



# SCOTT KRUG

STATE REPRESENTATIVE • 72<sup>nd</sup> ASSEMBLY DISTRICT

(608) 266-0215  
FAX: (608) 282-3672  
District: (715) 459-2267  
Toll-Free: (888) 529-0072

P.O. Box 8952  
Madison, WI 53708-8952  
Rep.Krug@legis.wi.gov

TO: Assembly Committee on Housing and Real Estate

FROM: Rep. Scott Krug

RE: 2023 Assembly Bill 266 and related Bills

DATE: May 18, 2023

Good morning fellow committee members, it is an honor to be here to lead off the testimony on this package of bills to improve on our ability in Wisconsin to encourage more housing starts to deal with the historic housing shortage we are facing today. I appreciate the opportunity as a real estate professional to come before this committee and discuss the issues I see in real time, on the ground, in the Wisconsin Rapids area. While Rapids has a very unique story in some aspects it also is part of a story that is replicated in almost every community statewide.

In the not-so-distant past Wisconsin Rapids saw its major employer close down. This led to hundreds of layoffs and with that the fear that hundreds of families may decide to move away to seek other opportunities in different parts of the state or nationwide. For real estate agents in the area there was a worry what this impact would feel like when all those homes would hit the market. Would they sell? Who is coming into town to buy with the mill closed? What will property values look like with a mass exit? And so on.

Well, those people (thankfully) didn't leave en masse, they didn't sell their homes en masse. Those who did decide to retire or move on found they had dozens upon dozens of buyers making offers on their homes. Those offers typically so competitive that buyers were (and still are) willing to skip over the essentials like a home inspection to look like a better, low risk offer to the sellers. The competitiveness of those offers drove prices to 20% (or higher) over asking price and my guess is that many of those buyers could still be looking for an option a couple years later. It is not uncommon to hear from buyer's agents that they have been shopping with their clients for over two years to find the option that works best for them.

Why did things go this way? We have an utter lack of workforce housing options in Wisconsin Rapids, in Wood, Adams, Waushara and Portage counties that I represent and in every district that we all represent in the State of WI. Renters are paying 50% higher rents than just a few years ago, if they can find a rental at all, starter homes are going for the price a big 3 bedroom, 2 bath, went for just five years ago. It is a nearly impossible situation for anyone looking for a nice place to live.

**MORE**

That is why we are here today. My fellow authors and I will present you with a place to start off as we deal with these issues. As is often said here there is no silver bullet, conditions beyond our control also put pressure on housing and real estate but these bills will help.

AB266 deals with one of the significant issues we see in real estate here in Wisconsin. It is a social phenomenon of sorts. When asked in various surveys most if not all people agree that we need to add more housing options, whether it's single family, mixed use, alternate planning, such as accessory dwelling units, and more. However, those same surveys also show that people don't typically support those projects being built in their own backyard. We all agree we have an issue to deal with and this bill works to lay the ground rules for the grey area between our agreement of the need and the desire it happen somewhere else.

This bill deals with two components of the "not in my backyard" (NIMBY) concerns that cause developments to stall. As organized groups petition local governments to deny projects these decisions often go against the actual rules that the community had already set up in their comprehensive plan. This plan usually takes hundreds upon hundreds of hours of work to create and in most case thousands of dollars as well. This bill will set a new standard in place that says communities must follow the rules they have in place as they receive interest from developers for housing related projects. It doesn't limit setting new standards. it doesn't take away any ability for local control, it just says when you set the rules in place you will have to abide by the rules you set.

The bill also deals with court remedies for those situations in which agreement can't be found or dispute arises. Under this bill developers will be allowed to appeal to circuit court on a local government's denial of a proposal if the decision made by the local government went against the standards that were in place at the time. AB266 also limits the lawsuits brought forward by creating new standards for who has "standing" to bring a lawsuit in the first place.

To say that we are in a housing crisis is not empty rhetoric. If you have been in the market to buy a house, or some land to build or a building to rent out in the last five years you know the pain that buyers and renters all across the state are feeling. With rising interest rates it is becoming even worse to be a buyer. We need more housing options, we need more developers to get involved. We need AB 266 to become law on order to create greater certainty for developers to know the money they spend on projects will go more towards buildings and less towards meetings and court costs.

Thank you for your time and consideration of this bill and of this package overall, I'm happy to take any questions you may have.

Rep Scott Krug  
72<sup>nd</sup> Assembly District



**To:** Members, Assembly Committee on Housing and Real Estate

**From:** Tom Larson, Executive Vice President and Chief Lobbyist for NAIOP-WI

**Date:** May 15, 2023

**Re:** AB 266/SB 296 -- Not In My Backyard (NIMBY) Opposition to New Housing

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**REALTOR® Message** – The WRA and NAIOP-WI support AB 266/SB 296, legislation aimed at creating more certainty and predictability in the development-approval process by limiting the ability of NIMBYs (Not In My Back Yard) to delay or stop the approval of proposed housing developments. Such NIMBY efforts both limit the supply and increase the cost of housing.

### **Background**

One of the biggest barriers to new homebuilding in communities is the opposition from existing residents or NIMBYs (Not In My Back Yard). Regardless of what new development is being proposed, someone is bound to object.

Communities often spend years and thousands of dollars on outside consultants, public hearings and staff time to help develop a comprehensive plan to guide future development in the community, only to ignore the plan due to public opposition when a developer actually tries to build the type of housing specified in the plan.

The list of reasons for NIMBY opposition is long and may include the loss of open space, increased density, traffic, overcrowding in schools, neighborhood character, property tax increases, or just change in general.

While developers are often the targets of NIMBYs, the victims of NIMBYism generally are those who would have occupied these new homes. Generally, they include fellow members of the community who are on fixed incomes, young families, teachers, police officers, and workers in the service industry who are looking to improve their lives by finding a better place to live.

By opposing the development of new housing, NIMBYs limit the supply of housing necessary to meet demand, causing prices to increase further. In addition, when people can't afford to live in the communities in which they work, they are forced to move farther away to find homes they can afford, putting more cars on the road for longer commutes and creating more wear and tear on our roads, among other things.

**Legislative Solution** – AB 266/SB 296 is aimed at limiting the ability of NIMBYs to stop or delay the development of new housing through all of the following:

1. Improving certainty and predictability in the development process
  - a. *Development by right*: Requiring local governments to approve development proposals that are consistent with local development regulations.
  - b. *Judicial remedy*: Allowing a developer to appeal to circuit court a local unit of government's denial of a development proposal that complies with local development regulations and authorize a judge to approve the project.
2. Preventing lawsuits challenging approvals – Limiting who has standing to file legal challenges to projects that have been approved by local governments.
3. Prohibiting supermajority requirements for zoning changes – Requiring zoning changes to be approved by simple-majority vote.

### Talking Points

- **Local governments should have to follow their own regulations.** If a local government established the terms and conditions required for approvals and permits, and the developer has met those requirements, the local government should have to approve the project. Unfortunately, local governments either choose to ignore their own rules, or succumb to the significant pressure created by NIMBYs.
- **Uncertainty and unpredictability make housing less affordable.** Whether building a home, an apartment project, or a new subdivision, property owners spend a lot of time and money planning and preparing for a new construction or development project. Because NIMBY opposition can impact the design, cost and the viability of the project, property owners need a predictable process that they can rely upon to obtain the necessary approvals for a new development.
- **Regulatory reform is necessary to lower the costs to develop new housing.** According to reports produced by both the Trump and Obama administrations, outdated local land-use regulations, such as large, minimum lot sizes, prohibitions on multifamily housing, and delayed approval processes, drive up the cost of housing. Such regulations add more than 25% to the cost of a new home, and as much as 42% to the cost of new multifamily construction.

We respectfully request your support for AB 266/SB 296. If you have questions or need additional information, please contact us.



# DUEY STROEBEL

STATE SENATOR • 20<sup>TH</sup> DISTRICT

## Testimony on AB 266 and AB 267

*May 18, 2023*

Thank you Chairman Brooks and members of the Assembly Committee on Housing and Real Estate for scheduling today's public hearing on a series of proposals aimed at addressing the problem that you explored in great detail during your first meeting roughly two months ago: Wisconsin's housing shortage. My testimony covers two proposals that I authored alongside Representative Krug and Representative Penterman as part of this initiative.

Before delving into the details of each bill, it bears mentioning that municipalities allocate a significant amount of time and resources toward the development of comprehensive plans to guide future development. All too often, these plans are ignored in the face of objections to a proposed development that seeks to construct the type of housing specified in the plan. This only serves to further constrain the supply of housing that is needed to meet demand, which in turn places upward pressure on prices and ultimately makes homeownership less attainable for more Wisconsinites.

The first proposal, AB 266, aims to provide more certainty and predictability in the development approval process. Put simply, the bill would help prevent a proposed development that complies with a local government's regulations from being unnecessarily delayed or stopped altogether on obstructionist grounds. To that end, the bill establishes an expedited judicial review process that would allow a developer to appeal to circuit court a local government's denial of a proposed residential housing development that meets all of the local government's requirements and would authorize a judge to approve the project. Next, the bill would prevent frivolous lawsuits by limiting who has standing to file legal challenges to development proposals that have been approved by a local government. Finally, the bill streamlines the process for local governments to enact zoning amendments by establishing that a zoning change only requires a simple majority vote, with certain limited exceptions.

The second proposal, AB 267, is effectively a trailer bill to 2021 Act 221, which created the statutory framework for a single-family housing rehabilitation loan program to be administered by WHEDA. Under the program, individuals who own and occupy older homes and have an annual household income of no more than 120% of the area median income would be able to apply to WHEDA for a low or no-interest loan to cover structural improvements or the removal of lead paint. In addition to making various programmatic changes, AB 267 would create the necessary appropriation language in anticipation of funding for the program being provided through the 2023-25 state budget.

Wisconsin's older housing stock is often lost in the discussion surrounding the shortage of affordable housing in Wisconsin and the "missing middle," which refers to the lack of housing that currently exists between rented apartments and large single-family homes. Consequently, policymakers can often be left with the impression that the only surefire pathway toward addressing Wisconsin's housing shortage is through incentivizing and subsidizing the construction of new, single-family homes. However, roughly 60 percent of Wisconsin's single-family housing was built before 1980, and much of our state's older housing stock is located in close proximity to our largest communities that feature the highest number of jobs. With the necessary reinvestment and rehabilitation, these homes have the potential to provide both great value and an ideal location for first-time homebuyers and working- and middle-class families. This is exactly what AB 267 would help to facilitate.

Thank you again for your consideration of AB 266 and AB 267.



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

**DATE:** May 18, 2023

**TO:** Members of the Assembly Committee on Housing and Real Estate

**FROM:** Brad Boycks                      Mike Howe                      Robert Procter  
WBA Executive Director      WBA President              WBA Outside Legal Council

**SUBJECT:** Support for Assembly Bills 96, 266, 264, 265, 268, and 267 Relating to Workforce Housing

On behalf of the nearly 4,000 members of the Wisconsin Builders Association (WBA), we ask for your support of:

- **Assembly Bill 96 (AB 96)**, relating to developer financed tax incremental districts
- **Assembly Bill 266 (AB 266)**, relating to judicial review of local governmental decisions related to certain land development, local approval of residential housing development, and amendment of zoning ordinances
- **Assembly Bill 264 (AB 264)**, relating to residential housing infrastructure revolving loan fund and revolving loan program
- **Assembly Bill 265 (AB 265)**, relating to a main street housing rehabilitation revolving loan fund and loan program
- **Assembly Bill 268 (AB 268)**, relating to commercial-to-housing conversion revolving loan fund and loan program
- **Assembly Bill 267 (AB 267)**, relating to housing rehabilitation loans awarded by the Wisconsin Housing and Economic Development Authority

For the past several months, we have been working with Assembly Housing and Real Estate Chair Brooks, Senate Housing, Rural Issues, and Forestry Chair Quinn and Vice-Chair Jagler, the Wisconsin Realtors Association, the Wisconsin League of Municipalities, the Wisconsin Towns Association, and the Wisconsin Counties Association on the policy items contained in AB 266, 264, 265, 268, and 267.

WBA is also supportive of AB 96 which will allow a city or village to create a TID designated as a developer-financed TID. To create a TID as a developer-financed TID, the local legislative body must adopt a resolution making certain findings, and the joint review board must approve the creation of the TID as a developer-financed TID.

AB 266 will help streamline the approval process for residential housing and also assure that only a simple majority is required to rezone land and establishes that only those that have an owner interest in the property that is subject to approval, or will sustain damages and has provided a statement or has testified at a previous public meeting, may seek review of the land use proposal.

AB 264, AB 265, and AB 268 all create zero interest loans to create more workforce, single family homes, workforce multifamily housing, and senior housing, and requires municipalities to show changes that they have implemented to reduce the cost of housing in the projects being considered for a zero-interest loan from WHEDA. Those cost saving items include “voluntarily revising zoning ordinances, subdivision regulations, or other land development regulations to increase development density, expedite approvals, reduce impact, water connection, and inspection fees, or reduce parking, building, or other development costs with respect to the development of residential housing supported by the project.”

WBA believes that passage of AB 264 will be beneficial to spur the additional development and construction of single-family workforce homes. When we have surveyed our membership over the past several years asking them what can be done to bring down the cost of workforce housing, we have learned the main costs drivers can be traced to the cost of residential infrastructure and the requirements passed by local units of government (impact fees and minimum lot sizes to name a few).

AB 264 addresses both of these issues by requiring a local unit of government to work with a developer to find ways to make changes on the local level to voluntarily reduce the cost of housing and provide a zero-interest loan at an amount that does not exceed 20 percent of the total cost of the project including land.

AB 268 establishes a zero-interest loan program that can be used for the remodeling or demolition of vacant commercial buildings that can then be used for workforce multifamily housing or senior housing.

Finally, AB 267 is a follow up to 2021 Act 221, which created a loan program for the remodeling of existing workforce homes administered by the Wisconsin Housing and Economic Development Authority (WHEDA). AB 267 makes some changes to the homes that may qualify for these loans in addition to including work done for the remove of asbestos and the repair or replacement of interior walls, ceilings, or floors.

According to our National Association of Home Builders, excessive and outdated regulations add over \$93,000 to the final price of a new home, increasing the total by nearly 24 percent.

Additionally, in a 2019 report titled Falling Behind: Addressing Wisconsin’s Workforce Housing Shortage, Wisconsin has created 75 percent fewer lots and 55 percent fewer new homes than pre-recession averages, in just the last 11 years. This scarcity has been compounded by a series of other factors, such as lot and other local government restrictions, volatile interest rates, and inflated costs of materials. These bills will go a long way in assisting the many challenges faced in the creation of workforce housing.

WBA members from across the state would ask for your support for **Assembly Bills 96, 266, 264, 265, 268, and 267** to increase the supply of workforce and senior housing throughout Wisconsin.





316 W. Washington Ave., Suite 600  
Madison, WI 53703  
Phone: 608-267-2380  
Fax: 608-267-0645  
Email: [league@lwm-info.org](mailto:league@lwm-info.org)  
Website: [lwm-info.org](http://lwm-info.org)

To: Assembly Committee on Housing and Real Estate  
From: Toni Herkert, Government Affairs Director, League of Wisconsin Municipalities  
Date: May 18, 2023  
RE: Workforce Affordable Housing Package – AB 96, AB 264, AB 265, AB 266, AB 267,  
and AB 268

Chairman Brooks, Vice-Chair Penterman, and Committee Members,

My name is Toni Herkert, and I am the Government Affairs Director with the League of Wisconsin Municipalities. The League represents almost all of the 606 cities in villages, large and small, throughout the state.

Thank you for the opportunity to provide testimony on the important topic of workforce housing and the package of bills before you today. The suite of housing legislation on your agenda is the result of several months of discussion on the housing problems facing every corner of the state. The League appreciates the opportunity to participate in the conversations that led to the creation of these bills. We also want to thank Representative Brooks and Senator Quinn for their leadership and all the authors for introducing this package. Finally, thanks to our partners in this process including the Realtors, Builders, Counties, and Towns for working together to deliver these greatly needed housing solutions. We support the creation of additional workforce, senior, and affordable housing and we support the process that was utilized. The resulting legislation is a step in the right direction and as a state we must act now.

According to a recent report by Forward Analytics, Wisconsin will need approximately 140,000 housing units before 2030 to meet the demand of the under 65 population and that number increases to over 200,000 if the state simultaneously addresses workforce shortages with increased migration into the state for employment.

If there is one thing municipal officials across the state can agree on, besides the need to develop a new way to adequately fund local governments and critical services in Wisconsin, it is that there is a housing crisis in this state. Seemingly every community has a shortage of affordable housing options. Whether in Marinette or Platteville, Columbus or New Richmond, Waukesha or Washburn, the availability and pricing of housing is not meeting the needs of people working in jobs that are vital to the success of Wisconsin communities. It should be a priority in our communities to have housing availability that teachers, nurses, firefighters, police officers, small business owners, and service industry workers can afford.

More communities, particularly small and rural, of which there are many in Wisconsin, have been frustrated with the traditional approach of waiting for the private sector to create

additional housing. A market for new housing does not exist in many Wisconsin communities regardless of the regulatory situation. Many communities could have no zoning or subdivision regulations and still not attract development. Some of these municipalities, as a result, have taken matters into their own hands to increase the availability of housing in their communities. Lancaster, Benton, Shullsburg, Fort Atkinson, and Hillsboro, for example, have acquired land, subdivided it, placed the utilities and infrastructure, and sold lots for single-family homes, duplexes, and apartments on their own to support residents and the business community. These incentives bills will encourage growth in some communities that may not be seeing growth.

While most communities choose not to become their own housing developer, many should review their zoning code and remove outdated and unnecessary zoning regulations and policies that inadvertently restrict the creation of more housing. It is critical to make the process of adapting existing housing stock and building more varied housing, including apartments, easier.

The League decided that municipalities needed a road map or tool kit for making zoning code adjustments that could remove such barriers. In 2021, the League partnered with the Congress for the New Urbanism (CNU) and a broad group of Wisconsin organizations (Wisconsin Realtors Association, Wisconsin Builders Association, AARP-Wisconsin, Wisconsin Housing and Economic Development Authority (WHEDA), National Association of Industrial and Office Parks (NAIOP-Wisconsin), and the American Planning Association-Wisconsin, to develop a Wisconsin centric guide to aid communities in making small zoning code changes designed to make it easier to create workforce and missing middle housing within a community. The guide, *Enabling Better Places: A User's Guide to Neighborhood Affordability* is posted on the League's website.

Examples of zoning code changes recommended in the guide include the following:

- Allow multi-unit housing as permitted uses in single-family zoning districts which have historically included two-family and multifamily.
- Realign lot widths and areas to match historic patterns favoring narrower lots.
- Reduce setbacks to historic distances to allow greater use of existing lots.
- Allow accessory dwellings for all single-family zoning districts.
- Permit residential uses within downtown and Main Street zoning districts.
- Permit residential uses, including multi-family, in commercial districts.
- Reduce or eliminate parking minimums.
- Assess and streamline the subdivision and workforce housing application process, including standards that direct development outcomes and establish a time limit on municipal response, such as 90 days.

Any of these modifications will put a community in a better position for decreasing development costs and increasing the housing supply over time. However, municipal regulations are not the sole or **even the primary** reason that we have a housing shortage in Wisconsin. Contributing factors include the lack of construction workers, increased costs of labor and materials, climbing interest rates and seniors staying in their homes longer. All these



316 W. Washington Ave., Suite 600  
Madison, WI 53703  
Phone: 608-267-2380  
Fax: 608-267-0645  
Email: [league@lwm-info.org](mailto:league@lwm-info.org)  
Website: [lwm-info.org](http://lwm-info.org)

factors create a perfect storm and equate to a drastic need for housing in the state and nationwide.

The League not only produced the zoning guidebook, but we also have been focusing on providing workshops and trainings on housing and innovative ideas for municipalities to adopt in their communities. In addition, we have been an active participant at the table during the conversations on most of the housing bills before you today.

The League supports AB 264 which provides for a residential housing infrastructure revolving loan fund and program, AB 265 relating to a main street housing rehabilitation revolving loan fund and program, and AB 268 addressing commercial to housing conversions. All these bills require communities to lower the cost of housing through zoning ordinance modifications related to proposed projects or more comprehensively throughout the city or village. Modifications can include increasing density, reducing setbacks or lot sizes, lowering impact fees, minimizing parking requirements or others. Items our members should recognize from our zoning guidebook.

While not dependent on modifications to municipal zoning or regulatory modifications, the League also supports the following proposals before you today:

- AB 96 which allows developer financed tax incremental districts to be exempted from the 12 percent rule. Under current law the equalized value of taxable property of a new TID plus the value increment of all existing TIDs in a city or village may not exceed 12 percent of the total equalized value of taxable property in the city or village. The exemption in AB 96 would be positive for municipalities and another tool in the toolbox to remedy our housing shortage. The bill is voluntary, so no requirements are placed on cities or villages.
- AB 267 which makes modifications to the housing rehabilitation loan fund and program created in 2021 Act 221 also introduced by Representative Penterman and Senator Stroebel which the League supported.

Finally, while the League supports the goal of incentivizing and creating additional workforce, senior, and affordable housing in Wisconsin and values the partnership in crafting the legislation in this package, we are taking a neutral position on AB 266. Assembly Bill 266, which the League has titled the Truth in Zoning bill, has three main provisions:

AB 266 provides a requirement that political subdivisions must approve an application for a permit or administrative approval required to proceed with a residential housing development if the application is complete at the time of submission and the development meets the political subdivision's existing requirements that must be satisfied to obtain the permit. The bill retains

municipality's legislative control over zoning while requiring administrative approval if a project meets all requirements in place at the time of application.

In addition, Assembly Bill 266 eases the process for rezoning by requiring a simple majority vote of the governing body to amend a political subdivision's zoning ordinance.

The bill also modifies the process for certiorari review of certain decisions of political subdivisions relating to zoning and residential land use by modifying the following provisions:

- Narrowing the persons who may seek review of these decisions to those that 1) submitted the application for approval; 2) have an ownership interest in the real property that is the subject of the application for an approval; 3) sustain actual damages or will imminently sustain actual damages that are personal to the person and distinct from damages that impact the public generally; or 4) are certain governmental actors.
- Requiring that the certiorari action be filed within 30 days of the final decision of the political subdivision.
- Specifying that a court's decision is based on the record provided by the political subdivision and may only affirm or reverse the decision or remand for further proceedings.
- Identifying deadlines for various steps in the review process to expedite the court's review.

Because our membership is very diverse from Big Falls with a population of 57 to the City of Milwaukee, we do not have consensus on this bill. When the League lacks consensus we stay neutral on a provision. But I guarantee that we will work diligently to inform and educate our members on the provisions in this bill. It does not represent a monumental shift in current practice and the local governing body retains the ability to set standards and permitted uses in local ordinances. It does drive home the point that once permitted uses are established communities must approve the associated administrative permits when all requirements are met.

As you have heard today, the workforce and affordable housing shortage in Wisconsin is a significant concern and one that the League has been willing and remains committed to tackle by working with our members and the Legislature on measures that can be successful and sustainable within our communities today and for years to come. Housing is not just a developer, realtor, business, workforce, financing, or municipal issue, it is a State of Wisconsin issue, and we are here today to help problem solve.

The League would like to thank Chairman Brooks and committee members for your leadership on this critical issue and your time and patience today. Thank you for your consideration. I would be happy to take questions now or you can contact me at your convenience at [therkert@lwm-info.org](mailto:therkert@lwm-info.org).

features homes sold during the second quar- mike@gnar.com.

**Home Affordability Report**

	LOWEST THIRD		MIDDLE THIRD		HIGHEST THIRD	
	Sales Price	Monthly Payment	Sales Price	Monthly Payment	Sales Price	Monthly Payment
Bayside	\$355,000	\$2,539	\$450,000	\$3,246	\$550,000	\$4,024
Belgium	\$242,500	\$1,589	\$285,750	\$1,883	\$425,000	\$2,746
Brookfield	\$344,900	\$2,277	\$464,500	\$3,068	\$700,000	\$4,665
Brown Deer	\$208,000	\$1,472	\$269,900	\$1,880	\$336,000	\$2,447
Cedarburg	\$361,750	\$2,339	\$476,000	\$3,107	\$682,000	\$4,439
Cudahy	\$191,500	\$1,372	\$248,000	\$1,738	\$296,050	\$2,059
Delafield	\$405,500	\$2,624	\$725,000	\$4,632	\$1,200,000	\$7,624
Eagle	\$310,000	\$1,999	\$450,000	\$2,864	\$595,000	\$3,813
Elm Grove	\$460,000	\$3,077	\$570,000	\$3,884	\$745,000	\$5,006
Fox Point	\$380,000	\$2,698	\$460,750	\$3,342	\$762,500	\$5,395
Franklin	\$330,500	\$2,283	\$439,500	\$3,019	\$625,000	\$4,321
Genesee	\$375,000	\$2,376	\$473,500	\$3,081	\$635,000	\$4,074
Genmantown	\$347,500	\$2,295	\$445,500	\$2,972	\$612,500	\$4,057
Glendale	\$218,000	\$1,559	\$280,000	\$2,066	\$423,250	\$2,988
Grafton	\$320,500	\$2,071	\$415,000	\$2,709	\$552,000	\$3,710
Greendale	\$256,000	\$1,814	\$320,000	\$2,255	\$415,000	\$2,923
Greenfield	\$223,000	\$1,569	\$280,000	\$1,965	\$375,000	\$2,611
Hales Corners	\$270,000	\$1,844	\$341,015	\$2,377	\$447,500	\$3,107
Hartford	\$244,750	\$1,580	\$370,000	\$2,360	\$412,500	\$2,718
Hartland	\$350,000	\$2,216	\$480,000	\$3,104	\$672,161	\$4,630
Jackson	\$265,000	\$1,766	\$385,000	\$2,535	\$435,000	\$2,921
Lisbon	\$365,000	\$2,304	\$548,000	\$3,459	\$677,450	\$4,326
Menomonee Falls	\$283,438	\$1,860	\$370,000	\$2,408	\$578,042	\$3,789
Mequon	\$405,000	\$2,645	\$565,000	\$3,695	\$928,700	\$6,141
Merton	\$324,900	\$2,035	\$536,500	\$3,364	\$726,700	\$4,660
Milwaukee	\$100,000	\$700	\$192,000	\$1,361	\$280,000	\$1,992
Mukwonago	\$312,500	\$1,997	\$432,500	\$2,753	\$604,900	\$3,930
Muskego	\$350,000	\$2,260	\$442,500	\$2,855	\$625,000	\$4,030
New Berlin	\$325,000	\$2,116	\$400,000	\$2,623	\$580,000	\$3,798
Oak Creek	\$299,500	\$2,095	\$358,950	\$2,523	\$462,000	\$3,215
Oconomowoc	\$350,000	\$2,261	\$498,936	\$3,264	\$687,500	\$4,541
Ottawa	\$316,000	\$2,003	\$500,000	\$3,183	\$704,750	\$4,439
Pewaukee	\$368,566	\$2,344	\$495,050	\$3,227	\$765,000	\$5,000
Port Washington	\$263,000	\$1,734	\$335,000	\$2,212	\$450,000	\$2,960
Richfield	\$355,000	\$2,299	\$586,000	\$3,718	\$682,950	\$4,440
Shorewood	\$400,000	\$2,889	\$547,500	\$3,928	\$772,500	\$5,722
Slinger	\$381,000	\$2,307	\$515,000	\$3,299	\$544,950	\$3,578
South Milwaukee	\$212,000	\$1,476	\$266,550	\$1,840	\$336,500	\$2,357
Sussex	\$350,000	\$2,217	\$488,550	\$3,140	\$615,000	\$3,999
Vernon	\$361,000	\$2,314	\$440,000	\$2,807	\$580,000	\$3,708
Waukesha	\$250,750	\$1,700	\$360,000	\$2,418	\$500,000	\$3,396
Wauwatosa	\$260,000	\$1,798	\$357,500	\$2,465	\$475,500	\$3,273
West Allis	\$171,000	\$1,218	\$220,000	\$1,543	\$264,000	\$1,846
West Bend	\$246,000	\$1,638	\$301,000	\$2,010	\$439,250	\$2,964
Whitefish Bay	\$415,000	\$2,820	\$580,000	\$3,960	\$960,000	\$6,563

# REAL ESTATE

SEAN RYAN covers commercial real estate

seanryan@bizjournals.com

414-908-0567

@seanryanmbj



## CLOSER LOOK

# FINANCING KEY TO TWO APARTMENT PROJECTS

### Developers would add 236 units to Walker's Point neighborhood

For two pending affordable housing projects in Walker's Point, the question isn't whether there is demand from people who would rent the apartments, but whether their developers can round up enough money to build them in today's financial environment.

Those projects with a combined 236 units both were awarded affordable housing tax credits by the Wisconsin Housing and Economic Development Authority on May 3. That same morning, the U.S. Federal Reserve approved another interest rate hike, which could further expand the budget gaps both must plug in order to break ground.

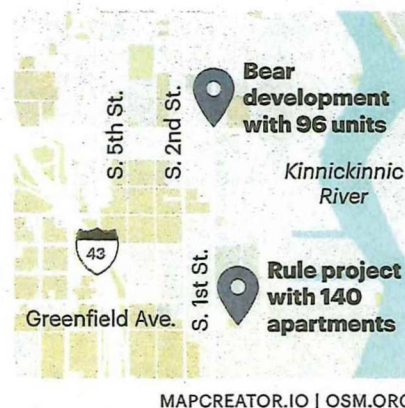
Brandon Rule hopes to close his financing in about a year on a \$42 million development with 140 apartments at Freshwater Commons in Walker's Point. The CEO of Rule Enterprises called the housing tax credits the "most important piece" of the financing package, but said he still must plug an expected budget gap of about \$5 million.

Rule said he's exploring Community Development Block Grant funds, state brownfield money to



CONTINUUM

A rendering of the affordable apartments Rule Enterprises plans on East Greenfield Avenue in Milwaukee's Harbor District.



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help cope with environmental contamination on the site, city of Milwaukee funding, and the Affordable Housing Program that is operated by federal home loan banks.

S.R. Mills, CEO of Bear Development, secured credits for a new building with 96 apartments a few blocks north of Rule's project. Mills said he could also seek city of Milwaukee tax incremental financing and money through the federal home loan bank's AHP program.

# milwaukee journal sentinel

## WEST SUBURBS

# An affordable housing project fell through in Wauwatosa. Storage units are taking its place.



**Quinn Clark**

Milwaukee Journal Sentinel

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After plans for over 500 apartments in Wauwatosa fell through last year, property at the site, 1300 N. Glenview Place, sat vacant. Now, a storage company will take its place.

While some alderpersons urged the council to wait until a similar project could come back, plans for Hansen Storage Company passed this month with an 8-5 vote.

Along with the hundreds of units planned, the aborted project, named Glenview Place, included 77 affordable apartments. It won the city's approval in 2021 but was dropped last year for financial reasons.

Wauwatosa needs affordable housing, a recent study showed, but spikes in inflation and interest rates on commercial loans have made it increasingly difficult for such plans to come to fruition.

Milwaukee-based Hansen Storage Company plans to offer indoor space for retailers to store merchandise. There are no plans to demolish or alter the existing buildings, said Peter Hansen, president of the company.

Hansen Storage already has a 300,000-square-foot location in Wauwatosa, at 2880 N. 112th St., which offers both indoor and outdoor storage spaces. Hansen told the city's plan commission that the new site, managed by 10 employees, will be much smaller, occupying a portion of one of the existing buildings at the site which are both under 200,000 square feet.

The exact amount of space Hansen Storage will occupy isn't determined yet. Hansen plans to lease out the remainder of the property to other businesses for storage purposes.

# Florida's \$711M affordable housing bill becomes law

It aims to incentivize developers of affordable, workforce housing with tax breaks, zoning workarounds



Gov. Ron DeSantis (Getty)

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By

[Katherine Kallergis](#)

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Florida Gov. Ron DeSantis signed affordable housing legislation that will pump \$711 million into housing programs and incentivize developers with major tax breaks.

DeSantis signed Senate Bill 102, known as the Live Local Act, on Wednesday, days after the legislation passed in the Florida House of Representatives. In addition to setting aside funds for affordable housing, the law will supersede local governments' zoning, density and height requirements for affordable housing in areas zoned for commercial or mixed-use development. It also strips local municipalities' ability to enact rent control, which was previously only possible during a housing emergency.

Developers of affordable housing and to a certain extent, those with mixed-use projects, will likely take advantage of the new law. Attorney Keith Poliakoff, of Fort Lauderdale-based Government Law Group, previously told *The Real Deal* that the legislation "takes a lot of the handcuffs off" of affordable housing developers.

Local governments would be required to allow multifamily or mixed-use residential projects that set aside at least 40 percent of the residential component for affordable housing for a period of at least 30 years. For projects allocating at least 65 percent of the square footage to residential, a county would not be able to restrict the height of a



~~proposed development below what's currently allowed within one mile of the planned project.~~

The \$711 million could also help fill funding gaps that have resulted in stalled projects across the state, at a time when the need for affordable housing has reached record highs, attorneys say.

South Florida became one of the least affordable housing markets in the country last year, following large gains in home prices and rents during the pandemic. That was in part fueled by the migration of people from out of state.

The funding breaks down to:

- \$259 million for the state's SAIL (State Apartment Incentive Loan) program, which provides low interest loans to workforce housing projects
- \$252 million for the SHIP (State Housing Initiatives Program), to incentivize local governments to partner with developers preserving or building new housing. Florida Housing and Finance Corporation administers SAIL and SHIP funds.
- \$100 million in non-recurring funds for FHFC to put into a competitive loan program that developers could tap to cover inflation-related cost increases for FHFC-approved multifamily developments that haven't broken ground yet.
- \$100 million for the Florida Hometown Heroes Housing Program. The homeownership assistance program, which was created last year, allows some buyers to finance home purchases with no-interest loans to reduce their down payment and closing costs. The law would codify the program and expand eligibility to more people, according to the Senate's analysis. Those buyers include people in law enforcement, military, first responders and teachers.

The Live Local Act also increases the amount of tax credits available through the Community Contribution Tax Credit Program for affordable housing to \$25 million annually, from \$14.5 million. And it provides up to a \$5,000 sales tax refund for building materials used to construct affordable housing units that were funded by FHFC.

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