

**9/28/04 Special Committee on Tax Exemptions for Residential Property  
Bureau of Housing, Division of Community Development, Department of Commerce**

The Bureau of Housing's mission is to preserve, improve and increase housing opportunities for Wisconsin residents of modest means (80% or below county median income). This is accomplished by providing state and federally-funded housing grants to local organizations, coordinating housing assistance programs and policies with those of other state and local agencies, and providing information and technical assistance. Annually, in partnership with 300 local agencies, we assist 3800 renters, 1700 homebuyers, 1,100 existing homeowners and thousands of homeless persons.

The potential withdrawal of residential property tax exemptions undermines the financial viability of homeless facilities and housing projects that the bureau supports as well as future low income-housing efforts. There are two activities where residential property taxation has the largest impact for us --beds/units in facilities designated for homeless persons and rental housing projects developed under our federal HOME program.

**Homeless:** Last month 40,746 nights of shelter were provided by homeless provider agencies across the state. Homeless persons stayed overnight in facilities owned or leased by a variety of local agencies. There are over 2900 emergency shelter beds and approximately 2500 transitional and supportive housing units utilized by homeless persons and households. Commerce coordinates funding of nearly \$9 million annually in support of homeless providers. We support shelter operations, transitional and permanent housing programs and facilities. Homeless providers already struggle mightily to provide services and affordable housing in a variety of settings to growing numbers of participants without shouldering added property tax payment burdens. Demand for Commerce's homeless funds greatly exceeds supply (over \$3 million unfunded requests) limiting our ability to support local property tax payments.

**Rental Developments:** The threat of property tax levies presents a serious threat to our current inventory of tax exempt affordable housing and poses a chilling effect on future affordable housing development across the state. Most of these units, developed with one-time grant funds and owned/managed by local community based organizations, are rented to the most vulnerable in our society - developmentally disabled, frail seniors, domestic abuse victims, individuals on fixed and extremely low incomes. The Bureau of Housing currently oversees the long-term affordability of 93 projects valued at \$10.5 million. These projects are underwritten on the assumption the property would remain tax exempt. The federal funds utilized to acquire/develop these projects are available for development capital only, there are no ongoing subsidies. Even after many years these properties rarely cash flow due to restrictive federal requirements and the static incomes of residents who pay no more than 30% of income for rent. Property tax payments would make these units unaffordable resulting in possible eviction of tenants and likely foreclosure of the property. Failure to comply with long term HUD affordability restrictions on these projects could force the state to make millions of dollars in payments back to HUD. If agencies cannot rely on future tax exemptions it is a huge disincentive to develop additional housing units. This puts at risk millions of future HUD dollars that won't be spent in the state for needed housing.

**Legislative solutions to this issue should keep in mind that:**

\*In the state's Consolidated Plan lack of affordable rental housing is one of our highest priorities. Thousands of families are on waiting lists for our programs and other HUD rental assistance programs. The higher rents associated with property tax levies on previously exempt properties makes it much tougher to keep housing affordable to currently assisted low income households with no positive impact on the thousands of individuals currently waiting for help.

\* Low-income housing development can be very effective when associated with mixed income/mixed use property. The higher revenues are used to subsidize low-income residents. Tenants can benefit from association with differently incomeed households or the services and goods offered in the nonresidential space. Proration of the tax-exempt benefits to such properties is important.

\* Many tenants residing in supported housing need special attention and care. Case management and supportive services are critical to the self-sufficiency of residents and very important to the success of the project. Project owner staff or other agencies under contract often provide these services. A too strict interpretation of allowing property tax exemption only if rental income proceeds are exclusively used for debt repayment and maintenance undermines this successful approach.

\* Tax exemptions carry with them a cost but affordable housing projects enrich local communities in many positive ways; They provide quality accommodations for minimum/low wage workers (retail clerks, cleaning and other service workers on whom our society depends). Community based housing for persons with developmental disabilities is a cost effective alternative to institutionalization, whereby substantial public funds are saved. Affordable housing is frequently developed on properties that need extensive redevelopment (such as infill on empty lots, brownfield cleanup, and demolition work). Eliminating eyesores and restoring properties to productive use adds value to the community and often serves as a stimulus to the improvement of adjacent areas. By the way, this type of development often requires long lead times and construction timeframes that may take years to complete. Levying taxes during the holding and construction periods will render projects unfeasible or require yet more scarce public subsidies.

In the face of statewide homelessness (>2000 persons daily with more than a quarter of them children), lack of affordability (almost half of low income households pay more than 50% of income for rent,) every program \$, every bit of savings generated, every in-kind donation and every property tax exemption is absolutely critical to solving our housing problems!

Department of Commerce  
Marty Evanson, Director  
Bureau of Housing  
PO Box 7970  
Madison, WI 53707  
608-267-2713  
mevanson@commerce.state.wi.us

## Tax Exempt WI HOME Rental Developments

As of September 2004, there are 93 projects developed by Community Housing Development Organizations (CHDO) that have utilized \$10.4 million of federal HOME dollars providing housing for 325 households whose incomes are 30%-60% of County Median Income (CMI).

COUNTIES	CITIES	units at 30%	units at 50%	60%	HOME \$\$\$
Barron	Barron	2	6		\$240,000.00
Chippewa	Chippewa Falls	3	8		\$450,000.00
Clark	Dorchester	4			\$226,000.00
Dane	Mt. Horeb	1	1		\$55,500.00
Door	Sturgeon Bay	6	3		\$270,000.00
Douglas	Barnes	3	3		\$200,000.00
Douglas	Duperior	9	7		\$335,000.00
Dunn	Colfax		11		\$330,000.00
Dunn	Menomonie	3	5		\$180,000.00
Fond Du Lac	Fond Du Lac	8	7		\$406,000.00
Green Lake	Berlin	2			\$60,000.00
La Crosse	West Salem	3	5	2	\$330,000.00
Manitowoc	Manitowoc	9	4		\$285,000.00
Manitowoc	Two Rivers	13			\$114,912.00
Marathon	Wausau	3	3		\$395,010.00
Marquette	Endeavor	1	3	2	\$180,000.00
Marquette	Montello	8	1		\$280,000.00
Marquette	Westfield	2			\$120,000.00
Outagamie	Appleton		18	1	\$534,992.00
Outagamie	New London	2			\$120,000.00
Pierce	Ellsworth	1	10		\$544,590.00
Polk	Clayton		8		\$160,000.00
Portage	Plover	2			\$140,000.00
Portage	Stevens Point	17	5	1	\$568,940.00
Rusk	Bruce	4			\$280,000.00
Sawyer	Hayward	8	11		\$992,400.00
St Croix	Glenwood City	2	6		\$330,000.00
Vernon	Viroqua		2		\$40,000.00
Walworth	East Troy		4	6	\$220,000.00
Waupaca	Waupaca	2			\$106,000.00
Waushara	Red Granite	1			\$20,000.00
Waushara	Wautoma	16	10	4	\$996,000.00
Winnebago	Menasha	5	1		\$183,000.00
Winnebago	Neenah	6	3		\$175,500.00
Winnebago	Oshtosh	12			\$320,300.00
Wood	Marshfield	6			\$282,000.00
<b>Total = 93 projects</b>	<b>= 325 Units / by CMI</b>	<b>164</b>	<b>145</b>	<b>16</b>	<b>\$10,471,144.00</b>

# Homeless Beds & Units - Wisconsin

As of June 2004

<u>Agency Name</u>	<u>Emerg Shelter # Beds Singles</u>	<u>Emerg Shelter # Beds Family</u>	<u>Trans Hsg # Units Singles</u>	<u>Trans Hsg # Units Family</u>	<u>McKnnv Perm Supp Hsg # Units Singles</u>	<u>McKnnv Perm Supp Hsg # Units Family</u>	<u># Motel Vouch Singles</u>	<u># Motel Vouch Family</u>
ADVOCAP, Inc.	0	0	7	14	0	0	2	22
AIDS Resource Center	23	0	0	0	0	0	0	0
American Red Cross - Marathon County	0	0	0	0	0	0	0	93
American Red Cross - Milwaukee	30	20	15	0	0	0	0	0
American Red Cross of Door County	0	0	0	0	0	0	12	12
ANET Project - Milwaukee County-DHS	0	0	0	0	0	0	0	0
Association for the Prevention of Family Violence	0	0	2	6	0	0	0	0
AVAIL, Inc.	15	15	0	0	0	0	0	0
Barton House	0	0	0	4	0	0	0	0
BCDAP	0	0	0	1	0	0	0	0
Beacon House	0	0	6	0	0	0	0	0
Bethany House of Hospitality	18	12	0	0	0	0	0	0
Bethel House	0	0	0	3	0	0	0	0
Bolton Refuge House Jackson County Outreach	0	0	0	0	0	0	18	8
Bolton Refuge House, Inc	4	14	2	7	0	0	0	0
Briarpatch, Inc.	17	0	0	0	0	0	0	0
Bridge to Hope	0	28	0	0	0	0	0	0
Britton House	0	0	0	0	0	0	0	0
CAP Service, Inc	3	15	6	0	0	0	0	0
Caring House Domestic Violence Shelter	22	8	0	0	0	0	0	0
Casa Cesar Chavez	3	0	0	0	0	0	0	0
Casa Claire	0	0	1	0	0	0	0	0
CASDA	0	16	0	4	0	0	0	0
Catherine Marian Housing, Inc./ Bethany Apartments	0	0	4	8	0	0	0	0
Catholic Charities - LaCrosse	0	0	0	0	0	0	22	8
Cedar Place	0	0	4	0	0	0	0	0
Center for Veterans Issues	0	0	72	12	10	6	0	0
Central WI Community Action Council	0	0	0	4	0	0	96	19
Community Action Coalition for South Central Wisconsin, Inc. (CAC)	0	0	0	0	0	0	13	8
Community Action, Inc. of Rock & Walworth Counties	4	8	0	0	0	0	5	2
Community Advocates	0	0	0	13	0	0	0	300
Community Housing and Services, Inc.	0	0	18	0	84	0	0	0
Community Outreach Temporary Services	0	0	45	0	0	0	0	0
Community Referral Agency	0	20	0	0	0	0	0	0
Cooperating Congregations of Waukesha County	0	0	0	0	4	4	4	8
Couleecap Inc	0	0	5	6	0	0	1	0
Dane County Parent Council	0	0	0	5	0	0	0	0
DayStar, Inc.	0	0	10	0	0	0	0	0
Domestic Abuse Intervention Services	5	20	0	0	0	0	0	0
Domestic Abuse Project	0	0	0	0	0	0	1	4
Domestic Violence Center	8	11	0	2	0	0	0	1
Dunn Co Interfaith Volunteers, Inc.	0	10	0	0	0	0	0	0
Eagles Nest Emergency Shelter	0	0	0	4	0	0	0	0
ECHO, Inc.	0	0	0	0	0	0	293	136
Emergency Shelter of the Fox Valley	40	35	0	0	0	0	5	20
Faith House	0	0	0	1	0	0	0	0
Families First of Monroe County	0	0	0	0	0	0	2	19
Family Advocates, Inc.	0	13	0	1	0	0	0	0
Family Center, Inc	0	19	0	0	0	0	0	0
Family Violence Center	0	40	0	0	0	0	0	0
Father Carr Place 2B shelter	75	0	0	0	0	0	0	0
First Resort	0	0	33	0	0	0	0	0

Forward Servcie Corporation	0	0	16	79	0	0	0	178
Freedom House	0	22	0	0	0	0	0	0
Friends Against Violent Relationships (FAVR)	19	19	0	0	0	0	0	0
Friends of Abused Families, Inc.	18	0	0	5	0	0	0	0
Grace Place	0	0	0	6	0	0	0	0
Guest House of Milwaukee	55	0	31	0	0	0	0	0
Hands of Faith Inc	0	14	0	0	0	0	0	0
Harbor House	7	25	0	0	0	0	0	0
Harbor House Crisis Shelter	0	15	0	0	0	0	0	0
hbc Services, Inc.	0	0	0	0	0	6	0	0
Health Care for the Homeless	0	0	0	35	0	0	0	0
Hebron House of Hospitality	15	40	0	2	4	4	0	0
HELP of Door County	0	4	0	7	0	0	12	12
Homeward Bound of Racine County, Inc.	37	37	0	32	0	0	0	0
Hope Gospel Mission	46	0	0	0	0	0	0	0
Hope Haven / REBOS United	0	0	70	0	0	0	0	0
Hope House of Milwaukee	8	0	13	65	5	15	0	0
Hope House of South Central WI	0	25	0	0	0	0	0	0
House of Mercy Homeless Center	8	17	0	0	0	0	0	0
Housing Initiatives, Inc.	0	0	0	0	56	0	0	0
Housing Partnership of the Fox Cities	0	0	0	16	0	0	0	0
Housing Support Services - Red Cross	0	0	0	0	0	0	0	0
Human Service Center	2	0	0	0	0	0	0	0
Interfaith Hospitality Network of Madison	0	14	0	5	0	0	0	0
Iowa County Homeless Resource Committee	0	0	0	0	0	0	0	1
Jefferson County Human Services (ABC Homeless)	0	0	0	0	0	0	0	11
Kenosha Human Development Services	3	0	35	8	0	0	0	0
Labor of Love (housing fo pregnant women)	4	0	0	0	0	0	0	0
Lakeshore CAP, Inc.	0	0	0	1	0	0	5	3
Love and Charity	22	22	0	0	0	0	0	0
Love, Inc.	0	0	0	8	0	0	75	39
Lutheran Social Services - Project Youth	0	0	10	7	0	0	0	0
Manitowoc County Veterans Office	0	0	0	0	0	0	2	0
Matt Talbot Recovery Center	0	0	7	0	0	0	0	0
Meta House, Inc.	0	0	0	100	0	35	0	0
Middleton Outreach Ministry	0	0	0	0	0	0	0	137
Milwaukee County Shelter + Care	0	0	23	0	280	48	0	0
My Home Your Home, Lissy's Place	0	0	0	0	0	0	0	0
New Beginnings Homeless Shelter of Dodge County, Inc.	0	12	0	0	0	0	0	0
New Community Shelter, Inc.	87	0	8	0	0	0	0	0
New Horizon Shelter	21	22	10	4	0	0	0	0
NEWCAP, Inc.	16	26	0	0	0	0	55	43
North Central Community Action Program	5	5	0	0	0	0	140	61
North Central Health Care Supportive Housing	0	0	0	0	0	0	184	63
Northwest WI Community Services Agency	25	0	0	5	0	0	12	37
Northwoods Women, Inc.	0	11	0	0	0	0	0	0
Oxford House	0	0	5	0	0	0	0	0
PADS **	50	0	0	0	0	0	0	0
Passages	0	20	0	16	0	0	0	0
PAVE Domestic Abuse Shelter	0	22	0	0	0	0	0	0
People Against Domestic Abuse (PADA)	0	0	1	1	0	0	0	0
Place of Grace	0	0	0	0	0	0	15	4
Polk County Housing Collaboration/Amery Homeless Shelter	0	9	0	0	0	0	0	0
Portage County Health and Human Services	0	0	0	0	0	0	9	7
Positive Alternatives	4	0	0	0	0	0	0	0
Racine Emergency Shelter Taskforce (REST)	60	60	0	0	0	0	0	0
Racine Mutual Housing Association	0	0	0	0	0	12	0	0
Racine/Kenosha Coummunity Action Agency	0	0	0	0	0	0	2	0
Rainbow House Domestic Abuse Service - Marinette	0	0	0	0	0	0	15	15
Rainbow House of Sauk Co.	6	6	1	1	0	0	0	0
Red Cliff Band of Lake Superior Chippewa	0	0	0	0	0	0	0	0

Red Road House	0	0	7	0	0	0	0	0
Rescue Mission - Joy House **	0	80	0	0	0	0	0	0
Rescue Mission - Safe Harbor **	250	0	35	0	0	0	0	0
Richard's Place	0	0	4	0	0	0	0	0
S.A.F.E. Haven (Innovative Youth Services of Racine, Inc.)	8	0	0	0	0	0	0	0
Safe Harbor	16	0	0	6	0	0	0	0
SafeStart/Room to Breathe	0	4	0	0	0	0	0	0
Salvation Army - Adams	0	0	0	0	0	0	13	13
Salvation Army - Appleton	20	0	11	0	5	10	0	0
Salvation Army - Barron	0	0	0	0	0	0	65	0
Salvation Army - Beloit	1	3	3	5	0	0	0	0
Salvation Army - Buffalo	0	0	0	0	0	0	3	2
Salvation Army - Chippewa	0	0	0	0	0	0	0	0
Salvation Army - Columbia	0	0	0	0	0	0	87	0
Salvation Army - Dodge	0	0	0	0	0	0	13	20
Salvation Army - Door	0	0	0	0	0	0	7	10
Salvation Army - Douglas	0	0	0	0	0	0	5	21
Salvation Army - Dunn	0	0	0	0	0	0	31	0
Salvation Army - Fond du Lac	0	0	0	0	0	0	56	24
Salvation Army - Forest	0	0	0	0	0	0	1	1
Salvation Army - Green Bay	0	0	0	0	0	0	0	200
Salvation Army - Jackson	0	0	0	0	0	0	0	0
Salvation Army - Janesville	0	0	5	5	0	0	0	0
Salvation Army - Jefferson	0	0	0	0	0	0	0	37
Salvation Army - Juneau	0	0	0	0	0	0	3	3
Salvation Army - LaCrosse	38	16	0	0	0	0	0	0
Salvation Army - Langlade	0	0	0	0	0	0	0	0
Salvation Army - Madison	30	60	8	0	0	0	55	410
Salvation Army - Manitowoc	4	1	0	0	0	0	15	21
Salvation Army - Marinette	0	0	0	0	0	0	50	50
Salvation Army - Monroe	24	3	0	0	0	0	0	0
Salvation Army - Monroe Outreach Extension	0	0	0	0	0	0	41	0
Salvation Army of Milwaukee (Lodge)	0	60	0	30	0	0	0	0
Salvation Army - Oshkosh	0	0	0	0	0	0	40	100
Salvation Army - Pepin	0	0	0	0	0	0	8	0
Salvation Army - Pierce	0	0	0	0	0	0	55	0
Salvation Army - Polk	0	0	0	0	0	0	39	0
Salvation Army - Racine	0	0	0	0	0	0	2	25
Salvation Army - Sheboygan	20	9	0	0	0	0	0	230
Salvation Army - St. Croix	0	0	0	0	0	0	111	0
Salvation Army - Stevens Point	26	16	0	0	0	0	0	0
Salvation Army - Taylor	0	0	0	0	0	0	8	11
Salvation Army - Trempealeau	0	0	0	0	0	0	0	2
Salvation Army - Washington	0	0	0	0	0	0	55	0
Salvation Army - Waukesha	30	0	0	0	0	0	3	0
Salvation Army - Wausau	34	3	0	0	0	0	0	0
Shalom Center	25	32	2	7	0	0	0	0
Sheboygan County Inter-Faith Organization	0	0	0	10	0	0	0	5
Shelter Care	0	0	4	0	0	0	0	0
Siena Apartments/CADASI for case mgmt	0	0	2	6	0	0	0	0
Social Development Commission - Family Support Center	0	70	0	72	0	0	0	0
Sojourner Truth House, Inc.	0	36	0	0	0	0	0	0
Southwest CAP	0	0	0	0	0	8	0	0
Spanish Center of Racine	0	0	0	18	0	0	0	0
St. Vincent de Paul - Dodge	0	0	0	0	0	0	10	35
St. Vincent de Paul - Green Bay	0	24	0	13	0	0	0	0
St. Vincent de Paul - Madison	13	0	15	3	0	0	0	0
St. Vincent De Paul - Marinette	0	0	0	0	0	0	21	6
St. Vincent de Paul - Prairie du Sac	0	0	0	0	0	0	71	44
St. Vincent de Paul Society - Manitowoc	0	0	0	0	0	0	18	2
St. Vincent de Paul Society - Washington	0	0	0	0	0	0	25	11

Starting Points, Inc.	0	0	5	70	0	0	15	54
Stepping Stones, Inc.	7	11	0	0	0	0	1	0
Stockbridge Munsee Family Services	0	1	0	0	0	0	0	0
TCCM - Pathfinders	8	0	0	0	0	0	0	0
Tellurian UCAN, Inc.	0	0	55	50	0	0	0	0
The Family Support Center	0	0	0	0	0	0	4	15
The Open Gate	0	0	48	0	0	0	0	0
The Women's Center	5	15	0	4	0	0	0	0
The Women's Community, Inc	28	10	0	0	0	0	0	0
The Youth and Family Project, Inc.	0	0	0	4	0	0	2	0
Transitional Housing, Inc.	124	0	41	13	60	25	0	0
Transitional Living Services	0	0	0	0	15	0	15	0
Tri-County Women's AODA Outreach	0	0	0	2	0	0	0	0
Turning Point	0	0	4	0	0	0	0	0
Turningpoint for Domestic Abuse	0	16	0	0	0	0	0	0
Unified Services/Crisis Intervention	0	0	0	0	0	0	119	0
Veterans Assistance Center (VAC)	0	0	74	0	0	0	0	0
Vet's Place Southern Center	0	0	0	30	6	0	6	0
Violence Intervention Project	1	2	0	11	0	0	0	1
Walker's Point Youth & Family	8	0	8	0	0	0	0	0
Washington County Housing Support Services	6	2	1	3	0	0	2	2
Washington Youth Treatment Center	20	0	0	0	0	0	0	0
West Central WI Community Action Agency	0	0	2	19	0	0	0	0
Western Dairyland EOC Inc	0	39	0	2	0	0	12	21
Wisconsin Correctional Services	0	0	13	0	0	0	0	0
WoMen and Children's Horizons	3	30	1	8	0	0	0	0
Women in Transition	0	0	19	0	0	0	0	0
Women's Resource Center	0	35	0	0	0	0	0	0
YWCA of Greater Milwaukee	0	0	0	37	0	0	0	0
YWCA of Madison	0	40	0	0	0	0	0	0
YWCA of Rock County	0	9	0	11	0	0	0	0
YWCA of the Coulee Region	0	0	0	6	0	0	0	0
<b>TOTAL BEDS/UNITS ALL AGENCIES</b>	<b>1,534</b>	<b>1,378</b>	<b>827</b>	<b>943</b>	<b>529</b>	<b>173</b>	<b>2,087</b>	<b>2,647</b>