

A.i. Executive Summary

The City of Milwaukee's proposal for PRO Housing funds will remove barriers to the creation of housing by updating the City's zoning code to support housing growth and choice, and by developing affordable homeownership opportunities for low- and moderate-income families in Milwaukee through the creation of location efficient housing in desired housing styles not currently being delivered in the local market.

Milwaukee is seeking \$4.2 million in PRO Housing funds to carry out a multi-phased approach to achieve these local housing goals that will have long term impacts in removing barriers to housing development. PRO Housing funds would be used to:

1. Implement updates to the Zoning Code through the Growing MKE initiative. Milwaukee's Department of City Development (DCD) is currently carrying out Phase I of the **Growing MKE** initiative to recommend updates to Milwaukee's Zoning Code. PRO Housing funding would support Phase II of this initiative, where DCD anticipates drafting and implementing recommended updates to the zoning code to permit a wider variety of housing styles, including accessory dwelling units, duplexes, townhomes and small multi-family buildings in zoning districts currently zoned for one- and two-family housing; increase allowable densities in areas that already permit multi-family housing; lower or eliminate parking requirements for residential development; increase the percentage of housing developments that are able to meet code standards to be developed "by-right" without requiring discretionary review; and updating the design standards within the code to provide additional predictability for residents and developers and further support walkable urban development through the Zoning Code.

2. Carry out financial and design analysis to encourage the development of additional styles of housing for homeownership. Zoning Code updates on their own will not deliver desired housing options available for homeownership for low and moderate ("LMI") households. PRO Housing funds will be used to carry out an in-depth financial and design analysis exploring the feasibility of other "missing middle" housing styles of homes for affordable homeownership in the local market. This feasibility analysis and market study would use local market data, cost estimates, buyer and neighborhood profiles and other local data points to model a variety of homeownership options not currently being delivered in our market for affordable homeownership for LMI households. The analysis would also engage architecture and design assistance to demonstrate how these models could be constructed in Milwaukee neighborhoods to align with local lot sizes, development contexts, and buyer preferences. The result would be used by policy makers, funders, City staff, the local development community, and others to create new homeownership options for Milwaukee LMI households.

3. Create affordable homeownership opportunities in attached housing styles. Using the results of the analysis described above, PRO Housing funds will be used to develop and test the housing styles that have been recommended and utilize this "bricks and mortar" development to strategically address local barriers and impediments to fair and affordable housing. PRO Housing funds will be used to create approximately 25 units of new affordable housing, providing homeownership opportunities and expanding the local market with styles of housing that are not

currently being produced for affordable homeownership, but provide more location efficient, environmentally sustainable, and lower cost options than detached single family homes.

Milwaukee's PRO Housing proposal is directly informed by multiple recent planning efforts focused on supporting housing growth and choice, advancing affordable housing opportunity, achieving climate and equity goals, and encouraging transit-oriented development:

"In this future I envision we will have one million residents and many more peaks to our skyline...[I will] **evaluate City zoning codes to support higher density development and economic growth.**"

-Mayor Cavalier Johnson, Economic Prosperity Vision (2022)

"Reduce Vehicle Miles Traveled: less parking, **more transit-oriented development; update zoning code to increase density** (e.g. allow accessory dwelling units), eliminate parking minimums on development."

- Milwaukee's Climate and Equity Plan, (2023)

"At the heart of this Plan is the goal of **advancing racial equity by providing a quality affordable home for every Milwaukeean**...Changes to local zoning codes should be pursued that allow additional types of housing options and choices in a wider range of neighborhoods

-Milwaukee's Collective Affordable Housing Strategic Plan (2021)

Milwaukee has an acute need for affordable housing and has been identified as a Priority Geography for PRO Housing funds. More than 95,000 Milwaukee households are housing cost burdened; and those burdens are disproportionately impacting Milwaukee's lowest income households. Milwaukee's racial homeownership gap is among the worst in the nation, and strategies must be proactively deployed to address these disparities. 55.2% of white Milwaukee households are owner occupants, compared with 26.8% of Black households and 38.9% of Latino households.

PRO Housing Activities are designed to have long term impacts that will remove barriers to affordable housing production through Zoning Code updates, as well as modeling and piloting innovative affordable housing development activities that can be replicated in the future. This will reduce the costs associated with the construction of affordable housing for homeownership and encourage more location efficient housing styles.

The City of Milwaukee is well positioned and has the demonstrated capacity to successfully implement the proposed PRO Housing Activities. The City departments that will lead the PRO Housing activities have extensive experience coordinating complex partnerships with neighborhood and community partners and housing developers to achieve the results being proposed in this application. Milwaukee Mayor Cavalier Johnson and the City of Milwaukee Common Council are committed to the creation of affordable housing and ensuring that Milwaukee's Zoning Code aligns with equitable housing development goals that will be required for successful implementation of PRO Housing activities.