

April 14, 2020

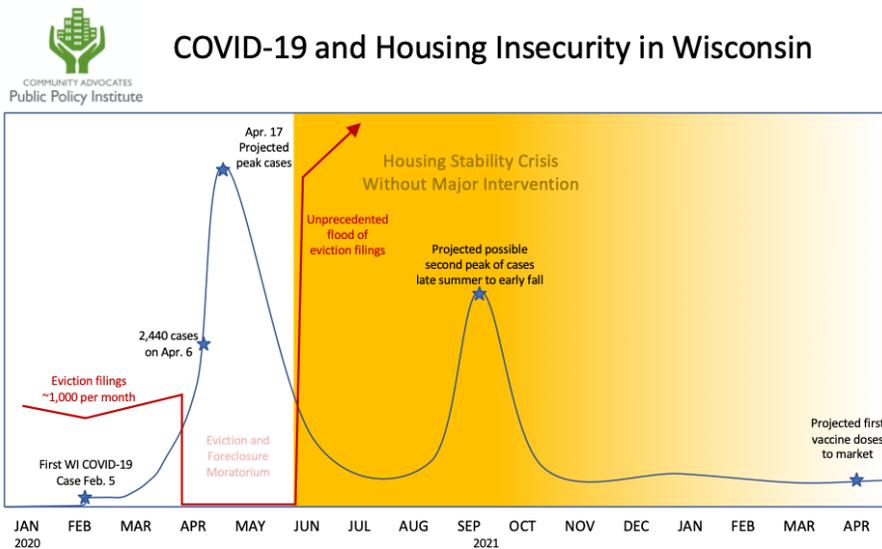
Dear Governor Evers, Majority Leader Fitzgerald, Speaker Vos, Minority Leader Shilling, and Minority Leader Hintz:

We write to you as organizations involved in rental housing, including landlords, tenant advocates, legal and social service providers, and mediators, with urgency about the large number of Wisconsinites facing housing insecurity today and over the next year or longer.

Thank you for your efforts to address the COVID-19 public health emergency and associated economic challenges. At the end of the Governor's ordered 60-day moratorium on evictions, there could be a flood of eviction filings if resources are not put towards preventing it. In anticipation of an extraordinary housing insecurity crisis, Community Advocates, Mediate Milwaukee, Legal Aid Society of Milwaukee, and other partners, launched an Emergency Rent Help Line for tenants and landlords.

Since March 31, 2020, the emergency rent help line experienced a doubling of calls, with the majority of calls being from tenants unable to make their rents due to loss of income.

At the same time, rental housing owners face uncertainty about their ability to pay deferred mortgage payments, taxes, insurance, sewer and water, and maintenance costs. This will impact not only these owners, but also municipal budgets, and future housing costs for tenants. The Wisconsin Apartment Association (WAA), the Apartment Association of Southeastern Wisconsin (AASEW) and other Wisconsin rental housing trade organizations support efforts to reduce the current and future negative impact this crisis will have on rental housing and those who live in rental housing. In the immediate years after the housing crash of 2008, many landlords failed. Mortgage and tax deed foreclosure led to many properties being abandoned and vandalized. Hundreds were razed in Milwaukee alone, contributing to the current shortage of affordable housing.



This housing insecurity crisis *can be prevented* with swift and comprehensive intervention.

Governor Evers has the authority to award substantial funds from the CARES Act to Dane and Milwaukee Counties and the City of Milwaukee. We urge the Governor to specify that an appropriate percentage of those funds must be used for housing purposes. We also urge you to consider a package of measures to help Wisconsinites avoid housing insecurity, including:

1) Temporary Rent Assistance

Increased funding for temporary rental assistance would help people through this financial challenge. Unfortunately, many tenants do not fit into traditional HUD income eligibility criteria for rent assistance. Increased flexible funds for rent assistance without stringent income stipulations would allow tenant advocates to provide this pool of tenants with the help they need, allowing them to get back on their feet so they do not become at risk of eviction and homelessness once the moratorium is lifted. Providing rental assistance at this critical time reduces the risk of displacement due to evictions and/or increased cost and reduced housing choices due to foreclosure and abandonment as we saw in the 2008 housing crisis.

2) Mediation and Legal Services

Grants to non-profit mediators and non-profit legal services providers would help low-income tenants and landlords avoid an eviction. With the availability of several new sources of increased financial assistance, some tenants will be able to make payments but may not be able to fulfill the terms of their lease, therefore a mediation may be helpful. Additionally, increasing mediations would reduce the burden on court systems and lessen the impact of a possible judgment of eviction in a court-filed case.

3) Housing Navigation Services

Increased funding for Housing Navigators would help assist those in need find and access affordable, quality, and stable housing. In some instances, the mediated option is an agreement between a tenant and landlord on a move out plan. Additionally, individuals experiencing homelessness often have barriers to securing rental housing. Housing navigators work with individuals in both situations to provide housing searches, application assistance, secure rent and security deposit subsidies, complete Section 8 paperwork, etc., to secure appropriate, affordable, quality and stable rental housing and facilitate timely move outs.

4) Financial Assistance to Landlords

The landlord associations are proposing a program of assistance to rental property owners adversely affected by rent losses due to the pandemic and current substantial shutdown of the economy. Such assistance should be in the form of a voucher or other direct payment to the landlord. Landlords and tenants will benefit if landlords have the financial ability to continue providing services to tenants.

5) Significantly Boosting the State Homestead Credit

Wisconsin's Homestead Credit is a state tax credit for low-income renters and homeowners with incomes lower than approximately \$25,000 per year, and in 2018 it offered a maximum credit of \$1,168. We request that the credit be expanded to households with incomes lower than \$40,000 per year, the maximum credit be increased to \$1,500 per year, the increase be retroactive to the 2019 tax filing year so that the benefit will be credited this year to tax filers, and that it be indexed to inflation in future years.

6) Funding for various housing responses, including:

Tenants, homeowners, landlords, emergency shelters, and all housing providers are struggling with financial questions during this unprecedented time. The State of Wisconsin should provide housing stabilization funding with newly available federal dollars (FEMA, CARES Act, HUD, etc.) and a significant investment of state general purpose revenue (GPR). These efforts should include funding for:

- 1) Grants to community organizations to screen and then assist individuals experiencing housing insecurity;

- 2) Emergency shelter grants to offer pay incentives to retain and schedule staff, increase staff capacity, purchase personal protective equipment and cleaning supplies, increase bed capacity, and increase services to move clients to permanent housing;
- 3) Counties to establish safe housing situations for people to safely quarantine and to supplement shelter capacity;
- 4) Housing First programs to rapidly stabilize people in need of permanent housing and help keep them there with ongoing case management services; and
- 5) Significantly expanding housing supports provided by the Department of Corrections for people leaving incarceration.

We are coming to you together as rental housing stakeholders to share these recommendations to help prevent a housing insecurity crisis during this pandemic. Thank you for your leadership and consideration of these recommendations.

Sincerely,

Community Advocates, Inc.
Wisconsin Apartment Association
Apartment Association of Southeastern Wisconsin
Mediate Milwaukee
Legal Aid Society of Milwaukee