



## Recommended State Response to Housing Insecurity Caused by COVID-19

May 6, 2020

This housing insecurity crisis *can be prevented* with swift and comprehensive intervention. We expect the need for housing assistance in the coming months to be two to four times what we experienced during The Great Recession years of 2008 to 2011. We urge you to pass a package of policies to help Wisconsinites avoid housing insecurity, including:

### 1) Funding for the Department of Administration to Prevent Homelessness

The Legislature should appropriate funds to supplement federal CARES Act funds coming to the state. This funding should be designated for temporary rent assistance, especially for those who do not qualify for traditional HUD-funded programs; mediation and legal services; housing navigation services; grants to community organizations to screen and then assist individuals experiencing housing insecurity; emergency shelter grants to offer pay incentives to retain and schedule staff, increase staff capacity, purchase personal protective equipment and cleaning supplies, increase capacity, and increase permanent housing support; help for counties to establish safe housing situations for people to safely quarantine and to supplement shelter capacity; and Housing First programs to rapidly stabilize people in need of permanent housing and help keep them there with ongoing case management services.

**Suggested Appropriation: Release the \$3,000,000** in GPR already appropriated for homelessness, awaiting approval by the Committee on Joint Finance; and **appropriate an additional \$3,000,000.**

### 2a) Funding for the Department of Corrections and County Jails to Help Those Returning

The Department of Corrections (DOC) has released more than a thousand individuals back into the community to help stop the spread of COVID-19. The state should increase resources available to DOC's Division of Community Corrections to help those individuals, especially with finding and securing permanent housing.

**Suggested Appropriation: \$6,000,000**

### 2b) Funding for Counties to Help Those Returning

Hundreds more have been released from county jails across the state. The Department of Administration should grant funds to counties for increasing reentry services, especially housing.

**Suggested Appropriation: \$2,500,000**

### 3) Significantly Boost the State Homestead Credit

The maximum Homestead Credit should be increased from \$1,168 per year to \$1,500 per year, and the household income limit should be increased from \$25,000 per year up to \$40,000 per year. The increases should be retroactive to the 2019 tax filing year. And the credit should be indexed to inflation in future years.

### 4) Financial Assistance to Landlords

Create a forgivable no interest loan program at the Wisconsin Economic Development Commission to help landlords weather the economic downturn. Landlords would apply for and be loaned the funds, and if, after two years, landlords have used the loan for allowable expenses, it would be forgiven. Allowable expenses would include payroll, rent relief for tenants, mortgage payments if reducing or not collecting rent due to COVID-19, COVID-19 spread mitigation and contamination cleanup, and preserving affordable housing units. Landlords would be unable to evict tenants during the loan term except under certain imminent exceptions. The program should be easy to access and could have a set-aside for small landlords with limited support.

**Suggested Appropriation: \$7,500,000**