Chapter III

NEED FOR A REGIONAL HOUSING STUDY

INTRODUCTION

A general consensus exists among knowledgeable persons in the Region that there is a "housing problem" within the Region and that past housing studies and present housing programs have not been successful in resolving this problem. Moreover, despite efforts to do so, it is evident that the housing problem within southeastern Wisconsin has not yet been fully defined. A concerted effort is required, therefore, not only to identify the nature and extent of the housing problem within the Region but to assess the overall effectiveness of past attempts to resolve this problem within the Region.

The purpose of this chapter is to document the need for a regional housing study by identifying the factors which contribute to the need for such a study in southeastern Wisconsin. Preliminary investigation indicates that at least 13 factors contribute to the need for such a study and that these factors can be grouped under three major considerations. The first consideration concerns the lack of timely, uniform, areawide information on the supply of, and demand for, housing within the Region. The second consideration concerns the increasing role which government has assumed and can be expected to continue to assume in the housing field. The third consideration concerns the determination of housing needs as distinct from housing demands.

This chapter, then, will present a brief review of existing programs dealing with housing; a brief discussion of past studies of the housing problem within the Region; and a discussion of the factors which together determine the need for a regional housing study.

EXISTING HOUSING PROGRAMS

Many programs dealing with housing and its related problems have been undertaken from time-to-time within the Region. These programs have involved the federal, state, county, and municipal levels of government, as well as private enterprise. Federal assistance in the housing field alone has taken an almost bewildering variety of forms. As many as 35 separate programs can be identified. These include the provision of loans and grants for new public and private housing construction and for the acquisition and rehabilitation of existing housing structures; the insuring of private loans to finance housing activities, as in the case of the Veterans Administration and the Federal Housing Administration programs; the provi-

Shown just prior to its grand opening in 1944, this ten-family unit developed as a private housing project in an older central city has been well maintained over the years, as indicated in the photo on the right taken 25 years later. The wooden storm windows have been replaced by aluminum, but the broken curb is still in evidence. Street trees and lawn shrubs add much to the pleasant appearance of the area.
An FHA mortgage insurance program facilitated the construction of this 40-unit modern-style townhouse condominium development in the core area of the City of Milwaukee. In a condominium development, each housing unit is owned and maintained individually, just as a single-family home would be. In this development, each unit has a private fenced-in yard accessible from the opposite side of the circular courtyard shown in the photo.

sion of funds for local public housing authorities to develop, own, and operate low-rent public housing projects, including housing for the elderly and the handicapped; the provision of rent supplements to low-income tenants; and the provision of various forms of assistance for housing as a part of more comprehensive urban development or redevelopment programs, such as the model cities and urban renewal programs. State of Wisconsin assistance in the housing field has been largely confined to veterans' housing loans and to administering the mortgage indemnity fund and the state fair housing law. Both the City and County of Milwaukee provide housing relocation services to persons and families displaced by public actions. In addition, four communities: the Cities of Kenosha, Milwaukee, South Milwaukee, and West Bend, have created housing authorities. Presently, however, only the Cities of Milwaukee and South Milwaukee actually own and operate public housing units.

To the extent utilized, these programs have provided valuable assistance in partially meeting the specific housing needs of certain groups at particular times and in particular locations. These programs, however, as conceived, promoted, and conducted by the various levels and units of government and by the various private interest groups, have been largely fragmented in nature and have not been coordinated with one another on a comprehensive, areawide basis. Consequently, the extent of their overall effectiveness remains largely undetermined.

PAST HOUSING STUDIES

A review of the 51 available documented or published accounts of official public or semipublic housing studies conducted within the Region since 1930 indicates that four categories of such studies have been made: studies prepared in response to federal grant-in-aid or loan program requirements; studies prepared in response to an expressed need or problem within a particular community; studies undertaken to obtain various kinds of housing data to be used for informational purposes; and studies conducted for academic pursuits, generally entailing original research (see Appendix A).

In addition to these studies, many special studies concerning various aspects of housing have been prepared from time-to-time by private organizations. For example, the Society of Real Estate Appraisers publishes a construction cost index and a land value report on an annual basis; and the Milwaukee Board of Realtors publishes on a regular basis a newsletter which frequently highlights special housing problems. Studies of the first two categories usually have been prepared by governmental agencies, and the studies of the other two categories usually have been prepared by private individuals and groups. Under the first category, 12 studies were conducted in response to the requirements of various federal loan and grant-in-aid programs, including, among others, public housing, veterans' housing, urban renewal, Federal Housing Administration assistance for relocation housing, and model cities. The studies in this group were prepared primarily to establish a community's eligibility for certain federal aid funds. In addition, it is likely that limited studies of certain housing factors were made as integral parts of comprehensive local public planning programs conducted within the Region, but such studies are not, because of their limited nature, considered here.
The second category of studies, consisting of 17 studies, dealt with particular identifiable local needs and problems. It was found, generally, that mayors or common councils directed these studies to be conducted by ad hoc committees or by the staffs of various city departments.

The third category of studies was primarily informational in nature and was published as pamphlets or newspaper supplements for distribution to members of such organizations as the League of Women Voters and the Citizens' Governmental Research Bureau. Seventeen studies were found in this group.

The fourth category of academic type studies, of which only five studies were located, involves studies undertaken as requirements for master and doctorate degrees, those prepared as a result of special university project research grants, and those mounted primarily as original research papers.

From a review of the available studies, the following conclusions can be drawn: generally, the studies considered only certain selected and limited housing factors for a specific single purpose so that no comprehensive housing study has been made to date within the Region; the studies were generally confined to a limited geographic area; of the 51 studies, only one encompassed a multi-county area and only one encompassed an entire county, while the remaining studies dealt with only single communities or parts thereof. The majority of studies relied on noncurrent, secondary data, the main source of which was the decennial census. With the exception of those studies initiated to qualify for federal aids and grants, the studies either failed to specify proposals for solving housing problems or did not explicitly explain the possible techniques necessary to implement the proposals. Three of the more significant of these housing studies are further discussed below.

Analysis of the Milwaukee, Wisconsin Housing Market
The report entitled Analysis of the Milwaukee, Wisconsin Housing Market contains an analysis of the Milwaukee housing market as of November 1, 1966. It was prepared by the U. S. Department of Housing and Urban Development, Federal Housing Administration, as a public service, particularly to assist persons or groups engaged in local housing activities, by providing a clearer understanding of local housing market conditions in Milwaukee, Ozaukee, and Waukesha Counties.

Four major housing and housing-related factors were analyzed: the economy of the area; two demographic elements—population and households; housing market elements, including, among others, housing supply and public housing; and the quantitative demand element and the qualitative demand element of the housing demand factor. The analysis was based upon secondary source material from such agencies as the Wisconsin State Employment Service and the Metropolitan Builders Association of Greater Milwaukee. Major limitations of the report are its descriptive nature, the fact that its conclusions or recommendations are quite general, and its limitation to a three-county area.

The Delineation and Structure of Rental Housing Areas—A Milwaukee Case Study
The City of Milwaukee was the study area of a 1956 research project by Herman G. Berkman, Research Assistant, University of Wisconsin. The findings of the project were documented in a report entitled The Delineation and Structure of Rental Housing Areas—A Milwaukee Case Study. The research on which the study is based was initiated as a part of the Wisconsin Housing Research Project initially financed by the Rockefeller Foundation and later supported by the Bureau of Business Research and Service and the Graduate School of the University of Wisconsin. The primary objective of the study was to answer the question, "Where in the city structure do the tenants live and why?"

Each of the four rental housing categories investigated relied almost entirely upon data from the 1940 and 1950 censuses. The four categories investigated were: the delineation of the rental housing areas; significant generalized population relationships in the rental housing areas; the localization process in the rental housing areas; and stability and change in the rental housing areas between 1940 and 1950. The study was limited to the City of Milwaukee and, although some of the conclusions may, with qualifications, be applicable to other communities or the Region in general, the data and analyses are too specific to warrant such application without modification.
Housing Survey for the City of Milwaukee
The Milwaukee Department of City Development, assisted by a private consulting firm, has begun a housing survey for the City of Milwaukee, which will serve as an integral part of the update to the city's Community Renewal Program. All housing units in the city will be surveyed to ascertain condition, occupancy, and tenure of occupants of residential structures. A 1 percent sample will be employed to indicate costs of shelter, including utility costs. The data gathered as a result of the above mentioned survey and sample will be geographically coded by utilization of a geographic address coding guide, which has been prepared by the Southeastern Wisconsin Regional Planning Commission and which will permit comparison with 1970 census data.

This updating of the Community Renewal Program will provide information on the basis of three major elements:

1. Socio-economic and Housing Survey

A social profile of central city residents will be prepared involving environmental conditions, family income, education, health, and social adjustment. Upon completion of the social profile, derived from basic survey data, a staff social planner will prepare an estimate of the number of people requiring assistance, the type of assistance required, and the extent to which these needs are being served on the basis of a supplemental interview sample of 1,500 households.

2. Structural Survey

All structures in the city will be rated as to exterior condition, type of construction, and the location of the structure on the lot.

3. Data Storage

Electronic data processing storage and retrieval systems, which will be compatible with 1970 census data, as previously mentioned, will be developed.

This City of Milwaukee survey will provide a valuable input to any regional housing study, the sole limitation of the survey being its limitation to the corporate limits of the City of Milwaukee. It is likely that the City of Milwaukee, per se, does not comprise a rational housing market; and, therefore, the findings of such a survey will have limited application to the balance of the Region.

FACTORS CONTRIBUTING TO THE NEED FOR A REGIONAL HOUSING STUDY

As indicated above, the existence of a variety of housing programs designed to correct certain perceived housing deficiencies and the accumulation of many facts and figures through various specialized studies together have not provided for the resolution of the housing problem in southeastern Wisconsin. Moreover, preliminary investigation has indicated that at least 13 factors contribute to the need for a regional housing study at this time; and these factors can be grouped under two major considerations. In addition, there is a third major consideration which, although related to the other two, is discussed separately. These three considerations are: 1) the lack of timely, uniform, areawide housing market information; 2) the increased governmental activity in the housing field; and 3) the determination of housing need as distinct from effective housing demand. These considerations and factors are described in the following paragraphs.

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1 The Department of City Development completed the field work for this housing survey in late fall 1969.

2 It is necessary here to distinguish between the concept of housing need and the concept of housing demand. The economic concept of the effective demand for housing relates to the housing accommodations for which people are able and willing to pay and is not immediately or directly responsive to social goals or personal aspirations that cannot be fulfilled because of a lack of purchasing power. The concept of housing need, on the other hand, relates to the extent to which the quantity and quality of existing housing falls short of providing each family or individual with an acceptable minimum standard of decent, safe, and sanitary housing, irrespective of a person's ability to pay or his personal preferences. Although there is a relationship between these two concepts, there is also a profound difference: and it is possible that many of the problems associated with housing people in a rapidly changing society are more closely related to the housing needs concept than to the housing demand concept. Therefore, a separate category of discussion is devoted to the subject of housing need in this chapter.
A. The Lack of Timely, Uniform, Areawide Housing Market Information

The most striking conclusion drawn from preliminary research into the housing problem within the Region was that there is a dearth of up-to-date, uniform, areawide information about the quantity and quality of the existing supply of housing, the characteristics of housing demand, and the geographic configuration of the housing market or markets within the Region. There is also a lack of information about the effect which public land use controls, such as zoning, subdivision regulations, and building and housing codes, have on the supply of, and demand for, housing within the Region.

It should also be noted that several factors related to housing have been called problems, but there is very little information available to either support or refute the allegations that these factors are indeed problems in the sense that they stand in the way of achieving an expressed objective. Such factors or problems are: that there is a shortage of certain types of housing units; that there is a general lack of environmental considerations in the development process; that discrimination affects the free choice of housing for many persons; that the filtration process in housing works to the advantage of low-income groups; and that the housing industry has resisted the introduction of new technology. It is likely that the quantitative evaluation of each of the nine factors under this consideration will require considerable effort since preliminary investigation indicates that existing data sources, which relate directly or indirectly to these factors, are deficient in one or more of the following areas: timeliness or frequency of collection and/or publication; uniformity of compilation; geographic area of coverage; comprehensiveness of coverage; or consistency of reporting. The following paragraphs present a brief discussion of each of the nine factors noted above.

1. The Quantity and Quality of the Existing Supply of Housing

Even the most basic information about the existing stock of housing within the Region is essentially unavailable. Such basic information necessary to provide even a crude understanding of the existing supply of housing would include: quantitative and qualitative data about the type of housing (single-family or multi-family); the styles of housing (ranch, duplex, row, walk-up apartments, and high-rise apartments); the age of housing structures; the location of housing; owner-occupied housing; renter-occupied housing (public and private); and general price and rent levels of existing housing.

In 1960 there were just over 500,000 housing units within the Southeastern Wisconsin Region. Of that amount approximately 9,100, or 2 percent, were considered dilapidated and requiring replacement. Of the total 500,000 housing units in the Region in 1960, approximately 10,000 were classified as occupied rural-farm dwellings. Of this 10,000, approximately 1,700, or 17 percent, were considered substandard and 400, or 4 percent, were considered dilapidated and requiring replacement. Since 1960 approximately 97,000 housing units have been added to the existing supply and approximately 20,000 housing units have been demolished, indicating a net gain in housing units of approximately 77,000 between 1960 and 1968. During the same period of time, the population of the Region increased by an estimated 79,200 families or households.

It should be evident that the 1960 census data and the available building and demolition permit data, which provided the above facts, suffer from several serious deficiencies. For example, it is likely that many housing units within the Region have become functionally obsolete since 1960, but the limited available information on such obsolescence does not cover the entire Region nor even the entire City of Milwaukee. The few special studies that are available, each entailing separately mounted surveys, are confined largely to areas within the so-called inner core of the City of Milwaukee. Consequently, the present number and location of substandard dwellings within the Region are essentially unknown. It is also likely that many formerly seasonal-use lake cottages within the Region have been converted to year-round use since 1960. The magnitude and location of such conversions, however, are also presently unknown. It is also unknown to what extent conversions that have taken place have been accompanied by concomitant improvements to the structure or its supporting facilities.
These three photos are indicative of pre-World War II housing constructed within the Region which still provides adequate and decent housing for many families.

The older, well-maintained Dutch colonial and bungalow houses shown in the first photo can continue to provide suitable and adequate living for many years to come. The narrow lots, very small side yards, and use of alleys for secondary access are typical of the housing built during the 1920's.

The second photo illustrates moderate- to middle-income housing constructed in the late 1930's, when deeper front yards and somewhat wider side yards to accommodate drives were becoming a more popular pattern of residential land development.

The unusual architectural styling of the large houses in the third photo depicts the kind of interest that architecturally designed houses can provide for a community. Although most houses are not individually designed by architects for a particular client, housing such as this provides a pleasing diversity in most communities.

2. The Characteristics of Housing Demand

The basic factors in any housing demand determination are the trends in population size, characteristics, and distribution. In addition, market factors which strongly influence demand are: vacancies; price levels for rental and sales housing; land, construction, and financing costs; tax rates; and expanding economic activities, such as institutional, commercial, and industrial development. Although the basic housing demand factors relating to population size, characteristics, and distribution do not suffer as much from a lack of data as they do from systematic and relevant interpretation, the market factors listed are difficult to evaluate because of a general lack of timely, areawide information.

a. Population Size

The total population of the Region and the rate of increase or decrease in the total population are basic factors affecting housing demand. There is no lack of information concerning the number of persons within the Region, presently estimated to be 1,834,700, but the relationship
between increases or decreases in the total population and the fluctuations of housing demand lack interpretation and evaluation. For example, between 1960 and 1968 the net number of housing units added to the housing stock was 77,000 units, which represented an increase of 15 percent. The population during this same period increased by 261,400 persons, or 17 percent (see Figure 2). If each additional housing unit were assumed to accommodate one household, the average size of each new household would be 3.17 persons, which is less than the average household size of 3.30 persons for the Region as a whole. A continued decrease in the average household size without a decrease in the rate of family formation would be an important indicator of a potential change in effective housing demand.

Unlike many of the other factors which underscore the need for a regional housing study, data concerning changing population size are generally uniform in compilation and area-wide in coverage. These data, however, lack timeliness in some respects; but the forthcoming U. S. Census of Population and Housing would rectify this deficiency as soon as the data are released.

b. Population Characteristics

Data concerning population characteristics are considered basic to any analysis of effective housing demand. Such characteristics as family formation rates, average family size, average family income, and the changing age distribution and levels of educational attainment are considered most relevant. Within the Region between 1950 and 1960, the family formation rate was approximately 10,000 families per year; the average family size dropped from 3.36 to 3.30; the median age of the population dropped from 31.4 years to 28.5 years; and the median number of school years of education completed by the population over 25 increased from 9.5 years to 11.0 years. All of these characteristics have undergone further changes since 1960; and to become relevant to housing demand considerations, estimates must be made of the changes that have occurred. In general these data lack neither compilation uniformity nor coverage deficiencies and, as in the case of population size, the deficiency of timeliness will be rectified by the forthcoming U. S. Census of Population and Housing.

c. Population Distribution

As indicated earlier, the Region has been experiencing a relatively rapid population increase. This rapid population growth has been marked by three distinct phenomena which are of considerable importance to understanding existing, as well as future, housing demand. First of all, the increase in population has been entirely urban in character. The urban population of the Region presently accounts for more than 95 percent of the total population. Secondly, the population within the Region is being increasingly decentralized, spreading out across established city and county boundary lines at very low net residential densities. For example, the average urban area densities within the Region dropped from 11,400 persons per square mile in 1920 to less than 4,800 persons per square mile at the present time. Although population densities within an urban area are not uniform and will vary considerably from the average, it should be emphasized that a continuation of rapid population increase in the Region, along with a continuation of the development patterns which foster a decline in urban area population densities, can have significant implications for the provision of suitable housing for existing, as well as future, populations.

The third phenomenon of the rapid population increase within the Region has been that of increasing population and job mobility or, stated another way, increasing choice concerning the location of both residence and job. The purchase of a home was historically a once-in-a-lifetime event for a family. Increasingly, families have been tending to purchase a new home as their family needs change. In addition, statistical data from the 1960 U. S. Census of Population and Housing reveal that more than half of the population of the Region over five years of age changed their place of residence between 1955 and 1960. Approximately 33 percent of the population moved within the same county, approximately 16 percent moved from one county to
another, and approximately 2 percent moved but gave no information on their previous address. It is likely that this pattern of change in residence location has continued since 1960, but the magnitude of the change has not been determined.

In a manner similar to home buying, the historic emphasis of getting and holding a job for a lifetime has changed appreciably over the years. Increasing educational attainment and skill levels, rising income and leisure time, the widespread ownership of the private automobile, and ready access to an adequate highway system have all tended to provide today's job holder with increasing job mobility (see Map 2). Accurate statistics which reflect such mobility are difficult to gather, but there is a general consensus that such job mobility is prevalent within the Region. It is also likely, however, that job mobility is not equally distributed among all income groups. In addition to job mobility, a significant number of workers commute to jobs across county lines from both within and outside the Region. For example, a survey of first work trips made in April 1963 as a part of the SEWRPC regional land use-transportation study indicated that nearly half of the labor force in both Ozaukee and Waukesha Counties, totaling 38,300 individuals, commuted to jobs in Milwaukee County; and that more than 10,000 residents of the Region worked outside the Region.

These data clearly illustrate that the increased mobility of the population in terms of changing their place of residence, changing jobs, and commuting to work has made the issue of housing supply and demand an area-wide problem. Moreover, it is evident that the measures of mobility identified above are not all inclusive. For example, the apparent willingness of many people to travel greater distances from home to schools, churches, recreation, shopping, and cultural centers has important implications for land use and community facilities planning, as well as for residential development.

d. Vacancies

One of the more meaningful measures of the degree of balance between supply and demand is the number and type of dwelling units that are vacant and available. In order for vacant and available units to be realistically considered in any demand analysis, it is necessary to know the price or rent levels and the age, size, type, and location of the vacant units. The major difficulty concerning consideration of vacancies in a housing market analysis is the general lack of current information about vacancies at any given time.

e. Price Levels

Price levels for sales and rental housing are determined by the fluctuations in every element that influences the demand for, and the supply of, housing. To appraise the significance of changing price and rent levels, it is necessary to consider such changes in relation to changes in other factors, such as family income, volume of new construction, construction costs, financing costs, vacancies, taxes, and consumer preferences for such features as air conditioning and built-in appliances. Data suitable for appropriate tabulation and analysis of price and rent levels are presently not available on a uniform, area-wide basis.

f. Land, Construction, and Financing Costs

The combined forces of supply and demand, acting through the urban land market but constrained by institutional factors, including public land use controls, determine the price of land. Within a metropolitan region such as southeastern Wisconsin, the supply of land is fixed, for all practical purposes, but the demand for land for the various rural and urban uses is increasing. It has been shown recently that, of all major housing costs, the fastest rising element has been the cost of raw land. For example, in 1950 the average price nationally for the site of a new FHA-insured one-family house was $1,035, or 12 percent of the total house price. By 1967 this average site value had increased to $3,766, or 20 percent of the total house price.

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The number of person-trips for all purposes within the Region on an average weekday is in excess of 3.5 million, well over one-third of which entails trips to and from work. Illustrating only the first work trip movement, this map clearly indicates the complex movement of work-related travel across county lines within the Region. The strong interdependence of the places of work and the places of residence of the Region’s labor force must be considered in any attempt to identify and resolve the housing problem within the Region.

Source: SEWRPC.
Within the Region land prices have been rising generally at the rate of about 5 percent per year since 1960, and land prices for improved single-family home sites have increased by as much as 10 to 20 percent over the past few years. Although relatively inexpensive land suitable for residential construction is still available within some of the developed communities within the Region, on the periphery of these communities, and in the more rural areas of the Region, much of this available land lacks ready access to necessary public facilities and services, such as sewerage and water supply; mass transit facilities; police and fire protection; and schools, libraries, and commercial facilities. Hence, for many potential home buyers such land is less desirable than land having ready access to necessary public facilities and services.

The major elements of construction costs are on-site wages, building materials, and overhead and profit. Since 1950 general building costs, as measured by the U.S. Department of Commerce Composite Building Cost Index, have risen at a compound annual rate of 3 percent for a total increase of about 65 percent between 1950 and 1967. Within the Region, construction costs have been rising at an average rate of about 3.8 percent per year between 1958 and 1968, but the last two years have each witnessed increases in excess of 7 percent. It should also be noted that, of the total costs of developing and constructing a single-family housing project, approximately 69 percent are attributable to construction and 31 percent to development. Development costs include costs of land assembly, site preparation, engineering, and design. Construction costs include the cost of labor, materials, and overhead and profit. A subsequent breakdown of the construction cost components indicates that materials account for about 50 percent, on-site labor for about 30 percent, and overhead and profit for about 20 percent.

Within the Region, mortgage costs have risen from an annual nominal interest rate ranging from 5 percent to 5.5 percent in 1958 to a nominal interest rate ranging from 8 percent to 8.5 percent in mid-1969. The actual effective interest rate at the present time may vary upward from the nominal rate by as much as 0.5 percent due to closing costs and by "points" charged against the seller if a VA or FHA guaranteed loan is involved. These rising costs of mortgage funds are also indicative of the rising costs of money to builders and developers. From an analysis of the current building activity in the Region, it is apparent that the lower limit of the cost of new single-family housing, including lot, which is now being offered on the market, is approximately $25,000. When this factor is considered along with the present high interest rates, down payment requirements of up to 25 percent, and the increasing burden of local and state government finances being borne by the property tax, it becomes apparent that most low- and moderate-income families, as well as middle-income families with little or no savings, are effectively excluded from the present new housing market within the Region (see Figure 3).

Although the data described above concerning land, construction, and finance costs provide general trend indications, these are based either on average nationwide data or on special single-purpose local or national studies. It should be emphasized that up-to-date, uniform, areawide information about changing costs of land, construction, and financing for residential development within the Region is not presently available. Yet, decisions are daily being made to commit many thousands of dollars to building new housing units and rehabilitating older housing units without benefit of such data. It is unknown, therefore, if the actions taken result in the wisest use of the resources expended.

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The population of the Region increased at a more rapid rate in each of the time periods shown than either the population of the nation or of the State. Cumulatively over the time period 1900 through 1968, the population increase of the United States was 129 percent; the State, 88 percent; and the Region, 191 percent.

Source: SEWRPC.

g. Tax Rates

As indicated in the previous section, the property tax has been bearing an increasing burden of local and state government finances. The extent to which this burden has affected the housing market or intensified the housing problem is essentially unknown. A brief review of the available data on property taxes indicates that the full or equalized value of residential land and improvements amounted to $5.6 billion in 1964 and $6.4 billion in 1967. Both in 1964 and 1967, residential land and improvements accounted for 65 percent of the total value of all land and improvements within the Region. The tax levy against residential property, however, accounted for 54 percent of the total levy in 1964 and for 56 percent of the total levy in 1967.
It should be noted that, although residential land continued to comprise a constant proportion of the total value of land and improvement within the Region over this brief period, such land and improvements accounted for a greater share of the tax levy. The change, though apparently small as a percentage change, is large in dollar amounts and suggests that a more thorough review is needed of the total impact that changing residential property values and tax levies have on the demand for housing within the Region.

h. Expanding Economic Activity

Industrial, commercial, and institutional expansion decisions not only influence but are influenced by the supply of housing. Increasingly, emphasis is being placed on the availability of housing for all classes of present, as well as future, employees as a part of the plant location decision-making process. Recent experiences of local industrial development promotion personnel have clearly identified the requirement for a wide variety of housing near prospective sites. In some cases it is probable that the lack of such housing has caused a prospective plant to locate elsewhere. In addition, institutional uses, such as university campuses, hospitals, and nursing homes, have also experienced housing shortages for employees near their new and expanded facilities. There is, however, little or no documented information available on the extent to which the demand for housing by industrial, commercial, and institutional enterprises will affect the continued economic vitality of the Region.

The property shown in the photo on the left, located adjacent to an industrial area in Milwaukee, was cited in 1988 by the City Health Department with code violations for peeling paint, broken and un repaired siding, and rubble. The same property was remarkably transformed a year later, as evidenced by the photo on the right. The broken siding has been repaired; and the porch, railings, and window and door trim have been repainted. These photos present visual evidence that proper and timely maintenance and repairs will not only retard structural deterioration but can contribute significantly toward creating an aesthetically pleasing neighborhood environment by enhancing the general appearance of older housing units.

3. The Regional Housing Markets

The houses in which people live vary in size, condition, age, type, tenure, price, and location primarily because families and individuals differ in their requirements for housing. Because of these variations and differences, an understanding of the housing market, that is, the interaction of housing supply with housing demand, can be attained only through an understanding of the com-
ponent parts of the market. In reality the housing market in a given area consists of groups of
submarkets which are related to one another in varying degrees. At the present time, uniform,
areawide information required to identify and delineate housing submarkets within southeastern
Wisconsin is lacking. For example, there is little doubt that a sales-housing market and a rental-
housing market exist within the Region and that these two markets have a fair amount of cross-
linkage. Agreement is not achieved as readily, however, when it is suggested that there may be
housing submarkets within the Region which are based on such factors as location; commutershed;
political subdivision: housing size, type, price, age, and condition; second homes; and perhaps
even a mobile home submarket. The subject of housing submarkets also becomes more complex
when it is noted that each of these factors may be different in the sales-housing market as com-
pared to the rental-housing market.

4. The Present Public Land Use Control Policies and Practices

There are presently 153 local general-purpose units of government within the Region: seven
counties and 146 cities, villages, and towns. In 1965, 78 of these 153 units of government had
provided for some type of formal land subdivision regulation; and all but two of the 146 cities,
villages, and towns had provided for some type of local zoning regulation, either through a com-
munity zoning ordinance or, in the case of many towns, by adopting a county zoning ordinance.
The 1965 SEWRPC study of land development regulations revealed wide variations among the com-
munity regulations governing street improvements, dedications, and rights-of-way width; building
restrictions; flexibility of design standards; land suitability; soil restrictions; and mapping
requirements for the preparation of preliminary and final plat

A special analysis of existing zoning ordinances in the Milwaukee area conducted by the Commis-
sion in October 1967 also revealed wide variations among the communities. For example, the
minimum total floor area requirement for a single-family one-story home ranged from 628 square
feet to 1,750 square feet. Similarly, the minimum total floor area requirement for multi-family
efficiency units ranged from 400 to 600 square feet per one-bedroom unit and from 1,000 to 1,250
square feet per three-bedroom unit. In terms of lot sizes, the minimum lot area requirements
per dwelling unit in a single-family zoning district ranged from 4,800 square feet to 5 acres per
dwelling unit. In multi-family zoning districts, lot area requirements per dwelling unit ranged
from 150 square feet to 2,400 square feet per dwelling unit.

These patterns of land use control variations among the communities within the Region have con-
tributed to both a stimulating variety of residential development in general and in some communi-
ties in particular and to the allegation that many communities have used such regulations to
"fence out" so-called undesirable population elements. It has also been claimed that nonuniform
regulations and nonenforcement or overenforcement of regulations have caused undue hardship on
builders and land developers and have, therefore, inadvertently triggered higher development
costs, which are, in turn, passed on to the home buyer.

At the present time, the extent of diversity existing in such community land use controls as sub-
division ordinances, zoning ordinances, building codes, housing codes, sanitation codes, and other
relevant land use control devices has been analyzed with respect to land use planning, transporta-
tion planning, flood control and pollution abatement planning, sanitary sewerage system planning,
and watershed planning. This diversity of public land use controls, however, has not been fully
evaluated in terms relevant to the full spectrum of existing and future housing within the Region.

5. The Shortage of Certain Types of Housing Units

It has been frequently stated that a shortage of housing units exists within the Region for low- and
moderate-income families and particularly among the elderly. For example, it has recently been

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Some housing units, although properly maintained and in reasonably sound physical condition, may be inadequate in terms of providing sufficient living space. A structure such as the one shown in the adjacent photo may be reasonably adequate for a family of two persons but may be totally inadequate for a family of three or more persons.

Destructive acts of vandals?
Building materials unable to stand abuse?
Carelessness and misuse by tenants?
Miserly and indifferent attitude of an absentee landlord?

Any or all of these circumstances may have been present and contributed to the serious, premature deterioration of this structure. These problems and others must be recognized and dealt with effectively to prevent future needless loss of many sound housing units with the Region.

reported that a waiting list of more than 500 individuals or families presently exists in the City of Milwaukee for housing units for the elderly. As noted earlier, however, the total housing supply within the Region at the present time is essentially unknown. Certainly the elderly whose names are on the waiting list are presently residing somewhere. It is possible that vacancies within the existing housing stock could meet the needs of those elderly families seeking other quarters. What remains unknown is the quantity, quality, location, access, and price level of each vacant unit, as well as the extent to which the housing aspirations of the elderly can be met by substitute housing in the private market. It is also possible that the situation which prompts the statement that a housing shortage exists is only symptomatic. For example, the maldistribution of small families in large houses and large families in small houses would produce the same symptoms as a real housing shortage. Clearly, the substantiation of a housing shortage of any kind requires a thorough appraisal of the relevant housing supply and demand factors, along with an objective evaluation of the housing needs of the population.

6. The Lack of Environmental Considerations in Residential Developments

Although many factors exert different pressures on the processes which result in the development of a Region covering 2,689 square miles and containing 153 separate general-purpose units of government, there is a distinct lack of coordination between the process of community building on the one hand and the provision of public services on the other. Past practices in the development process have frequently failed to provide adequately for such necessary and supporting community services and facilities as public water supply and sewerage facilities; flood control; transportation; schools; parks; and community facilities, such as churches, libraries, and fire and police facilities.
Typical of many older neighborhoods where houses have been crowded onto small lots, this photo vividly illustrates the lack of usable open space adjacent to the home. Solutions to the housing problem in the Region will have to take into consideration the provision of adequate, usable recreation and related open-space areas in neighborhoods such as these which were developed in an era when less regard was given to such amenities than is true today. Developments such as this stand in vivid contrast to the typical one-half acre suburban lot.

There is little doubt that land pricing, as stimulated by poor or inappropriate assessment policies, encourages land developers to "leapfrog" over logical, readily serviceable land areas and sacrifice such services as public sewer and water supply in favor of less costly land. It is also likely that municipal policies governing annexation of unincorporated land and the land use controls governing areas within and adjacent to existing communities tend to frustrate coordination between development and the provision of services. But whatever the cause, in 1963, 123 square miles, or more than 26 percent of the developed area of the Region, containing over 255,000 persons (over 15 percent of the population of the Region), were without public sanitary sewer service. In addition, in 1963, 140 square miles, or about 41 percent of the developed area of the Region, containing over 300,000 persons (over 18 percent of the population of the Region), were without public water supply service. Although the pattern of development within the Region since 1963 indicates that little change from past practices has taken place, other Commission work programs will be concerned with the preparation of plans to alleviate much of the problem. Additional efforts are needed, however, to evaluate this factor of the lack of environmental considerations in residential development more completely as it relates to housing. This evaluation must be consistent with other planning programs.

7. The Practice of Discrimination Affects Free Choice of Housing

The free choice of housing, as envisioned by responsible people involved in the use, sale, and exchange of real property, should not be determined on the basis of racial, religious, or any other overt or covert form of discrimination. It is likely, however, that such discrimination exists. The extent to which it exists is extremely difficult to assess, partly because of the incriminating nature of such a practice and the subsequent reluctance of a person to admit to such practice; partly because the line between economic and racial or religious discrimination is very fine; and partly because the existence of racial and religious ghetto areas tends to impose self-defeating attitudes of hopelessness on the inhabitants.

At the present time 35 of the 146 cities, villages, and towns within the Region have enacted open housing ordinances. The Equal Rights Division of the Wisconsin Department of Industry, Labor, and Human Relations has reported the filing of 41 complaints of discrimination in the rental or sale of housing since 1965 within southeastern Wisconsin. The Division reports, however, that only a very few of the formal complaints, informal complaints, or inquiries concerned alleged discrimination other than racial. Disposition of the 41 complaints has been as follows: 20 were considered as providing probable cause to believe discrimination occurred; and 21 were dismissed, with-

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10 A regional sanitary sewerage system planning program is currently being conducted by the Commission. This program, scheduled for completion in December 1970 will result in the preparation of a sanitary sewerage system plan for the Southeastern Wisconsin Region.
drawn, or are still pending. Of those deemed to provide probable cause to believe discrimination occurred, 13 were conciliated and 7 went to hearing to be subsequently resolved. In addition to the 41 complaints filed with the State, three complaints have been filed with the City of Milwaukee, which maintains its own jurisdiction over discrimination in housing. Of the three filed, two have been settled out of court and one resulted in a $25 fine. From the limited information available, it is apparent that discrimination does exist to some extent but that much more needs to be learned about the manner in which overt and covert forms of discrimination affect the free choice of housing within the Region.

8. The Filtration of Housing

It has been noted earlier that new housing units constructed each year are, for all practical purposes, entering the chain of supply at prices which are out of reach of a large percentage of families. Thus, it is upon the large stock of existing, older, and previously occupied houses that most of the families who are unwilling or unable to pay for a new home must depend for their housing accommodations. The process through which housing is said to pass down from one income group to another over a period of time is called filtration. Although the filtration process may be triggered by deterioration due to age or by changing values of the owner, housing is expected to become less desirable for families at the income levels it has been serving; and as new and presumably better housing comes on the market, the used housing must give way and find its market among the next lower income group of families. For those families it is expected to represent better housing than they have previously had and, therefore, finds a ready market. It is unknown at the present time to what extent the filtration of housing occurs within the Region; and, if it does occur, it is unknown to whom the benefits of the process accrue. It is also unknown if such factors as changing price or rent levels, the aging of structures, or various government aid, grant, or insurance programs have had an effect on promoting or retarding such a process within the Region.

9. The Resistance to New Technology in the Housing Industry

It has been stated frequently that the housing industry has steadfastly resisted the introduction of new technology which would make it more efficient and economical. Although the housing industry cannot be characterized as a high-technology industry, it is apparent that some technological changes have been occurring. Since 1945 the housing industry nationally has been transformed from an essentially handicraft industry into one in which larger producers, home manufacturers, mobile home producers, and builders and contractors, starting over 100 units per year, account for about one-half of all housing starts. The size of the average individual development has also increased significantly during this period, and some builders have begun to use critical path scheduling and time-and-motion studies to improve their efficiency. Other important changes which have occurred include innovations in building materials, increased use of power tools, and the introduction of new transportation and materials handling equipment. These changes, however, have generally resulted from the accumulation of small increments and cannot be readily traced to either a single invention or to a group of inventions. Consequently, technology in the home-building industry is best described as a casual wave of change leading toward greater industrialization of the building process. The factory-built house is perhaps one of the ultimate signs of this industrialization. At the present time, however, information is lacking as to how adaptable local government, local builders and developers, labor, and local mortgage financing markets have been, are, or can be to progressive changes.

A recent noteworthy example of an attempt to stimulate mass production of housing has been made by the Secretary of the U. S. Department of Housing and Urban Development early in 1969. In his announcement of the program labelled "Operation Breakthrough," Secretary George E. Romney stated that to meet the national housing goal, all the factors of management, labor, and government that affect housing must be brought together to cooperatively achieve the mass production of houses. Although this approach may entail only an adaptation of existing technology, it is geared
to stimulate experimentation. For example, HUD will approve as many as five plans per year which use new technologies that may result in as many as 5,000 prototype units per year. The program has far-reaching implications for local governments and local economies since it would require major changes in present land use controls and building regulations and in labor and management practices. The housing industry’s response to this program may provide some indication of its adaptability to change.

B. The Increased Role of Government in the Housing Field

As indicated earlier in this chapter, the Federal Government has established an array of housing programs of bewildering complexity and for a variety of purposes. For example, during the 1930's most housing programs were established largely to create jobs; to promote community-controlled public housing programs; and to stimulate the flow of mortgage credit. During the 1940's the new federal programs were established largely to assist returning veterans to purchase housing on a liberal basis, to assist in improving rural area housing, to clear urban slums, and to establish more succinctly the national goal of a decent home in a suitable living environment for every American family.

Two examples of low-rent public housing located in the City of Milwaukee are Parklawn (upper) and Westlawn (lower). The Parklawn project, a 40 acre site containing 518 dwelling units, was constructed in 1936 at a cost of $5.27 per square foot, exclusive of land, while the Westlawn project, an 81 acre site containing 726 dwelling units, was constructed in 1950 at a cost of $9.06 per square foot, exclusive of land. Both projects are conveniently located near public and parochial schools; have excellent access to park and open-space facilities; and are well serviced by public mass transit, as well as major arterial routes, facilitating the movement of residents to nearby commercial and industrial areas.

During the 1950's the federal programs were established largely to make urban redevelopment a more comprehensive tool through the addition of conservation and rehabilitation programs; to enable housing to be produced at reduced costs through land cost write-down in urban renewal areas; and, for the first time in federal housing program history, to encourage private sponsorship of rental projects for
the elderly and handicapped by providing direct loans at less than market rates to nonprofit private corporations. During the 1960's the housing programs were passed by the Congress largely to expand opportunities for private development of subsidized housing; to increase the flexibility of rent supplements; to elevate the function of housing to cabinet-level importance; and to extend and expand funding for model cities, urban renewal, code enforcement, and community facilities programs to permit a comprehensive approach for mitigating central city problems.

As noted earlier, a more recent attempt by the U. S. Department of Housing and Urban Development to stimulate the mass production of housing has been the "Operation Breakthrough" program, which was initiated in May of 1969. The program is intended to provide housing quickly, efficiently, and economically for all income levels through a partnership of labor, consumers, private enterprise, and local, state, and federal governments, using modern techniques of production, marketing, and management. The program has two parallel phases. The first phase entails selecting and assisting a number of private firms to design complete housing systems, to construct prototype housing units, and to develop the capacity to manufacture significant volumes of housing. The second phase is intended to focus on state governments, which, with regional and local assistance, are to identify and help develop volume markets for the prototype units. Although the program is quite new, much attention has been focused on it at all levels of government and within all segments of the private sector of the economy dealing with housing.

Although the Federal Government has been foremost in initiating and providing programs dealing with housing problems, the existence of federal programs in the housing field has also stimulated, to some degree, increased activity at the local level of government in the housing field. Increased involvement by government in the housing field is also manifested in ways other than through operating programs. Land use controls at the local level, plat review procedures at the state level, and major research and information efforts at the national level, such as the report of the President's Committee on Urban Housing, all indicate the pervasive influence that governmental activities exert now and will continue to exert in the housing field.

1. Housing Loan, Grant, and Insurance Programs

The most noteworthy types of federal programs are the loan and grant programs and the mortgage insurance programs. Programs involving direct loans or grants include public housing, below market interest rates, rent supplements, rental housing and home ownership, and urban renewal programs. The majority of these programs have been established for the benefit of low-income families, although some are designed to provide preferential treatment to families displaced by governmental actions. The insurance programs of the U. S. Department of Housing and Urban Development, Federal Housing Administration; the Veterans Administration; and the U. S. Department of Agriculture, Farmers Home Administration, are designed to further home ownership by establishing low down payments and low interest rates and by ensuring payment of a large portion of the mortgage to the private mortgage lender in the event the buyer should be unable to continue payment.

2. Relocation Housing Programs

Federal legislation over the years has repeatedly required relocation assistance to persons displaced by federally assisted governmental actions. The Housing Acts of 1937, 1949, and 1964; the Urban Mass Transportation Act of 1964; the Housing and Urban Development Act of 1966; the Demonstration Cities and Metropolitan Development Act of 1966; the Housing and Urban Development Act of 1968; and the Federal Aid Highway Act of 1968 each contain increasingly inclusive provisions which require that any state or local unit of government or other federally assisted agency receiving federal loans or grants under various federally assisted development programs which will cause displacement of individuals, families, business concerns, or nonprofit organizations provide relocation assistance to those displaced. The purposes of the housing relocation assistance are to aid families and individuals displaced as a result of government action to secure
decent, safe, and sanitary housing within their means and in a reasonably convenient location; and to carry out the displacement of those who must be moved with a minimum of hardship. Examples of the kinds of programs affected by the federal requirements to provide relocation assistance to those displaced are: low-rent public housing; urban renewal, including acquisition of real property, code enforcement, voluntary rehabilitation or improvement in accordance with an urban renewal plan, and demolition of real property; urban mass transportation; public facility loans; open-space land and urban beautification; water and sewer facilities; neighborhood facilities; advance acquisition of land; and model cities. In addition, the Federal Aid Highway Act of 1968 makes it mandatory after July 1, 1970, that relocation payments and advisory relocation assistance be provided to persons, businesses, farmers, and nonprofit organizations displaced as a result of federal-aid highway programs and construction and that the U. S. Secretary of Transportation not approve such projects unless he receives assurance that such relocation payments and assistance will be provided.

An indication of the magnitude of the relocation housing problem nationally and locally is shown in Tables 1 and 2. Table 1 indicates the number of families displaced by various types of governmental programs in 1963 within 100 cities containing over 100,000 persons. Table 2 indicates the number of housing units demolished and the number of housing units constructed within the City of Milwaukee from 1960 through 1968. From Table 1 it can be noted that nationally the greatest displacement of families was caused by urban renewal and closely related code enforcement activities, which together accounted for 53 percent of the total number of families displaced in the larger cities of the nation. From Table 2 it can be noted that, between 1960 and 1968 within the City of Milwaukee, two major public works programs, freeway construction and urban renewal, including the closely related code enforcement activities, each accounted for about 30 percent of the total housing unit demolitions.

a. Relocation in Wisconsin

At the present time, there is a bill pending in the Wisconsin Legislature known as 1969 Assembly Bill 604, the purpose of which "... is to establish a uniform policy of fair and equitable treatment of owners, tenants, other persons, farm operations and business concerns, displaced by the acquisition of real property. ..." in accordance with the condemnation through eminent domain provisions of the Wisconsin Statutes. The Bill is intended to cover all agencies which have such eminent domain powers and requires proof of the existence of a relocation program prior to such acquisition. The programs are to include provisions for both relocation

<table>
<thead>
<tr>
<th>Population Group</th>
<th>Number of Cities</th>
<th>Family Displacements by Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total In Group</td>
<td>Reporting</td>
</tr>
<tr>
<td>100,000 - 250,000</td>
<td>80</td>
<td>59</td>
</tr>
<tr>
<td>250,000 - 500,000</td>
<td>30</td>
<td>23</td>
</tr>
<tr>
<td>500,000 - 1,000,000</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Over 1,000,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
<td>100</td>
</tr>
<tr>
<td>Percent of Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a*Includes public housing, parks, schools and parking ramps and lots.

### Table 2
**HOUSING UNITS DEMOLISHED AND CONSTRUCTED WITHIN THE CITY OF MILWAUKEE: 1960-1968**

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>By City:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban Renewal</td>
<td>44</td>
<td>212</td>
<td>26</td>
<td>274</td>
<td>389</td>
<td>61</td>
<td>205</td>
<td>517</td>
<td>1,078</td>
<td>2,806</td>
</tr>
<tr>
<td>Code Enforcement</td>
<td>120</td>
<td>163</td>
<td>202</td>
<td>204</td>
<td>225</td>
<td>152</td>
<td>302</td>
<td>446</td>
<td>379</td>
<td>2,203</td>
</tr>
<tr>
<td>Public Housing</td>
<td>--</td>
<td>187</td>
<td>14</td>
<td>--</td>
<td>248</td>
<td>140</td>
<td>--</td>
<td>--</td>
<td>26</td>
<td>615</td>
</tr>
<tr>
<td>Other</td>
<td>167</td>
<td>159</td>
<td>116</td>
<td>203</td>
<td>240</td>
<td>255</td>
<td>109</td>
<td>138</td>
<td>190</td>
<td>1,577</td>
</tr>
<tr>
<td>Total City</td>
<td>341</td>
<td>721</td>
<td>358</td>
<td>681</td>
<td>1,102</td>
<td>608</td>
<td>616</td>
<td>1,127</td>
<td>1,647</td>
<td>7,201</td>
</tr>
<tr>
<td>Percent of Total</td>
<td>45</td>
<td>56</td>
<td>23</td>
<td>34</td>
<td>42</td>
<td>36</td>
<td>31</td>
<td>48</td>
<td>72</td>
<td>44</td>
</tr>
</tbody>
</table>

| By By County:    |      |      |      |      |      |      |      |      |      |       |
| Expressways      | 128  | 80   | 729  | 876  | 999  | 542  | 806  | 603  | 333   | 5,096 |
| Parks and Parkways| 4   | 3    | 26   | 14   | 13   | 13   | 29   | 43   | 26    | 171   |
| Other            | 1    | --   | --   | 1    | --   | --   | --   | --   | --    | 2     |
| Total County     | 133  | 83   | 755  | 891  | 1,012| 555  | 835  | 646  | 359   | 5,259 |
| Percent of Total | 18   | 6    | 49   | 44   | 39   | 33   | 42   | 27   | 16    | 32    |

| By Federal      |      |      |      |      |      |      |      |      |      |       |
| Percent of Total|      |      |      |      |      |      |      |      |      |       |

| By Private Interests. |      |      |      |      |      |      |      |      |      |       |
| Percent of Total      | 276  | 487  | 434  | 438  | 482  | 529  | 531  | 589  | 294   | 4,070 |

| Units Constructed | 4,197| 3,404| 2,693| 3,604| 4,177| 4,676| 3,067| 3,573| 3,072| 32,463|
| By City           | --   | 120  | --   | --   | 370  | --   | 456  | 360  | 251   | 1,557 |
| By County         | --   | 0    | --   | --   | 0    | --   | 0    | --   | 0     | 0     |
| Total Public      | --   | 120  | --   | --   | 370  | --   | 456  | 360  | 251   | 1,557 |
| Percent of Total  | --   | 4    | --   | --   | 9    | --   | 15   | 10   | 8     | 5     |

| By Private Interests | 4,197| 3,284| 2,693| 3,604| 3,807| 4,676| 2,611| 3,213| 2,821| 30,906|
| Percent of Total     | 100  | 96   | 100  | 100  | 91   | 100  | 85   | 90   | 92    | 95    |

Source: Milwaukee Department of City Development.

Some older housing units located in rural-urban fringe areas are often occupied by large, low-income families. The units in many cases are owned by absentee landlords, who make little, if any, effort to properly maintain the buildings. The unit pictured here, as indicated by the outbuilding in the background, even lacks indoor plumbing facilities. This home and several adjacent and similarly deteriorated homes are presently scheduled for removal for highway improvement purposes and consequently present another aspect of the housing problem; namely, relocation of large, low-income families.

payments and relocation assistance and both such programs must be approved by the Wisconsin Department of Local Affairs and Development. This Bill, if passed, will have far-reaching implications for not only public agencies concerned with highway, sewerage, park, urban renewal, public housing, and school development but also for private utilities, such as railway, power, and telephone companies.
b. Impact of Relocation Programs

Under these developing conditions, it is unquestionably necessary that a concerted effort be made to identify, well in advance, those areas where public works and improvement programs will take place and to estimate the needs for relocation housing if displacement is required. Since the market for housing is confined neither to a single community nor to a single county within the Region and since displaced persons or families ought to be afforded comparable and surely not less desirable housing units than their former dwelling—the reference with respect to comparable and desirable housing units including the essential public facilities and services, as well as the type and condition of the dwelling itself—a basis of information on available comparable housing units must be developed for the Region. Failure to do so may seriously delay or bring to a halt completely many necessary and vital public works programs. Such delays or halts could seriously jeopardize not only the continued economic vitality of the Region but create serious and far-reaching environmental problems. Long-term scheduling of such projects is required if they are to be kept within manageable cost levels and if contractual commitments with third parties are to be honored. Moreover, if a rational response to relocation requirements is to be made, a comprehensive, areawide housing study is needed to identify the applicable areas for relocation housing; quantify the magnitude of relocation assistance needed; provide information about alternative solutions to relocation problems; and alert local officials to potential problem areas concerning nonscheduled but logical future public works improvements.

3. Public Housing Programs

In the United States, public housing consists primarily of subsidized rental housing which is developed, owned, and managed by local government housing authorities established pursuant to state and federal public housing legislation. Although most large cities have established housing authorities, many small jurisdictions, particularly suburban ones, do not participate in the public housing program. In 1967 less than one-half of the localities with a population between 25,000 and 50,000 had housing authorities. As already noted, within the Region only four communities are known to have established such authorities: the Cities of Kenosha, Milwaukee, South Milwaukee, and West Bend; and only two, the Cities of Milwaukee and South Milwaukee, presently actually own and operate public housing units. There are presently about 650,000 units in public housing projects throughout the United States and about 4,917 in southeastern Wisconsin; 4,857 in the City of Milwaukee and 60 in the City of South Milwaukee.

The 20-year old public housing units shown in the photo on the left are located in the City of South Milwaukee and are owned by that city's housing authority. Sixty units were erected in 1950 and, as evidenced by this photo, are still in excellent physical condition. The City of South Milwaukee is the only community within the Region other than the City of Milwaukee that presently owns public housing units to provide a decent living environment for low- and moderate-income families.
4. Housing-Related Programs

In addition to those programs directly oriented towards providing housing or housing subsidies, loans, and grants to alleviate housing problems, there are at least two major programs which are more comprehensive in scope and include major emphasis on housing problems. These are the Model Cities Program and the Urban Renewal Program. In order for the broad coverage of these programs to be effective, an understanding of the workings of the housing market, along with an understanding of the true housing needs of the population within the Region, is needed.

a. Model Cities Program

The Demonstration Cities and Metropolitan Development Act of 1966 provides for a program designed to demonstrate how the living environment and the general welfare of people living in slum and blighted neighborhoods can be substantially improved in cities of all sizes and in all parts of the country. The main purposes of the program are to: rebuild or revitalize large slum and blighted areas; expand housing; expand job and income opportunities; reduce dependency on welfare payments; improve educational facilities and programs; combat disease and ill health; enhance recreational and cultural opportunities; reduce the incidence of crime and delinquency; establish better access between homes and jobs; and improve the living conditions for people who live in slum and blighted areas. At the present time, only the City of Milwaukee within the Region has applied for and received funds under this program.

b. Urban Renewal Program

The Housing Act of 1949 provides for the elimination and prevention of slums and blighted areas through the actions of duly established local public agencies. The purposes of the Urban Renewal Program are to provide assistance to cities and communities for acquisition, clearance, redevelopment, and rehabilitation of slums and blighted areas; and to provide the instruments and funds to initiate programs of economic and social action to revitalize the urban communities. At the present time, the Cities of Milwaukee and Racine within the Region have established local redevelopment agencies; but only the City of Milwaukee has actively pursued urban renewal projects.

C. The Determination of True Housing Needs

Housing need, as distinguished from housing demand, is represented by the total housing requirements of individuals and families based on minimum standards of quality, whether or not the individuals or families concerned can economically afford housing which meets such minimum standards. The primary thrust of most federal housing legislation has been to alleviate problems associated with housing need. Only a few programs have been designed specifically to stimulate effective demand. The interrelationships between housing need and housing demand, however, are extremely complex, as indicated recently in the conclusions of a detailed study of the national housing problem commissioned by the President in June 1967. The findings of this study revealed that nearly 8 million American families cannot afford to pay the market price for housing which meets minimum standards of decency, safety, and sanitation and that would cost no more than 20 percent of their total gross income. Under present conditions, in order to provide enough decent, safe, and sanitary housing for all of the population of the United States by 1978, the American economy would have to accomplish the following:11

1. Build 13.4 million units for new, young families that may be expected to form during the next decade.

11 See A Decent Home, The Report of the President’s Committee on Urban Housing, December 1968, prepared for the President’s Committee on Urban Housing.
2. Replace or rehabilitate 8.7 million units that may be expected to deteriorate into substandard condition.

3. Replace 3 million units which may be expected to be either accidentally destroyed or purposefully demolished for various kinds of urban uses.

4. Build 1.6 million units to allow for enough vacancies to meet the needs of an increasingly mobile population.

The study committee labeled these findings an "assessment of the need" for housing, but it can be seen that each of the four categories listed contains a mixture of both housing need and effective housing demand factors. Indeed, the committee noted that "... the total figure of 26.7 million units needed presents two major challenges to the Nation: greatly expanded production for families who can afford adequate housing without government assistance; and measures to relieve the severe shortage of adequate housing for the poor." The first challenge clearly connotes effective housing demand; the second specifies a housing need.

It should be apparent from the findings of the presidential committee and from the conclusions drawn earlier in this chapter concerning the number of families who are effectively excluded from the new housing market that the determination of true housing need within the Region will require a substantial effort. It should also be apparent that agreement must be reached as to meaningful definitions of such concepts as "decent, safe, and sanitary housing" and a "suitable living environment."

SUMMARY

The need for a regional housing study within southeastern Wisconsin has been documented in this chapter through the identification of three major areas of consideration of need and thirteen contributing factors, as follows:

The lack of timely, uniform, areawide information on the supply of, and demand for, housing within the Region, particularly in terms of:

1. The quantity and quality of the existing supply of housing.

2. The characteristics of housing demand.

3. The identification of the regional housing markets.

4. The present public land use control policies and practices.

5. The shortage of certain types of housing units.

6. The lack of environmental considerations in residential developments.

7. The practice of discrimination affects the free choice of housing.

8. The filtration of housing.

9. The resistance to new technology in the housing industry.

The increased role of government in the housing field, as indicated by its involvement in:

10. Housing loan, grant, and insurance programs.

11. Relocation housing programs.
12. Public housing programs.

13. Housing-related programs.

The determination of true housing needs as distinguished from effective housing demand.

The profound interrelationships between housing supply and demand factors, governmental constraints and program incentives, and the pressing need to provide somehow all families and individuals with at least a minimum standard dwelling have collectively precipitated a need for a regional housing study. The most significant conclusions that can be drawn from this chapter, which is based on a review of the best data available, are summarized in the following statements.

1. There is a critical lack of current, uniform, areawide information about the supply of, and demand for, housing within the Region; and this dearth of information, in itself, would warrant that a concerted effort be made to correct the situation through a comprehensive housing study. It has also been shown that past studies and existing programs have not provided the uniform, areawide market data required to cope effectively with the housing problem within the Region.

2. The role of the federal, state, and local units of government in the housing field has been increasing and will continue to increase, particularly as the aspirations of an increasingly affluent society change. This expanding role of government in the housing field needs local direction and guidelines, which will serve to satisfy national objectives as well as local objectives. Particularly important in this regard is the increasing concern over relocation programs and the increased involvement of government in public housing and subsidized private housing. If public officials are to make sound decisions concerning housing, there will have to be made available a full range of relevant information on housing activity. A regional housing study is needed to provide such information, along with an assessment of the extent to which existing housing programs have been effective in meeting the total housing needs of the Region. Moreover, such a study can serve to identify areas of need toward which future programs can be directed.

3. An objective distinction between effective housing demand and housing need is required so that the satisfaction of needs can be achieved without unduly distorting the operation of market forces of housing demand and supply. The accomplishment of such an objective is a difficult and complex task, and a regional housing study is essential to provide not only the quantitative information and the qualitative analyses required for such an appraisal of areawide housing needs but is also essential to the formulation of attainable housing objectives and standards.