Apartment Association of Southeastern Wisconsin

Advocating for Sustainable Rental Housing

E-mail: membership@AASEW.org

Website: www.aasew.org

Multifamily Investing Panel & Preparing For Eviction Court Changes

Interested in multifamily investing but don't know where to start? Come listen to our panel of experts share their specific strategies to unlock the power of multifamily investing. PLUS a special presentation from our legal team on the breaking news regarding the Milwaukee court's eviction process. We want you to be prepared! Hope you can join us for this exciting double-event!

When: May 16, 2022
5:30 PM: Registration and Check-in
6:00 PM: Presentation and Q&A
*Social Hour to follow

Where:
Sonesta Milwaukee West
10499 W. Innovation Dr.
Wauwatosa, WI 53226
Cost:
AASEW Member - Free
Non-Member - $25

**Appetizers and Cash Bar will be available

Register Here!

For event questions email admin@aasew.org or **262 893 8691**

AASEW Mission Statement:
"The Apartment Association of Southeastern Wisconsin is your primary resource for education, mutual support and legislative advocacy for the successful ownership and management of the rental property."

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Fed Follows Through With Biggest Rate Increase Since May 2000

By Christine Cooper, CoStar Analytics

In a unanimous decision, the Federal Reserve's policy-setting committee boosted interest rates by 50 basis points, or half a percentage point, for the largest increase since May 2000 as it seeks to tackle inflation.

The decision sets the overnight lending target rate for banks to between 0.75% and 1% and follows the Fed's initial hike of 25 basis points at its meeting in March. The central bank also said it will begin to trim its balance sheet of Treasurys and mortgage-backed securities on June 1. Taken together, the tightening action marks the Fed's most aggressive monetary stance in decades as inflation has reached a 40-year high.

Federal Reserve Chairman Jerome Powell opened his post-meeting press conference, the first time it has been hosted in person since the pandemic's onset, with a statement to "the American people" offering reassurance that the Fed recognizes that inflation is too high but asserting that the Federal Open Market Committee has the tools to fight inflation effectively.

In its statement, the Fed noted that "ongoing increases ... will be appropriate," and Powell suggested that hikes of 50 basis points were likely at the central bank's next two meetings while noting that there remains a great deal of uncertainty in the economic environment. The Fed's statement included references to both the war in Ukraine and the COVID-related shutdowns in China's manufacturing centers as risks, which have contributed to escalating prices of food and energy and exacerbated disruptions to supply chains.

The Fed's process of quantitative tightening would target a reduction of Treasury holdings by $17.5 billion and of holdings of agency securities by $30 billion in each of the next three months, rising to $35 billion and $60 billion, respectively, per month thereafter. Its balance sheet reached almost $9 trillion as the Fed intervened in markets to support the economy during the pandemic.

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The announcement of a rate hike came as no surprise as Fed governors have been broadcasting their intent to tighten policy further. Powell all but promised a 50-basis point increase while at an event last month. The Fed has been seen by many as too accommodative, acting too late, and there are those that have suggested it must now be far more aggressive at monetary tightening in the coming months to achieve price stability.

Aggressive rate hikes, however, come with the risk of slowing the economy too much and tipping it into recession. The economy contracted in the first quarter of 2021, with gross domestic product growth falling by 1.4% to the Commerce Department's advance estimate. This was large because companies allowed their inventories to run down after stocking up in the second half of last year ahead of supply-chain disruptions and a drop in net exports as imports surged.

But in response to several questions about the possibility of falling into a recession, Powell reiterated the committee's position that the economy is on a very strong footing given the strength of household spending and business fixed investment and that it is well-positioned to tolerate tighter monetary policy.

President's Note: CoStar is a professional business partner of AASEW as we have received permission to re-publish this subscribers-only article for our members.

Wisconsin tenant eviction records: How long should they be retained?

By Jenna Sachs, www.fox6now.com

In March, Legal Action of Wisconsin filed a Rules Petition with the Wisconsin Supreme Court asking it "use its authority to reduce the length of time eviction records are held."

Legal Action asked the court to cut the "record retention period to one year for most eviction cases and keep the retention period at twenty years only for evictions where the court orders a renter to pay the money back to their landlord."

"Eviction is a scarlet letter that people bear," said Raphael Ramos, director of the Eviction Defense Project at Legal Action of Wisconsin. "[One year is] hopefully something that's fair and really gives people an opportunity to get back on their feet and find some housing."

Legal Action argues that evictions disproportionately impact people of color and single mothers. It says keeping these records for decades reinforces segregation by limiting housing options.

"The face of eviction is, unfortunately, African-American single mothers," said Ramos.

Larry Jones was evicted from Milwaukee in 2021. For eight months, Jones says he had no option but to sleep in his car. "People didn't want to rent to me," Jones told Contact 6.

Jones says the eviction was his first. While applying for apartments, he says there was no escaping his record.

"[Landlords said] right out of the gate, "no evictions in the last 10 years," said Jones.

In Wisconsin, most evictions remain on record with the courts for 20 years and are available at the circuit court clerk's office.

Landlords can easily find tenant records on the Wisconsin Circuit Court Access (WCCA) website, where most eviction cases appear for 20 years. Dismissed eviction cases appear on WCCA for two years.

Chris Mokler is the Director of Legislative Affairs for the Wisconsin Apartment Association (WAA). He tells Contact 6 that landlords deserve to know whether a tenant they're screening has a pattern of eviction.

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Mokler describes the eviction process as time-consuming and expensive for a landlord.

"One year is just way too short for anybody who wants to look at a public record," said Mokler. "I think it's fair that the landlord knows there's that possible history out there,"

Mokler says the WAA will file a memorandum with the court arguing one year is not enough time and any changes to eviction record retention must go through the legislature.

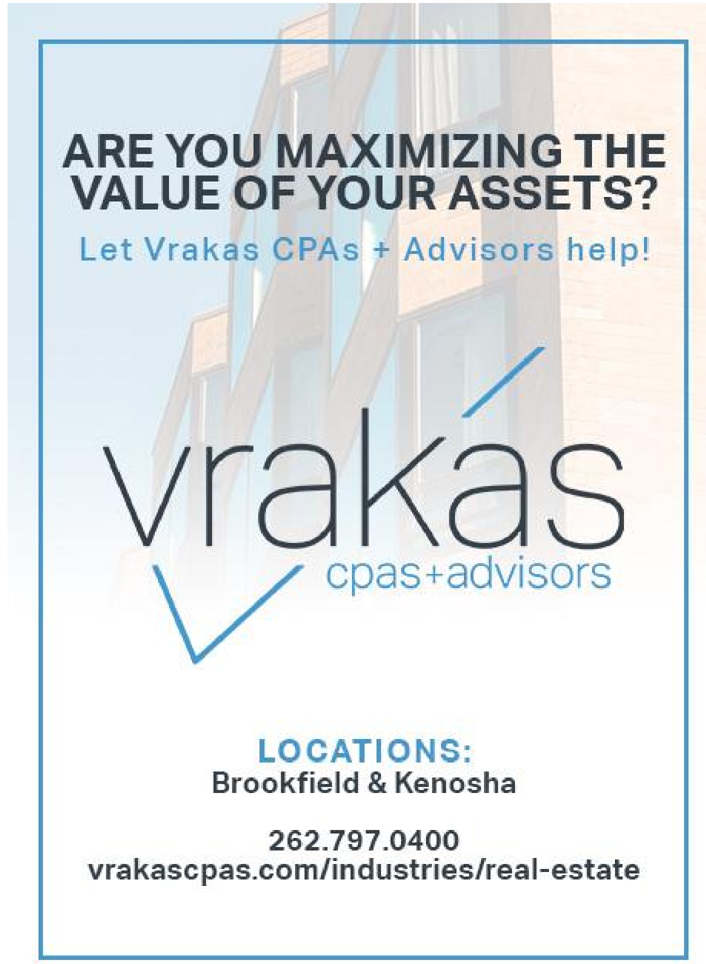
Mokler says the WAA is open to reducing the number of times evictions remain on record, but to a few years, not one year.

"The landlord ultimately wants to have a quality tenant that enjoys living there and pays the rent and they have a good relationship," said Mokler.

Jones found a new apartment in Milwaukee. He sold the car he lived in for the down payment. Jones says he plans to stay in his unit for a long time.

"I've been on the street too long," said Jones. "I've got to stay right here."

It will likely be several months before the Supreme Court reviews Legal Action's petition.



"Mothers are like glue. Even when you can't see them, they're still holding the family together."
— Susan Gale

Rent relief helped prevent more than one million evictions in 2021

By Anna Bahney, www.edition.cnn.com

The federal government's emergency rental assistance program helped prevent more than one million evictions last year.

An estimated 1.36 million renters avoided an eviction filing in 2021 as a result of the government's unprecedented $46.5 billion rent relief program and other protections, according to a recent analysis by Princeton University's Eviction Lab published earlier this month.

Treasury officials reported Wednesday that $30 billion in emergency rent relief was spent or obligated by the end of February. Despite a slow and confusing initial rollout of the program last spring, more than 4.7 million payments were made to households since January 2021. Treasury expects the remainder of the funds to be exhausted by the middle of this year.

Impact of the assistance

A national eviction ban was put in place in September 2020. While it did not stop all evictions, it significantly slowed the tide of eviction filings until the emergency aid could reach struggling renters and their landlords, White House and Department of Treasury officials said.

"We knew from the start that we faced a race with time to get the emergency rental assistance flowing to a significant degree by the time the national eviction moratorium was lifted," said Gene Sperling, the White House American Rescue Plan coordinator. "We largely won that race."

In the six states and 31 cities tracked by the Eviction Lab researchers, eviction filings fell sharply at the onset of the pandemic but then increased in the later months of 2020 even with the ban in place. Given the increased number of renters experiencing economic hardship as the pandemic continued into 2021, experts worried about a "tsunami" of evictions and anticipated the number of filings to skyrocket above levels seen in 2019.

But the opposite happened. In a typical year, roughly 865,000 eviction cases were filed in the areas the Eviction Lab tracks. In 2021, roughly half as many evictions were filed, with 434,304 cases. Evictions fell in all but one of the 31 cities tracked in 2021. The outlier was Las Vegas, where jobs in tourism evaporated, adversely impacting a large number of renters in the city's service sector, according to the report.

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New York City had the biggest reduction in eviction filings from typical levels, with the report estimating nearly 184,000 eviction cases were avoided in New York City.

The emergency rental assistance was found to have a strong impact on the low-income and majority-Black neighborhoods that see a disproportionate share of eviction cases.

Those areas experienced the largest absolute reduction in eviction filings last year, the Eviction Lab report found.

The report found that in 2021 the most disadvantaged neighborhoods experienced the biggest gains in terms of rental housing stability. But it also found that, among the eviction cases filed, women of color were disproportionately affected.

More than 80% of emergency rental assistance reached the lowest income households, according to the Treasury, with about 40% of all applicants who received assistance self-identifying as Black, and about 20% self-identifying as Latino.

Moving remaining money

The federal emergency rent relief was approved in two rounds of funding. The first included $25 billion under the Consolidated Appropriations Act at the end of 2020 and $21.55 billion under the American Rescue Plan Act in March 2021.

Some state and local governments have exhausted allotted funds while others have not distributed everything they have received. As a result, Treasury has been reallocating money to ensure it gets to renters most in need. Of the $25 billion in the first batch of money, Treasury has already moved $2 billion in underused funds. Beginning in April, funds from the second batch will be reallocated.

This process has "allowed dollars to flow to places with high need," said Noel Poyo, Treasury Deputy Assistant Secretary for Community Economic Development. "Generally reallocated funds went to higher need areas with more diverse communities."

He said he expects that trend to continue with the available funds from the second batch of money. But it is a challenging balance to strike, Poyo said, between getting dollars to places where they are running out of funds and making sure that money is still available in places where assistance may have gotten started more slowly and people remain in need.

Treasury is encouraging state and local governments to use the additional funding to assist more renters and make continued investments in housing stability.

"In just one year, the Emergency Rental Assistance program built a national infrastructure for eviction prevention that never existed before and has helped keep eviction rates well below historic averages throughout the pandemic," said Poyo. He also suggested state and local governments build on the network for the support they have established and provide services like housing counselors, "that will help families avoid economic scarring long after Covid-19 is in the rearview mirror," he said.

What Higher Mortgage Rates Mean for the Housing Market

By Angie Basiouny, www.knowledge.wharton.upenn.edu

The recent uptick in mortgage interest rates is having a chilling effect on home buyers at the moment, but Wharton real estate professor Benjamin Keys doesn't expect that to last.

Sky-high rents have been spiraling faster than home prices in the last decade, which will continue to push many Americans toward home ownership. With a fixed-rate mortgage, they can budget a stable monthly housing expense for the next 15 or 30 years.

"What's fascinating about the housing market right now is the forces of supply and demand seem to be out of whack," Keys said during an interview with Wharton Business Daily on SiriusXM. "We are in a really unique housing market right now, where we have both interest rates rising and we have housing prices rising."

Mortgage interest rates have increased across all categories in the last several weeks, following the Federal Reserve's first rate hike since 2018 to fight inflation. The interest rate on a 30-year fixed-rate mortgage topped 5% last week, compared with less than 3% a year ago. The jump corresponded with a 40% drop in mortgage applications from a year ago.

"Aside from a few days in 2018, we haven't seen rates this high persistently since around 2011," Keys said. "Mortgage rates are the real focus among a lot of people right now, and trying to understand what impact [that is] going to have on housing markets."

He said the rate hike immediately incentivizes current homeowners to stay put because they're "locked in" to the great low rates they got over the last few years. It also "locks out" prospective homebuyers who now have to worry about higher interest rates adding hundreds of dollars a month to mortgage payments on homes that are already priced historically high. The median sale price of a home in the U.S. hit $405,000 in March for the first time ever.

Rates and Refi

The rate hike is also cooling off the red-hot refinancing market, evident in the reported layoffs in the mortgage industry. The professor said he's waiting to see whether companies will get creative to make up for the financial losses.

"The products that had teaser rates and option ARMs and all of the sort of scary monsters that we think of back during the financial crisis, those really grew out of a similar collapse in the refinancing market," he said. "So, it will be interesting to see if lenders pivot to some of these more affordable products, especially in the face of high prices."

Keys explained that the Fed bought mortgage-backed securities during the financial crisis and again during the COVID-19 pandemic to provide liquidity to the market when investors were skittish. But Federal Reserve Governor Lael Brainard indicated last week that the agency will begin reducing its portfolio of mortgage-backed securities because of the strong economic recovery. Keys said that announcement is also factoring into the higher mortgage interest rates.

Still, Keys noted, demand for housing is outstripping supply. In addition to rising rents and the scarcity of rental units, other demographics are contributing to the trend: a strong labor market, higher personal savings during the pandemic, and millennials who survived the Great Recession and are now financially ready to buy homes for their growing families.

"I think there's a ton of uncertainty about where rates are going to head in the coming year," he said. "We just have a very uncertain economy at the moment for so many reasons. We have the invasion of Ukraine. We have a variety of supply chain issues. We do still have a global pandemic going, and then we have this question of how the Fed is going to approach issues with inflation and how aggressive they're going to be."

How Does Minimum Wage Affect Rent Prices?

By Remen Okoruwa, www.biggerpockets.com

Increases in the minimum wage can be good for landlords. A stand-out benefit is that renters are less likely to default on their monthly rent payments. This equals more financial security for you and your tenants.

But while your tenants may have the ability to afford rent much better than before, you could also raise your rates.

How does minimum wage affect rent prices in the grand scheme of things?

Overview of minimum wage in the United States

According to reports, 26 states will increase their minimum wage in 2022, but unevenly.

For example, the minimum hourly wage in Colorado increased by as little as $0.22 to $12.56 per hour on January 1. More substantially, in Florida, the minimum wage rose from $8.56 to $10.00 per hour this past September.

Minimum wage has been a topic of discussion for a long time, with proponents on each side arguing that it's either essential or debilitating to the economy as a whole. Overall, $15 per hour is viewed as the gold standard by most minimum wage increase supporters. So far, the only state that has achieved a state-wide $15 minimum wage is California, which also happens to be one of the most expensive states to rent in.

How a higher minimum wage affects the ability to pay rent

One factor of a higher minimum wage that's beneficial in the real estate industry is the greater ability of tenants to afford housing costs.

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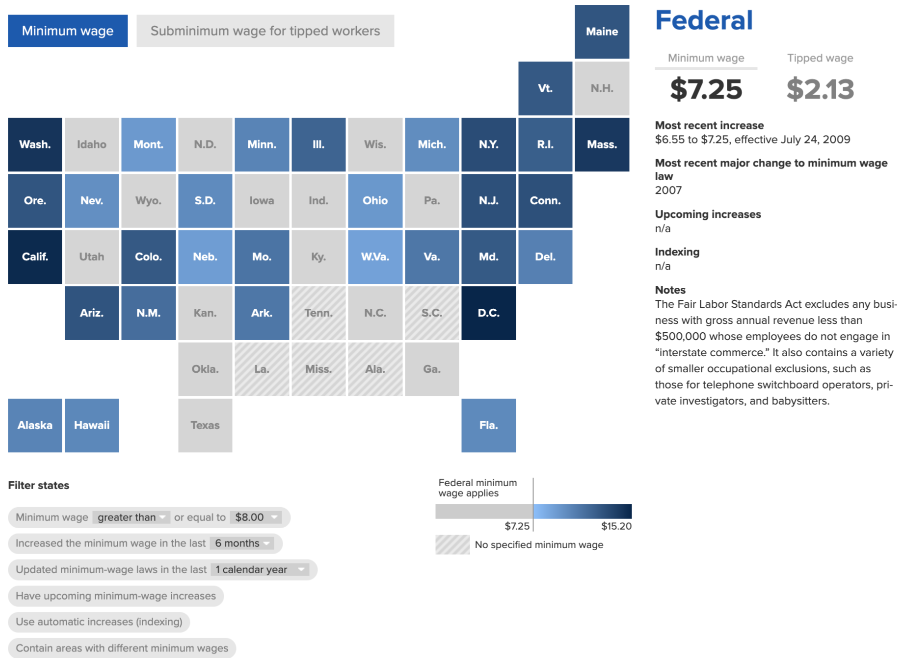

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A study published in the Journal of Urban Economics analyzed rent payment data from 14 states from 2000 to 2009. Researchers found that one of the benefits of increasing the minimum wage was that renters found it easier to meet rent obligations. For example, several months after the increase in wages, there were 10.6% fewer rent defaults than in states where wages remained the same.

However, the 2022 study found one caveat — higher minimum wages also resulted in an average rent increase. On average, it took landlords three months to raise rent. However, increasing the price of rent didn't drive missed payments. According to the data, the boost to tenant incomes was enough to cover the rent hikes.

What does this mean?

It means that an increase in minimum wage equates to an increase in rent price. An upward movement in median rent prices implies that rental properties remain a good investment, despite a changing economy.

How to raise the rent when the minimum wage increases

Suppose you're a landlord. Of course, you want to maximize your property's potential if the rental market is "red-hot". But the conversation about increasing rent can be tricky and stressful to have with your tenants.

Maintaining a competitive rental price is critical to running a successful rental business. However, state laws typically dictate when you can raise rent and by how much. For example, you can specify the period for a fixed rent price in the lease in some cases. Or, if you rent to Section 8 tenants, you can only increase rent annually. But there may be a cap on the annual rent increase you can charge in a rent-controlled area.

However, you cannot raise rent prices in some cases — even if you face increased maintenance and utility costs. Here are a few instances where it's impossible to increase rent:

- You want to increase rent before the lease ends
- You didn't give proper notice about the raise in rent
- Local rent control laws cap the allowable rent increase
- There is no provision in the lease for a rent increase

The increase could be interpreted as retaliatory or discriminatory, making it an illegal rent increase.

Let's suppose you can increase rent — how should you go about it? First, it's vital to communicate openly with your tenant.

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You can explain why the rent increase is necessary and why it's still competitive with the rental rates in the local area. In general, it's good practice to keep reasonable, consistent rent prices in line with the local market.

Finally, if you have a rent increase policy in the lease agreement, it becomes much easier to increase rent.

You can start the process of increasing rent by sending your tenants a rent increase notice letter.

What is a rent increase notice letter?

A rent increase notice is a written document or letter where a landlord informs the tenant about a planned change in rent. You must send the rent increase notice at least 30 days in advance if the tenant is on a month-to-month tenancy or a fixed-term lease has provision for it.

Before preparing and sending the rent increase notice letter, get advice from a real estate attorney to ensure compliance with local laws and the terms of your rental agreement.

State laws typically regulate the method of sending a notice of rent increase. It's standard that the notice is in writing, and you have proof that the tenant received the letter. Therefore, it's best to send the rent increase letter by certified mail. But in some states, a sheriff must deliver the notice.

Regardless of which state you live in, the letter should always be friendly and courteous. You should include the standard information for any legal document: name, address, and date. However, the rent increase notice should include the rent increase date, the current rent amount, and the increased rent rate.

The amount of notice to give tenants before increasing rent depends on the type of rental agreement and local laws. At a minimum, you must provide official notice at least 30 days before the increase.

However, you must wait until the lease expires in some cases before negotiating an increased rental amount with the tenant.

Fair Housing Means Discriminatory Screening Practices Must End

By ACLU Wisconsin, www.aclu-wi.org

Each April, we celebrate National Fair Housing Month. This year, April 11 marks the 54th anniversary of the 1968 Civil Rights Act known as the Fair Housing Act. This landmark legislation outlawed housing discrimination on the basis of protected classes such as race, color, sex, national origin, and religion, providing a legal basis to remedy racism in housing transactions.

Despite the passage of the Fair Housing Act, fair housing continues to be an issue in Milwaukee. Formerly incarcerated individuals and people with prior eviction records face additional challenges in accessing safe and affordable housing. This targeted discrimination disproportionately impacts Black and Brown people.

This year, evictions have hit a high point. In fact, there are now more eviction filings than pre-pandemic. We are in the midst of a housing crisis in which rents have risen and wages have not, so there isn't enough affordable housing.

One of the groups most forgotten who struggle to find affordable housing are formerly incarcerated, people. After incarceration, one of the most important aspects of successful reentry into the community is access to housing.

Unfortunately, many landlords discriminate against those trying to reenter society by barring anyone with a previous criminal conviction or arrest record from renting housing. Racially discriminatory screening policies which ban tenants with arrest records or previous convictions block already vulnerable populations from attaining a place to live.

Another group that struggles to find housing are tenants with previous eviction records. Blanket bans on tenants with eviction filings on their records do not take into account the many reasons a landlord might have filed for eviction such as a pandemic-related job loss or an unexpected medical emergency.

In Milwaukee, we've seen that eviction also disproportionately affects Black women more than any other demographic.

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Would you like to submit an article for publication in the AASEW newsletter?

Here are the current submission guidelines:

Deadline for all submissions is the first of each month.

The newsletter will be delivered electronically to the membership around the 10th of the month.

Limited print copies of the newsletter may be available at the General Membership Meeting following its publication.

We are happy to accept one article per author per newsletter. Please keep the article to approximately 500 words in length.

Any edits made to an article (generally for length) will be approved by the contributor before it is published.

All articles must be properly attributed.

The Editorial Staff reserves the right to select articles that serve the membership, are timely, and are appropriate.

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Harvard sociologist Matthew Desmond found that Milwaukee women renting in Black neighborhoods faced eviction more than 1.8 times as often as male renters from the same neighborhoods and more than five times as often as women renters from white neighborhoods.

It follows that the common practice of screening out potential tenants based on eviction records disproportionately impacts Black women. Anti-discrimination laws like the Fair Housing Act should prevent this intersectional racial and gender discrimination.

Instead of blanket bans on former convictions or evictions, landlords should conduct individualized analyses of candidates. Public and subsidized housing specifically must end unfair screening policies because people who were formerly incarcerated or evicted are the very ones most in need of public housing.

Racial disparities in housing perpetuate structural racism in Milwaukee. Housing is intricately tied to wealth, health, education, voting enfranchisement, and more. People with eviction or conviction records need support in securing affordable housing, not obstacles. The Fair Housing Act is clear: Black women and families deserve fair housing.

Congressional committee hears about Milwaukee's housing inequities — and how to fix them

By PrincessSafiya Byers, www.milwaukeenns.org

Rent caps, support for emerging developers and direct financial support for proven housing agencies were just a few solutions to housing inequities presented this week to a select congressional committee meeting in Milwaukee.

On Tuesday, U.S. Rep. Gwen Moore, D-Milwaukee, brought members of the Select Committee on Economic Disparity and Fairness in Growth to the Milwaukee Public Library for a hearing on inequities in housing.

The committee is a bipartisan House committee focused on tackling economic disparities and proposing policies that increase access to opportunity for Americans.

Committee members were joined by Anne Bonds, a professor at the University of Wisconsin-Milwaukee; John Johnson, a research fellow at Marquette University Law School;

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Sakuri Fears, the senior program officer for Local Initiatives Support Corp., or LISC; Trena Bond, the executive director of Housing Resources Inc.; and Shaun Luehring, the president and CEO of LUMIN Schools.

The group started by grappling with the city's long and complicated history with racial segregation and how it still affects housing today.

Bonds, whose research centers on geographical approaches to political economy, feminist and critical race theory, and critical poverty and prison studies, spoke of how "renewed attention on racial segregation shows how little has changed since the 1960s."

She said that because racially restrictive covenants and other racial exclusions in home purchasing have disproportionately affected Black people, strategies should be just as racially targeted.

She said these past practices and policies channeled investments to the suburbs and, even now, wage-sustaining job growth continues to occur outside the city, leading to "a concentration of disadvantage and overall disinvestment in urban communities."

Johnson honed in on how private-equity firms purchase homes in bulk, blocking residents from being able to purchase them. "Collectively these firms own over 900 properties in Milwaukee at the end of 2021, up from about 150 in 2019," he said. "These firms, when acting as landlords, tend to evict tenants at a much higher rate than local and even out-of-state individual landlords."

He added that "many renters could save money as homeowners, but large corporate landlords hinder them from purchasing homes because they are likely to buy and sell properties in bulk."

Fears suggested increasing transportation to address Bonds' concerns about the disconnect between where Milwaukee residents live and jobs with life-sustaining wages. She also said an increase in the Low-Income Housing Tax Credit and flexible support for local emerging developers could help create more affordable housing opportunities.

Bond said a lack of education on how to buy homes is the biggest barrier for Milwaukee renters looking to become homeowners. She pointed to a greater need for increased Community Development Block Grant funding and more flexible and direct financial support to proven nonprofit organizations.

Other solutions suggested by the panelists included increasing alternative home-purchasing methods (such as land banks and community trusts that can compete with private equity firms.

They also called for providing ongoing support for programs like MKE United's Anti-Displacement Fund to prevent gentrification and displacement and to introduce rent stabilization and rent caps.

This hearing followed a bus tour through Milwaukee neighborhoods that spotlighted deindustrialization, racial inequities, botched urban renewal efforts, and current work to revitalize neighborhoods.

The committee is expected to deliver a report outlining solutions to many of those issues at the end of the year.

City Seeks Firms To Transform Vacant Homes

By Jeremy Jannene, www.urbanmilwaukee.com

The Department of City Development is seeking developers to renovate vacant houses the city has acquired through property-tax foreclosure.

The city will sell the houses for as little as $1, provide a development subsidy estimated at $75,000 based on the renovation costs and grant a $5,000 workforce subsidy. After renovation, the properties may be sold to owner-occupants, rented out, or placed into a rent-to-own program.

The effort, targeted at renovating 150 houses from an inventory of approximately 700, is being funded with $15 million from the city's American Rescue Plan Act grant. Alderman Robert Bauman introduced a proposal to tackle all 700 homes in spring 2021, and the council ultimately adopted a scaled-down version in October 2021

"Growing up in Milwaukee, I experienced the effects of housing insecurity just as many residents and families currently are. This is personal for me, so we worked to deploy federal ARPA funds for this initiative that will revitalize vacant properties into new homes," said Mayor Cavalier Johnson in a press release announcing the request for proposals. "Together, we are working to build stronger neighborhoods, promote homeownership, and ensure every Milwaukeean has access to the quality, affordable housing they need."

DCD issued the RFP for what it is calling the Homes MKE initiative on Friday.

The subsidy of up to $75,000 per home will be provided in four installments as work is completed. A property repair plan and market analysis will need to be completed by the development team for each property to determine the final subsidy.

Houses in the program are mostly located in an area bounded by W. Silver Spring Dr., W. Lincoln Ave., the Milwaukee River, and N. Sherman Blvd. The aldermanic districts with the most city-owned homes are located on Milwaukee's Near North Side.

The city hopes to sell properties, both single-family houses, and duplexes, in packages to developers. Responses are due June 3. Construction is to be underway on all participating properties by the end of 2023.

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The RFP makes clear homeownership is the priority.

"Under no circumstances may properties be 'flipped' to another investor-owner," says the RFP. Unless the property is sold to an owner-occupant, the house must be developer-owned for at least five years.

A deed restriction will require a sold property to be owner-occupied for five years and owners would be required to complete eight hours of home-buyer counseling through either Acts Housing, Housing Resources, Inc., or the United Community Center.

To access the workforce subsidy, a developer's workforce must include a minimum of 300 hours of work completed by unemployed or underemployed city residents. In addition, at least 50% of the houses must be completed by workers residing in the following ZIP codes: 53204, 53205, 53206, 53208, 53210, 53212, 53215, 53218, or 53233. A living wage of at least $12.21 per hour must be paid.

DCD also has a goal of allocating 40% of the funding to emerging developers. A pre-submission meeting for interested parties is scheduled for May 12.

Renovated houses must meet a variety of standards related to lead safety, energy efficiency, and code compliance.

Homes MKE in many ways resembles a scaled-up version of the Milwaukee Employment/Renovation Initiative (MERI) program. DCD launched the first phase of that program in 2017, with 104 home renovations completed by 2019 in an area centered around the Sherman Park neighborhood. MERI 2.0 was launched in April 2020.

DCD sold 249 improved properties (lots with a house, commercial building, or another structure on them) in 2021 from its inventory of property-tax foreclosures. The city's inventory of foreclosures, which is always turning over, surged as a result of the Great Recession.

Eviction filings are up sharply as pandemic rental aid starts to run out

By Jennifer Ludden, NPR.org

Excerpt; full article on NPR.org

Emergency rental aid has helped keep millions of people in their homes during the pandemic. But that federal program will start winding down this summer when it expects to have allocated all of the $46 billion from Congress. About half of that has been spent so far, and in some places, programs are now running out of their share of the money and shutting down. That's sending eviction filings up sharply, even as rents spike and inflation cut deeper into household budgets.

For much of the pandemic, a range of economic aid and restrictions on evictions kept eviction filings well below normal. Even after the national moratorium on evictions ended last August, rates rose slowly. Peter Hepburn tracks filings in six states and 31 cities for the Eviction Lab at Princeton University, and he saw a notable shift this spring. As rental aid programs started closing, eviction filings overall have reached nearly the same level as before the pandemic.

Diane Yentel, who heads the National Low Income Housing Coalition, shares that concern that eviction filings may eventually stabilize at a level that is "worse" than before the pandemic, in part due to the rising cost of renting a home.

"The longer we go past the time the eviction protections or resources are gone," she says, "the more we're seeing in some of these cities, eviction filing rates reach 150%, 200% of pre-pandemic averages."

The end of rental aid hits landlords too, especially small ones with months of unpaid rent and bills, says Greg Brown of the National Apartment Association. And he says this moment comes as the country's larger affordable housing crisis has only grown worse. Along with rising rents and inflation, supply chain problems are slowing badly needed new construction.

Brown says housing is so tight, that occupancy rates nationally have hit a record 97%.

Brown says this crisis needs a long-term fix. After years of low production, the country is short millions of apartments and homes. He wants Congress to pass legislation to promote more multi-family housing, something Biden also included in his recent budget proposal.

Meanwhile, as federal rental aid runs out, the Biden administration wants more states and cities to step in. It's urging them to follow the example of New York, which recently committed $800 million of its pandemic recovery money toward helping struggling renters stay in their homes. And on Monday, Deputy Treasury Secretary Wally Adeyemo praised California's plan to use $7.4 billion of its relief money to build and preserve more affordable housing.

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Upcoming Events

Landlord Lunch and Learn Series

Advertising for properties rent and showings; tips and tricks around advertising and showing your rental property. Plus monthly Milwaukee Market Update.

When: May 18, 2022, 12:00 PM
Location: Virtual
Cost: AASEW Member - Free
Non-Member - $10

*This call will be recorded and emailed to all registered participants.

Register Here

Marcus Auerbach

For meetings and events questions or assistance, email us at admin@aasew.org or call (262) 893-8691

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