



Legislation Text

File #: 190401, Version: 1

190401
SUBSTITUTE 1
171755, 180931

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Substitute resolution authorizing an Anti-Displacement Neighborhood Preference Policy. This substitute resolution authorizes an Anti-Displacement Neighborhood Preference Policy to be applied on a pilot basis to eligible affordable and mixed-income housing developments receiving financial assistance from the City of Milwaukee.

Whereas, The Department of City Development ("DCD") developed an Anti-Displacement Plan for Neighborhoods Surrounding Downtown Milwaukee ("the Plan") and presented that Plan to the Common Council during March of 2018; and

Whereas, The Plan analyzed a variety of demographic and housing market data to identify whether nearby downtown neighborhoods were exhibiting indicators associated with elevated risk of the displacement of residents due to rising housing costs; and

Whereas, The Plan made a series of recommendations that should be pursued in neighborhoods identified as being at risk of displacement, with the goals of preserving choice for existing neighborhood residents and prioritizing equity for historically disadvantaged groups; and

Whereas, One major recommendation of the Plan was that the City should prioritize the use of city financial resources to create new affordable and mixed-income housing in neighborhoods at risk of displacement; and

Whereas, The Plan recommended developing a companion Anti-Displacement Neighborhood Preference Policy ("the Preference Policy") that would provide a limited preference for existing low-income neighborhood residents to assist them in accessing newly created affordable housing units in developments receiving city assistance in their neighborhoods; and

Whereas, Providing such a Preference Policy achieves a number of public purposes including assisting residents at risk of displacement remain in their neighborhoods, and maintain their existing community-based safety nets, such as access to schools, religious institutions, and community organizations; and

Whereas, A Preference Policy is consistent with the recommendations of the Comprehensive Plan, including the Equitable Growth through Transit Oriented Development Plan, which called for the deployment of Anti-Displacement strategies in areas being considered for investments in mass transit, including extensions of the Milwaukee Streetcar or Bus Rapid Transit; and

Whereas, Recent studies including the Anti-Displacement Plan and the Wisconsin Policy Forum's "The Cost of Living" report have provided detailed information documenting the high percentage of renter households within Milwaukee, the significant number of households paying more than 30% or 50% of their income on housing costs and experiencing housing cost burdens, and the limited supply of affordable housing available for very low-income residents; and

Whereas, Current rents in newly-constructed market rate units are not viable for low-

income residents, with the result being that if residents of neighborhoods at risk of displacement are forced to move because of increased housing costs, they will likely either be forced to relocate out of their current neighborhoods or face increasing rent burden and resulting housing insecurity to remain; and

Whereas, Affordable housing developers, residents, community based organizations, and government partners have a long history of partnership and collaboration on housing development within Milwaukee and the creation of the Preference Policy will help increase participation in this process and generate additional support for the approval and creation of additional affordable housing within the City of Milwaukee; and

Whereas, The Anti-Displacement Plan identified census tracts within the 53204, 53208, 53212, and 53233 zip codes as exhibiting risk factors for displacement, which were defined by the Plan as those areas demonstrating increasing housing costs at a rate greater than the city average while the overall number of low-income families were decreasing; and

Whereas, Within developments receiving city financial assistance, the Preference Policy proposes to designate 20% of the affordable housing units receiving city assistance to be prioritized for existing residents of the zip code where the development is located; and

Whereas, DCD conducted statistical testing to develop a narrowly tailored Preference Policy that complies with the Fair Housing Act and will not have a disparate impact based on race or national origin by perpetuating existing patterns of racial segregation or limiting access to newly created affordable housing units by a particular racial group; and

Whereas, The proposed geography and percentage of designated units under the Preference Policy have both been selected to minimize the potential for the policy to have a disparate impact based on race or national origin; and

Whereas, Authorizing the Preference Policy on a pilot basis will provide the opportunity to evaluate its initial implementation, analyze ongoing neighborhood demographic changes, and determine if and how the policy should be made permanent; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that an Anti-Displacement Neighborhood Preference Policy is authorized for utilization in affordable and mixed-income housing developments receiving financial assistance from the City of Milwaukee; and, be it

Further Resolved, That the Preference Policy apply to all eligible projects located within the 53204, 53208, 53212, and 53233 zip codes that contain at least 20 affordable housing units receiving city assistance through Tax Incremental Financing, the Housing Trust Fund, Community Development Block Grant, HOME, or other funding sources; and, be it

Further Resolved, That unless otherwise prohibited by State or Federal law or regulations, the Preference Policy shall designate 20% of the rent and income restricted affordable units within the covered development to be prioritized for existing residents of the zip code where the development is located at both initial occupancy and as units subsequently become available during the entire term of the city-mandated period of affordability subject to the Preference Policy regulations; and, be it

Further Resolved, That DCD and the Community Development Grants Administration shall develop the regulations and requirements necessary to implement the Preference Policy, and include those requirements within the terms of any development agreement providing city financial assistance to an eligible project; and, be it

Further Resolved, That the Preference Policy be enacted on a pilot basis and applied to

those eligible projects that enter into a development agreement to receive city financial assistance between the date of the adoption of this resolution and December 31, 2021; and, be it

Further Resolved, That prior to the expiration of this pilot period, DCD shall report to the Common Council on the effectiveness of the Preference Policy and any relevant neighborhood demographic changes that may impact the eligible geography or other terms of the Preference Policy, including Preference Policy regulations, and make a recommendation as to whether the Preference Policy be continued and/or the Preference Policy regulations should be modified.

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07/16/19