

FIXING FOUNDATIONS – *WORKFORCE HOUSING LEGISLATIVE PACKAGE*

Overview of Legislative Proposals

- **Middle-income Housing Tax Credit Program (Assembly Bill 156)**
 - Create a new tax credit to address the “missing middle” (incomes between 60% AMI and 100% AMI)
 - The credit would be claimable for six years and is capped at \$42 million (\$7 million annually)

- **Regulatory Reform and Municipality Workforce Housing Incentive**
 - Require municipalities to zone at least one area for multi-family housing
 - Makes residential use a permitted use in all areas zoned for commercial use if they are not adjacent to an industrial use
 - Require governments to issue final street addresses upon plat approval
 - Creates an expedited approval process (90 days MAX) for new housing projects and requires that these plans get approved unless project is shown to have an adverse impact on community health or community plans
 - Require all cities and villages to use at least \$1 million in ARPA funds, or 10% of their allocation, towards housing projects
 - Can include new housing infrastructure, rehabilitation loan program, new housing loan program and/or redeveloping idle sites into housing units

- **Tax Assessment Reform**
 - Clarify that during disputes regarding the Wisconsin Property Tax Assessment Manual (WPAM), the statutes control practices
 - Assessors cannot use mortgages or bank appraisals to determine assessed value
 - Assessors cannot use projected rents to determine fair market value
 - Assessors cannot use list & asking prices to determine fair market value
 - Clarify that price trends cannot be used to determine fair market value
 - Club housing, swimming pools and other amenity buildings attached to multi-family properties cannot be considered in determining value of the property if the amenity does not receive any rental income

- **Local Housing Investment Fund**
 - Uses increased property tax revenue to create new housing options
 - Including housing construction and conversions
 - Applies to units up to 130% AMI, with the requirement that 50% of the funds be used for units under 100% AMI
 - Program is self-contained as the tax revenue difference is reinvested back into the program for the first 2-5 years after completion (depending on city classification)

- **Workforce Housing Rehabilitation Loan Program**
 - Creates a low interest loan program to upgrade eligible housing units in need of rehabilitation
 - Low interest rate (if not 0%)

- Limited to Single-family residences built before 1980
- Limited to homeowners at or below 120% AMI
- Eligible property improvements include lead paint hazards, electrical, plumbing, heating roofing, foundation, windows, exterior doors, insulation, and exterior surfaces

- **Certified Workforce Housing Development Sites**
 - Creates a certified workforce housing development site through WEDC
 - These areas would be pre-qualification properties that already have: 1) clean title, 2) proper zoning, 3) adequate utilities and infrastructure, 4) has no wetlands, 5) limits development fees to no more than \$5,000 a unit, and 6) will receive all development approvals within 60 days after forms are submitted

- **Sales Tax Exemption**
 - Creates a sales tax exemption for building materials, supplies, equipment and services used in the construction of workforce housing projects
 - Projects that qualify must meet the following characteristics: 1.) Have incomes that are between 60-120% AMI, and 2.) Occupancy costs are not more than 30% AMI (rents, payments)