ROBERT BROOKS

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

Senate Committee on Insurance, Housing and Trade
Public Hearing, December 13, 2017
Senate Bill 640:
"The Development Property Modernization Act of 2017"
10:00 A.M.
Room 411 South

Senator Lasee and members of Insurance, Housing and Trade Committee, thank you for affording me with the opportunity to testify on behalf of Senate Bill 640, "The Development Property Modernization Act of 2017."

"The Development Property Modernization Act of 2017"seeks to lower the cost of new development at the local level by reducing costs and regulations with regards to impact and park fees, implement housing affordability audits, incentivizing higher density and more affordable housing. This all-encompassing legislation makes much-needed changes to Wisconsin State Statutes, and seeks to create greater statewide uniformity as it relates to property development guidelines.

A recent study conducted by the National Association of Homebuilders found that an average of 24.3 percent of a home's final selling price is comprised of local, state, and federal regulatory costs. What is more, development expenses for the newly-sold homes represent 14.6 percent of the total cost of regulation, with builder outlays accounting for the remainder.

The National Association of Homebuilders, in their study, denoted that while the percentage of housing regulatory burdens remain in line with 2011 estimates of twenty-five percent, home prices have increase exponentially, resulting in a near thirty percent increase in the dollar value of those costs—from $65,000 in 2011 to $85,00 in 2016. These are just a few of the reasons why I decided to author "The Development Property Modernization Act of 2017."

Capitol Office: Post Office Box 8952 • Madison, WI 53708-8952 • (608) 267-2369 • Toll-Free: (888) 534-0060 • Fax: (608) 282-3660
Rep.Rob.Brooks@legis.wi.gov

ROBERT BROOKS

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

Because of Senate Bill 640's length and technicality, I have decided to highlight a few of the most consequential sections, in my testimony: park fees; increased density incentives; and inclusionary zoning.

Senate Bill 640 allows political subdivisions to impose park fees under Chapter 236 of Wisconsin State Statutes. Doing so brings these requirements under the same statute as impact fee requirements. Impact fees are generally paid at the time a building permit is issued. Some political subdivisions, however, have ignored this law and have begun requiring that impact fees be paid at the time a political subdivision signed a subdivision plat. There are other types of fees that are required to be paid at the time a subdivision plat is signed, such as fees in lieu of park land dedication. This inconsistency and confusion is one of the main reasons why I wanted to incorporate park fees into Chapter 236 of Wisconsin State Statutes.

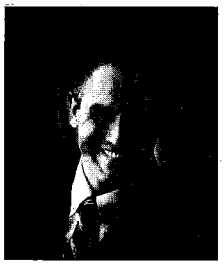
This legislation authorizes cities and villages to increase their total levy by $1,000 for each unit of new housing sold on lots of no more than one-fourth of an acre and at a cost of no more than eighty percent of the median sale price in a the county, during the previous tax year.

Senate Bill 640 codifies in state statute the Wisconsin Court of Appeals decision *Apartment Association of South Central Wisconsin v. City of Madison* (2006), which prohibits inclusionary zoning as a form of rent control. Under this provision, political subdivisions would be prohibited from adopting inclusionary zoning ordinances, which require a certain number or percentage of new housing units (rented or sold), to be "affordable," as deemed by the city.

It is imperative to denote, before answering your questions, that this bill is still fluid; amendments will be authored to address some of the concerns we will hear throughout this hearing. I will work with committee members and stakeholders to further enhance this legislation.

I would, at this time, be more than willing to answer any questions members of the committee might have. Thank you for your time and consideration.

Capitol Office: Post Office Box 8952 • Madison, WI 53708-8952 • (608) 267-2369 • Toll-Free: (888) 534-0060 • Fax: (608) 282-3660
Rep.Rob.Brooks@legis.wi.gov



Frank Lasee

WISCONSIN STATE SENATOR

FIRST SENATE DISTRICT

Senator Lasee's Testimony

Senate Bill 640

Developer Modernization Package

Wisconsin's economy is growing with new manufacturers and businesses. The businesses that are being created need new cost-appropriate housing options with short commutes.

SB 640 will assist in decreasing costs for developers and provide a path of new, affordable housing developments. These changes will allow for more affordable housing while removing potential hurdles to our state's growth.

By making these reasonable changes to law, Wisconsin will be able to provide affordable housing developments for all Wisconsinites.

Please support this thoughtful legislation.

Post Office Box 7882
Madison, Wisconsin 53707-7882
(608) 266-3512

Chair: Committee on Insurance and Housing
Sen.Lasee@legis.wi.gov

830 Spring Hills Court
DePere, WI 54115
(920) 327-0585

WISCONSIN
COUNTIES
ASSOCIATION

22 EAST MIFFLIN STREET, SUITE 900
MADISON, WI 53703
TOLL FREE: 1.866.404.2700
PHONE: 608.663.7188
FAX: 608.663.7189
WWW.WICOUNTIES.ORG

MEMORANDUM

TO: Honorable Members of the Senate Committee on Insurance, Housing and Trade

FROM: Daniel Bahr, Government Affairs Associate

DATE: December 13, 2017

SUBJECT: Opposition to Senate Bill 640

The Wisconsin Counties Association (WCA) is opposed to Senate Bill 640 (SB 640), which makes numerous changes to local government's ability to regulate development-related activities and otherwise exercise local control over those activities in the best interests of the community. WCA appreciates the ongoing dialogue with the bill authors regarding concerns raised by counties and is confident many of the issues raised will be addressed through future amendments to the legislation.

The primary concerns raised by counties regarding SB 640 relate to the prohibition on any regulation of weekend work activities, mandatory development-related reporting, the elimination of local storm water management regulations, and changes to eminent domain procedure. With regard to weekend work requirements, WCA requests amending the bill to ensure counties can continue to regulate weekend hours of operation for highly-intensive operations such as quarry or mining operations. Currently, many counties regulate hours of operation for these activities via conditional use permits, a process that should remain available to counties. SB 640 also requires local development-related regulation reports. While we understand the intent of this provision is to require municipalities to report their development fee schedules to the public on a regular basis, the term municipality should be defined as not to include counties because the fees described in the bill have limited applicability to counties. Through conversations with bill authors, WCA believes both these requests are consistent with the intent of the legislation.

Counties have also raised concerns with proposed changes to local storm water management ordinances. Under SB 640, local ordinances must strictly conform to statewide standards. This provision applies a one-size-fits-all approach to local regulation and fails to account for varying geographic features unique to individual counties, which would necessitate water and soil preservation regulations beyond the minimum state

standards. WCA requests this provision be removed or amended to account for geographic conditions that necessitate local standards in excess of state standards.

Finally, counties have raised concerns with eminent domain provisions of the bill which require new factors that must be considered when valuing property impacted by eminent domain. WCA understands the bill author's intent with this provision, but believes property must be both assessed for property tax purposes and valued for condemnation purposes in the same manner. Unfortunately, one of the strategies employed by big-box commercial retailers to reduce their property tax assessments has been to ignore income of a business when determining fair market value. To address county concerns with this provision, WCA requests this language be removed from SB 640 and instead inserted in dark store legislation currently before the legislature. This approach will provide consistency and fairness for both local governments and local taxpayers.

We respectfully request the committee amend SB 640 to address concerns raised by counties. Please feel free to contact WCA for further information.

WISCONSIN BUILDERS ASSOCIATION

660 John Nolen Drive, Suite 320
Madison, Wisconsin 53713-1469

DATE: December 13, 2017

TO: Members of the Senate Committee on Insurance, Housing, and Trade

FROM: Brad Boycks
Executive Director
Wisconsin Builders Association

SUBJECT: Wisconsin Builders Association Support for Senate Bill 640

On behalf of the 4,000 members of the Wisconsin Builders Association (WBA), we ask for your support of **Senate Bill 640 (SB 640)** which is authored by Senator Frank Lasee and Representative Rob Brooks. We believe that if signed into law SB 640 will help make housing more affordable for Wisconsin families.

A recent report by the National Association of Home Builders found that government regulation accounts for 24.3% of the final price of a new home, with most of that expense resulting from the development phase. In other words, three-fifths of the regulatory costs of a new home are due to government regulations in the development phase.

It is our hope that many of the provisions contained in SB 640 will help bring down costs associated with neighborhood development, and, consequently, also lower the cost of a new home.

Some highlights of the WBA-supported SB 640 are:

- The creation of a workforce housing tax incremental district (TID) which also allows a municipality to reduce impact fees to encourage this housing option.
- Park fees in state statutes are addressed only as an impact fee and not in multiple places in state statutes.
- Changes to provide clarifications and greater flexibilities for developers to use bonds in the dedication of infrastructure that is paid for by a developer and dedicated to a municipality. These are clarifications of 2013 Wisconsin Act 280 which passed the legislature on voice votes in both houses.
- Prohibiting a developer's agreement from mandating building codes that exceed the statewide uniform standards of the Uniform Dwelling Code.

- Multiple changes to the impact fee state statutes, including refunding impact fees if not used after 8 years (current law is 10 years), municipal reporting on the usage of impact fees, allowing the use of a letter of credit to pay for an impact fee if the fee is not going to be used right away, allowing an impact fee to be paid when a permit is pulled or 6 months prior to when the fee will be used, deleting the requirement of a petition to contest an impact fee needing to be filed within sixty days of the fee going into effect, and forbidding a municipality from using impact fees for operations and maintenance of public facilities.
- Prohibits the use of inclusionary zoning ordinances.
- The income approach can be used in the valuation of property that is acquired through eminent domain.
- The regulation of storm water management systems is made statewide and uniform. Some municipalities have stormwater stay-on requirements that far exceed the state DNR standards at a detriment to housing affordability for low and middle-income families, while failing to provide an environmental or economic benefit to the municipality that would not have been achieved by using the state DNR standard.
- Protests concerning zoning require a simple majority vote to pass (current law is a supermajority vote of three-fourths).
- Asks local units of government to be more transparent with the public on fees related to housing and development that are being charged in that municipality

Thank you for your consideration of the above items of SB 640. We look forward to the testimony and debate on SB 640 as well as working with committee members.

Finally, we ask for your support of this important piece of legislation to streamline the development process in Wisconsin, which, in turn, will result in more affordable housing options for Wisconsin families.

WISCONSIN BUILDERS ASSOCIATION

Brad Boycks
Executive Director
Wisconsin Builders Association®
bboycks@wisbuild.org
(608) 242-5151 ext.16

Robert C. Procter
Michael D. Hahn
WBA General Counsel
Axley Brynelson, LLP
rprocter@axley.com
(608) 257-5661

RE: **SENATE BILL 640**
TO: Senate Committee on Insurance, Housing and Trade
FROM: Brad Boycks, Executive Director
Michael D. Hahn, Assistant General Counsel
DATE: December 13, 2017

Affordability in home ownership is one of the most significant issues facing Wisconsin residents. Well intentioned, but ineffective, land use regulations have reduced Wisconsin's housing market's ability to respond to the growing demand of middle and lower economic class residents.[i] The National Home Builders Association has completed a study that shows that governmental regulation accounts for nearly one-quarter of the final price of a new single-family home built for sale.[ii]

Senate Bill 640 addresses affordable home ownership by reducing ineffective regulations that create unnecessary costs that are passed on to new home buyers. Senate Bill 640 is a huge step forward to providing relief to working Wisconsin residents that dream of owning their own home.

The WBA supports all of the provisos in Senate Bill 640, and would specifically address the following important sections.

1. PLAT APPROVAL PROCESS; PUBLIC IMPROVEMENTS – Section 52 / Page 27 – 28.

When approving a subdivision of land, municipalities require the subdivider to install and pay for all of the public improvements that are later dedicated to the municipality such as roads, sewers, etc. In addition to having to pay for the public improvements, municipalities require that the subdivider provide surety in the form of a letter of credit or bond that benefits the municipality to insure that the work is completed to the standards imposed by the municipality. Unfortunately, many municipalities struggle with the perceived risk that the work will not be done in a manner required by the municipality, and impose excessive requirements for surety that are well intended, but unnecessary. The municipalities fail to address that the unnecessary costs of their excessive requirements are passed directly onto working Wisconsin residents by driving up housing costs.

Section 52 preserves the municipalities' ability to require substantial protections to ensure public improvements are completed to municipal standards in an amount of 110% of the cost of the public improvements; however, it also further clarifies certain limits of what the municipalities may require as surety and the form of the surety. This section provides a framework within which municipalities' concerns are protected, but the excessive cost to housing are also addressed.

Significantly, two specific changes illustrate the need to provide structure for the requirement of providing surety for public improvements. These two changes will help to set a cap on such requirements that both protects the municipality and holds down the costs of housing:

- That the subdivider may use a performance bond or a letter of credit, or any combination of the two, to provide the required surety. This allows the subdivider to seek the product that will meet the required level of surety for the municipality at the best price.
- That the level of surety is based on the actual bids for the public improvements. There have been incidents where rather than using the actual cost of the bids for the work to set the amount of surety, municipalities have simply had their engineers state an amount not based on anything but the municipalities' own opinion as to the cost.

2. SUBDIVISION APPROVAL CONDITIONS – PARK FEES –

Under current law, municipalities charge park fees as a condition of approval for a subdivision. These fees often have very little connection to the actual needs of the municipality. The requirement that municipalities do a needs assessment, the same as it does for impact fees, is a common sense change that will prevent the misuse of charging park fees as part of a subdivision. Many municipalities already follow this simple procedure. For example, the City of Madison does a needs assessment for its parks that addresses both the impact fees charged under Wis. Stat. ch. 66 and the park fees charged under the subdivision statute.

Municipalities are very familiar with doing a needs assessments because they are done all the time when an impact fee is charged. A needs assessment insures that the park fee is being charged in an amount that reflects the actual needs of the municipality, and is not arbitrarily set at a much larger amount – an amount that is ultimately passed on to Wisconsin's homebuyers.

3. ZONING - STATUTORY PROTEST – SECTION 8 / Page 13, Lines 12 - 23

The existing statutory protest statute is a relic from a time when it was needed. However, because of the state's Comprehensive Planning Law, the protest no longer serves a legitimate purpose. The statutory protest has morphed into a tool to obstruct all types of development without regard to its original purpose of protecting landowners who would purchase land without any knowledge or protection from the future use of neighboring properties.

The statutory protest law allows neighboring properties to file a statutory protest against a proposed rezoning of a property. The protest increases the number of votes needed to approve a rezoning amendment from a simple majority vote to a supermajority vote of 75% of the board members. If you have a 7 person board, an approval would require 6 of the 7 board members to vote for it. A 5 person board requires 4 votes to approve it.

The statutory protest was promulgated by the U.S. Department of Commerce in the 1920s as part of a model zoning statute adopted by most states. The protest petition was deemed a good way to provide a degree of certainty and stability in zoning for neighbors. In other words, people would purchase their property with no idea as to the potential future use and zoning of neighboring properties. A municipality could simply rezone the neighboring property into a business or a farm, and a neighboring property owner would have had no idea that such a change may happen in the future to the neighboring property when he or she purchased his or her property.

This all occurred prior to Wisconsin adopting its comprehensive planning statute. Since 2010, if a town, village, city, or county enacts or amends an official mapping, subdivision, or zoning ordinance, the enactment or amendment ordinance must be consistent with the community's comprehensive plan. A community's comprehensive plan is adopted only after public notified hearings, and sets forth the future planned use of properties. Accordingly, anyone that purchases a property can look at the community's comprehensive plan to see what the community intends to do in the future regarding the neighboring parcels. Any existing owner can participate in the comprehensive planning process.

People that buy land, whether to live there on a residential lot, to develop it as a residential subdivision, to use it for a business purpose, or to use it for industrial purposes, look at the comprehensive plan to know what they will and will not be allowed to do with the property they plan to purchase. People need to be able to rely on the Comprehensive Plan. It is fundamentally unfair that an existing property owner that purchased his property knowing that the town, village, city or neighboring property is planned for future development under the comprehensive plan to file a protest petition that would require a near unanimous vote when the proposed rezoning would make the property consistent with the municipal comprehensive plan.

The statutory protest undermines Wisconsin comprehensive planning statute, and drives up housing costs by limiting the supply of housing in areas where municipalities have planned to have it.

***

[i] President Obama's White House white paper titled the Housing Development Toolkit, September 2016. See https://www.whitehouse.gov/sites/whitehouse.gov/files/images/Housing_Development_Toolkit%20f.2.pdf

[ii] The National Home Builders Association study can be found at: http://www.nahbclassic.org/generic.aspx?sectionID=734&genericContentID=250611&channelID=311&_ga=1.154188152.1111877392.1422299172

LEAGUE OF WISCONSIN MUNICIPALITIES

131 W. Wilson St., Suite 505
Madison, Wisconsin 53703
phone (608) 267-2380; (800) 991-5502
fax: (608) 267-0645
league@lwm-info.org; www.lwm-info.org

To: Senate Committee on Insurance, Housing, and Trade
From: Curt Witynski, J.D., Deputy Executive Director, League of Wisconsin Municipalities
Date: December 13, 2017
Re: SB 640, Limiting municipal regulatory authority and ability to impose impact fees; New reporting mandates.

The League of Wisconsin Municipalities opposes SB 640 as introduced. While we appreciate the authors' willingness to meet with us and to make changes to earlier versions of this bill that we recommended, we continue to have significant concerns about many provisions in the bill.

Our top nine concerns are:

1. Section 61 – **Deleting Sec. 281.33(6), Prohibiting municipalities from enacting storm water regulations stricter that statewide standards.** This provision repeals a compromise provision inserted into state law three years ago allowing communities to exceed state standards if necessary to control storm water quantity (i.e., flooding) or to comply with federally approved and state imposed total maximum daily load (TMDL) water quality standards. The increased intensity of storm events has elevated not diminished the need to manage stormwater quantity. State stormwater standards in NR 151 may be adequate to address erosion control and normal stormwater quality concerns; but they were not designed to be comprehensive stormwater quantity controls. Many communities have stormwater quantity standards that have been in effect for more than 10 years. Eliminating these options will only increase damage to developed areas.

   Regarding TMDL standards, currently state stormwater standards in NR 151 only require a 20% reduction of pollutants in redeveloped areas. If municipalities are limited to 20% in redeveloped areas they will not be able to comply with state imposed and federally approved TMDL limits. Communities in the Rock and Fox watersheds, for example, are required under their municipal stormwater permits to comply with TDML waste load allocations requiring in some cases sediment load reductions in excess of 70%. Since new development is already at 80%, reaching compliance necessarily requires increased controls in redeveloped areas along with other more stringent requirements.

2. Section 59 – **Requiring that park fees imposed as a condition of subdivision approval comply with impact fee law standards and requirements.** State law has always distinguished between park fees imposed as a condition of subdivision approval under Ch. 236 and impact fees imposed on new development under sec. 66.0617. Impact fees are used to help cover the capital costs of public facilities necessary to serve new development. Park fees under ch. 236 are used to acquire land for parks necessary to serve the new development. The park fee enabling legislation is longstanding and was treated outside of and separate from impact fees when the impact fee enabling legislation was enacted. There is no need at this time to apply the impact fee law standards to park fees imposed as a condition of subdivision approval.

3. Section 21 – **Prohibiting new and additional charges for services rendered by a storm water system against properties retaining at least 90% of storm water.** This is inconsistent with prior PSC decisions on this issue. Most storm water fee ordinances give properties that retain and treat 90 percent of their water a credit against their fee. All properties benefit from municipal storm water systems when streets don't flood regardless if they retain even 100 percent of the water that falls on them. Moreover, it will be very problematic to prove which properties are actually retaining 90% of the water on site (and if designed to do it, continue in the future after the site is developed). Second, even though a property may retain 90% of the water on site, the municipality still incurs costs associated with the property due to MS4 permit compliance requirements. For example, the municipality must monitor the site yearly and ensure on-site facilities are being inspected and maintained by the property owner. If the inspections aren't being done, the City will have to perform the inspections. Other costs associated with storm water utilities extending beyond just a single site include funding of leaf collection throughout the city.

4. Section 11 and Section 14 – **Allowing developers to pay impact fees by bond or a letter of credit; and making impact fees payable 6 months before costs to construct public facilities are incurred.** We don't understand how a bond could work in lieu of fees paid at the time a building permit is issued. Also, regarding the time of payment, it's typically not possible to know precisely when a public facility for which the impact fees are collected will be constructed let alone six months prior to construction. This provision makes an easy to understand and apply provision confusing and impractical.

5. Section 50 – **Prohibiting municipalities from limiting weekend private construction work.** Whether and when to allow construction noises to occur on weekends is a quintessential issue of local determination. We researched municipal ordinances regulating construction noise on weekends. We found that communities are all over the map with regard to prohibiting construction noises on the weekend. Some limit the times construction work can occur. Some allow on Saturday, but not Sunday. Many don't regulate it all. That is the genius of local control. The level of regulation reflects the desires and character of the community. One possible compromise approach, is to require that municipalities prohibiting weekend or Sunday work must provide for a process by which a builder may request a special exception under extraordinary circumstances for doing work on weekends in those communities.

6. Section 1 and 2 – **Determining the value of property for purposes of condemnation.** While we understand and acknowledge that the methods for determining the value of property for purposes of condemnation should be consistent with professionally accepted appraisal practices and methods used by assessors for determining the value of property for property tax purposes, we don't think the proposed changes accomplish that goal. At a minimum the word "shall" should be replaced with the word "may", since some appraisal methods might not be feasible in all situations. We think these provisions should more closely mirror state law governing the valuation of property for property tax purposes. We also think these changes might be better placed in the dark store legislation.

7. Section 3 – **Definition of "Reasonable Project Costs."** This new definition, which is over a page long, is too broad and will significantly increase the cost to local governments of exercising eminent domain.

8. Section 20 – **Triggering the 60 day statute of limitations on appealing the reasonableness of a municipal fee.** The bill triggers the 60 day limit at the time a fee is paid. We recommend changing this to when a fee is charged or assessed.

9. Sections 22 and Section 23 – **Mandating municipalities prepare an annual "housing affordability report" and an annual "development fee report."** While we appreciate changes the authors made to earlier versions of these new reporting requirements, including applying them only to municipalities exceeding 10,000 in population, they still represent unfunded mandates. Complying with the annual reporting mandates will require planning and other staff to devote time and resources better spent on economic development efforts or efficiently serving builders, developers, and citizens seeking permits.

While this bill contains a few items we support, such as enabling workforce housing TIF districts and limiting the signers of zoning change protest petitions to city or village residents, over all it significantly limits municipal powers and the ability of municipalities to recover costs.

The League urges you to vote against recommending passage of SB 640. Thanks for considering our comments.

WISCONSIN TOWNS ASSOCIATION
Empowering Town Officials

W7686 County Road MMM
Shawano, WI 54166
715-526-3157
wtowns@wisctowns.com
www.wisctowns.com

MEMO TO: Senate Committee on Insurance, Housing and Trade
FROM: Rick Manthe, WTA Attorney / Lobbyist
DATE: 12/13/2017
RE: Senate Bill 640

After reviewing Senate Bill 640 (the Bill) the Wisconsin Towns Association (WTA) would like to communicate a number of challenges created by the proposal. We appreciate the opportunity to offer input on this legislation and look forward to working with all stakeholders to address these issues.

1. *Reasonable Project Costs For Persons Displaced by Public Projects:* The addition of "reasonable project costs" in Section 3 of the Bill coupled with the expansion of the compensation caps in Sections 4 and 6 would create multiple issues for local governments. The language in Section 3 is exceptionally broad and encompasses several new types of costs. The WTA fears this language does not strike the proper balance between making the property owner whole and protecting public resources. For example, governments could be responsible for paying costs associated with installing new infrastructure such as sewerage treatment plants, amenities on streets, sewer lines, utility lines and the rebuilding or expansion of streets all because the property owner wants a more advantageous location. Additionally a government would be responsible for any added expenses related to financing the project costs, including premiums incurred for paying off a loan early. These costs go beyond reasonable compensation for eminent domain proceedings. Further the "functionally equivalent to the business or farm operation" (p. 10, line 10 of the Bill) language raises concerns. Since the term is not defined it is not clear how this is to be measured or interpreted.

   The retroactivity provision in Section 62 also creates a challenge for the WTA. This section would allow a developer to amend a pending claim and seek more damages. It changes the rules of the game halfway through litigation. A municipality would have not considered all of these costs originally since they were not required.

2. *Litigation Expenses:* Section 7 requires a court to award litigation expenses for the claimant in compensation proceedings. This raises fairness concerns. The claimant gets litigation expenses if it wins, but the government does not receive the same benefit if it prevails. This creates a substantial incentive for attorneys to encourage their clients to

challenge compensation. If litigation expenses will be awarded for these proceedings, we feel both parties should have the opportunity.

3. *Private Property Owner Rights to Object:* Section 8 changes who is allowed to object to a zoning amendment. Currently, adjacent landowners, regardless of municipality, can object to a zoning amendment. Through Section 8, this private property right is taken away from adjacent landowners who don't own land in the city. The adjacent landowners in the city have the private property right to object, while the adjacent landowners in the town are stripped of this right. Yet, the impact of the development has the same positive/negative impact on all adjacent property owners. We ask legislators to preserve the private property right of objection for all adjacent landowners.

4. *Levy Limit Exceptions*: It appears this bill offers levy limit exceptions that encourage small lot sizes and affordable housing in cities and villages. WTA objects to any provision of this nature being applied to cities and villages, but excluding urban towns. With regard to small lot sizes, this unfairly disadvantages rural towns because parcels of this size are not achievable per plumbing code sanitary requirements. We ask that legislators create a similar exception for rural areas that would allow for the levy limit exception for parcels less than 2 acres, or alternatively allow for application of only the home value provision to achieve the exception. We agree with the goal to encourage workforce housing, but object to strategies that comparatively handicap towns and rural development.

5. *Impact Fees*: The WTA has concerns with the changes to impact fees in Sections 11 through 20.

   Section 11 limits the types of security that may be used for development impact fees. Towns desire flexibility in regards to choosing the type of security. This section removes that flexibility. Furthermore, the final impact of a development might not trigger the use of impact fees for some time into the future. If the developer goes bankrupt, who is responsible for the impact fees? Does the municipality pass that cost to the new residents, existing tax and utility rate payers, or both? We ask that legislators reject this change and maintain flexibility that protects the new residents and existing property tax and utility rate payers.

   Section 14 provides that a municipality may not require payment prior to 6 months before public facility construction or the issuance of a building permit, whichever is longer. There might not always be a clear timeline to know when the six month period is met. Furthermore, in the case of development failure, costs would be shifted to new residents, existing tax and utility rate payers, or both. We ask that legislators limit this change to prior to issuance of a building permit.

Sections 16 through 19 further chip away at local government flexibility to use impact fees. It creates a shorter timeline to initially invest fees (8 years vs. 10 years). These sections also completely remove the ability to extend the deadline for using impact fees, which currently stands at 3 years. Prior to the current 10 year limit and up to 3 year extension, there was no time constraint for spending impact fees. This proposal creates a hard deadline of 8 years. The use of fees occurs only after the need exists. That need is not typically created by the first home in a subdivision, but only after a significant percentage of development has occurred. The need to use the fees is contingent upon the success and speed of the developer. For example, during the recession many developments stalled. Artificial timelines either force the municipality to prematurely and inefficiently install infrastructure, parks, etc. or push the cost of improvements that are made in a more timely manner to existing property tax and rate payers. We ask that legislators reject these changes, which would cause inefficiencies or unfairly burden current residents.

6. *Stormater Management:* Section 21 prohibits charges for properties that retain 90 percent of storm water. Not only would this be a bureaucratic nightmare to administer, it is unclear whether or not the runoff from the sidewalks and roadway associated with that parcel is counted as part of the parcel's runoff. Certainly, inclusion of these impervious surfaces, which is only fair as they are required to obtain access to the parcel, would eliminate most parcels from being able to retain 90 percent of runoff. Furthermore, this provision is ostensibly intended to shift stormwater management costs from residential to commercial and industrial properties. We oppose unfairly punishing small business owners and manufacturers and ask that this proposal is rejected.

   Section 61 repeals Wis. Stat. § 281.33(6) thus preventing local governments from implementing stormwater rules stricter than uniform state standards even if the rules are necessary to control water quantity and flooding problems or to implement federal total maximum daily load standards (TMDLs). This statute is in place to protect public safety and property from flooding and to save taxpayers money. Achieving TMDLs is a mandate that must be achieved. Eliminating the ability to engage in an ounce of prevention through enhanced rules will force a pound of cure in the form of expensive treatment systems. WTA strongly opposes removing the ability to protect public safety, property, and taxpayers through elimination of this statute.

7. *Expiration Dates of Approvals*: Section 25 repeals Wis. Stat. § 66.1001(2)(d) and will result in local governments losing the ability to create expiration dates for approvals. This would allow property owners to hold unused vested rights in perpetuity. Someone could freeze a zoning designation forever simply by applying for a driveway permit. An unused vested right prevents neighboring landowners from obtaining stability in land use patterns and hampers their ability to confidently invest in and develop their own property. One landowner with a decades old unused vested right can hold the neighboring property owners hostage. Furthermore, pending a current Wisconsin Supreme Court case, an

unused vested right could stretch to dozens of nearby parcels that are not even owned by the entity obtaining the driveway permit. Finally, local government planning and zoning would both become a bureaucratic nightmare (how does one record in perpetuity a vested right for zoning obtained via a driveway permit) and an exercise in futility in areas with unused vested rights. The WTA strongly opposes repealing this statute.

8. *Building Inspectors Implementing Zoning:* Section 27 includes a provision related to state building inspectors granting local authorizations for developers. The WTA supports the need for quick decisions in developments. A state "building" inspector, however, will not be familiar with a municipality's "zoning" code. Thus the inspector may erroneously indicate a project complies with local zoning codes when, in reality, it is in violation. This scenario would certainly cause both the public and private sector an unnecessary expenditure of time and money in an attempt to fix the situation. The WTA requests removal of zoning as part of this provision.

9. *Construction Limitations*: Section 50 could have far-reaching unintended consequences that preempt local ordinances completely unrelated to on-site work at construction projects. The definition of a "construction project" in this section is extremely broad. Other industries who provide supplies for the on-site construction, like a quarry, could argue this section applies to their weekend work. This means conditions of a permit or local ordinances aimed at protecting the public health, safety, and general welfare miles away in a different municipality could be nullified by this broad definition.

   Furthermore, WTA feels the current language could impact ordinances unrelated to construction. It is unclear, however, if this would impact an ordinance unrelated to construction, such as a nuisance ordinance. If a town has a noise ordinance and someone is performing construction work on a weekend in violation of it, this section may preempt the ordinance. The WTA is concerned this provision would have far reaching impacts beyond its intended scope and requests Section 50 be refined accordingly.

10. *Subdivision Developments:* Section 53 decreases the amount of security a local government may require from a subdivision developer to complete public improvements from 120% of estimated costs to 110%. Furthermore, the developer is allowed to identify what the estimated costs will be. If the development fails, developer goes bankrupt, or developer refuses to follow through on the agreements, an inaccurate estimate pushes costs on to existing constituents. Not only do we object to the decreased percentage, but allowing the developer to define the estimate only increases the chances that existing voters will be left holding the bag. The WTA request this provision be removed from the bill.

11. *Preemption Language*: Several of the aforementioned sections have language that preempts any ordinance inconsistent with the statutes. In addition to the above challenges, the WTA objects to broad preemption language that invalidates an entire

ordinance instead of the inconsistent portions of the ordinance. This potentially invalidates many ordinances beyond the Bill's intended scope. In addition to addressing the aforementioned concerns, the WTA requests that any preemption language only curtail inconsistent provisions of an ordinance instead of the ordinance in its entirety.

The WTA appreciates the opportunity to offer feedback on this proposal, and we look forward to working with stakeholders to improve upon this legislation.

Wisconsin REALTORS® Association

NAIOP COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION WISCONSIN CHAPTER

SB 640 – Development Property Modernization Act
Impact of Local Regulation on The Cost of Housing

Wisconsin has a growing housing affordability issue due to, among other things, a supply shortage and excessive regulatory costs.

- Wisconsin housing inventory is low – 5.5 months statewide and much lower in metropolitan areas (e.g., Southeast – 4.3 months, South Central – 4.4 months) (Balanced market = 7 months)
- Median home prices continue to rise – $178,000 (9/17) increase of 4.8% from 9/16
- New home starts are significantly lagging
  - From 1999-2005, Wisconsin consistently had 25,000 to 30,000 new home starts per year.
  - In 2013—2016, we had 7,000-8,500 – a 72% decrease
  - Consider the fact that people are living longer than ever before + the largest generation in our nation's history is starting to buy homes = Supply problem will become even worse

Local government regulation is a barrier to housing affordability.

> Over the past three decades, local barriers to housing development have intensified, particularly in the high-growth metropolitan areas increasingly fueling the national economy. The accumulation of such barriers – including zoning, other land use regulations, and lengthy development approval processes – has reduced the ability of many housing markets to respond to growing demand. . . . By modernizing their approaches to housing development regulation, states and localities can restrain unchecked housing cost growth, protect homeowners, and strengthen their economies.

"Housing Development Toolkit," The White House (September 2016)

Government regulation adds an estimated 25% to the cost of a new home.

> Nationally, almost 25 percent of the cost of a typical new single-family home is the result of government regulation. The compounding of myriad local, state, and federal requirements has a profound impact on housing affordability and homeownership. The cost of regulations on a 2016 new home valued at $348,900 would be approximately $84,671.

"Regulations, Fees Continue to Plague Home Construction," The Hill (2/16/17)

Most government housing programs don't work because they don't address housing supply issues.

> "Many housing programs — vouchers, rent control and inclusionary housing — attempt to make housing more affordable without increasing the overall supply," the report said. "This approach does very little to address the underlying cause of California's high housing costs: a housing shortage."

"California's High Housing Costs, Causes and Consequences, "California Legislative Analyst's Office (March 17, 2015).

HOUSING DEVELOPMENT TOOLKIT

September 2016

THE WHITE HOUSE
WASHINGTON

Contents

Executive Summary

Over the past three decades, local barriers to housing development have intensified, particularly in the high-growth metropolitan areas increasingly fueling the national economy. The accumulation of such barriers – including zoning, other land use regulations, and lengthy development approval processes – has reduced the ability of many housing markets to respond to growing demand. The growing severity of undersupplied housing markets is jeopardizing housing affordability for working families, increasing income inequality by reducing less-skilled workers' access to high-wage labor markets, and stifling GDP growth by driving labor migration away from the most productive regions. By modernizing their approaches to housing development regulation, states and localities can restrain unchecked housing cost growth, protect homeowners, and strengthen their economies.

Locally-constructed barriers to new housing development include beneficial environmental protections, but also laws plainly designed to exclude multifamily or affordable housing. Local policies acting as barriers to housing supply include land use restrictions that make developable land much more costly than it is inherently, zoning restrictions, off-street parking requirements, arbitrary or antiquated preservation regulations, residential conversion restrictions, and unnecessarily slow permitting processes. The accumulation of these barriers has reduced the ability of many housing markets to respond to growing demand.

Accumulated barriers to housing development can result in significant costs to households, local economies, and the environment.

- Housing production has not been able to keep up with demand in many localities, impacting construction and other related jobs, limiting the requisite growth in population needed to sustain economic growth, and limiting potential tax revenue gains.

- Barriers to housing development are exacerbating the housing affordability crisis, particularly in regions with high job growth and few rental vacancies.

- Significant barriers to new housing development can cause working families to be pushed out of the job markets with the best opportunities for them, or prevent them from moving to regions with higher-paying jobs and stronger career tracks. Excessive barriers to housing development result in increasing drag on national economic growth and exacerbate income inequality.

- When new housing development is limited region-wide, and particularly precluded in neighborhoods with political capital to implement even stricter local barriers, the new housing that does get built tends to be disproportionally concentrated in low-income communities of color, causing displacement and concerns of gentrification in those neighborhoods. Rising rents region-wide can exacerbate that displacement.

- The long commutes that result from workers seeking out affordable housing far from job centers place a drain on their families, their physical and mental well-being, and negatively impact the environment through increased gas emissions.

- When rental and production costs go up, the cost of each unit of housing with public assistance increases, putting a strain on already-insufficient public resources for affordable housing, and causing existing programs to serve fewer households.

Modernized housing regulation comes with significant benefits.

- Housing regulation that allows supply to respond elastically to demand helps cities protect homeowners and home values while maintaining housing affordability.

- Regions are better able to compete in the modern economy when their housing development is allowed to meet local needs.

- Smart housing regulation optimizes transportation system use, reduces commute times, and increases use of public transit, biking and walking.

- Modern approaches to zoning can also reduce economic and racial segregation, as recent research shows that strict land use regulations drive income segregation of wealthy residents.

Cities and states across the country are interested in revising their often 1970s-era zoning codes and housing permitting processes, and increasingly recognize that updating local land use policies could lead to more new housing construction, better leveraging of limited financial resources, and increased connectivity between housing to transportation, jobs and amenities.

This toolkit highlights actions that states and local jurisdictions have taken to promote healthy, responsive, affordable, high-opportunity housing markets, including:

- Establishing by-right development
- Taxing vacant land or donate it to non-profit developers
- Streamlining or shortening permitting processes and timelines
- Eliminate off-street parking requirements
- Allowing accessory dwelling units
- Establishing density bonuses
- Enacting high-density and multifamily zoning
- Employing inclusionary zoning
- Establishing development tax or value capture incentives
- Using property tax abatements

"We can work together to break down rules that stand in the way of building new housing and that keep families from moving to growing, dynamic cities."
-- President Obama, remarks to the U.S. Conference of Mayors, January 21, 2016

A stable, functioning housing market is vital to our nation's economic strength and resilience. Businesses rely on responsive housing markets to facilitate growth and employee recruitment. Construction workers, contractors, and realtors depend on stable housing markets to fuel their careers. And the availability of quality, affordable housing is foundational for every family – it determines which jobs they can access, which schools their children can attend, and how much time they can spend together at the end of a day's commutes.

Our nation's housing market was in crisis when President Obama took office. In the first quarter of 2009, national home prices had fallen roughly 20 percent since mid-2005, leaving nearly 13 million households underwater. Today, the market nationwide has made tremendous strides, as the recovery helped households regain $6.3 trillion of the real estate equity lost during the recession and lifted 7.4 million households out of negative equity since 2011, more than cutting in half the number of homeowners underwater.

This national recovery, while central to our broader economic recovery, has occurred during a period of increasing awareness of underlying regional challenges in housing markets. The recovery has been measured in home and property values but new production starts have not kept pace with historic levels we saw before the recession. In a growing number of metropolitan areas, the returning health of the housing market and vibrant job growth haven't led to resurgent construction industries and expanding housing options for working families, due to state and local rules inhibiting new housing development that have proliferated in recent decades. In such regions, these rules have resulted in undersupplied markets, reducing options for working families and causing housing costs to grow much faster than wages and salaries. And as Matthew Desmond recently documented in *Evicted*, families facing extreme rent burden often suffer lasting trauma resulting from their housing insecurity, destabilizing their lives and marring their prospects for upward economic mobility.[1]

As fewer families have been able to find affordable housing in the regions with the best jobs for them, labor mobility has slowed, exacerbating income inequality and stifling our national economic growth. But this hasn't happened everywhere. In more and more regions across the country, local and neighborhood leaders have said yes, in our backyard, we need to break down the rules that stand in the way of building new housing – because we want new development to replace vacant lots and rundown zombie properties, we want our children to be able to afford their first home, we want hardworking families to be able to take the next job on their ladder of opportunity, and we want our community to be part of the solution in reducing income inequality and growing the economy nationwide.

This toolkit highlights the steps those communities have taken to modernize their housing strategies and expand options and opportunities for hardworking families.

THE HILL

Regulations, fees continue to p home construction

BY GRANGER MACDONALD, OPINION CONTRIBUTOR - 02/16/17 06:40 PM EST

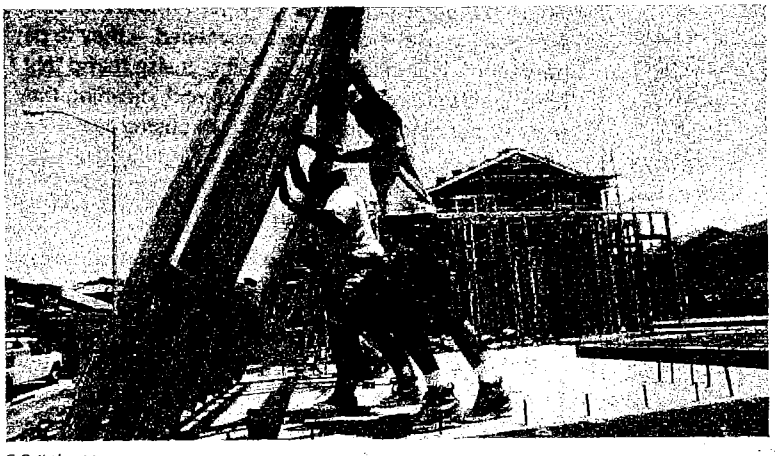
Just In...

Trump lawyer: Mueller done with White House interviews, probe will be done within 'a few weeks'
ADMINISTRATION — 8S AGO

Moore aide speechless after being told lawmakers don't have to swear on Bibles
BLOG BRIEFING ROOM — 32S AGO

House GOP commits to linking defense spending with stopgap bill
HOUSE — 5M 7S AGO

WATCH: GOP reps say bipartisan DACA fix in the works
— 7M 44S AGO



© Getty Images

Economists often say that single-family and multifamily housing starts are a good indicator of the health of the economy. If that's the case, then policymakers need to take a close look at the barriers to new residential construction.

Housing starts are still far below historic norms — starts fell 2.6 percent to a seasonally adjusted annual rate of 1.25 million units in January, the

SEC head warns investors about cryptocurrency
TECHNOLOGY — 19M 17S AGO

Trump accusers: His denials are straight out of Weinstein and Cosby 'playbook'
ADMINISTRATION — 27M 3S AGO

Trump nominee to head Ex-Im Bank in trouble
FINANCE — 30M 6S AGO

Trump allies demand special counsel probe of DOJ, FBI
HOUSE — 35M 29S AGO

VIEW ALL

Commerce Department said Thursday — and the constraints on residential construction are hurting families and limiting job growth.

Many factors can constrain housing starts — the availability of finished lots, labor supply, credit for land acquisition and home building. But regulations and government fees are the greatest barrier to new housing starts.

As the nation grapples with a growing housing affordability crisis, the policy community needs to recognize that the regulations they impose are impeding new home construction, and the growing problem hurts low and moderate-income families the most.

Housing starts numbers may seem volatile, but watch them over the span of months or years, and the trends that make starts a valued economic indicator become obvious.

In the 50 years from 1957-2006, the United States averaged 1.54 million housing starts per year. Not once over those 50 years did housing starts fall below one million in a single year. Compare that to the six years from 2008-2013, when starts fell below one million every year, and went as low as 554,000 in 2009.

The Great Recession was caused by a credit crisis. That crisis, fortunately, has largely abated. However, even now, almost a decade after the downturn began, the preliminary housing starts number for 2016 — 1.19 million — is still 350,000 starts below the average maintained over the course of 50 years.

This might not be a cause for concern if contemporary housing starts were keeping up with population growth and new household formations, but that is not the case. The reality is that the nation faces a chronic housing shortage. That means higher housing prices, rising rents and increasing economic stress for low and moderate-income households.

The 2016 "State of the Nation's Housing" report by the Joint Center for Housing Studies of Harvard University found that almost 40 million American households are cost-burdened — they're paying more than 30 percent of their income for housing. It also found that 11.4 million households are severely cost-burdened, meaning they are paying more than 50 percent of their income for housing.

Housing starts down 2.6% in January

CNBC's Rick Santelli reports the details of the latest read on housing starts.

00:39

The single greatest cause of rising housing prices is excessive regulations that increase the time and cost of building new homes. Government regulations limit the supply and drive up the costs of land. They increase the costs of construction. In some places, out-of-control impact fees drive new home costs beyond the reach of the typical household.

Related News by


Ex-Clinton staffer: If Obama cured cancer...


Trump Jr. mocks Franken's resignation...


Alec Baldwin rips Oliver, Colbert for turning talk...


Former New Mexico gov: Trump's foreign policy...

Nationally, almost 25 percent of the cost of a typical new single-family home is the result of government regulation. The compounding of myriad local, state, and federal requirements has a profound impact on housing affordability and homeownership. The cost of regulations on a 2016 new home valued at $348,900 would be approximately $84,671.

In some locations, burdensome regulations and steep impact fees sometimes make it infeasible to build a new home at all. It is not a coincidence that the overwhelming majority of the least affordable communities in the nation are in California, the most heavily regulated state in the country.

In Fremont, Calif., for example, production of affordable, entry-level housing is made almost impossible by impact fees that can exceed $77,000. That's on top of countless local, state and federal regulations.

At all levels of government, the "good ideas" of council members and commissioners, state legislators and federal legislators create a deep, broad morass of excessive and overlapping regulations that leads to the unintended consequence of increased housing costs.

No matter how well-intentioned these regulations may be, the net effect is a direct and damaging increase in housing costs that disproportionately affects low and moderate-income families.

The policy community needs to be more mindful of how regulations affect housing costs and affordability. The regulatory process, at all levels of government, should provide for increased public participation, and decisions should be based on sound data. Above all, new regulations should take into account the costs and benefits, as well as the potential effects, on small businesses.

The home is central to American family life. It is the place where families make cherished memories, and children are nurtured to build for a better tomorrow. As policymakers monitor housing starts, they should keep in mind that they are more than a marker for the health of the economy, they mark the health of the nation.

Granger MacDonald is the chairman of the National Association of Home Builders.

The views expressed by contributors are their own and not the views of The Hill.

California's High Housing Costs

Causes and Consequences

MAC TAYLOR • LEGISLATIVE ANALYST • MARCH 17, 2015

LAO

EXECUTIVE SUMMARY

California's Home Prices and Rents Higher Than Just About Anywhere Else. Housing in California has long been more expensive than most of the rest of the country. Beginning in about 1970, however, the gap between California's home prices and those in the rest country started to widen. Between 1970 and 1980, California home prices went from 30 percent above U.S. levels to more than 80 percent higher. This trend has continued. Today, an average California home costs $440,000, about two-and-a-half times the average national home price ($180,000). Also, California's average monthly rent is about $1,240, 50 percent higher than the rest of the country ($840 per month).

Building Less Housing Than People Demand Drives High Housing Costs. California is a desirable place to live. Yet not enough housing exists in the state's major coastal communities to accommodate all of the households that want to live there. In these areas, community resistance to housing, environmental policies, lack of fiscal incentives for local governments to approve housing, and limited land constrains new housing construction. A shortage of housing along California's coast means households wishing to live there compete for limited housing. This competition bids up home prices and rents. Some people who find California's coast unaffordable turn instead to California's inland communities, causing prices there to rise as well. In addition to a shortage of housing, high land and construction costs also play some role in high housing prices.

High Housing Costs Problematic for Households and the State's Economy. Amid high housing costs, many households make serious trade-offs to afford living here. Households with low incomes, in particular, spend much more of their income on housing. High home prices here also push homeownership out of reach for many. Faced with expensive housing options, workers in California's coastal communities commute 10 percent further each day than commuters elsewhere, largely because limited housing options exist near major job centers. Californians are also four times more likely to live in crowded housing. And, finally, the state's high housing costs make California a less attractive place to call home, making it more difficult for companies to hire and retain qualified employees, likely preventing the state's economy from meeting its full potential.

Recognize Targeted Role of Affordable Housing Programs. In recent decades, the state has approached the problem of housing affordability for low-income Californians and those with unmet housing needs primarily by subsidizing the construction of affordable housing through bond funds, tax credits, and other resources. Because these programs have historically accounted for only a small share of all new housing built each year, they alone could not meet the housing needs we identify in this report. For this reason, we advise the Legislature to consider how targeted programs that assist those with limited access to market rate housing could supplement broader changes that facilitate more private housing construction.

More Private Housing Construction in Coastal Urban Areas. We advise the Legislature to change policies to facilitate significantly more private home and apartment building in California's coastal urban areas. Though the exact number of new housing units California needs to build is

uncertain, the general magnitude is enormous. On top of the 100,000 to 140,000 housing units California is expected to build each year, the state probably would have to build as many as 100,000 additional units annually—almost exclusively in its coastal communities—to seriously mitigate its problems with housing affordability. Facilitating additional housing of this magnitude will be extremely difficult. It could place strains on the state's infrastructure and natural resources and alter the prized character of California's coastal communities. It also would require the state to make changes to a broad range of policies that affect housing supply directly or indirectly—including policies that have been fundamental tenets of California government for many years.

Senate Bill 640

I want to thank the Committee for their time and careful attention to these matters that have become needed by the Development Community

In my written testimony today, I will briefly touch on the areas that I am most familiar with.

Expiration of Local Approvals

This is needed due to the fact that after approvals, there may be a market correction delaying the project. The developer should not have to go through the entire approval process again. This happened in the Town of Middleton. A plat was fully approved, filed with the state, and the market tanked. The developer kept the approved plat in place until it was sold to another developer. All we required the next developer to do was to complete, and re-do of the overall storm water management math and infrastructure in order to bring it to date. The county wanted the new developer to go through the entire process again.

Division of Land by Certified Survey Map

This is going to be a good tool especially for use in Multi-Family applications.

Levy Limit Exception

Fees Imposed by Political Subdivisions

Sewerage System Service Charges

I realize what this portion of the legislation is trying to accomplish but I would like to also point out what is going on with local sewer and water bills. I have here a COPY of a local water bill that has now been renamed to a Municipal Services invoice. You have your water amounts and the sewer amounts but now they have added; Landfill Remediation, Public Fire Protection Charge and brand new – an Urban Forestry charge. These fees should be a part of a local tax bill and now municipalities are using these for other services.

Weekend Work

Since the mid-70's that state of Wisconsin – 'on average' – built some 14,000 single-family homes per year. When the downturn in the market came – 2007 – 2010, the state of Wisconsin built; 7,386 homes in 2013, 7,093 in 2014, 7,685 in 2015, 8,542 in 2016, and 7,090 year to date ending in September of this year. The point is that we are barely back above 50% from our average for years. We need the time to get back on track.

Uniform Dwelling Code

Tax Incremental Financing, Impact Fees

The TID process can be used as a tremendous tool between developers and municipalities for subdivisions in areas that need the help. This could be in areas where there are subsoils that a rockier in content and use of TID to help aid in the initial infrastructure.

Zoning Limitations, Inspections

The main item in this portion of the legislation is the timeframe that is set forth. Thanks for that.

Inclusionary Zoning Prohibitions

I was there – on day one – of the Inclusionary Zoning for the City of Madison before they even saw it. The developer that I was working with at the time got the idea from a Builder 20 Group he was in. His notes were on one and half pages. After certain council members got hold of it – the regulations were as thick as a Chicago phone book. The program never had a chance and was such a disaster that the city dumped it.

Plat Approval Process, Public Improvements

Subdivision Approval Conditions

Construction Banners

The key issue in this area that needs to be addressed would be the Signage ordinance prohibitions that the municipality has in place.

Storm Water Management

This is truly a great part of this legislation. Currently, counties are working on imposing drastic new development implications of as much as 100% stay on of storm water which is not possible. Knowing that it is not possible, they then want to implement a storm water bank that would collect fees on the difference – So, if your development can only attain 92% stay on, you then pay fees – a penalty – so you get approved as to being at 100%. Municipalities have issues with storm water on their plats that were approved before 1974. It was then in the Supreme Court VS Deetz that Common Enemy Doctrine was resolved to Reasonable Use. Today municipalities want to impose these new fees on new plats and not really go after the root of the problem. They are going after non-voters as the homes have not been built. This is easier for them versus voters that have been there for years living in home built pre-1976. This legislation takes care of that. Thank You

Local Development-Related Regulation Reports

I would ask – who is going to oversee this?

Regulation of Rental Housing Units

I take that you mean that if a developer proposes, and the zoning calls for, a 48 unit apartment building, that the municipality cannot dictate the number of single, two or three bedroom units that the building must have.

Zoning Amendment Protest

The development community looks forward to working with municipalities in order to bring new developments to their cities, villages and towns. We also look to make development of homes and commercial properties more affordable. We feel that this legislation will be a great aid in that endeavor.

I again thank the committee and staffs that have worked so very hard on this legislation and look forward to its passing.

Tim Roehl, Realtor

7246 Valley View

Verona, WI 53593

tim@698sold.com

MADISON MUNICIPAL SERVICES

BILLING INFORMATION (608) 266-4641
STORMWATER INFORMATION (608) 266-4751

www.madisonwater.org • 119 East Olin Avenue • Madison, WI 53713-1431

Customer Type: Residential

BILL NUMBER 11751000

CUSTOMER NAME	SERVICE LOCATION	CUSTOMER NUMBER	ACCOUNT NUMBER

PRES.READ DATE	PREV.READ DATE	METER #	SERVICE	DAYS	PRES. READ	PREV. READ	USAGE IN GAL	TYPE
Jul 28, 2017	Jun 28, 2017		Water	30	103827	96304	7523	ACTUAL

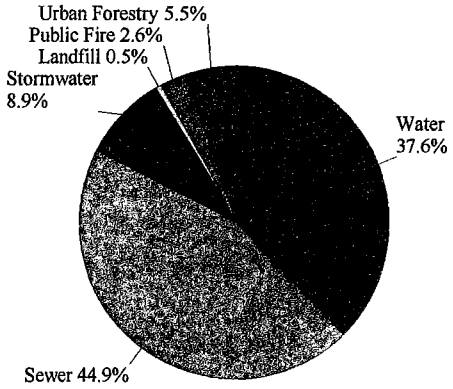
A 1% late payment fee will be charged for any unpaid amount after the due date. Pay online at www.cityofmadison.com/mwupayment. After hours payment drop box: MWU office 119 E Olin Ave.

New water rates went in to effect on 9/29/15. New sewer rates went in to effect on 03/21/17. New stormwater rates went in to effect on 03/21/17. New Urban Forestry rates went in to effect on 2/1/17.

Track your monthly, daily, even hourly water usage online at www.MadisonWater.org.

Previous Balance		
Payment - Thank You		
Balance Forward		$0.00
Water		
Water Base Charge 5/8" Meter		5.70
Water Consumption - Tier 1	3,000 gallons at $0.00284	8.52
Water Consumption - Tier 2	3,000 gallons at $0.00326	9.78
Water Consumption - Tier 3	1,523 gallons at $0.00360	5.48
	Sub Total Water	$29.48
Sewer		
Sewer Base Charge 5/8" Meter		14.49
Sewer Based On Water Use	7,523 gallons at $0.00274	20.60
	Sub Total Sewer	$35.09
Landfill Remediation		$0.40
Public Fire Protection Charge		$2.03
Stormwater **Phone # (608) 266-4751**		
Stormwater Base Charge		1.15
Stormwater Impervious	2,159 sqf at $0.00239	5.16
Stormwater Pervious	3,598 sqf at $0.00018	0.65
	Sub Total Stormwater	$6.96
Urban Forestry **Phone # (608) 243-5899**		
Urban Forestry		4.27
CURRENT CHARGES		$78.23
TOTAL AMOUNT DUE		$78.23

Charges By Service



You may pay your bill online at www.cityofmadison.com/mwupayment	TOTAL CURRENT CHARGES	
	BALANCE FORWARD	$0.00
PARCEL #	TOTAL AMOUNT DUE	
	DUE DATE	09/01/2017

Testimony of Mark Rohloff, City Manager, Oshkosh
Re: SB 640 – Developer Bill

- Chairman Lasee and Members of the Committee, thank you for the opportunity to speak on SB 640, which will limit the ability of municipalities to regulate development in subdivisions and also significantly impact how communities regulate pre UDC homes.
- We were just recently made aware that a bill of this nature was being proposed; only within the past week were we made aware of its details.
- As it stands, SB 640 will swing regulations away from protecting the rights of taxpayers to protecting the financial interests of developers.
- SB 640 would return regulations back to pre-2008 levels, which led to taxpayers holding the bag on unfinished developments because developers had not fulfilled their responsibilities, specifically…
- SB 640 proposes to shift the risk and cost of newly installed infrastructure from developers to unsuspecting new home buyers, or worse, to taxpayers who have already paid their costs of development for their own subdivisions. We had instances leading up to 2008 in which developers went broke prior to them fulfilling their development responsibilities, leaving the cost to the property owners who had thought they had already paid for this infrastructure. SB 640 will return us to the days that caused the 2008 housing crisis and the Great Recession. We can't let taxpayers assume the risks of developers.
- SB 640 also proposes to redefine substantial completion of a project to when binder course is in place. While this seems OK on the surface (no pun intended), this could result in incomplete

infrastructure before a home is finished. Not all infrastructure is beneath the road.

- I have always tried to accommodate developers and home builders to let them get early starts whenever possible. However, in some cases, a developer can suddenly slow down work on infrastructure once their buyers can begin work on a home. If utilities are not beneath the road, the home could be done before the infrastructure. In some cases, the developer walks due to financial issues, leaving the city to explain why a homeowner could not move into a house because the curb and gutter, or utilities, are not complete. I have seen situations in which homeowners literally carried in their belongings several blocks because infrastructure was incomplete. The city is left to explain why we did not hold the developer accountable. I don't want to give an excuse that some state legislation allowed this to happen.
- There are unclear proposals in SB 640 regarding storm water management that would transfer responsibility for storm water/flood control requirements from developers to cities. Specifically, the state standard of managing a two year storm for water quality would be the only requirement of developers. Meanwhile, the federal standards for larger storm events would be shifted entirely to cities, rather than having new development pay for its impact on our storm water system. For a city like Oshkosh with decades of storm water management issues, this is a shift to our rate payers. We need to move forward on stormwater management, not backwards.
- SB 640 also proposes to prohibit a city from enforcing an ordinance that does not conform to the Uniform Dwelling Code (UDC), which generally applies to homes built since 1980.

- The majority of homes in Oshkosh were built prior to 1980; therefore, no standard would apply to these homes.
- Oshkosh inspectors use common sense approaches to address issues related to pre-1980 dwellings. SB 640 will remove the ability of our inspectors to adopt common sense solutions to pre-1980 dwellings. The UDC may work for pre-1980 homes in some cases; in most cases, pre-1980 dwellings would fail to comply at an alarming rate. This makes no sense for families who purchase pre-1980 homes as their first homes.
- SB 640 attempts to eliminate regulations on bedroom sizes or number of bedrooms in a rental unit. This is a major problem in Oshkosh. We have found numerous instances in which "so-called" bedrooms exist in a basement or attic with no means of exit in the event of a fire. These fire traps would effectively be legalized with SB 640.
- More bedrooms mean a bigger loan and more income for landlords. I know that our Fire Chief would not want to see safety compromised in order to give a landlord the ability to qualify for a larger loan. If the property can't turn a profit with the original number of bedrooms that existed when it was a single family house, then perhaps it should not be used as a rental unit.
- If we are incorrect on any of the presumptions of this bill, it is because it has been introduced so late in the legislative session and we have not had sufficient time to review the depth of the bill, its impact, and in some cases, its inconsistency with other regulations.
- If development related issues related to municipalities need to be addressed, we encourage members of the development community to work with cities, villages and towns to find ways to mutually address issues.

- There are also proposals in SB 640 related to the regulation of TIFs and unfunded mandates to create reports on housing affordability and development fees. There seems to be a hodge podge of things in this bill that are unnecessary if we just talked through our concerns that led to these proposals.
- I request that the Committee respectfully ask the groups advocating for this legislation to work with the League of Municipalities and its members to develop common sense solutions to their concerns that will improve the development process for the benefit of developers, municipalities, and taxpayers alike.
- Thank you for the opportunity to address the committee today.