood conditions may be increasing the potential for the displacement of existing residents.

The Housing Element formally incorporates the recommendations of the Anti-Displacement Plan into the City's overall Comprehensive Plan. The near-term Zoning Code updates recommended by the Housing Element complement the other strategies in the Anti-Displacement Plan by allowing for accessory dwelling units to be built in neighborhoods across the city and reducing barriers in the zoning code that may prevent the creation of new housing to meet current housing demand and need. The City will continue to carry out the strategies called for in the Anti-Displacement Plan and the Housing Element commits to the ongoing refinement of those strategies over time to respond to changing market and neighborhood conditions and community engagement.

Mitigating Potential Harm:

The City will continue to implement the recommendations of the Anti-Displacement Plan, as well as identify and carry out additional Anti-Displacement strategies to respond to evolving trends and resident input. This includes:

- Implementing programs recommended by the Anti-Displacement Plan to assist homeowners to remain in their homes, such as the STRONG Homes and Code Compliance Loan Program which has invested more than \$7 million and supported more than 500 homeowners in making needed repairs to their homes since the release of the Anti-Displacement Plan, as well as directing City financial resources to prioritize the development of new affordable rental housing in neighborhoods at risk of displacement. Since 2018, the City has supported the development of more than 1,000 new affordable homes in neighborhoods identified as at risk of displacement.
- Carrying out policies, such as the Anti-Displacement Neighborhood Preference Policy, along with the prioritization of city land for the creation of affordable housing for homeownership and rental housing.

- Collaborating with community partners and neighborhood organizations to identify and prioritize additional Anti-Displacement strategies (e.g. “Homeowner and Future Homeowner Bill of Rights” initiative), including exploring Tenant Opportunity to Purchase legislation, support for the growth of local land trust models and other strategies that ensure permanent affordability, and an expansion of existing strategic acquisition efforts to include targeted existing multi-family buildings and development sites in neighborhoods at risk of displacement.
- The near-term recommendations in the July 15, 2024 Draft Growing MKE Plan to permit duplex, triplex, and four-plex homes in zoning districts where they are currently prohibited have been removed from the Plan in response to community input. Future legislative, financing, and market changes may provide new tools or avenues to address these concerns and warrant additional exploration of how and where these missing middle styles of homes should be permitted to meet local housing needs and align with Anti-Displacement goals. The updated Plan also includes recommendations that would support these types of expanded housing options to be permitted through future neighborhood-specific Zoning Map amendments, retaining additional neighborhood input on where these housing styles are developed, especially in vulnerable neighborhoods.
- One additional strategy that community members have asked be explored locally is rent control policies that would limit the amount or percentage of annual rent increases. Wisconsin Statute 66.1015 prohibits local municipalities from enacting rent control or inclusionary zoning ordinances.

Tracking: Conducting annual updates of City of Milwaukee Anti-Displacement Neighborhood Indicators to monitor ongoing neighborhood market and demographic change and to inform Anti-Displacement strategies.

b) Taxes & Assessments

Potential Harm:

Residents have expressed concerns that new development enabled by the Zoning Code changes recommended by the Housing Element may increase property values for nearby homes, potentially increasing property taxes for existing residents and contributing to displacement pressures.

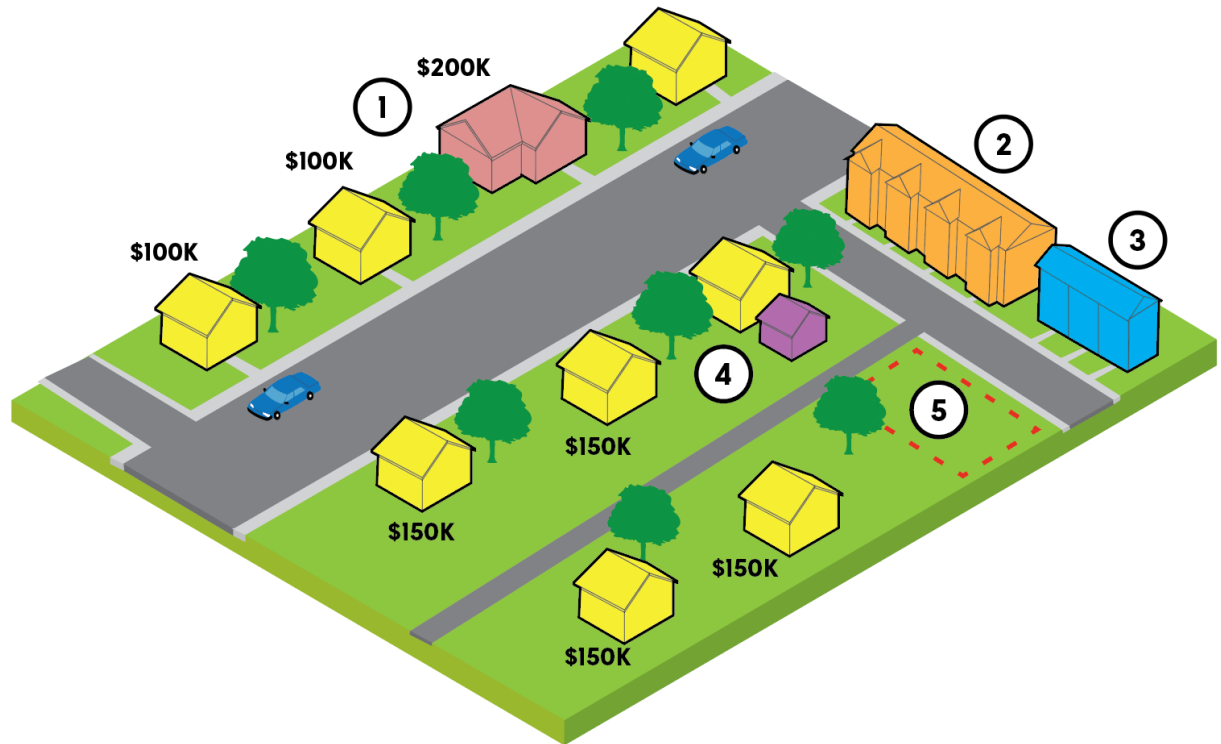
Background/Analysis:

Property taxes for an individual homeowner are impacted both by the assessed value of that home, which is based on the estimated market value that a potential future buyer would be willing to pay, as well as the total size of the City of Milwaukee’s budget (tax levy). The primary way for local government to generate local revenue in order to pay for needed public investments is by increasing the City’s overall tax base through the new construction and new development that Housing Element recommendations support. New development will also result in more residents and businesses sharing in the payment of the tax levy.

As the cost of providing services continues to grow, new development provides one of the only sustainable paths for Milwaukee to ease the tax levy burden on existing residents in order to maintain services and be able to make new investments in our roads, parks, libraries, and other

critical City services. Therefore, without new development, it can be anticipated that existing resident's property tax bills will continue to rise at a rate higher than inflation, or residents will

Graphic 1: How property assessments and taxes are related:



The City's budget is \$2 billion, and includes things like emergency services, parks, and infrastructure. About 35% of the budget is funded by property taxes.

- 1) To determine how much tax each property owner should pay, the assessor looks at sales of comparable properties in the area to determine the market value assessment. The homeowners in each house pay tax based on that assessment. A newer, bigger building might have a higher assessment and pay more.
- 2) What about new multifamily housing? Do those raise the taxes for the houses in the neighborhood? Not directly: The assessor compares like with like, so multifamily isn't compared with single-family homes.
- 3) New construction/more housing increases the tax base, meaning more properties contribute to funding the City's budget. The tax rate may decrease.
- 4) Will I have to pay more in taxes if my neighbor builds an accessory dwelling unit? Your neighbor building an accessory dwelling unit will affect your neighbor's assessed value, not yours. Similarly, if your neighbor built an addition to their home, the increase in square footage to their home would have an effect on your neighbor's assessment and property taxes, not yours.
- 5) What about a vacant lot? As development occurs on vacant lots, additional value is added to the City's tax base, reducing the share of the levy that must be paid by existing property owners.

The potential for rapid increases in an individual property owner's annual tax bill is most likely to occur when the value of that homeowner's home increases more rapidly than the city average (potentially because the home was improved, or similar homes in the neighborhood are selling for higher prices). Under existing zoning regulations, housing prices have increased significantly in recent years, and those neighborhoods that have seen the most rapid increases have also seen increased tax bills for individual owners.

The July 15, 2024 draft of Growing MKE recommended allowing a wider mix of housing styles by-right, including duplexes, triplexes, accessory dwelling units, in additional neighborhoods throughout the city. It was anticipated that the development of these styles of housing would have been gradual (given current development costs and data from peer cities including Minneapolis nationally and Wauwatosa and West Allis more locally) to allow for monitoring the impacts on individual neighborhoods. This recommendation has been modified significantly in the current version of the Plan, which would further limit the impacts that proposed Zoning Code changes could have on the assessed value of neighborhood properties.

As an example, based on analysis of current data, the existing RT4 zoning district is the most common residential zoning district in the city (32,469 properties), and includes a broad mix of Milwaukee neighborhoods. 1-4 unit residential structures are already allowed in the RT4 zoning district. Data indicates that recent increases in assessed values in RT4 neighborhoods have been driven by the sale prices of existing homes, not the construction of new missing middle housing types that are already permitted in RT4 neighborhoods and that were previously recommended to be allowed in a wider part of the city in the July 15, 2024 draft of the Growing MKE Plan.

The possibility remains that homes in low- and moderate-income neighborhoods may see increased values leading to property tax increases for a variety of reasons independent of future changes to the Zoning Code, including as past gaps in home values are reduced. Research from the Brookings Institution has found that homes in predominantly African-American neighborhoods have historically been devalued when compared to similar homes in majority white neighborhoods, and that Milwaukee has had some of the nation's most significant disparities in this regard.^{xiii}

To support homeowners who may be faced with increasing property tax burdens, the Housing Element includes a recommendation to pursue Anti-Displacement policies to identify resources and policies to assist existing low- and moderate-income homeowners in situations where rapidly rising values may create a property tax hardship.

Mitigating Harm:

The State of Wisconsin Constitution limits the ability of local governments to provide any type of direct tax rebate or relief to individual groups of property owners. Therefore, the City of Milwaukee is precluded by State Law from implementing any targeted local property tax relief strategies. An amendment to the Wisconsin State constitution would be required to change this limitation.

The Wisconsin Housing & Economic Development Authority has offered a property tax deferral loan to elderly homeowners, but in its current form may help residents in only limited situations. Changes to this program should be pursued to address the targeted needs of Milwaukee's residents and additional funding allocated to help low/moderate-income or elderly

homeowners with rising property taxes. Targeted relief could also be provided through the State income tax code, as proposed in [Wisconsin Legislative bill SB1112](#).

Tracking:

Each year, Milwaukee's Annual Housing Affordability Report tracks the housing cost-burdened population and changes in assessed values. Further, the Assessor's Office tracks annual changes in assessments by property type and by aldermanic district^{xiv}.

c) Housing Market Speculation

Potential Harm:

Residents have expressed concerns that Zoning Code changes recommended by the Housing Element may lead to an increase in real estate speculation, which could contribute to increased housing prices and fewer opportunities for homeownership. This could take the form of corporate or absentee landlords buying up residential properties or that reduced barriers to housing development may drive up the cost for land that may be susceptible to new development.

Background/Analysis:

In recent years, out-of-state investors have increased their purchasing activity in the Milwaukee housing market, in particular, single-family and duplex homes in lower-income neighborhoods where the median assessed value of the homes is lower. As of December 2022, 1 in 6 rental homes in Milwaukee was owned by a landlord based outside Wisconsin. The majority of out-of-state investment has occurred in near north and near northwest side neighborhoods of Milwaukee.^{xv} While Milwaukee's housing stock is more affordable than the national average, a shortage of rental homes in the city has kept rents relatively high. Lower-cost properties in low-income neighborhoods may be particularly profitable since rents in these areas remain disproportionately high relative to the value of these properties. This increase in out-of-state investment has had the negative effect of crowding out potential homeowners who are competing for the same properties. Absentee owners also have higher eviction rates, and residents have expressed concerns about housing conditions as a result of poor maintenance and property management practices.

In-depth research on this topic from Marquette University indicates that this activity has been focused on acquiring and renting out existing distressed homes.^{xvi} Data shows that these speculative purchasers have not built new homes, whether in Milwaukee or the other markets where they operate does, nor does data indicate they have been adding additional units to existing single-family homes within those Milwaukee neighborhoods where that is currently permitted. Additions of new units to existing single-family homes has been relatively limited, with an average of 10-20 such additions per year in recent years.

As it relates to vacant land, much of the vacant land within Milwaukee's central city neighborhoods is owned by the City of Milwaukee itself. The City carries out a number of policies to disallow speculative land sales, prioritize the sale of City-owned land for affordable homeownership and affordable rental homes, and to align land disposition strategies and new developments with the goals of the community.

Mitigating Harm:

The City of Milwaukee has several programs that could help mitigate the potential harm caused by out-of-state investors purchasing residential properties that may otherwise be purchased by local homeowners. These include deploying resources to keep existing homeowners in their homes, and to help existing renters in the city become homeowners. The City also directly supported the launch of the ACTS Housing Homeownership Acquisition Fund to compete directly with speculative bulk purchasers in order to keep homes available for homeownership. The City currently prioritizes owner-occupants in the sale of City-owned residential properties and supports the efforts of partner organizations working to expand homeownership and create affordable housing opportunities when selling land for new development. These priorities will continue to shape City of Milwaukee real estate sale policy as updates may be made to comply with recent State law changes (2023 WI Act 207).

To the extent that out-of-state and speculative landlords may also have higher incidences of code violations or tenant's rights violations, one of the City's legislative priorities is to remove State-imposed legislative barriers to allow Milwaukee to increase accountability for landlords to provide safe and fair housing options. State statutes should be updated to allow for additional local ability to require landlord licensing and/or periodic inspections to ensure compliance with property maintenance requirements, stricter penalties for landlords who routinely ignore safety violations, and provide local government with additional nuisance abatement authority. State law changes are needed to allow the City of Milwaukee to implement increased accountability measures, which will deter speculative purchasers who are not prepared to provide safe and decent housing options to Milwaukee residents.

Tracking:

Each year, the City releases a Housing Affordability Report which tracks ownership trends in Milwaukee over time. The 2024 Annual Housing Affordability Report is available online: <https://tinyurl.com/5d376tp3>.

d) Homeownership

Potential Harm:

Residents have expressed concerns that increasing the housing types permitted in neighborhoods would decrease the amount of homeownership opportunities available. Some expressed concerns that single-family homes would be converted to duplexes and triplexes, and with that change, the expectation was that the home would be more likely rented versus owner-occupied.

Background/Analysis:

While a single-family detached home is a common form of homeownership in Milwaukee, homeownership can occur in many housing types, in addition to single-family detached homes. Approximately half of all duplexes in the City of Milwaukee are owner occupied, compared to ~80% of single-family homes. In many cases, a single-family detached home is the most expensive form of homeownership available. For example, for some homeowners, owning a duplex makes it more financially feasible for them to own their own home. For others, a condo or co-op unit in a multi-family building may be more affordable than a similar-sized single-family home.

The mismatch between local household income and median housing costs has grown significantly in recent years. Recent research from the Urban Institute on the declining homeownership rates of younger families, especially lower-income families, recommends a multi-faceted approach to attempt to reverse this widening gap. This includes deploying strategies pairing removal of zoning barriers that may limit the creation of new homes, along with homeownership supports, such as down payment assistance (the Milwaukee Home Down Payment Assistance Program).^{xvii}

The styles of housing recommended to be permitted in more neighborhoods by the Housing Element, including small cottages and single-family attached homes (townhomes on separate lots), may also provide additional opportunities for homeownership for Milwaukee residents.

Mitigating Harm:

Supporting homeownership is a cornerstone of Milwaukee's housing strategy. Milwaukee's [Collective Affordable Housing Strategic Plan](#) calls for creating systems to allow households to access and preserve homeownership. The Housing Element incorporates these goals and recommended strategies into Milwaukee's Comprehensive Plan.

Existing and proposed efforts to achieve the Plan's homeownership goals include:

- **Supporting households to achieve homeownership:** The City and its partners have expanded resources for homebuyer counseling and down payment assistance since the creation of the Collective Affordable Housing Strategic Plan. More than 1,500 families have enrolled in homebuyer counseling in the past two years. Since the 2021 launch of the Milwaukee Home Down Payment Assistance Program, more than 1,000 homeowners have received \$7+ million in down payment assistance to help achieve homeownership. These initiatives should remain foundational elements of the commitment to supporting homeownership.
- **Helping existing homeowners make critical repairs:** The City's existing STRONG Homes Loan Program, Code Compliance Loan Program, and other home repair programs help more than 100 homeowners each year make critical home repairs to preserve homeownership. The Housing Element recommends continuing to strengthen these programs, including identifying additional funding sources (e.g., WHEDA, local tax increment financing ("TIF"), to expand the number of homeowners served.
- **Building new affordable homes:** The construction of new homes provides a key avenue to expand homeownership opportunities in Milwaukee neighborhoods. Recent efforts to transform City-owned vacant lots into new affordable homes for sale have included creative partnerships with partners such as Habitat for Humanity, the Early Childhood Educators Home Initiative, and other neighborhood development partners. More than 150 new affordable one- and two-family homes have begun construction in the past two years, utilizing city land and financial support. Policies should continue to prioritize homeownership in the sale of City-owned vacant lots and utilize available financial resources to achieve the goal of constructing 100 new affordable homes annually for homeownership.
- **Deploying innovative homeownership strategies:** The City-supported 2021 launch of the ACTS Strategic Acquisition Fund and the Milwaukee Community Land Trust

represent innovative strategies to increase homeownership that should continue for expanded impact. The City's PRO Housing initiative will identify additional styles of homes that can be developed for affordable homeownership, including those enabled by the Zoning Code updates recommended by the Housing Element.

- **Potential lot requirement updates to encourage more building sites for homeownership opportunities:** Milwaukee's Zoning Code establishes standards for lots that vary depending on the specific zoning district, including regulations for minimum lot size and width as well as maximum lot coverage. While many residential districts allow for smaller lots and higher lot coverage consistent with the surrounding context, some districts require very large lots and very low lot coverage. Restrictions like these can pose significant barriers to creating new building sites that could produce opportunities for new homes and increases the cost of homeownership. Reductions in lot size requirements may allow for land divisions and additional locations to build homes. Reviewing and potentially updating lot size and lot coverage requirements is a recommendation in the plan.

The updated version of the Housing Element Plan removes the near-term recommendations to permit duplex, triplex, and 4-family homes in one- and two-family zoning districts where they are currently prohibited. This change is being proposed to respond to feedback that the Plan should prioritize preserving single-family homeownership opportunities, especially in single-family zoned neighborhoods where home prices remain attainable for moderate-income families.

Tracking:

Each year, the City of Milwaukee releases a [Housing Affordability Report](#) which tracks homeownership trends in Milwaukee over time. The City is committed to continuing to track trends to help inform programs to support homeownership for all Milwaukeeans. The 2024 Annual Housing Affordability Report is available [online](#).

e) Repairing the Existing Housing Stock

Potential Harm:

Residents have shared concerns that the Housing Element and future Zoning Code updates prioritize new development, but that a more immediate community priority is the repair and rehabilitation of existing homes throughout the city.

Background/Analysis:

Zoning codes are legal rules that regulate uses of land, guiding new development, building additions, and building conversions/adaptive reuse of existing structures. Zoning codes do not regulate housing repair and rehabilitation.

The City of Milwaukee supports the rehabilitation and repair of existing homes through a variety of home repair programs and ongoing code compliance activities. A 2022 Wisconsin Policy Forum report found that Milwaukee allocates a higher percentage of housing funds to existing home repair programs than peer cities.^{xviii} This includes a variety of programs to renovate vacant homes for homeownership, as well as loan and grant programs to support home repairs.

[The City of Milwaukee's Consolidated Plan](#) helps inform how federal funding is utilized for these programs. The [2025-2029 Consolidated Plan](#) update is currently underway.

The City of Milwaukee offers a variety of programs to support home repair/renovation:

- [STRONG Homes Loan Program](#) – offers partially forgivable loans for emergency and essential repairs for owner occupants of 1-4 family residential properties.
- [City of Milwaukee's Homebuyer Assistance Program](#) – provides forgivable loans up to \$35,000 for renovation of City-owned homes.
- [Homes MKE](#) – focuses on the renovation of vacant houses in the City's inventory of tax-foreclosed residential properties for homeownership opportunities.
- [Compliance Loan Program](#) – provides 0% interest loans that assist eligible owner occupants making repairs necessary to address building code violations.
- [Neighborhood Improvement Project](#) – is a forgivable loan that assists eligible owner occupants making repairs necessary to address building code violations, lead hazard reduction, and health and safety concerns.
- [Targeted Investment Neighborhoods \(TINs\)](#) – provides 50% matching grants for owner occupants for exterior home improvement projects.
- [Housing loans as part of Tax Incremental Districts](#) – offers forgivable loans in certain tax increment districts (TIDs).
- [Milwaukee Energy Efficiency Program](#) – offers fixed-interest loans to owner occupants to make energy-saving upgrades to insulate and reduce the energy use of their homes.
- [Lead Hazard Reduction Program](#) & [Lead Service Line Replacement Program](#) – offers programs to address lead hazards to ensure homes are lead safe.

Mitigating Potential Harm:

The City of Milwaukee is committed to supporting home repair programs to make homeownership more accessible to residents.

The Housing Element includes policies that encourage the repair/renovation/rehabilitation of existing residential structures, and through the adaptive reuse of some buildings into residential as appropriate with consideration of health and environmental factors. The City of Milwaukee continues to fund a variety of strategies in partnership with housing and community development partners to support housing renovation to provide quality and affordable homeownership opportunities and rental opportunities for Milwaukeeans.

Beyond funding programs, the City is also committed to ensuring landlords maintain their properties consistent with applicable codes and to provide safe housing options for Milwaukee residents. This includes pursuing state legislative changes that remove legislative barriers to:

- Allow Milwaukee to increase accountability for landlords to provide safe and fair housing options,

- Allow for additional local ability to require landlord licensing and/or periodic inspections to ensure compliance with property maintenance requirements,
- Establish stricter penalties for landlords who routinely ignore safety violations,
- Provide local government with additional nuisance abatement authority.

Tracking:

The investments, impacts, and results of the City of Milwaukee’s housing rehabilitation program are tracked annually to inform program design adjustments and budget allocations.

The Department of Neighborhood Services tracks code compliance activities to identify properties and property owners that require additional enforcement, including responding to neighborhood complaints. Annual property condition surveys, such as those carried out by the Reclaiming our Neighborhoods Coalition, are utilized to inform programmatic priorities for housing rehabilitation and repair activities.

f) Locally-Designated Historic Districts

Potential Harm:

Questions related to historic districts included:

- Will historic guidelines for local historic districts go away as a result of the Housing Element?
- Will additional housing units (internal and infill) negatively impact neighborhood character?
- Are the historic districts reinforcing barriers to creating more attainable housing options and neighborhoods?
- Are there opportunities for historic districts to create opportunity for more housing choice for the residents today?

Background/Analysis:

Making updates to the Zoning Code to allow for additional accessory dwelling units as recommended by the Housing Element is consistent with the [Advisory Council on Historic Preservation’s policy on housing and historic preservation](#). The Advisory Council’s policy statement outlines that increasing density and expanding housing options in existing neighborhoods – including historic neighborhoods and historic districts – are potential solutions to help address the shortfall in housing supply. The policy further details that with consideration of the unique conditions of each community, municipalities should consider allowing for additional housing units in current single-family dwellings, allowing for accessory dwelling units, and allowing for compatible new infill construction on existing properties and vacant parcels in historic districts.

Communities across the country have implemented zoning code changes that allow for more housing to respond to nation-wide housing shortages, including infill development, that have not impacted the character and integrity of the historic districts. New regulations in these communities create more flexibility for residents to build housing units that serve older residents wishing to age in place, provide additional space for extended family, provide

additional sources of income to support homeowners, and provide opportunities for all income levels in local historic districts.

Mitigating Potential Harm:

All existing requirements and protections that apply to locally designated historic properties and districts and zoning overlays will continue to apply. The City's local historic district guidelines are separate from the City's Zoning Code. All alterations to properties covered by historic designations and new construction in local historic districts will continue to need to comply with all applicable historic guidelines, overseen by the City of Milwaukee's Historic Preservation Commission and the State Historic Preservation Office (Wisconsin Historical Society), as applicable. For properties subject to deed restrictions imposed by homeowner's associations, the Housing Element will not impact those private agreements or requirements.

In Wisconsin, building codes are adopted and set by the State, and local municipalities have limited ability to make changes to building codes. Building codes establish minimum health and safety requirements related to required fire access and egress, light and ventilation, construction techniques, etc. Residential developments of more than 2 units must comply with commercial building code requirements, which are generally more stringent than the Uniform Dwelling Code which applies to homes with one or two dwelling units.

There were changes made to the building code in approximately 2018 that changed the code requirements for any conversion of a single-family or duplex home into a triplex. Adding a third unit now triggers full compliance with the commercial building code for the whole building, which generally means adding sprinklers and many other upgrades (in addition to a fire ingress/egress). Therefore, these types of conversions under current building code are relatively expensive and less likely to occur than they had in the past (pre-building code changes). The Department of City Development has heard concerns related to the placement of fire stairs on the front facades of buildings. Based on feedback received on that topic, the Department of City Development has included language in the Plan document (Policy IV.C.2), recommending future Zoning Code updates prohibit new fire escapes on the front façades of residential homes.

Any additional housing styles permitted by future Zoning Code changes, including accessory dwelling units, will still be required to comply with local historic district guidelines as well as building codes.

Specialized custom overlay or preservation zones may also be deployed when supported by vulnerable communities to preserve historic or culturally sensitive areas or districts that have been home to those communities.

Tracking:

The City will continue to administer the Certificate of Appropriateness programs for local historic districts. In addition, the City will continue to track building permits for new housing units, including attached and detached units, as well as conversions through adaptive reuse. The City also tracks units being combined into fewer units (i.e. duplexes converted to single-family homes).

g) Local Resources & Infrastructure

Potential Harm:

Will increased housing development place a strain on local municipal resources - such as police, fire, roads, and sewers - that may be unsustainable or reduce services for existing residents?

Background/Analysis:

Milwaukee's population peaked in 1960 with approximately 740,000 residents. Our current population is closer to 580,000. That means much of Milwaukee's infrastructure, including our road network, school system, parks and sewers, were developed to serve a much larger population. So, Milwaukee has room to grow. This also means that the costs of maintaining the city's existing infrastructure are being spread across a smaller number of residents, resulting in higher tax burdens and the potential for declining services, including school closures, further reductions in transit services, etc.

New housing development that may be enabled by zoning changes recommended by the Housing Element is anticipated to be gradual and incremental. Recent research from the Urban Institute^{xi} and others indicates that increased housing development linked to the type of zoning changes recommended by the Housing Element occurs gradually and over a long period of time due to various factors that determine where and when housing is developed, including financing, real estate values, and land availability.

The type of walkable urban development encouraged by the Housing Element is the most financially sustainable model of housing development^x. The costs to build and maintain infrastructure and services are far higher on a per home basis in low density areas than in higher density areas, while more compact, walkable neighborhoods generate higher amounts of tax base per acre than Milwaukee's lowest density zoning districts.

Mitigating Potential Harm:

The Housing Element recommends zoning changes that will support "gentle" and "incremental" growth, so that existing neighborhood forms are maintained, and new housing can take advantage of existing infrastructure. For example, the Housing Element does not propose allowing large multi-unit buildings in areas currently zoned for one- and two-family homes. Larger buildings are encouraged on transit and commercial corridors and other areas already zoned for multi-family housing. This allows new housing development to utilize existing infrastructure and support "in-fill" development in areas that can accommodate additional residents.

New housing development enabled by proposed zoning changes will not occur in isolation. The City of Milwaukee is simultaneously developing a Transportation & Mobility Plan focused on supporting multi-modal transportation choices, and the Milwaukee Metropolitan Sewerage District is implementing infrastructure projects to advance its long range [2050 Facilities Plan](#), which includes investments to support anticipated future population growth. All of these plans call for complementary infrastructure investments to make Milwaukee a more sustainable and resilient city.

h) Who May Be Missing from Expanded Housing Options?

While changes to the Zoning Code are an important part of increasing housing diversity and affordability, Zoning Code updates on their own will not create deeply affordable housing.

Updating the Zoning Code is just one piece of the puzzle. Changes to zoning rules should be viewed as complementary to the many collective efforts to promote housing affordability for all Milwaukeeans.

[Milwaukee's Collective Affordable Housing Strategic Plan](#) sets out a series of goals and strategies to increase homeownership and develop affordable entry level homes accessible to low- and moderate-income homebuyers and create affordable housing for families making less than \$15 per hour. The City of Milwaukee is working aggressively with a variety of partners to implement the recommendations of the Collective Affordable Housing Strategic Plan. Milwaukee Collective Affordable Housing Strategic Plan lays out a comprehensive set of strategies to achieve the goal of a quality affordable home for every Milwaukeean, and Zoning Code updates are one of the multiple strategies called for by the Collective Affordable Housing Strategic Plan to achieve this vision. Similarly, the City of Milwaukee, Milwaukee County, and partners in the Milwaukee Continuum of Care continue to collaborate to develop and implement targeted strategies to end homelessness in Milwaukee.

i) How could the recommendations in the Housing Element impact specific groups with unique housing needs?

The cost and availability of housing options affect everyone, especially those with less traditional housing situations and those with less housing stability. As discussed in this Benefit and Harm Analysis, the recommendations proposed by the Housing Element have the potential to positively impact groups that have historically experienced more challenges accessing housing by expanding the variety of housing types available, including affordable, accessible, and inclusive housing. The Plan's policy section, especially section "I. Housing Choice & Access," includes recommendations that help support housing options and programs for various groups of people, including the aging population, non-traditional families, multi-generational households, young adults and recent graduates, and people with disabilities.

6. Tracking Impacts - How will DCD measure the outcomes and success of the Housing Element?

Development enabled by the Housing Element's proposed Zoning Code updates is anticipated to be experienced over a period of years – not necessarily weeks or months. The City of Milwaukee's Department of City Development will collect data on the following measures to track the impact of Zoning Code updates and evaluate the need for further adjustments.

a) New Development Measures:

- Number of approved (new) housing units developed, by type
- Number of housing units gained and lost to conversion
- Number of housing units demolished
- Number of new affordable units
- Percentage of new homes in proximity to transit
- City tax base

b) Housing Affordability & Anti-Displacement Neighborhood Indicators

Indicators will be updated to track housing affordability and neighborhood change over time, and identify neighborhoods at risk of displacement. Measures tracked include:

- Number and mix of housing units needed to meet current population demand of existing neighborhood residents
- Citywide and by Census Tract: population, race and ethnicity, change in low-income population, median gross rent, median household income, and median assessed values of housing
- Housing cost burden, by income and housing type
- Owner occupancy rates
- Demand and supply of affordable rental homes by household income (housing/income mismatch)
- Subsidized affordable housing
- Developable vacant land for housing by zoning district

ⁱ Been, Vicki and Ellen, Ingrid Gould and O'Regan, Katherine M. (2023, November 10). *Supply Skepticism Revisited*. NYU Law and Economics Research Paper No. 24-12, Housing Policy Debate. Available at SSRN: <https://ssrn.com/abstract=4629628>

ⁱⁱ Popovich, Nadja, et al. (2022, December 13). *The Climate Impact of Your Neighborhood, Mapped*. The New York Times. <https://www.nytimes.com/interactive/2022/12/13/climate/climate-footprint-map-neighborhood.html>

Pomponi, F., Saint, R., Arehart, J. H., Gharavi, N., & D'Amico, B. (2021, July 5). *Decoupling density from tallness in analysing the life cycle greenhouse gas emissions of cities*. *Npj Urban Sustainability*, 1(1). www.nature.com/articles/s42949-021-00034-w.

ⁱⁱⁱ *Affordable*: Term used to describe housing in which the resident pays no more than 30% of their household income on housing costs. This applies to both subsidized and naturally occurring housing.

^{iv} *Attainable Housing*: Households at various income levels can find and secure housing that suits the type, size, and cost that they are looking for. Source: [Belleville Housing Summit](#)

^v Qualified Census Tracts (QCTs) are census tracts in which more than 50% of households are below 60% of the Area Median Income. 53% of the city's overall population lives in QCTs and a higher percentage of Black and Hispanic households live in the city's QCTs.

^{vi} A Neighborhood Revitalization Strategy Area (NRSA) is a Community Development Block Grant (CDBG) grantee-designated area targeted for revitalization. The Milwaukee's NRSA areas include census tracts where at least 70% of all residents are considered low income.

^{vii} *Current Zoning Code Definition of Attached Single-Family Dwelling*: one dwelling unit located on a lot, wherever such dwelling unit has at least 2 exposed exterior walls and is attached by a common vertical wall to an adjacent dwelling unit which is located on another lot and has at least 2 exposed exterior walls.

^{viii} Liang, L., Staveski, A., & Horowitz, A. (2024, January 4). *Minneapolis Land use reforms offer a blueprint for housing affordability*. The Pew Charitable Trusts. <https://www.pewtrusts.org/en/research-and-analysis/articles/2024/01/04/minneapolis-land-use-reforms-offer-a-blueprint-for-housing-affordability>

^{ix} 1 Austin, Mason, et al. (2010 December) *Performance-Based Transit-Oriented Development Typology Guidebook*. The Center for Transit Oriented Development. https://cnt.org/sites/default/files/publications/CNT_TODTypologyGuidebook.pdf

^x Peterangelo, J., Lloyd, S., Stein, J., Henken, R., & Wisconsin Policy Forum. (2024). *Paving the way: assessing the success of the ACRE program in cultivating diversity in real estate*. Wisconsin Policy Forum. https://wispolicyforum.org/wp-content/uploads/2024/12/PavingTheWay_FullReport.pdf

^{xi} *Displacement*: The involuntary relocation of current residents or businesses as a result of foreclosure, eviction, rent increases, negligent landlords, environmental catastrophe, and urban renewal in the past.

Anti-displacement: An anti-displacement approach to community and economic development seeks to directly address and mitigate the causes of displacement while enabling continued growth.

Gentrification: The rehabilitation and resettlement of low- and moderate-income urban neighborhoods by middle and high-income professionals. Source: American Planning Association, Planner's Dictionary

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- ^{xii} Been, Vicki and Ellen, Ingrid Gould and O'Regan, Katherine M. (2023, November 10). *Supply Skepticism Revisited*. NYU Law and Economics Research Paper No. 24-12, Housing Policy Debate. Available at SSRN: <https://ssrn.com/abstract=4629628>
- ^{xiii} Perry, A. M., Harshbarger, D., & Rothwell, J. (2018, November 27). *The devaluation of assets in Black neighborhoods*. Brookings. <https://www.brookings.edu/articles/devaluation-of-assets-in-black-neighborhoods/>
- ^{xiv} City of Milwaukee Assessor's Office - Revaluation Data and Reports. <https://city.milwaukee.gov/assessor/data/Property-Information/Revaluation-Data-and-Reports.htm>
- ^{xv} Johnson, John D. (2023, August 1) *Milwaukee Housing Trends, 2018-2022*. <https://milwaukeehousingstats.info/InvestorActivity.html>
- ^{xvi} Johnson, John D. (2023, June 1) *Two of Milwaukee's corporate landlords are selling houses. One is making huge profits while the other is losing money*. Marquette University Law School Faculty Blog. <https://law.marquette.edu/facultyblog/2023/06/two-of-milwaukees-corporate-landlords-are-selling-houses-one-is-making-huge-profits-while-the-other-is-losing-money/>
- ^{xvii} Goodman, L., Tozer, T., & Zhu, J. (2025, March 17). Homeownership Has Fallen Further Out of Reach for Younger Families with the Lowest Incomes. Urban Institute. <https://www.urban.org/urban-wire/homeownership-has-fallen-further-out-reach-younger-families-lowest-incomes>
- ^{xviii} Littlefield, N., Peterangelo, J., Henken, R., & Wisconsin Policy Forum. (2022). *Hitting home*. In Wisconsin Policy Forum. https://wispolicyforum.org/wp-content/uploads/2022/07/HittingHome_Full-1.pdf
- ^{xix} Freemark, Y. (2023). *Zoning Change: Upzonings, Downzonings, and Their Impacts on Residential Construction, Housing Costs, and Neighborhood Demographics*. Journal of Planning Literature. <https://www.urban.org/research/publication/zoning-change>
- ^{xx} Raghav, S., Kasraian, D., Miller, E. (2019, July) *Literature review of the costs of infrastructure provision for different development forms*. University of Toronto Transportation Research Institute. http://icity.utoronto.ca/Asset/ProjectPresentations/Project2.4/2%20LR_DevCosts_final.pdf

Appendices

Appendix A: What happens if things stay the same?

a) Who benefits from things staying the same?

This Benefit & Harm Analysis focuses on the potential that future changes to the Zoning Code may bring benefits to Milwaukee residents, and also explores the potential for harms or unintended consequences of potential adjustments. However, it is also worthwhile to briefly summarize some of the impacts of making no future updates to the Zoning Code to permit additional housing styles and housing choice.

- **Current property owners may see higher future increases in property values (and taxes) if new housing development is restricted.** Lack of supply in housing stock of all types can drive up the cost of existing housing. Currently in Milwaukee, 27.8% of Black households own their own homes, compared to 54.8% of white households. This also means housing prices will be higher for those looking to purchase in the future.
- **Larger scale rental property owners and property managers of existing rental property.** When the supply of rental housing is limited, there is more demand than there is supply. Thus, landlords can increase rents and still find tenants, without as much pressure to maintain their properties. Milwaukee continues to have one of the most competitive rental markets in the nation for existing multi-family buildings. In December 2024, Milwaukee was listed the 3rd most competitive rental market with an average of 12 people competing for each available unit.^{xxi}
- **Impacts on existing single-family residential zoning districts.** Restrictions limiting certain areas to only single-family detached homes preserve that style of homes within those zoning districts. Single-family homes remain a highly desirable housing style for many households, with higher owner-occupancy rates than duplex and other middle housing options. However, zoning limitations do not prevent investor purchases of single-family homes, or limit continuing increases in purchase prices for new and existing homes.

b) Who is harmed from things staying the same?

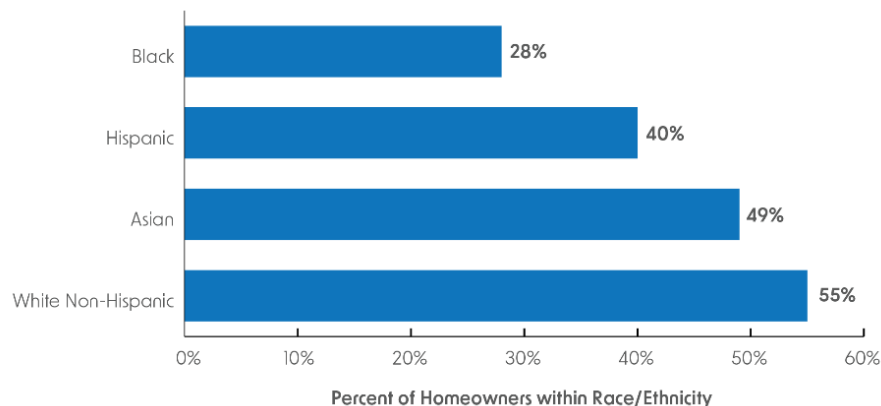
There are a variety of factors independent of the Zoning Code that determine how much housing will be constructed over time and the location of new housing. This includes construction costs, market demand, and population trends. Zoning is one piece of the larger puzzle shaping housing production. While construction costs, availability of financing and other market factors may be the largest factors currently impacting housing development in Milwaukee, without adjustments to the Zoning Code, the Department of City Development's analysis indicates that certain barriers in the Zoning Code may also serve to limit the amount and styles of homes produced within the city. This report identifies a number of potential harms from the continuation of these barriers within the Zoning Code.

- **Lack of a diverse supply of housing will impact existing residents** that may be looking for housing options to rent or for purchase. Residents will continue to feel pressure in the housing market and their quality of life due to:
 - A need for more housing units (ownership or rental).

- Limited housing inventory, contributing to rising housing costs in general.
- Fewer housing choices at a variety of price points.
- Fewer housing choices for a variety of household sizes and needs.
- Lack of new or unique housing types throughout the city, such as townhomes.
- **Groups of people that will be harmed most will be groups that already experience barriers** in access to housing, resources, and opportunities for wealth building. More specifically, if long-term policies to address the housing supply issues are not updated to reflect current (and future) needs, Milwaukee's households that already have the most significant challenges accessing housing will be impacted most by rising housing costs and increased rental burdens. These communities include households on fixed incomes, renters, first-time homebuyers, households with specific housing needs (i.e. accessible, non-traditional household/family structure), and most households that need to find new housing.

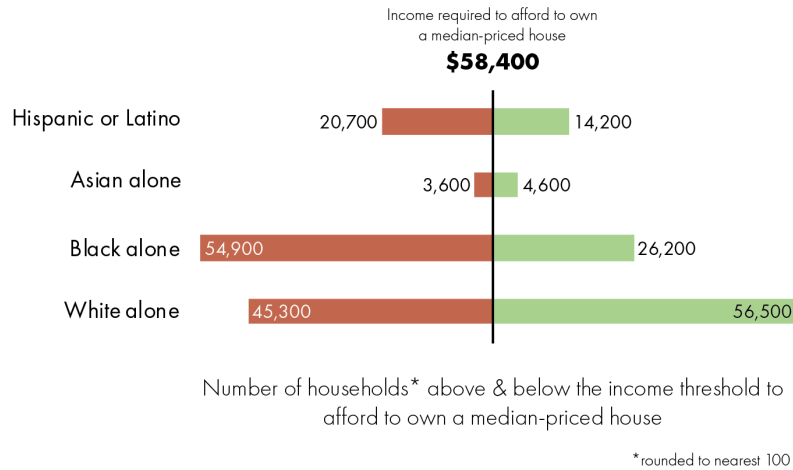
Milwaukee has some of the most significant racial disparities in homeownership of any metro area in the Country, with direct economic consequences as a result.

Homeownership by Race/Ethnicity (2023)

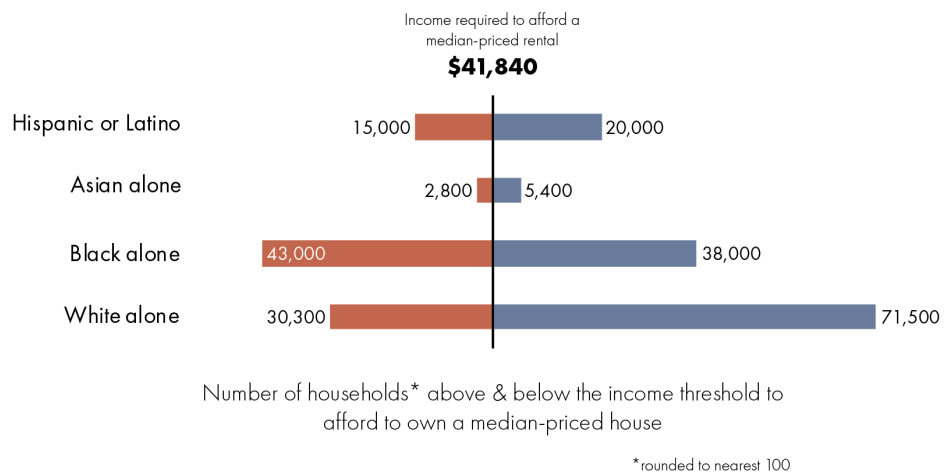


- In addition to existing homeownership gaps, differences in household income and wealth pose barriers to homeownership for many Milwaukee households of color, particularly Black and Latino households. While 55% of white households can afford to purchase the median priced home in the City of Milwaukee (\$167,000), only 32% of Black households and 41% of Hispanic or Latino households can afford to purchase the median priced home (*see chart below*).
- These same gaps exist between racial groups when analyzing the percentage of households that can afford the median rent, though within each racial group, renting the median priced home is currently slightly more attainable than purchasing the median priced home. This demonstrates the importance of including affordable rental housing as part of an overall housing strategy in addition to continuing to prioritize homeownership strategies.

Owning the median-priced house is **unaffordable** for most Milwaukee households.



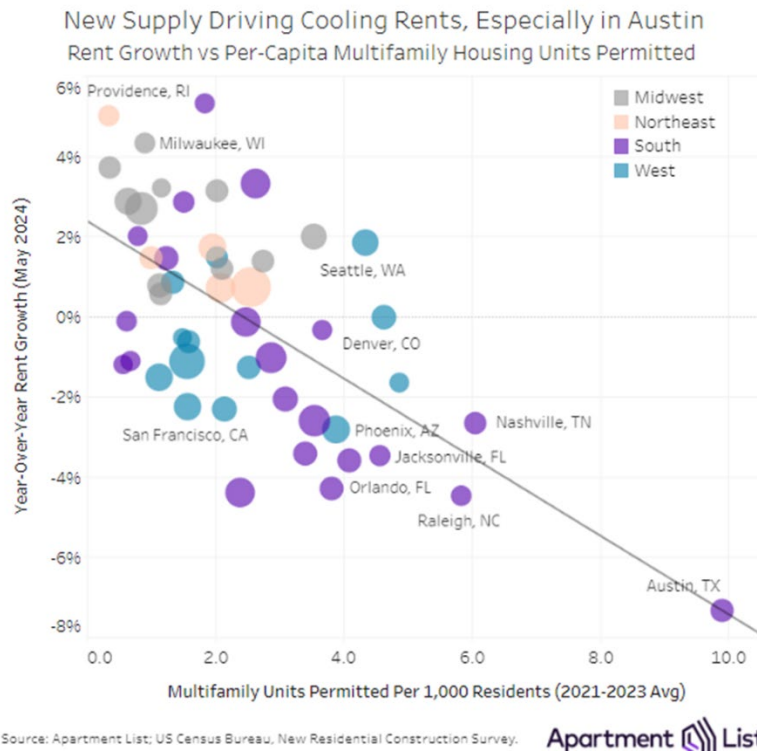
The median-priced **rental** is more affordable, although a substantial number of households are still **unable to afford** the median rent.



- Residents seeking homeownership opportunities, especially those with limited budgets.** Milwaukee's housing shortage contributes to rising housing costs, especially in markets with growing demand. New construction has not kept up with growing demand for additional housing that meets current needs. There is limited availability of housing units available for purchase across the income spectrum, so demand and competition are high. This demand and competition increase the costs to purchase a home. This means additional challenges for households with limited budgets for their housing and first-time home buyers who may struggle to afford single-family detached homes. There is also growing interest in opportunity to purchase housing units in a greater diversity of forms, in addition to single-family detached homes and duplexes. Examples include townhouses, apartments, and cottages. These housing types can be more affordable and provide home-ownership opportunities through a condo or a co-op model, in addition to traditional fee-simple homeownership (complete ownership of land and any buildings on it).

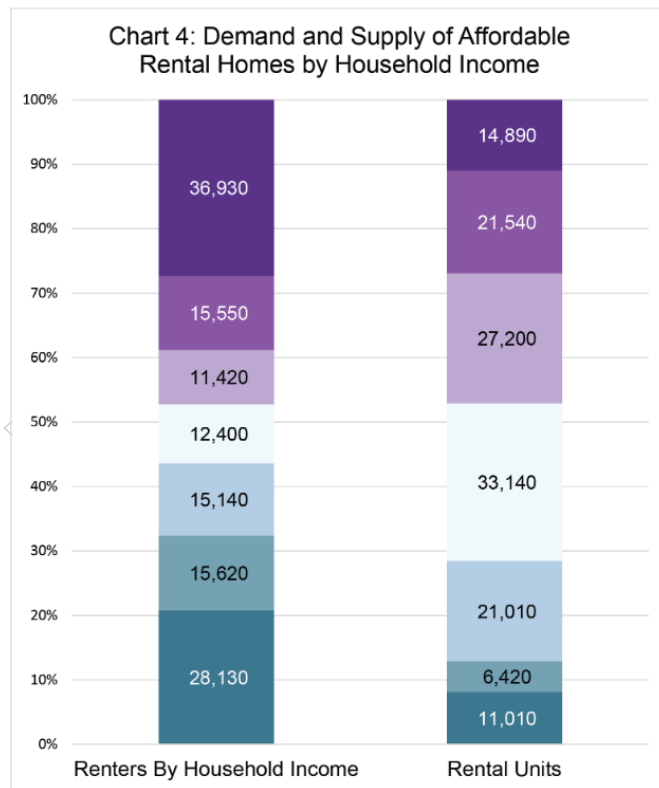
Based on permits for single-family and two-family homes in Milwaukee in 2024, the median construction cost (does not include additional development costs) for a detached single-family home was \$275,650. The median cost (not including development costs) for a two-family home was \$240,250 per unit^{xxii}. Recent research indicates that the cost to add an accessory dwelling unit (ADU) can be significantly less per unit due to smaller unit size. National averages have been in the \$180,000 range, with costs being lower for internal ADUs or factory-built structures.^{xxiii} In comparison to detached single-family homes, costs for middle housing, such as duplexes and accessory dwelling units, tend to be less expensive since it commonly offers smaller units and spreads land costs over more units on the same property.^{xxiv}

- **Household & housing mismatch.** Households of varying sizes and household structures are also harmed if Zoning Code regulations remain the same. There is a mismatch between household structure/needs and Milwaukee's existing housing stock. For example, while Milwaukee's population has decreased, household sizes are decreasing. In the 10-year period prior to 2023, the number of 1-person households increased by 9,300, while only 2,200 new studio or 1-bedroom housing units were constructed. While not every 1-person household will desire to live in a 1-bedroom home, the lack of 1-bedroom units makes it difficult for smaller households to move and open up larger homes to larger households. The [2024 National League of Cities Housing Supply Accelerator Playbook](#)^{xxv} emphasizes the importance of communities analyzing local data and updating local zoning codes to serve the changing needs of individual communities.
- **Residents seeking rental opportunities, especially those with limited budgets.** Milwaukee is currently experiencing some of the most rapid increases in rental housing costs in the country. There is limited availability of housing units available for rent (low vacancy rate), meaning that competition amongst rental applicants is high. As shown in the graph below, municipalities that have been able to grow their housing supply, have seen slower increases in rental prices.



Source: "Cooling Rent Growth demonstrated the impact of new supply" Apartmentlist.com^{xxvi}

Chart 4 from the Annual Housing Affordability Report (2024) illustrates the supply and demand for housing units at various income levels and price points. While it does not control for bedroom counts and family size or condition of units, it demonstrates that the "gap" of supply in affordable rental units generally exists for households at or below \$33,500 and especially for those making less than \$25,000.



Source: 2022 ACS 5 Year Table B25074 Gross Rent 25063

Chart 4 Legend

Household Income Range	Housing Cost Range
Greater than \$67,000 (More than \$32/hour)	\$1,650 or Greater
\$50,300 to \$67,000 (\$24 to \$32/hour)	\$1,250 to \$1,650
\$41,900 to \$50,300 (\$20 to \$24/hour)	\$1,050 to \$1,250
\$33,500 to \$41,900 (\$16 to \$20/hour)	\$840 to \$1,050
\$25,100 to \$33,500 (\$12 to \$16/hour)	\$630 to \$840
\$16,800 to \$25,100 (\$8 to \$12/hour)	\$420 to \$630
Less than \$16,800 (\$8/hour)	Up to \$420

- Housing cost-burdened households.** Households across the range of incomes are cost burdened. 42% of **all** households in Milwaukee spend 30% or more of their income on housing. Households with lower incomes are more likely to have fewer housing choices and more likely to be cost-burdened as a result. Of the households earning less than \$20,000 per year, 92.1% are cost-burdened, and about 66.2% are considered “severely” cost-burdened, spending 50% or more of their income on housing. For renter households earning between \$20,000 to \$34,999 per year, about 85% were cost-burdened, with 36% considered severely cost-burdened.^{xxvii} While zoning code updates on their own will not create housing affordable to lower-income, rent-burdened households, when paired with other affordable housing finance strategies recommended within Milwaukee’s Collective Affordable Housing Strategic Plan and being implemented by the City and its partners, they will enable the creation of additional needed affordable housing.

Table 3: Housing Cost Burden By Income and Housing Type, 2023

Housing Cost Burdened by Household Income	Total Occupied Housing		Owner Occupied Housing		Renter Occupied Housing	
	Number	Percent	Number	Percent	Number	Percent
Less than \$20,000	33,236	14.4%	6,720	7.0%	26,516	19.6%
\$20,000 to \$34,999	29,294	12.6%	6,464	6.4%	22,750	16.8%
\$35,000 to \$49,999	15,616	6.8%	5,106	5.3%	10,510	7.8%
\$50,000 to \$74,999	9,014	3.9%	5,095	5.3%	3,946	2.9%
\$75,000 or more	2,780	1.2%	1,868	1.9%	912	0.7%
Zero or negative income	6,177	2.7%	1,459	1.5%	4,718	3.5%
Total Cost Burdened	96,117	41.6%	26,712	11.6%	69,352	30.0%

Not Cost Burdened by Household Income	Total Occupied Housing		Owner Occupied Housing		Renter Occupied Housing	
	Number	Percent	Number	Percent	Number	Percent
Less than \$20,000	3,092	1.3%	338	0.4%	2,754	2.0%
\$20,000 to \$34,999	6,641	2.8%	3,392	3.6%	3,249	2.4%
\$35,000 to \$49,999	15,742	6.8%	5,601	5.8%	10,141	7.5%
\$50,000 to \$74,999	32,125	13.9%	13,248	13.8%	18,877	13.9%
\$75,000 or more	74,152	32.1%	46,599	48.6%	27,553	20.4%
No Cash Rent	3,268	1.4%	- -	- -	3,268	2.4%
Total Not Cost Burdened	135,020	58.3%	69,178	29.9%	65,842	28.5%

Total Households	231,137	100.0%	95,890	41.5%	135,194	58.5%
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Source: 2023 5 Year ACS, Table S2503 Financial Characteristics

- Impacts of Rent Burdens.** The chart above notes that approximately 60,000 renter households with incomes under \$50,000 are currently housing cost-burdened. Due to differences in household incomes, an estimated more than 60% (37,000+ households) of these cost-burdened renter households are Black or Latino households. These are among the most vulnerable households to housing insecurity and lack of affordable housing options. Creating new affordable housing units to meet the needs of rent burdened households is one component of [Milwaukee's Collective Affordable Housing Strategic Plan](#) which includes carrying out Zoning Code updates to facilitate the construction of new affordable housing.
- Property taxpayers and renters.** As the cost of providing services continues to grow, new development provides one of the only sustainable paths for Milwaukee to ease the tax levy burden on existing residents in order to maintain services and be able to make new investments in our roads, parks, libraries, and other critical City services. Therefore, without new development, it can be anticipated that existing residents' property tax bills (and rent increases for tenants) will continue to rise at a rate higher than inflation, or residents will see cuts in government services.

^{xxi} Grecu, V. (2024, December 10) 2024 Year-End Report: Miami's Competitiveness Wanes with Suburban Chicago and Milwaukee Closing In. RentCafe – Market Insights. <https://www.rentcafe.com/blog/rental-market/market-snapshots/most-competitive-rental-markets-this-year/>

^{xxii} City of Milwaukee (2024, December). [Milwaukee's Annual Housing Affordability Report-2024](#).

Accessed from: <https://city.milwaukee.gov/DCD/Planning/PlansStudies>

^{xxiii} Kiger, P. J. (2023, December 3). What to know about "Backyard bungalows." AARP. <https://www.aarp.org/home-family/your-home/info-2022/accessory-dwelling-units.html>

^{xxiv} AARP and ECONorthwest (2024) *Expanding Middle Housing Options: A Guide to Local Middle Housing Regulations*. AARP. <https://www.aarp.org/livable-communities/housing/info-2024/middle-housing-policy.html>

^{xxv} Webmaster, N. (2024, May 22). Housing Supply Accelerator Playbook Provides Solutions for Addressing Nation's Housing Supply Crisis - National League of Cities. National League of Cities. <https://www.nlc.org/post/2024/05/15/housing-supply-accelerator-playbook-provides-solutions-for-addressing-nations-housing-supply-crisis/>

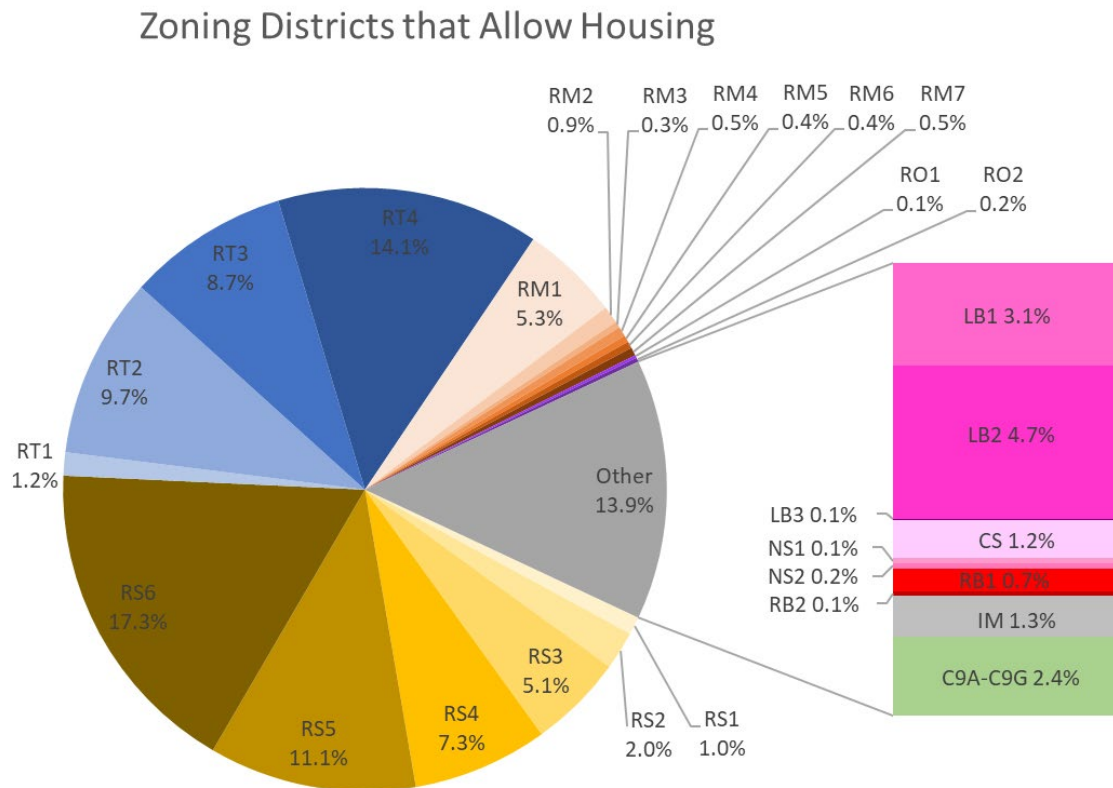
^{xxvi} Salviati, C. (2024, November 7). Cooling rent growth demonstrates the impact of new supply. Apartment List. <https://www.apartmentlist.com/research/cooling-rent-growth-demonstrates-impact-of-new-supply>

^{xxvii} City of Milwaukee (2024, December). [Milwaukee's Annual Housing Affordability Report-2024](#). Accessed from: <https://city.milwaukee.gov/DCD/Planning/PlansStudies>

Appendix B: Supplemental Zoning District Charts

The pie chart is a visual representation of the number of acres within each zoning district that allows for housing. Not all of these acres contain housing. The chart is a breakdown of what is permitted in each zoning district currently, the location within the city, and the amount of city land in each zoning district. Only zoning districts that allow housing are included.

a) Chart: Zoning Districts that Allow Housing – Acres



Source: MPROP

b) Chart: Description of Zoning Districts that Allow Housing

Link to the [City's Zoning Map](#)

Single-Family and Two-Family Districts

Zoning Districts	Description	Geographic location	# of Parcels with this zoning & acreage	Housing types allowed under the current Zoning Code
<i>Residential Single-Family Zoning Districts</i>				
RS1	Largest properties, median parcel size = 32,475 square feet	Far Northwest Side	278 parcels; 256 housing units; 311 total acres	1 single-family detached home

Zoning Districts	Description	Geographic location	# of Parcels with this zoning & acreage	Housing types allowed under the current Zoning Code
RS2	Large properties, median parcel size = 14,744 square feet	Northwest Side, a few near the airport in the Southeast Side	899 parcels; 836 housing units; 545 total acres	1 single-family detached home
RS3	Medium-Large properties, median parcel size = 10,607 square feet	Northwest Side, some of the area west of the airport, some of Halyard Park	3,478 parcels; 3,247 housing units; 1,352 total acres	1 single-family detached home
RS4	Medium properties, median parcel size = 7,833 square feet	Northwest Side, Southwest Side	7,835 parcels; 7,773 housing units; 1,933 total acres	1 single-family detached home
RS5	Medium properties, median parcel size = 6,754 square feet	Closer Northwest Side, Southwest Side, Bluemound, Story Hill, historic Sherman Blvd, portions of Upper East Side, Park View neighborhood, and a few blocks north of King Park and a few blocks along Highland	14,995 parcels; 15,486 housing units; 2,960 total acres	1 single-family detached home
RS6	Medium-Small properties, median parcel size = 5,293 square feet	Closer Northwest Side, Southwest and some Southside south of Oklahoma, West along pockets of Bluemound, Upper East Side, some central (west of 1-43 and south of North Avenue), some blocks of Washington Heights and Sherman Park	30,977 parcels; 32,741 housing units; 4,622 total acres	1 single-family detached home
<i>Residential Two-Family Zoning Districts</i>				
RT1	Medium properties, median parcel size = 7,909 square feet	Northwest Side, Southwest Side	1,525 parcels; 2,757 housing units; 331 total acres	1 single-family home 1 duplex Townhome (max 2 units)
RT2	Medium-small parcels, median parcel size = 5,023 square feet	Much of the Sherman Park neighborhood and some throughout the southside closer to Oklahoma and to the north and northwest along arterial and collector roads	17,712 parcels; 26,887 housing units; 2,593 total acres	1 single-family home 1 duplex Townhome (max 2 units)
RT3	Medium-small properties, median parcel size = 4,435 square feet	Similar to RT2 in locations, but a bit closer toward downtown, the Old North Milwaukee area, most of Washington Heights, most of the area	19,304 parcels; 26,836 housing units; 2,307 total acres	1 single-family home 1 duplex Townhome (max 2 units)

Zoning Districts	Description	Geographic location	# of Parcels with this zoning & acreage	Housing types allowed under the current Zoning Code
		along Bluemound, and portions of the southside		
RT4	Smaller properties, median parcel size = 3,851 square feet	Most of the neighborhoods surrounding downtown, in the areas north of Oklahoma, south of Capitol, and east of 45 th Street in the southern part of the city and east of 30 th Street in the north of Downtown	32,469 parcels; 48,791 housing units; 3,749 total acres	1 single family home 1 duplex 1 triplex 1 fourplex Townhomes (max 4 units)
Residential Multi-family In all multi-family and commercial zoning districts density is regulated by design standards (i.e. height, setbacks, lot coverage) and a mathematical equation to determine a maximum number of housing units.				
RM1	Low- to medium-density multi-family uses with a suburban character - larger lots and setbacks and smaller lot coverage	Scattered throughout the areas of the city developed later (northwest, west, southwest, and far south side), and mainly near major streets	2,943 properties; 17,939 housing units; 1,404 total acres	1 single-family detached home 1 duplex 1 triplex 1 fourplex Townhomes Multi-family Height limit = 45'
RM2	Low- to medium-density multi-family uses with a suburban character- larger lots and setbacks and smaller lot coverage	Scattered throughout the areas of the city developed later (northwest, west, southwest, and far south side) with a few properties closer to the center of the city and mainly near major streets	723 properties; 6,189 housing units; 248 total acres	
RM3	Medium-density residential uses with an urban character	Scattered in the near north, central, near south, and near west areas of the city	220 properties; 1,601 Housing units; 88 total acres	
RM4	Medium-high-density multi-family residential uses	Scattered in the more central areas of the city, mainly in the areas before the city expanded in the 1950s and 1960s	446 properties; 3,182 housing units; 141 total acres	Single-family home Duplex Triplex Fourplex Townhomes Multi-family RM4 & RM5 Height Limit = 60' RM6 & RM7 Height Limit = 85'
RM5	High-density multi-family residential uses	Scattered in the more central areas of the city and old north Milwaukee, mainly in the areas developed before the city expanded	241 properties; 3,591 Housing units; 98 total acres	
RM6	High-density multi-family residential uses	Along major corridors in the near west side, and lower and upper east side with a few scattered in the near south side	301 properties; 5,057 housing units; 96 total acres	

Zoning Districts	Description	Geographic location	# of Parcels with this zoning & acreage	Housing types allowed under the current Zoning Code
RM7	High-density multi-family residential uses	Mostly along Prospect in the lower east side, and sections of Wisconsin Ave and Highland in the near west side, and a few scattered sites	195 properties; 5,695 housing units; 120 total acres	
Residential Office (RO1)	Similar to RM1 but also allows office uses, majority of existing structures are 1-story	Scattered in areas developed 1940s-1960s along major roads	42 properties; 60 housing units; 39 total acres	Single-family home Duplex Triplex Fourplex Townhomes Multi-family Live-work
Residential Office (RO2)	Similar to RM6 but also allows office uses, range in sizes, but the majority of existing structures are two stories	Mostly along Farwell in the lower east side and along Wisconsin Ave. between 6 th and 27 th Street with a few other scattered sites	172 properties; 1,084 housing units; 60 total acres	RO1 Height Limit = 45' RO2 Height Limit = 85'
Commercial Districts In all multi-family and commercial zoning districts density is regulated by design standards (i.e. height, setbacks, lot coverage) and a mathematical equation to determine a maximum number of housing units.				
LB1	More suburban development pattern with larger lots and setbacks	Along commercial and corridors, mostly in the “newer” parts of the city that are more auto-oriented, including S. 27 th (south of Morgan), the Appleton, 76 th and Capitol area, Layton, etc.	964 properties; 785 housing units; 839 total acres	Single-family home Duplex Triplex Fourplex Townhomes Multi-family Live-work
LB2	Urban development pattern, typically with smaller lots and setbacks than LB1	Along most major roads and commercial corridors, except for the far northwest, and far south and southwest areas	5,891 properties; 9,208 housing units; 1,259 total acres	Single-family home Duplex Triplex Fourplex Townhomes Multi-family Live-work
LB3	The most urban of the LB districts with design standards for commercial hubs and transit-oriented development	East North Avenue from the Milwaukee River to Prospect, with some properties on Farwell and Prospect south of North	49 properties; 244 housing units; 15 total acres	Single-family home (some limitations) Duplex Triplex Fourplex Townhomes Multi-family Live-work
CS	Areas where personal and business services fit into the areas, but extensive retail is not typical. Most existing	Scattered but cluster on sections of some of the city’s commercial corridors including Lisbon, Fond du Lac between Hampton and	400 properties; 411 housing units; 311 total acres	Single-family home Duplex Triplex Fourplex Townhomes Multi-family

Zoning Districts	Description	Geographic location	# of Parcels with this zoning & acreage	Housing types allowed under the current Zoning Code
	buildings are 2 stories	Grantosa, and Good Hope and N. 76 th area		Live-work
NS1	Intended for residential and neighborhood-serving commercial uses with larger setbacks and lot sizes than NS2	Scattered location on commercial corridors in parts of the city annexed in the 1950s and 60s	71 properties; 65 housing units; 39 total acres	Single-family home Duplex Triplex Fourplex Townhomes Multi-family Live-work
NS2	Intended for residential and neighborhood-serving commercial uses with smaller lots and setbacks than NS1	Scattered locations on commercial corridors in both original parts of the city and areas annexed later	172 properties; 133 housing units; 42 total acres	Single-family home Duplex Triplex Fourplex Townhomes Multi-family Live-work
RB1	For regional shopping, employment, higher-density housing with a suburban development pattern	Northridge area and along Brown Deer between N. 91 st Street and N. 76 th Street	78 properties; 1 housing unit; 189 total acres	Single-family home Duplex Triplex Fourplex Townhomes Multi-family Live-work
RB2	For regional shopping, employment, higher-density housing with an urban development pattern	Midtown Shopping Center – between Fond du Lac, N. 60 th and Capitol Drive	28 properties; 0 housing units; 36 total acres	Single-family home Duplex Triplex Fourplex Townhomes Multi-family Live-work
IM	Intended for the conversion of industrial or warehousing into residential, commercial or office uses	Northern portion of Walker's Point and commercial corridors, Pierce, National, some of the southern portion of 30 th Street Corridor, locations near the Milwaukee River and Beerline Trail	643 properties; 3,007 housing units; 336 total acres	Single-family home Duplex Triplex Fourplex Townhomes Multi-family Live-work
C9A-C9G Districts	The Downtown Districts – higher density residential with some districts intended more for retail and some more for civic uses	Approximately I-43 east to Prospect/Lakefront, fluctuating northern boundary, including the streets of Juneau and Lyon south to Mount Vernon Ave and Erie. Some of the American Family Field properties are C9D	755 properties; 9,883 housing units; 652 total acres	<i>(With standards for all of the below)</i> Single-family home Duplex Triplex Fourplex Townhomes Multi-family Live-work

c) Chart 3: Detailed Chart for Near-term Recommendation #2 – Multi-family

Multi-family & Commercial Districts

Zoning Districts	Housing types allowed under the current Zoning Code	Housing types recommended in the Housing Element
RM1-RM3 Districts	<ul style="list-style-type: none"> • Single-family detached home • Single-family attached home • Duplex • Triplex • Fourplex • Townhomes • Multi-family <p>Only one principal residential building is allowed. Maximum height is 45'</p>	<ul style="list-style-type: none"> • Continue allowing the housing types listed along with Accessory Dwelling Units, and Cottage Courts • Remove the mathematical equation and regulate by design standards (Including height)
RM4- RM7	<ul style="list-style-type: none"> • Single-family detached home • Single-family attached home • Duplex • Triplex • Fourplex • Townhomes • Multi-family <p>More than one principal residential building is allowed. Maximum height varies by district – 60'-85'</p>	<ul style="list-style-type: none"> • Continue allowing the housing types listed along with Accessory Dwelling Units, and Cottage Courts • Remove the mathematical equation and regulate by design standards (Including height)
RO1-RO2	<ul style="list-style-type: none"> • Single-family detached home • Single-family attached home • Duplex • Triplex • Fourplex • Townhomes • Multi-family <p>More than one principal residential building is allowed. Maximum height varies by district – RO1=45', RO2=85'</p>	<ul style="list-style-type: none"> • Continue allowing the housing types listed along with Accessory Dwelling Units, and Cottage Courts • Remove the mathematical equation and regulate by design standards (Including height)
Commercial Districts: NS1-NS2, LB1-LB3, RB1-RB2, CS	<ul style="list-style-type: none"> • Single-family detached home • Single-family attached home • Duplex • Triplex • Fourplex • Townhomes • Multi-family <p>More than one principal residential building is allowed. Maximum height varies by district – 45'-85'</p>	<ul style="list-style-type: none"> • Continue allowing the housing types listed along with Accessory Dwelling Units, and Cottage Courts • Remove the mathematical equation and regulate by design standards (Including height)

Zoning Districts	Housing types allowed under the current Zoning Code	Housing types recommended in the Housing Element
IM	<ul style="list-style-type: none"> • Single-family detached home • Single-family attached home • Duplex • Triplex • Fourplex • Multi-family building 	<ul style="list-style-type: none"> • Continue allowing the housing types listed along with Accessory Dwelling Units, and Cottage Courts • Remove the mathematical equation and regulate by design standards (Including height)
Downtown Districts (C9A-C9G)	<ul style="list-style-type: none"> • Single-family detached home • Single-family attached home • Duplex • Triplex • Fourplex • Multi-family building <p>*Most downtown districts have limitations on the design and location of housing.</p> <p>Density is regulated by form and design standards (including height) and limited by a maximum number of units through a Floor Area Ratio (FAR) mathematical equation.</p>	<ul style="list-style-type: none"> • Continuing to allow the housing types listed. • Remove the mathematical equation and regulate by form and design standards (as recommended in the Downtown Plan)

Appendix C: Engagement Summary

[Click here](#) to access the engagement summary online.