

LA CROSSE HOUSING CHALLENGES AND RESPONSE

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This presentation will review

- The importance of residential tax base
- Market challenges to improving aged housing
- Relation between housing quality and various government services
 - City – County -School District
- Directions La Crosse has taken to improve housing
 - City Housing program
 - La Crosse Promise
 - La Crosse Neighborhood Development Corporation
 - Joint Development Corporation
 - Project ReNew

Who is paying the levy?

$$\text{Mill rate} = \frac{\text{Levy}}{\text{Total Assessed Value}}$$

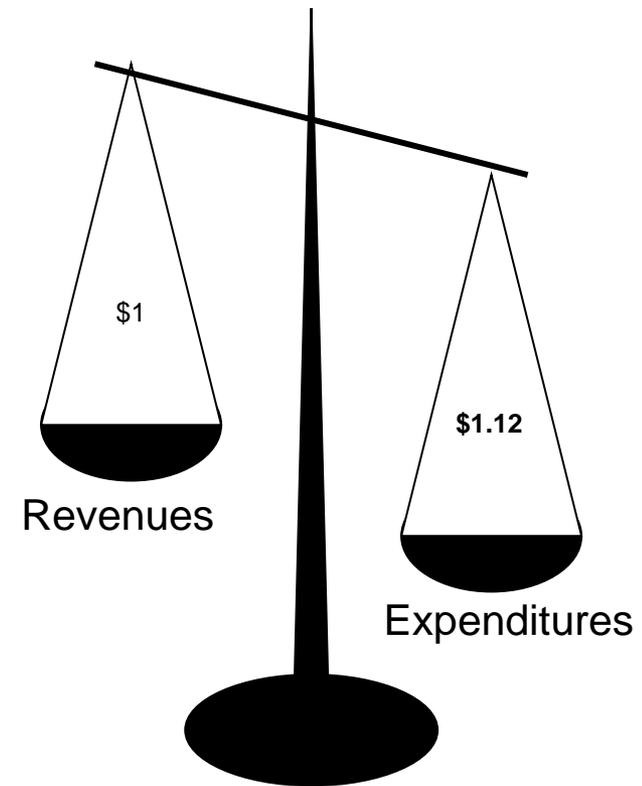
In a city, the four main tax classifications are:

- Residential
- Commercial
- Manufacturing
- Personal Property

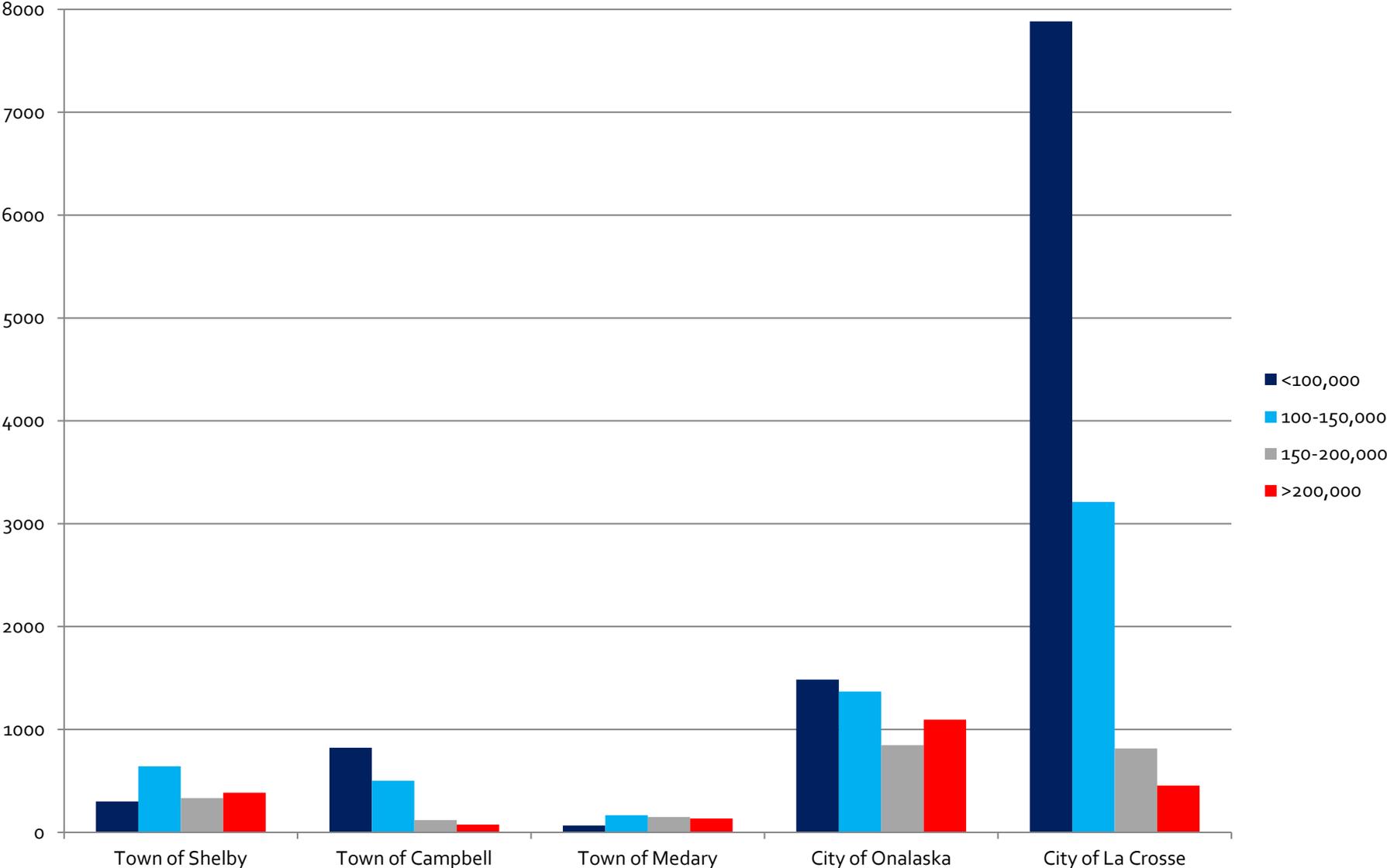
Four categories = Total Assessed Value

What are the expenditures and revenues for each taxation class?

- Residential development creates the greatest demand for services (expenditures)
- When average housing values are low – this creates greater impact on the municipal mill rate
- Impact is a higher mill rate



Residential Housing Values (Improvements) La Crosse School District



Development Gap between Redevelopment & Greenfield Development

Redevelopment

- Purchase price (Rental value)
- Demolition
- Disposal of demolition materials
- Lot reconfiguration (?)
- Smaller scale
- Lack of economy of scale
- Greater risk for individual builder
- Flood Plain issues w/ some properties

Greenfield Development

- Land price
 - Purchase price
 - Utility installation (May not apply)
 - Road infrastructure
- Economy of scale
- Lower risk for individual builder

Contributing Factors & Results of Neighborhood Deterioration



Potential Neighborhood Deterioration Contributing Factors

Declining Housing Values

Declining Resident-Owned Homes

Unkempt & Dilapidated Properties

Increase Transient Population and Home Turnover Velocity

Results of Neighborhood Deterioration

Poor Environment

(Clutter, Noise, Overall Aesthetics)

Increased Crime

(Drugs, Property, Person)

Declining Tax Base

(Erosion of Public Infrastructure & Services)

*Increased Human Service Needs,
esp. for Children & Youth
(Child Welfare, Juvenile Justice)*

Challenges to City / County / School District services

- Arrest rates per capita (Police Department)
- Link between poverty and fire (Fire Department)
- Code violations (Inspection Dept.)
- County jail population (County Jail)
- Greater human services needs (Human Services Dept.)
- High free/reduced lunch (School District)
- Student mobility issues
- Student issues

Public Sector Response

- Recognized the problem!
- Strong City / County / School District collaboration
- Education of issues with local stakeholders
 - Banks/credit unions/lenders
 - Realtors
 - Health care providers
 - Homeowners
 - Post-secondary Institutions
- City/County Joint Housing Task Force
- City Revitalization Commission
- County Demolition and Disposal Grants
- City Community Policing effort
- County Family Collaborative
- Rebuilding for Learning cooperative

Private Sector Response

- La Crosse Promise
- La Crosse Promise Lenders Consortium
- La Crosse Neighborhood Development Corporation
- Joint Neighborhood Development Corporation
- Housing assistance by local health care providers
- Renew La Crosse
- Common Objective is to remove perception of risk

La Crosse Promise

Purpose: To reinvigorate the housing market in La Crosse's most tired neighborhoods by:

- Attracting education-minded families
- Reduce the perception of risk

Programs:

- Place-based post-secondary scholarships
 - Up to 50,000 per household
 - Construction/redevelopment requirements
 - Transferability of scholarship benefit
- La Crosse Promise Future Centers
 - \$1.5M donated from private philanthropists
 - Started in 2008, \$1.5M raised in summer 2015.....

La Crosse Promise

Strong support by community stakeholders

- 20 member Board of Directors includes:
 - County Board Chair & Administrator
 - La Crosse School Superintendent
 - Mayor
 - UW-La Crosse
 - Western Technical College
 - Viterbo University
 - Mayo Health System
 - Gundersen Health System
 - Private sector (Attorney, President of Coulee Bank, Developer, Marketing Executive, Realtor, La Crosse Education Foundation, etc.)
- Staffed by City / County / UW Extension

La Crosse Promise Lenders Consortium

- 10 Banks/Credit Unions participating
- \$8M in loan dollars available
- Located in La Crosse Promise defined areas
- \$1M per institution
 - By holding internally – doesn't require private mortgage insurance
- Allows lender to increase debt/equity ratio
- Overcomes financing challenges of initial participants

La Crosse Neighborhood Development Corporation

- Board membership:
 - Mayo Health System
 - CouleeCap
 - Franciscan Sisters of Perpetual Adoration
 - Habitat for Humanity
 - Banker
 - Developer / Landlord
 - Entrepreneur / Business Owner
- Staffing provided by City / County / UW Extension
- Biggest obstacle – developing a common mission!
- Difference between La Crosse Promise's mission and LNDC mission

La Crosse Neighborhood Redevelopment Corporation

- Third attempt for City of La Crosse
- Various roadblocks
- Currently figuring out what organization will do
 - Social /neighborhood organizer mission?
 - Redevelopment/ Property configuration mission?
 - Marketing mission?
- Depending on the number of members – interests can be difficult to focus
- What will resonate with funders?
- What will not be seen as duplication of efforts from other organizations?

La Crosse / Gundersen Joint Development Corporation

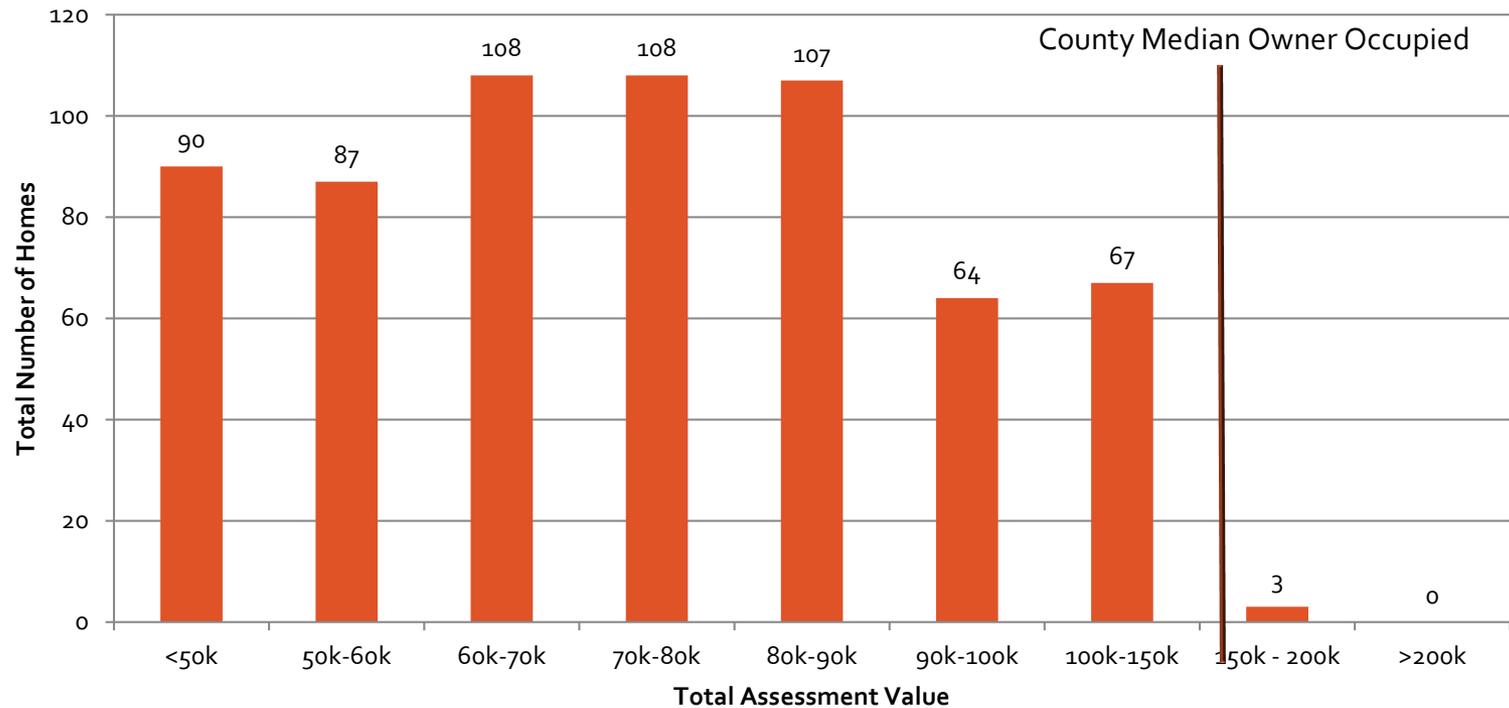
- Public Private partnership – supported by Gundersen TIF
- Board makeup
 - City Council membership & Mayor,
 - Gundersen Health System Administration
 - Staffed by City & Gundersen Health System
- Developing plan of public / housing improvements surrounding Gundersen Health System campus
- Benefit of TID financing
- Looking to perform “catalyst project” in neighborhood
 - Hotel
 - Mixed-use development
 - Higher end rental

Other efforts

- **Housing assistance programs**
 - **Gundersen Health system**
 - **Mayo Health System**
- **Project RENEW**
 - **Free, competitive grants for home improvements within neighborhood**
 - **Over 1,000 volunteers provided service to neighbors**

What about gentrification?

Powell-Poage-Hamilton Neighborhood



In summary

- Housing is City's largest asset
- Why hasn't the market fixed this?
- Who needs to act to fix this?
- Often, perception of risk is biggest obstacle
 - Crime
 - Neighboring housing quality
 - Housing infrastructure lacks size, space, amenities of current demands
 - Financing challenges
- Home is persons largest asset
- Help ensure they wont be taking an unnecessary risk
 - First homeowner "on the dance floor"



Questions?

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