



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-2745/1
EVM:emw

2021 ASSEMBLY BILL 526

September 2, 2021 - Introduced by Representatives KUGLITSCH, ALLEN, DRAKE, HAYWOOD, ANDRACA, ARMSTRONG, CONLEY, KERKMAN, OLDENBURG, STUBBS, ORTIZ-VELEZ and KNODL, cosponsored by Senators DARLING, COWLES, FELZKOWSKI and FEYEN. Referred to Committee on Housing and Real Estate.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT to repeal** 66.1205 (1) (c); **to amend** 66.1201 (24) (a), 66.1203 (2) (b),
2 66.1205 (1) (intro.), 66.1205 (1) (a) and 66.1205 (3); and **to create** 66.1201 (3)
3 (js), 66.1201 (3) (mg), 66.1201 (9) (am), 66.1201 (10) (i) and 106.50 (5m) (am) of
4 the statutes; **relating to:** housing authorities.

Analysis by the Legislative Reference Bureau

This bill authorizes a housing authority to undertake certain mixed developments and increases the bidding threshold for housing authority projects.

Under current law, the common council of a city may create a housing authority. A housing authority may exercise a variety of powers generally related to increasing the availability of safe and sanitary dwelling accommodations for persons of low income. Among these powers is the authority to acquire, construct, and operate housing projects. Under current law, the term "housing projects" is defined to include "all real and personal property, building and improvements, and community facilities acquired or constructed pursuant to a single plan either to demolish, clear, remove, alter or repair insanitary or unsafe housing or to provide safe and sanitary dwelling accommodations for persons of low income, or both."

The bill specifies that a housing authority also has the authority to acquire, construct, and operate mixed developments. The term "mixed development" means "all real and personal property, buildings and improvements, and community facilities acquired, rehabilitated, or constructed pursuant to a single plan to revitalize, redevelop, or transfer one or more properties into a mixed-use or mixed-income development primarily to serve persons of low income or persons of

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low income and persons of moderate income with housing, commercial, and neighborhood amenities or other support services.”

Under current law, if the estimated cost of a housing authority project exceeds \$25,000, the authority must solicit bids and award the contract to the lowest qualified and competent bidder. The bill increases the threshold to \$50,000.

Because this bill may increase or decrease, directly or indirectly, the cost of the development, construction, financing, purchasing, sale, ownership, or availability of housing in this state, the Department of Administration, as required by law, will prepare a report to be printed as an appendix to this bill.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 66.1201 (3) (js) of the statutes is created to read:

2 66.1201 (3) (js) “Mixed development” means all real and personal property,
3 buildings and improvements, and community facilities acquired, rehabilitated, or
4 constructed pursuant to a single plan to revitalize, redevelop, or transfer one or more
5 properties into a mixed-use or mixed-income development primarily to serve
6 persons of low income or persons of low income and persons of moderate income with
7 housing, commercial, and neighborhood amenities or other support services. “Mixed
8 development” includes the planning of buildings and improvements, the acquisition
9 of property, the demolition of existing structures, the construction, reconstruction,
10 alteration, and repair of the improvements, and all other related work.

11 **SECTION 2.** 66.1201 (3) (mg) of the statutes is created to read:

12 66.1201 (3) (mg) “Persons of moderate income” means persons or families who
13 qualify as having moderate income, as determined by the authority. The authority
14 may not consider a household to be a person of moderate income if the household’s
15 income exceeds 120 percent of the median income for the area, unless an applicable

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1 guideline or regulation of the federal department of housing and urban development
2 permits the household to qualify as having moderate income.

3 **SECTION 3.** 66.1201 (9) (am) of the statutes is created to read:

4 66.1201 (9) (am) Within its area of operation to prepare, carry out, acquire,
5 lease, and operate mixed developments; to provide for the construction,
6 reconstruction, improvement, alteration, or repair of any mixed development or any
7 part of a mixed development.

8 **SECTION 4.** 66.1201 (10) (i) of the statutes is created to read:

9 66.1201 (10) (i) If a housing project or mixed development involves federal
10 financial assistance, the duration of replacement housing payments to displaced
11 tenants under the relocation plan is as provided under 42 USC 4624.

12 **SECTION 5.** 66.1201 (24) (a) of the statutes is amended to read:

13 66.1201 (24) (a) When a housing authority has the approval of the council for
14 any project authorized under sub. (9) (a) or (b), the authority shall complete and
15 approve plans, specifications, and conditions for carrying out the project, and shall
16 advertise by publishing a class 2 notice, under ch. 985, for bids for all work which the
17 authority must do by contract. The authority is not required to submit for bidding
18 any contract in an amount of ~~\$25,000~~ \$50,000 or less, ~~but if the estimated cost of the~~
19 ~~contract is between \$10,000 and \$25,000, the authority shall give a class 2 notice,~~
20 ~~under ch. 985, of the proposed work before the contract is entered into.~~ A contract
21 subject to bidding shall be awarded to the lowest qualified and competent bidder.
22 Section 66.0901 applies to the bidding.

23 **SECTION 6.** 66.1203 (2) (b) of the statutes is amended to read:

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1 66.1203 (2) (b) Meet the cost of, and provide for, maintaining and operating the
2 projects, including the cost of any insurance, tenant support services, and the
3 administrative expenses of the authority.

4 **SECTION 7.** 66.1205 (1) (intro.) of the statutes is amended to read:

5 66.1205 (1) (intro.) In the operation or management of housing projects and
6 mixed developments, an authority shall at all times observe the following duties with
7 respect to rentals and tenant selection:

8 **SECTION 8.** 66.1205 (1) (a) of the statutes is amended to read:

9 66.1205 (1) (a) It may rent or lease the dwelling accommodations in a housing
10 project only to persons of low income and at rentals within the financial reach of
11 persons of low income, except that, for mixed-income dwelling accommodations that
12 are part of a mixed development, an authority may rent a portion of the dwelling
13 accommodations at rentals that are not within the reach of persons of low income.

14 **SECTION 9.** 66.1205 (1) (c) of the statutes is repealed.

15 **SECTION 10.** 66.1205 (3) of the statutes is amended to read:

16 66.1205 (3) Subsection (1) (a) ~~and (e)~~ does not apply in the case of housing
17 projects to the financing of which the Wisconsin Housing and Economic Development
18 Authority is a party, as to which ch. 234 shall be controlling.

19 **SECTION 11.** 106.50 (5m) (am) of the statutes is created to read:

20 106.50 (5m) (am) Nothing in this section prohibits an authority, as defined in
21 s. 66.1201 (3) (b), or an instrumentality, subsidiary, or not-for-profit affiliate of an
22 authority from discriminating based on source of income when renting housing
23 units, provided that the discrimination is material to an identified objective of the
24 authority or for the purpose of transitioning the renter to economic self-sufficiency
25 and is consistent with federal law.

