

January 2012

**CITY/COUNTY OF LA CROSSE  
HOUSING TASK FORCE**

**LA CROSSE HOUSING:**

**A PLAN TO REINVEST IN THE CITY'S HOUSING MARKET**

**Chair:**

Rick Staff

**Vice Chair:**

Steve Nicolai

Jill Billings

Kathleen Enz Finken

Doug Farmer

Mathias Harter

Jay Hoeschler

Tara Johnson

Audrey Kader

Todd Mandel

Wayne Oliver

Michael Richards

Sara Sullivan

Marvin Wanders

Tina Wehrs

*This report is the product of a public/private task force of industry professionals and City and County elected officials that convened to discuss the issues that are pulling the City of La Crosse's housing market down. The report presents a situation analysis, identifies objectives, and proposes strategies that should be used to achieve the objectives. This plan should be used by City and County officials as well as private industry professionals as a guide to improving the appeal of the City housing market.*

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## **Executive Summary**

The City of La Crosse’s housing taskforce was created following the recognition of the impact low housing values have on the City of La Crosse. The UW Extension report “Challenging Trends Facing Housing in La Crosse” summarizes these impacts, and helped illustrate that without some form of course correction the City of La Crosse would likely continue to fight high tax rates.

The Housing Task Force was strategically created to pair public officials with industry professionals in housing development, real estate, non-profit housing and financial services, property management, banking, and business development. This provided the opportunity to explore the issues and potential solutions from different perspectives. Therefore, this report offers a unique collection of ideas and viewpoints that will prove valuable as work continues in the City to restore buyer confidence and neighborhood redevelopment.

As explored in the situational analysis, the deterioration of La Crosse’s neighborhoods has been affected both by external and internal issues. For decades, central cities throughout the U.S. have experienced urban sprawl impacts as changes in mortgage lending practices, the construction of highway systems, greater dependence on the automobile and changing preferences in home characteristics have increased middle and upper income resident’s preference to relocate a commutable distance away from the traditional central business district. However, the City of La Crosse’s effective acceptance and generalized failure to enforce existing code violations, as well as an increasing population of residents requiring policing services has also influenced this trend. Without the City of La Crosse’s fundamental change to some code enforcement and policing policies, neighborhoods with aged housing stock progressed into dilapidated neighborhoods; a trend that will likely continue to distract reinvestment and revitalization if not acted upon.

The City of La Crosse has many assets, both natural and historical that draw visitors from throughout the region. City infrastructure improvements provide access to these amenities, and will aid in the effort to attract homeowners into the City. However, reviews of effective community redevelopment programs from Minneapolis, Minnesota (Phillips Partnership), Morgantown, West Virginia (Sunnyside Neighborhood), and St. Cloud, Minnesota (St. Cloud Rental Licensing Program) illustrate effective strategies must include financial partnering with neighborhood business/institutions, better promotion of the City livability, and better coordination between renters, landlords, and the enforcement of municipal ordinances. Changing consumer trends, in part due to demographic preferences and increased costs associated with commuting, as well as the continued impacts of the 2008 Great Recession may create a defining opportunity for the City of La Crosse to capitalize on its efforts towards neighborhood revitalization.

As a means of capitalizing on greater neighborhood reinvestment, both the City and County need to better assess their capital expenditure policies including, among other things, the effectiveness of self-imposed debt limits (City), infrastructure replacement sufficient enough to avoid deferred maintenance (City & County), and targeting capital projects in neighborhoods that would incentivize maximum private investment (City & County). Economic development activities and policies should include the understanding that a strong housing market promotes more effective economic development.

The Joint City County Housing Task Force considered nearly thirty separate options that could help incentivize redevelopment of the City’s housing stock. These programs ranged in topic from improved ordinance enforcement to significant rehabilitation programs funded through TIF financing aimed at increasing greater neighborhood redevelopment. Among the top tier of ideas/programs receiving the most interest by the Joint Housing Task Force members were the following:

1. The City must recognize the importance of existing code and law enforcement: as this would be one of the most easily implemented means of retaining existing homeowners, and improve the perception of neighborhood reinvestment. As part of this, the City must be willing to actively fund these activities now, and sustain funding for these activities in the future. Without the enforcement of these existing codes and ordinances, investor confidence will continue to stagnate.
2. Better align the City’s and County’s use of economic development assistance and incentives with long-term strategic economic development goals. Through the commitment to housing redevelopment as an economic development priority, the City may help mitigate negative perceptions of their development assistance, and better align with strategic goals that must include a revitalized housing stock.
3. Support efforts to enhance and improve the potential for natural amenities and support the efforts to brand our community as a destination for silent sports activities. Building and enhancing world-class facilities, such as trails, roads, waterways, parks, etc. and improving the safety and ease of connecting to those facilities from existing neighborhoods within the City will enhance the draw to living in these neighborhoods as silent sports continue to grow in popularity.
4. The community – City, County, and Private Stakeholders – should spend some time developing specific, strategic, detailed plans and strategies for the three La Crosse neighborhoods most affected by dilapidated housing:
  - I. Powell-Hood-Hamilton/Washburn neighborhood
  - II. Goosetown/Campus area
  - III. Northside Floodplain area

The developments of specific plans were not within the scope of work for the Task Force, and could not be achieved in the assigned six-month timeframe. However, it is imperative that the stakeholders in each of these areas come together to do this work. The hope of the Task Force is that the data and strategies in this report will be used to formulate the specific plans for those areas.

The logical governmental entity that should be able to pick up this report and continue this work is the **City of La Crosse Neighborhood Revitalization Commission (LNRC)**. However, as this report stresses, success will be dependent upon collaboration of all stakeholders, with the continued assistance from City and County staff.

## Introduction:

### Genesis of City-County Joint Housing Task Force

The Joint Housing Task Force was formed between the City of La Crosse and La Crosse County in May of 2011 to address neighborhood deterioration, aging and deteriorating housing stock, and property tax burden within the City of La Crosse. La Crosse County recognized the importance of working with the City to resolve housing and neighborhood issues as those issues affect the larger La Crosse Community. The Joint Task Force consisted of Mayor Harter, County Board Chair Tara Johnson, two Common Council Members, Doug Farmer and Sara Sullivan, two County Board Supervisors, Jill Billings and Tina Wehrs, Council President Audrey Kader, Citizen member and Chair Richard Staff, the University of Wisconsin-La Crosse Provost Kathleen Enz-Finken, Todd Mandel representing CouleeCap, a housing developer and property landlord Marvin Wanders from 360 Real Estate, property landlord and developer Steve Nicolai, Realtors/developers and property landlords Jay Hoeschler/Nancy Gerrard, area employer/institution Michael Richard from Gundersen Lutheran and Wayne Oliver from State Bank Financial.

The Joint Task Force was charged with preparing a report to identify the recommendations to reverse the current housing trends in the City of La Crosse; of which primarily consist of aging and declining housing stock, concentrations of poverty and subsequent neighborhood deterioration. The Joint Task Force was charged with examining the following but was not limited to this list exclusively:

- Effective program examples from other communities that have met similar challenges to address deteriorating housing stock, aging housing stock, neighborhood deterioration, housing rehabilitation & new housing replacement.
- Zoning & regulatory options, such as student district zoning and occupancy limits
- Practices to stimulate private investment, such as the best uses for Tax Increment Financing
- Inspection code enforcement priorities to enhance the highest property values
- Capital priorities that best contribute to reinvestment and redevelopment

The study and report by University of Wisconsin Extension Associate Professor Karl Green titled: *Challenging Trends Facing Housing in La Crosse*, September, 2010 was the major impetus for convening this Joint Task Force. Among other findings, this seminal report noted that the City of La Crosse has approximately 7,800 housing units with an assessed value of less than \$100,000, with 14% of total housing stock valued between \$30,000 and \$50,000. The report accurately depicts the depth of the City's challenging housing tax base and its implication for vital public services.

### Central City Decline and the La Crosse Case

Throughout the country, cities like La Crosse are facing the similar challenges. La Crosse is not necessarily unique and is a prototypical central city in a metropolitan region that experienced middle and upper class flight, aging housing stock, crime and perception of crime issues, concentrations of poverty resulting in a high demand for social services, and a shrinking proportion of tax base vis a vis the surrounding cities and unincorporated townships. Both external forces and the internal response to those forces typically results in central cities repeating a pattern all over the country of disinvestment and deterioration.

Numerous urban studies books such as *Cities without Suburbs*, *Metropatterns*, and *The Option of Urbanism* all lay out the urban development pattern since World War II. In *The Option of Urbanism*, the

author Christopher Leinberger bluntly states; "Combining federal, state, and local laws, subsidy programs, and infrastructure investments encouraged and in actuality mandated only one kind of growth: low-density, drivable sub-urbanism. This American domestic policy has been dictating growth for the past sixty years and is still in force in the early twenty-first century." The City of La Crosse experienced these external forces essentially directing development outside the City.

The City of La Crosse failed to recognize the larger forces at play and did little to combat the resultant local version of subsidized urban sprawl. Land for development outside the city was readily available and easily rezoned, there was little if any long-range planning for the region, a freeway was built to the north opening up vast acreages to development with shortened commute times, and the true cost of development was not applied to this development pattern. The City, one of the State of Wisconsin's oldest, has aging housing stock, parking demands that encroach into neighborhoods; and until the mid 1990's: had over-zoned many neighborhoods for multiple dwelling housing; had no design review standards; had not completed a comprehensive plan in 40 years; had lenient code enforcement tendencies; had encouraged and accelerated the near demise of its Historic Downtown; had allowed the demolition of landmark status buildings; and had inadequately responded to the increased student rental housing market from a burgeoning college student population.

In 1962, the City Comprehensive Plan noted that the north side neighborhood near the La Crosse CP Rail Depot was in distress and suggested then that the City embark on a comprehensive approach to neighborhood revitalization. The City did not respond. The City finally responded in 1998-1999 with the renovation of the depot, the creation of a TIF District and development of a neighborhood plan in 1999.

In 1989, the City created the Housing and Zoning Study Committee which met for nearly a year, produced a detailed analysis of the City's housing and zoning issues and prepared specific recommendations for the Common Council to consider. For various reasons, many of the recommendations were not implemented.

Other responses by the City materialized in the early 1990s with a comprehensive downtown master plan. In 2002, the first city-wide comprehensive plan in 40 years was adopted, which worked with five neighborhood groups to prepare neighborhood plans, down zoned areas of the city through three separate comprehensive rezoning efforts, established three National Register of Historic Places districts, created five comprehensive Tax Incremental Finance Districts to stimulate redevelopment in the central part of the City, and won a National Main Street Award in 2002 for downtown revitalization. The City continues to have struggling neighborhoods as evidenced by those 1,000 housing units valued under \$50,000. The City has rehabilitated well over 1,200 homes through its Housing Rehabilitation Loan Program and has constructed 23 homes through its Replacement Housing Program (with another 34 in various stages of acquisition, demolition, site planning and construction). Recently, institutions such as Gundersen Lutheran and Mayo Health Systems have launched their own neighborhood reinvestment programs for home buyers in the neighborhoods surrounding their campuses.

In recent history (over the last 10 years), the City created Neighborhood Quiet Zones, mandated rental registration and inspection (successful after the three attempts), created multi-family design & commercial development design standards, forced Conditional Use Permits for demolishing homes for parking lots, adopted a Vacant Building Registration Program, and a Single Family Rental Conversion registration/licensing program.

Permissive zoning has resulted in La Crosse having the 10th highest<sup>1</sup> renter to owner ratio in the state hovering at 50 percent renter-occupied and 50 percent owner-occupied for the last 40 years. The national average was recently noted at 70 percent owner-occupied versus 30 percent renter-occupied but is likely to decline to 60/40 owner to renter-occupied as a result of the great recession. In many neighborhoods the historic renter versus owner ratio has exceeded 70 percent in what were once well-established owner-occupied neighborhoods. The City Comprehensive Plan "Confluence" states that the City must work toward increasing the number of owner-occupied housing units in the City as a way to stabilize neighborhoods and tax base. The City should strive to raise its owner versus renter ratio to the national average. The RENEW plan prepared in 2001 also notes that for neighborhoods to stabilize, increasing home ownership is a fundamental strategy.

The revitalization of Historic Downtown La Crosse is a never ending process but should largely be deemed a success with the creation of the riverwalk, brick paver streetscaping on nearly all downtown streets, construction and renovation of over 300 housing units in and around downtown and major employers expanding or relocating downtown. While the City has made some inroads at neighborhood revitalization, the enormity of the problem, the political inertia and the spreading of resources too thin has continuously impeded noticeable improvements. It is intended that this report stimulates an amplified, and long-term, call to action.

Based on National Realtor Association trends, local realtor and developer opinions, and external factors such as high gas prices, Millennials/Generation Y's demand for smaller housing located closer to their work, and increasing rental rates due to the great recession and Millennials/Generation Y's continual job relocation habits, the City of La Crosse's housing market has a golden opportunity that should be seized upon, not squandered.

Through the re-organization of the City of La Crosse's Neighborhood Revitalization Commission the torch of leadership for neighborhood revitalization is passed to the Neighborhood Revitalization Commission as the City committee charged with carrying this report's recommendations forward.

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<sup>1</sup> 2010 Census data



## Situation Analysis

### The Cycle of Urban Decline

The cycle of urban decline is a situation affecting numerous cities across the United States. In general, urban centers around the country experienced urban flight during the latter half of the 20<sup>th</sup> century as post-war new residential development focused on areas outside of metropolitan areas due to: enhanced highway systems, improvements in automobiles, and the creation of long-term mortgage products that allowed greater volumes of people the option of financing their homes over extended periods of time.

Like many other urbanized areas during this period, the City of La Crosse saw a significant change in residential value per capita when compared to neighboring municipalities. This change indicates construction of higher valued properties in areas other than La Crosse. During the period between 1961 and 1981, the City of Onalaska, the Village of Holmen, and the towns of Campbell, Medary, Onalaska and Holland all gained more residential value per capita than the City of La Crosse (**Figure A-1**). The town of Shelby gained more residential value per capita the decade before. The Village of West Salem gained more residential value per capita in the 1990's. Since then, the City continues to have the lowest residential value per capita in the urbanized area of La Crosse County. Tax capacity in the City is therefore eroding.

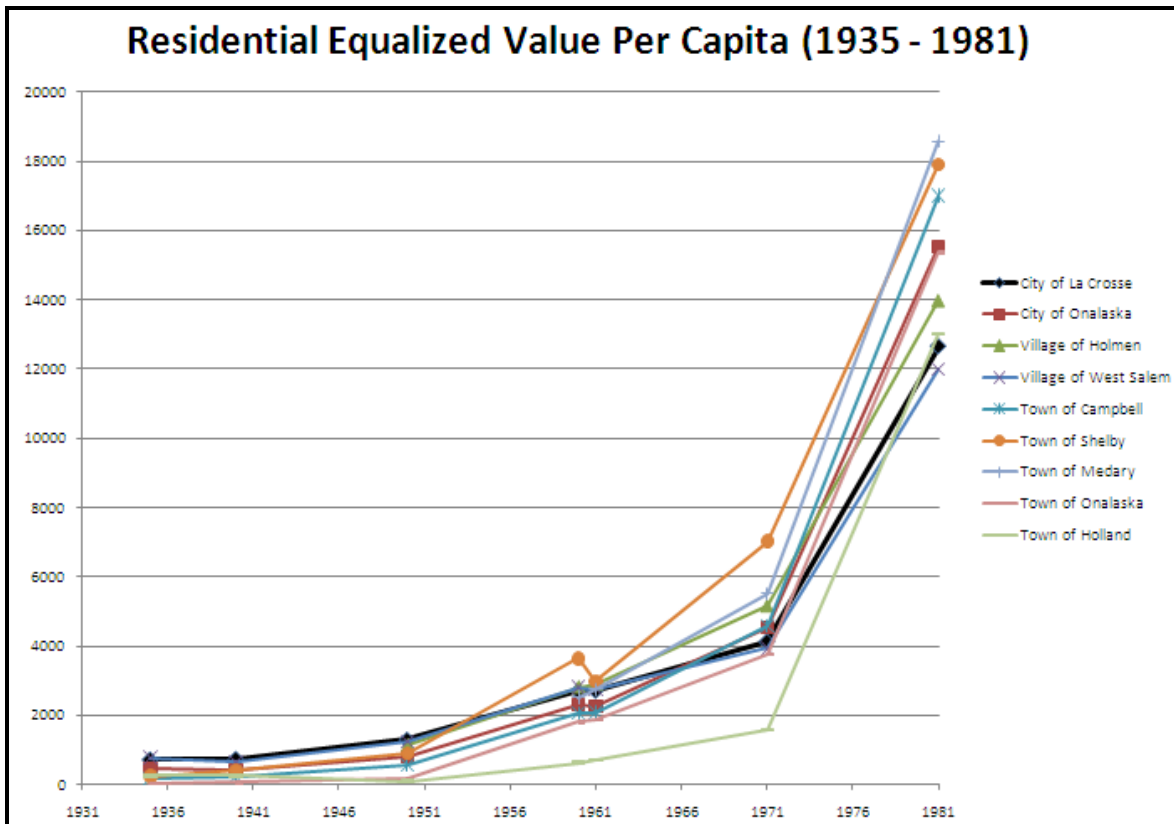


Figure A-1

### The Population Drain

As upper and middle class residents began relocating outside of the City, many homes were converted to multiple-unit dwellings. Many smaller residential homes stayed low-middle income, as these residents likely either lacked the resources to relocate, lacked the desire to relocate, or a combination of the two. However, after decades of this decline, the cycle begins to feed on itself, with several neighborhoods seeing significant volumes of rental fill in the areas of older, low-valued housing stock. This, in effect, increases the desire of La Crosse residents to move as they see their neighborhoods deteriorate.

The City of La Crosse’s strong rental market is strongly tied to the large volume of post-secondary students in the community. Interestingly enough, although the population demographic changed, the City of La Crosse’s population remains around 50,000 residents. This demographic shift is illustrated by the population shift we see in La Crosse County School Districts (**Figure A-2**).

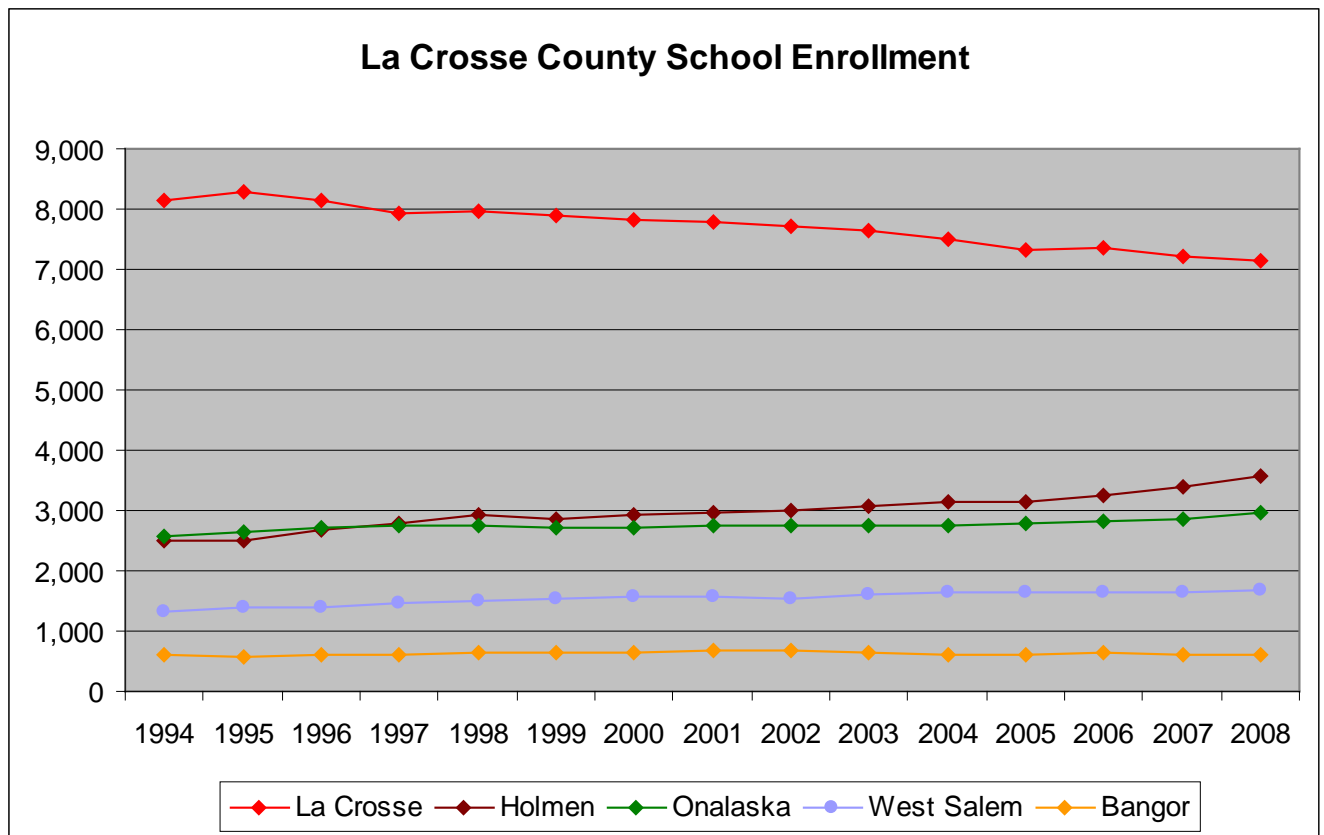


Figure A-2

Source: Wisconsin Department of Public Instruction – [www.dpi.wi.gov](http://www.dpi.wi.gov)

As the La Crosse school district loses enrollment (red line), other La Crosse County school districts gain population. As the La Crosse School District loses enrollment, it also loses state aid, which puts it in a position of having to choose between cutting back on services (instruction, building maintenance, etc) or placing a larger burden on local tax payers – as more burden is placed on taxpayers it re-enforces the loss of enrollment – thus strengthening the cycle of urban decline. Urban sprawl in turn puts additional

pressure on neighboring La Crosse County school districts, as their enrollment continues to increase to a point that they are constantly battling with capacity issues and looming new school construction projects.

In short, while the La Crosse School District is losing students and shutting down schools, other school districts have to serve those students by building new schools. Consequently, we have seen significant school referendums that have driven property taxes up in all districts in La Crosse County. Looking at the past 15 years (1994-2008), voters in the five school districts within La Crosse County have approved \$119,954,000 in school referendums (granted not all of this has been for construction of new schools). And over that same 15 year period, total enrollment has increased by **5.9%**. The following table (**Table A-1**) breaks down the referenda by school district.

| Summary of School District Referenda – 1994 to 2008 |                 |                 |                |                   |
|---|-----------------|-----------------|----------------|-------------------|
| School District                                     | Referenda Total | 2008 Enrollment | Cost/ Enrollee | Enrollment Change |
| La Crosse   | \$20,608,000    | 7,159           | \$2,879        | -12.0%            |
| Bangor  | \$12,750,000    | 625             | \$20,400       | 4.0%              |
| Holmen  | \$41,971,000    | 3,584           | \$11,711       | 44.0%             |
| Onalaska  | \$21,325,000    | 2,978           | \$7,161        | 15.5%             |
| West Salem  | \$23,300,000    | 1,674           | \$13,919       | 26.3%             |
| Total   | \$119,954,000   | 16,020          | \$7,469        | 5.9%              |
| Total (w/o La Crosse)                               | \$99,346,000    | 8,861           | \$11,212       | 26.7%             |

Table A-1

### The Push out of the Urban Core – Neighborhood Deterioration

#### Code Enforcement & Crime Issues

As with tax rate disparities, concentrations of poverty tend to increase the rate of decline for communities and accelerate the formation of other difficult issues, such as code enforcement issues and crime patterns. The City Inspection Department has seen an increase in code enforcement issues in neighborhoods that contain concentrations of poverty and the Police Department has seen an increase in the crime rates in those areas. It does not take long for those kinds of issues to spread and unfortunately they are not contained by neighborhood or even municipal boundaries.

The graph below (**figure A-3**) shows all adult arrests for non violent crimes (also called non index or Part 2). Examples of non violent crimes are: vandalism, fraud, stolen property, weapons laws, drug possessions, OWI’s, etc. Since 1985 (earliest data set available in this form) we see a significant trend within the City of La Crosse. Although arrests also increase in Onalaska and Holmen during the last decade, these municipalities have also experienced an increase in overall population. The City of La Crosse’s population has remained relatively stagnant since the 1950’s, showing an overall population increase of 9% since the 1950 census.

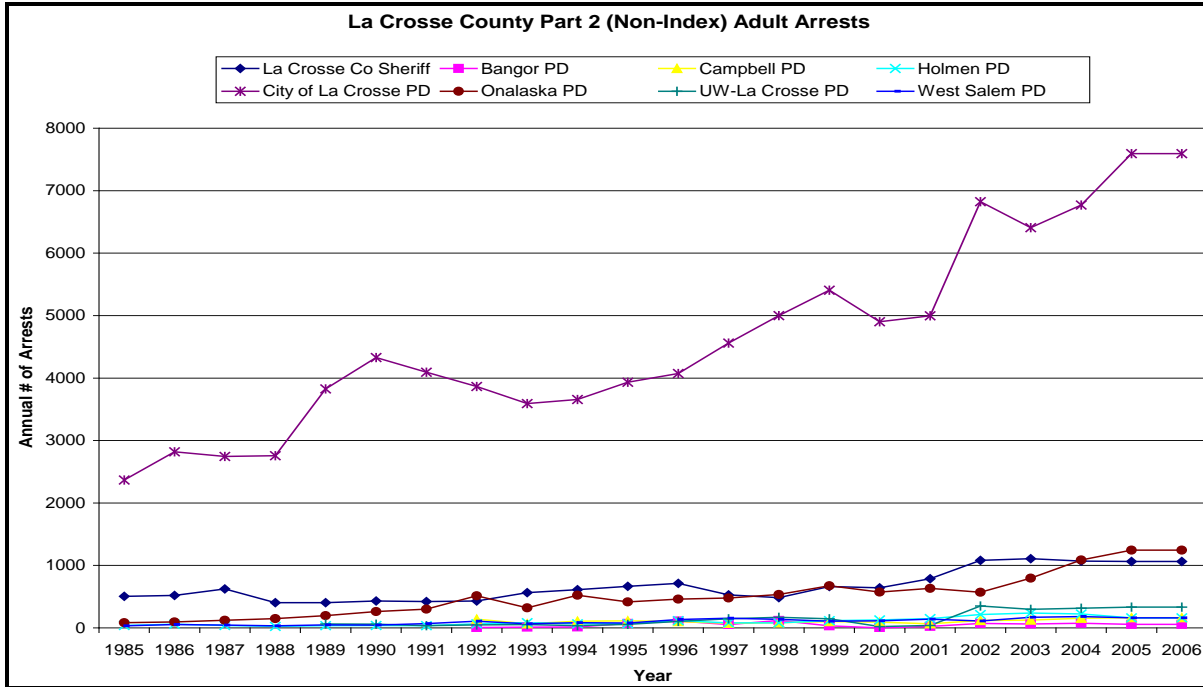


Figure A-3

La Crosse County Jail Bookings show a disproportionate volume of City of La Crosse residents being booked in the La Crosse County jail when compared to the total population of La Crosse (**Figure A-4**).

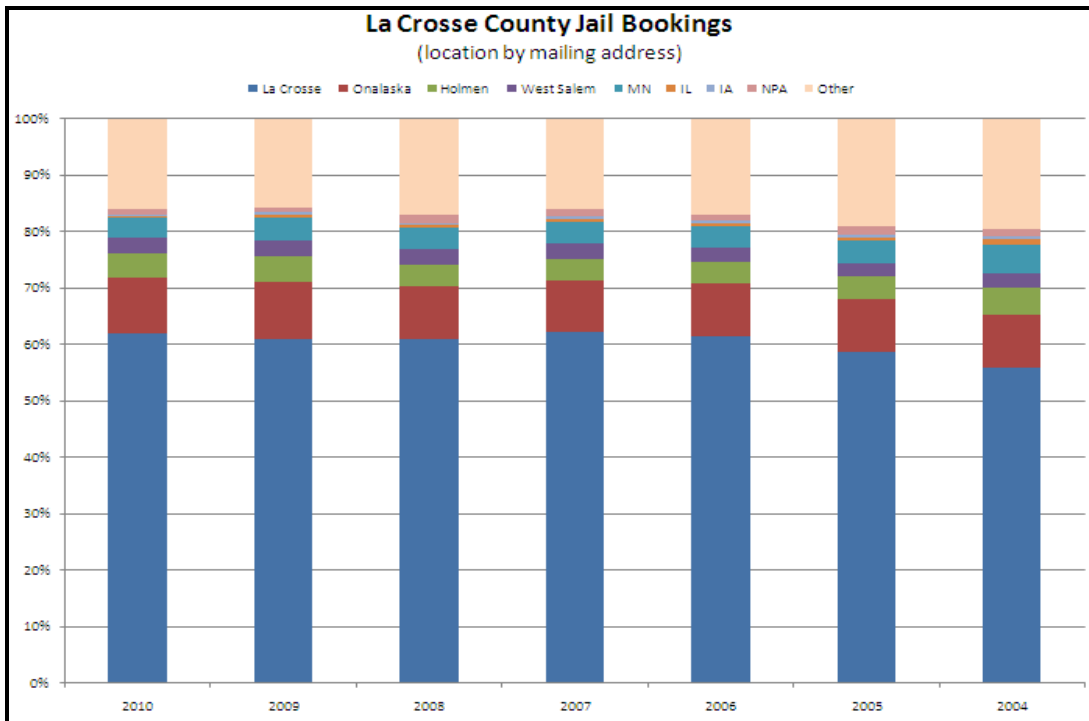


Figure A-4

According to jail booking data provided by the La Crosse County Sheriff’s Department, City of La Crosse residents represent >60% of jail bookings since 2006, however according to the 2010 Census data – The City of La Crosse represents only 45% of the County population. In addition, Jail bookings represent anyone booked in jail, thereby a larger population set than just County residents. That being said, The City of La Crosse has a disproportionate volume of clients served by the County jail.

|      | La Crosse | % Cty Pop | Onalaska | % Cty Pop | Holmen | % Cty Pop | West Salem | % Cty Pop |
|------|-----------|-----------|----------|-----------|--------|-----------|------------|-----------|
| 2010 | 61.80%    | 44.77%    | 9.87%    | 15.47%    | 4.46%  | 7.86%     | 2.67%      | 4.19%     |
| 2009 | 60.89%    |           | 10.08%   |           | 4.69%  |           | 2.77%      |           |
| 2008 | 60.95%    |           | 9.35%    |           | 3.88%  |           | 2.73%      |           |
| 2007 | 62.10%    |           | 9.18%    |           | 3.91%  |           | 2.65%      |           |
| 2006 | 61.30%    |           | 9.44%    |           | 3.73%  |           | 2.61%      |           |
| 2005 | 58.52%    |           | 9.55%    |           | 4.05%  |           | 2.15%      |           |
| 2004 | 55.76%    |           | 9.44%    |           | 4.73%  |           | 2.75%      |           |

Table A-2

**Concentrations of Poverty**

La Crosse also illustrates a higher concentration of poverty than the surrounding communities. This is reflected in the 2010 Census data indicating the City of La Crosse’s percentage of individuals in poverty at 25.2%, while La Crosse County’s total poverty percentage 12.8%, a value that includes the City of La Crosse. The La Crosse School District reflects a stronger illustration of economically disadvantaged students in relation with other La Crosse County school district systems (Figure A-5)

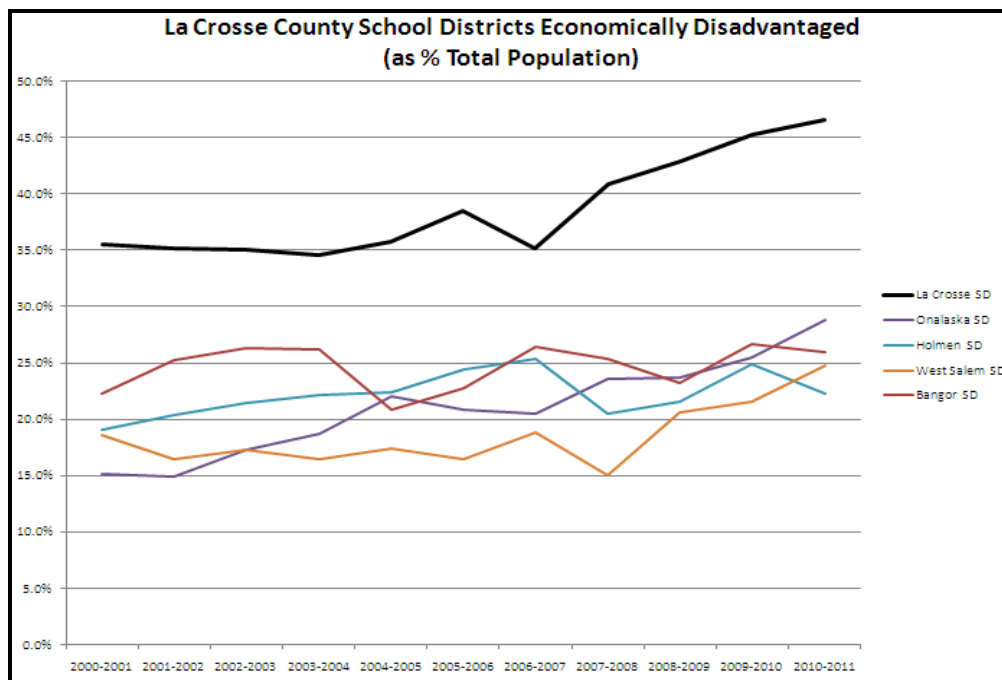


Figure A-5, Source: Wisconsin Department of Public Instruction<sup>2</sup>

<sup>2</sup> Note: “Economically Disadvantaged” is a measure of students eligible to receive free or reduced-price meals

**Residential Property Values**

The City of La Crosse has by far the largest volume (and percentage) of low valued residential properties (<\$100,000 of improvement value). **Figure A-6** illustrates the breakdown of residential improvement values in four categories (<100,000, \$100,000 - \$150,000, \$150,000 - 200,000, and >\$200,000) This figure illustrates the significant challenge to keeping property taxes low in the City of La Crosse.

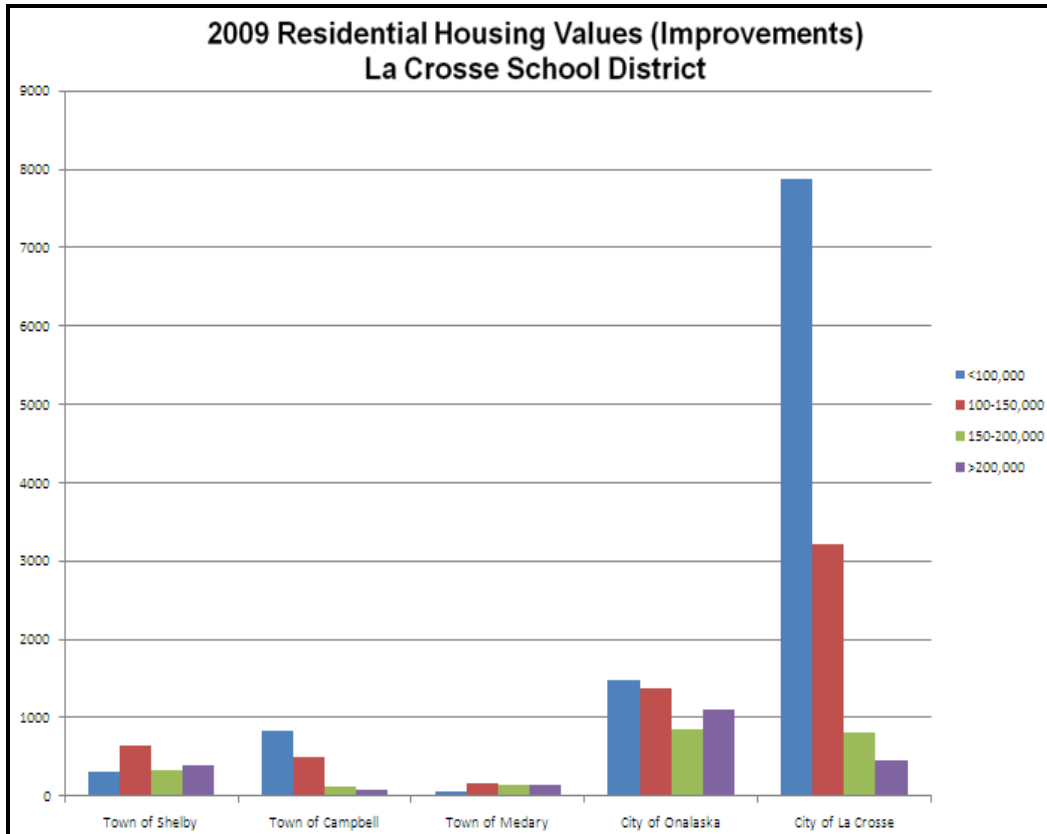


Figure A-6

It is noted, the City of Onalaska has 1,095 residential homes with an improvement value greater than \$200,000, representing 23% of their total number of homes. The City of La Crosse has 455 homes in this value range, representing 4% of the City of La Crosse’s total number of homes. The low volume of high valued property and high volume of low valued properties results in a low value per capita throughout the City.

This low value per capita creates a situation of low revenues for the expenses generated by a large municipal body, thereby ultimately raising the municipal mill rate to a level sufficient to provide core municipal services such as police, fire, library, roads and transportation, debt service, etc. These services make up approximately 75% of the City’s total annual expenditures.

**Proliferation of Rental Housing**

Based on 2010 census data, the City of La Crosse has the tenth highest percentage of non-owner occupied housing units out of 594 Wisconsin cities and villages. Table 3 illustrates the Wisconsin cities

that have UW-college system four year campuses and the percentage of rental housing in each. As illustrated, La Crosse has the fifth highest volume of rental housing out of the 13 UW system based cities.

| Geographic area       | Population in occupied housing units | Occupied housing units |               |               |             |             |
|-----------------------|--------------------------------------|------------------------|---------------|---------------|-------------|-------------|
|                       |                                      | Total                  | Owner         | Renter        | Percent     |             |
|                       |                                      |                        |               |               | Owner       | Renter      |
| Whitewater city       | 10,847                               | 4,766                  | 1,622         | 3,144         | 34.0        | 66.0        |
| Menomonie city        | 12,968                               | 5,743                  | 2,317         | 3,426         | 40.3        | 59.7        |
| Milwaukee city        | 576,432                              | 230,221                | 100,296       | 129,925       | 43.6        | 56.4        |
| Platteville city      | 8,471                                | 3,644                  | 1,664         | 1,980         | 45.7        | 54.3        |
| <b>La Crosse city</b> | <b>46,639</b>                        | <b>21,428</b>          | <b>10,451</b> | <b>10,977</b> | <b>48.8</b> | <b>51.2</b> |
| Madison city          | 222,469                              | 102,516                | 50,555        | 51,961        | 49.3        | 50.7        |
| Stevens Point city    | 23,387                               | 10,598                 | 5,482         | 5,116         | 51.7        | 48.3        |
| Eau Claire city       | 61,347                               | 26,803                 | 14,779        | 12,024        | 55.1        | 44.9        |
| River Falls city      | 12,461                               | 5,150                  | 2,839         | 2,311         | 55.1        | 44.9        |
| Oshkosh city          | 58,563                               | 26,138                 | 14,693        | 11,445        | 56.2        | 43.8        |
| Green Bay city        | 100,851                              | 42,244                 | 23,770        | 18,474        | 56.3        | 43.7        |
| Superior city         | 26,053                               | 11,670                 | 6,788         | 4,882         | 58.2        | 41.8        |

Table A-3

La Crosse’s high volume of rental housing is partially due to the high demand placed on the market by post-secondary students, and partially due to the large supply of low-valued housing requiring significant improvements to be competitive with the amenities of homes outside of the City’s border. Both of these factors affect the existing state of the housing stock in the City of La Crosse. Unfortunately, we have also seen some properties located in various neighborhoods that have low values per unit, and high police calls per unit. These specific housing parcels not only create more expenditures than they generate in total tax revenues, but also have a negative effect on the entire neighborhood.

City records of code violations indicate a greater tendency of code violations in rental housing than owner-occupied housing. The following information was provided by the City of La Crosse Inspection Department, and illustrates the difference between the two ownership types:

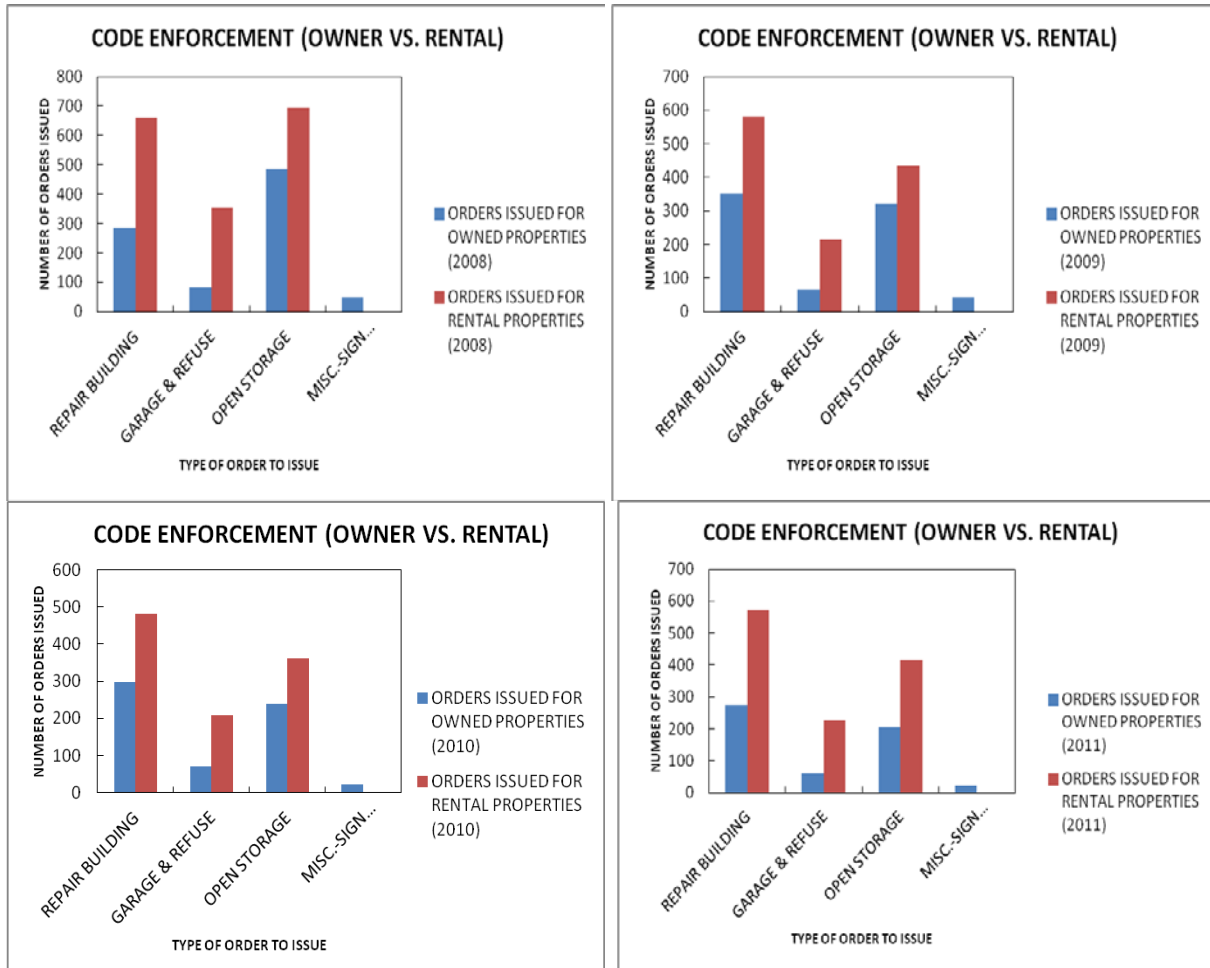


Figure A-7

## The Pull Out of the Urban Core - Competitive Disadvantage

### Tax Rate Disparities

Circumstantial evidence suggests that residents who are more dependent upon the services of the local government will often locate in the urban core of a community, closer to the delivery of those services. This can create tax rate disparities between urban and suburban municipalities. We can see this pattern in La Crosse County when comparing tax rates between the City of La Crosse and the other municipalities of the County. The following chart (**Figure A-8**) illustrates how the difference between taxes in the City of La Crosse and the average of all other municipalities in the County has increased over the past 15 years. This comparison uses a house with a market value of \$115,000 in 1994 and an annual value increase of 2%.



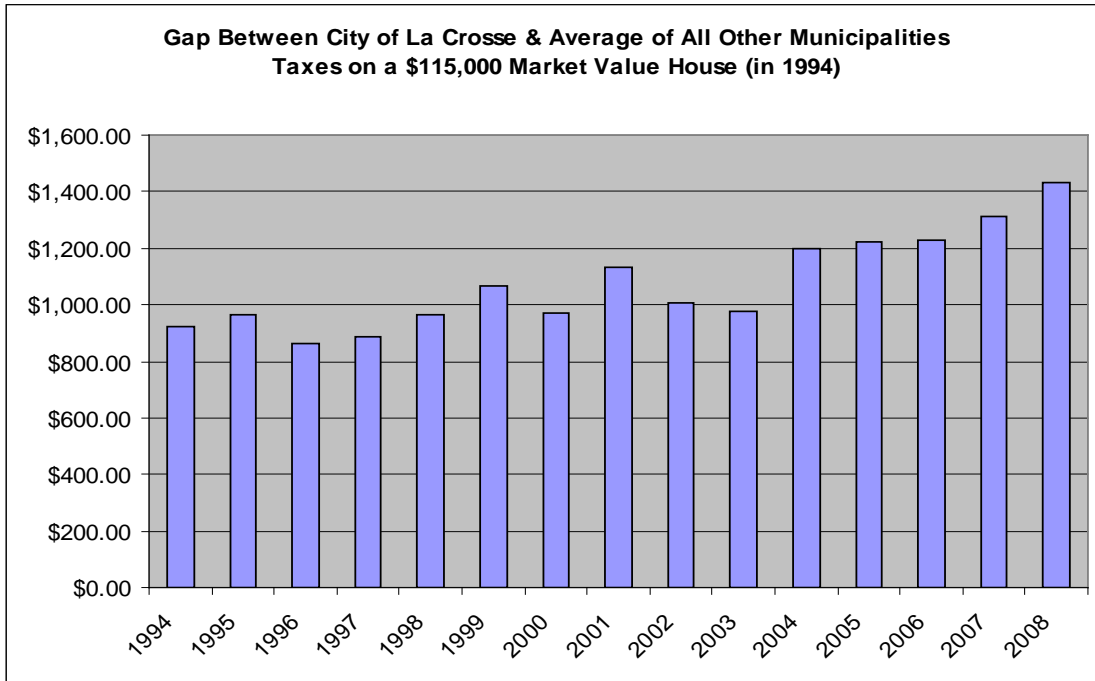


Figure A-8

In 1994, if you lived in a house with a market value of \$115,000 in the City of La Crosse you would have paid \$3,835 in property taxes. Yet if you lived in a house worth \$115,000 in La Crosse County but outside of the City of La Crosse you would have paid on average \$2,915 in property taxes. Therefore the difference was \$920 in 1994. If you assume a 2% annual increase in real estate value and look at a house with a market value of \$151,740 in 2008 the taxes in La Crosse would be \$3,955. That same house outside of the City of La Crosse would pay on average \$2,520. The gap has increased to \$1,435, giving homeowners who are able, a strong financial reason to move out of the City of La Crosse.

This concept of tax rate disparities can be further illustrated by comparing the property taxes on five actual homes with identical market values (\$129,000 in 2008) in five different municipalities: Medary, West Salem, Campbell, Onalaska, and La Crosse. The following series of charts (**Figure A-9**) illustrate the change in taxes paid on those five houses in 1989, 1999, 2008. The final chart shows the trend to 2018, if the change from 1999-2008 is continued.

While the relative order changes, the La Crosse home always has the highest property taxes:

- 1989, the home paid \$803 more per year than the lowest cost (Campbell)
- 2008, the home paid \$1553 more than the lowest cost (Medary)
- 2018, would pay \$2166 more than the lowest cost (Onalaska)

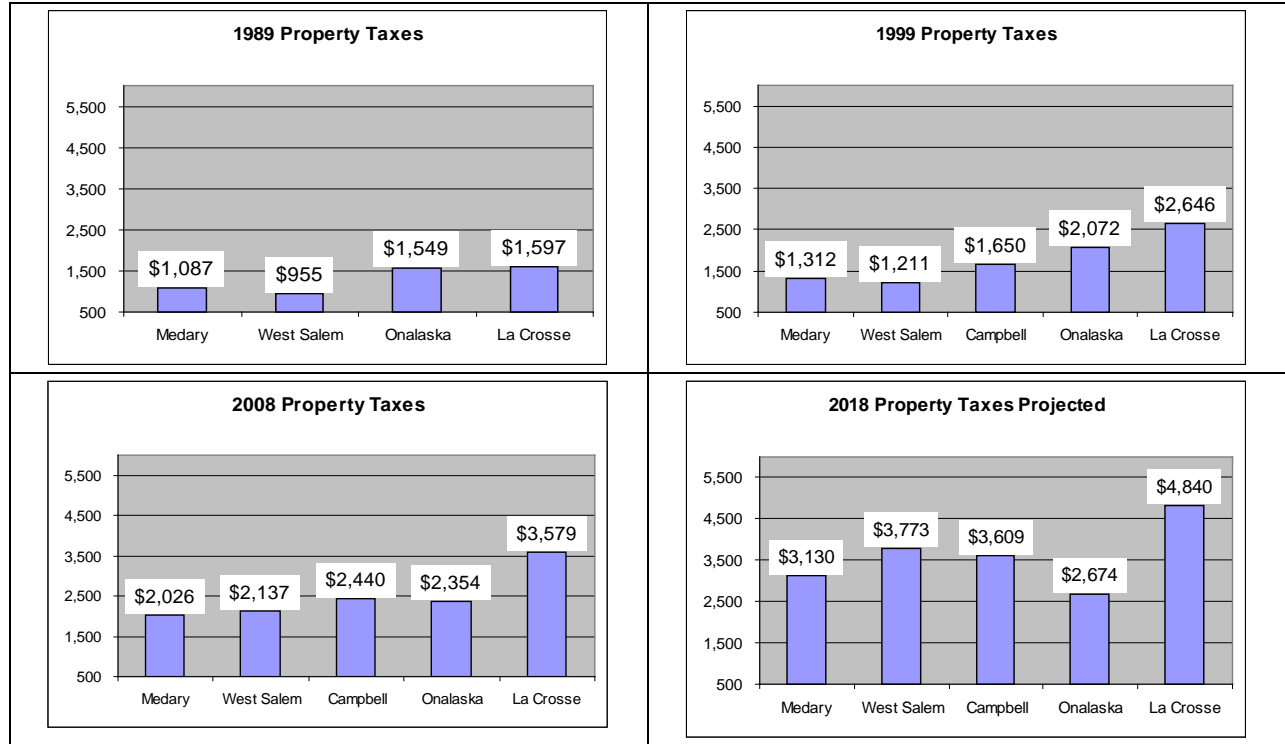


Figure A-9

Trend projection is not precise, but the growing differences are clear from 1989-2008, and the disparity is unlikely to change in the next decade without action.

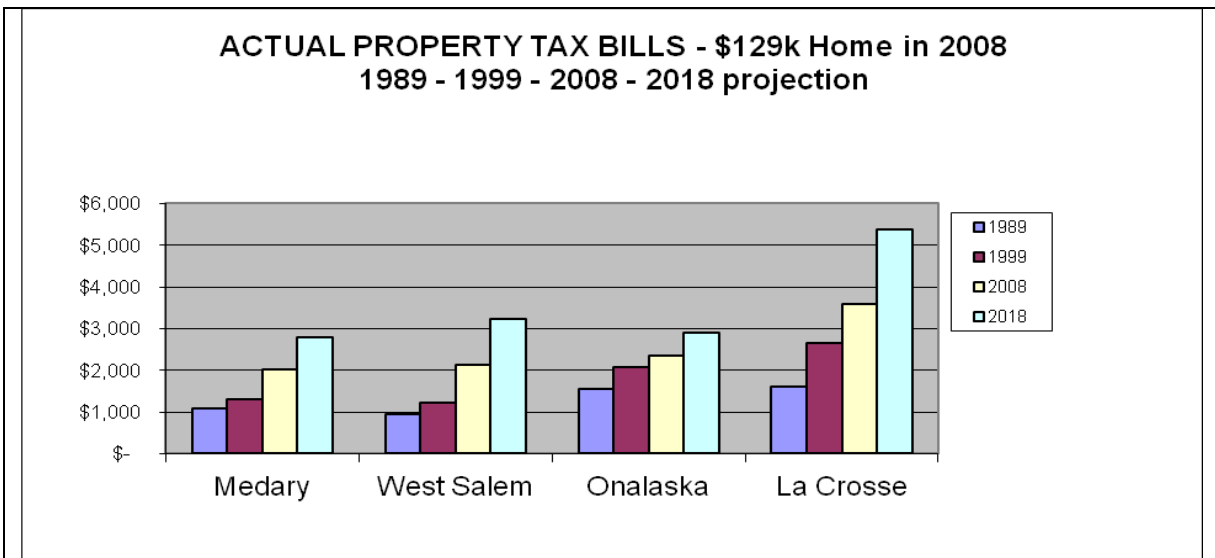


Figure A-10

Another method to look at the same data is to only compare the two homes from the City of Onalaska and City of La Crosse. The following chart illustrates the growing percentage difference in property tax over the period. At the current trend, the La Crosse home will pay nearly double the Onalaska home.

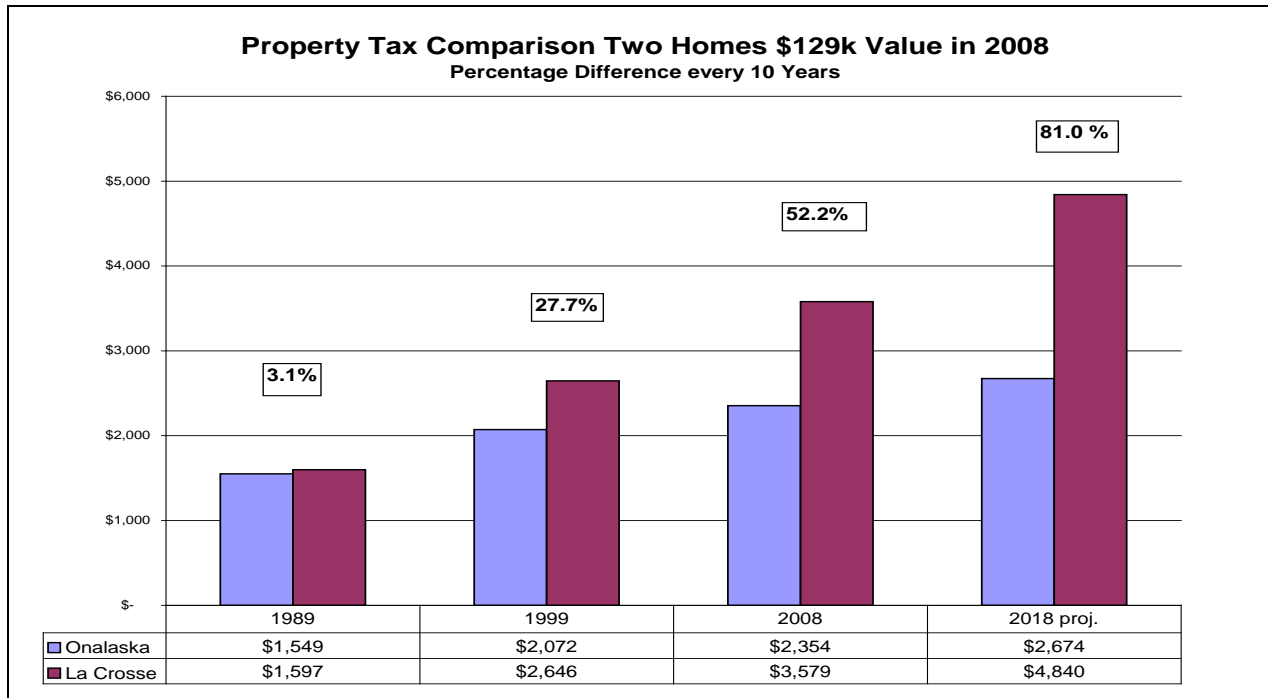


Figure A-11

While it can be argued that property taxes are just one consideration of home buyers, it is clear that property tax disparity is a significant factor as people consider the total cost of housing. Residents buying homes outside the City of La Crosse are able to afford more homes for the same dollar per month. As this disparity continues to grow, we can only assume that this will continue to contribute to a declining population in the City and School District of La Crosse.

**Green Fields vs. Infill**

Property development in green field subdivisions is most often cheaper to create on a mass scale than urban infill properties due to the opportunity costs associate with the alternative land use. Green field development competes with agriculture and other green field development projects. The change in land use between agriculture and housing development creates a significant variation in opportunity cost for the seller. However, a similar acreage of land in the City of La Crosse has much higher opportunity costs due to the strong rental market in the City. Thus perpetuating the cycle of urban decline as modest single family homes eventually become rental properties, which more often than not experience deferred maintenance and eventual dilapidation. As older neighborhoods begin to change from predominantly single family to predominantly rental, the fabric of the neighborhood begins to change.

In addition, new suburban developments have similar styled, new homes of similar valuation. Home owners looking to purchase properties with long-term mortgage obligations appreciate the benefits of a stable neighborhood. Dilapidated housing does not help promote homeowner (investor) confidence in a neighborhood.

## Community Building Blocks

### Center of Activity

#### Regional Business Center

The anchor of any metropolitan economy is the central city. Regional economies with the largest growth rates all have one thing in common...the percentage of job growth in the urban core outpaces that of the suburban rings. Regional economies perform at their highest level where business activity is concentrated in a central location. A close network of dependent services and technology decreases transportation and other mobility costs associated with doing business, and centralized labor force specialized in marketing and advertising, financial services, research and development, and management lead to improved economies of scale.

Centralized foot travel ensures the feasibility of niche restaurant and retail markets. Art galleries and performance theaters stimulate our senses, creating a sense of place that enriches the region’s quality of life. The combination of those elements fortifies the central city as a destination, a place where people want to live and do business. Simply, the urban core creates a synergy that businesses depend on and a rising regional economy demands. So how does housing fit into the regional business center equation?

Land-use decisions and intergovernmental cooperation impact the regional economy to a great extent. On average, the amount of tax revenue generated by the residential sector pays for only a fraction of the costs of services received. The cycle of urban decline suggests that this ratio worsens as tax capacity declines. Conversely, open space generates a surplus of revenue for services provided, and commercial and industry sectors lie somewhere in the middle. Expanding the built environment has to be done in a balanced manner that takes into account the cost benefit of public services provided. The chart below illustrates that the number of people employed in La Crosse County is increasing at a faster rate outside the central city and jeopardizing economies of scale.

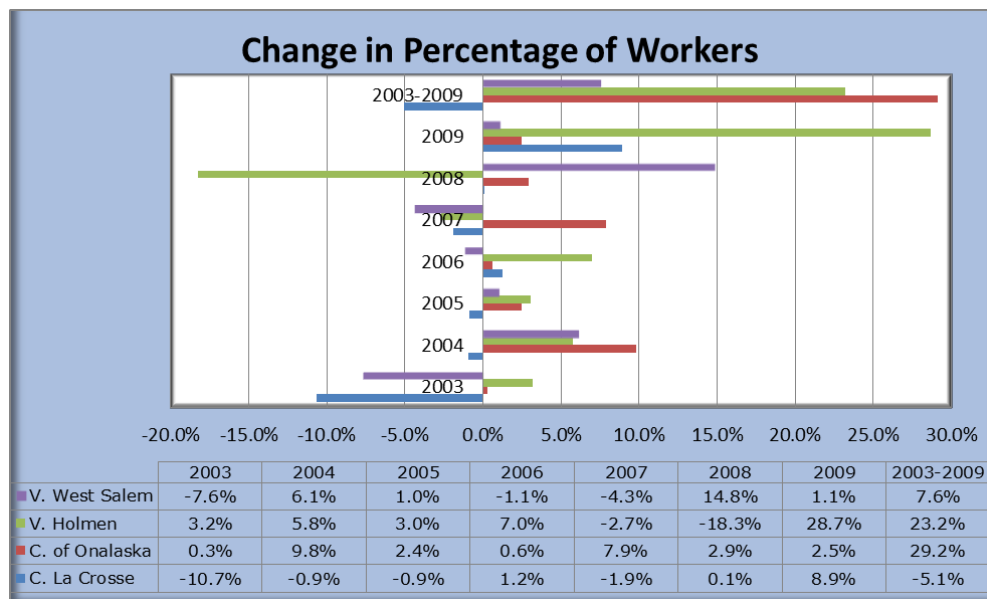
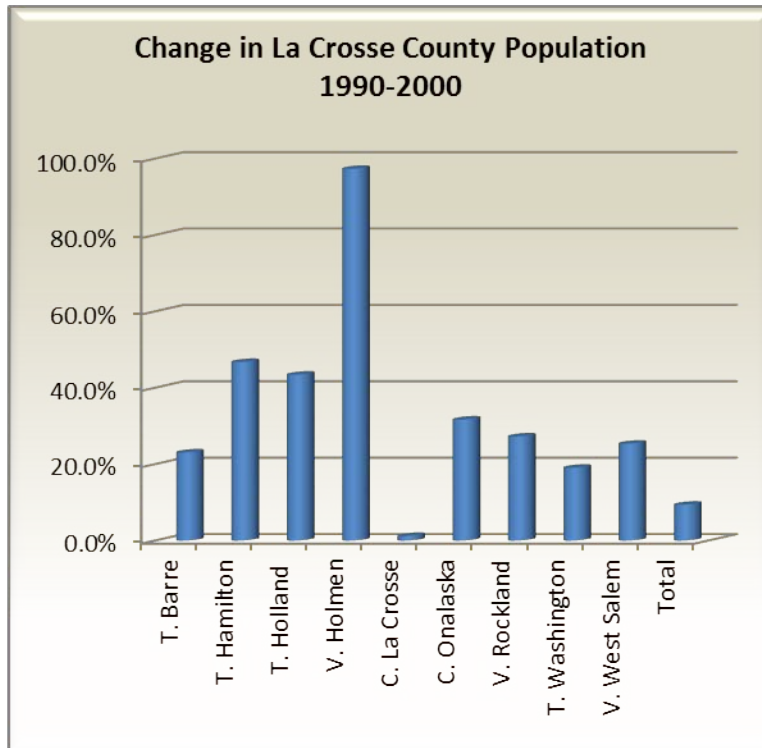


Figure A-12, Source: US Census, <http://lehdmap.did.census.gov/>



Two thirds of workers in La Crosse County commute to the central city for employment (not including City of La Crosse residents). Spurred by increased highway access, the middle and upper classes are migrating out of the central city, lowering the City’s generating capacity per capita and putting additional financial burden, i.e. raising taxes, on the local residents and businesses. As commuters move farther and farther from the urban core, investing in cost efficient transit-orientated development becomes less feasible and frequency of roadway maintenance increases caused by more traffic.

Figure A-13, Source: US Census 2000 Summary File 3 (SF 3) - Universe: Total Population; US Census 1990 Summary Tape File 3 (STF 3) – Universe: Persons

The region has an economic stake in revitalizing the inner core and ensuring long-term regional economic prosperity. Yet, municipal competition and inadequate regional cooperation reinforces urban decline.

*The tragedy of the commons is a notion in which multiple entities acting independently and rationally consulting their own self-interest will ultimately deplete a shared limited resource, even when it is clear that it is not in anyone’s long-term interest for this to happen.*

In this case, the *resource* is the City of La Crosse’s tax revenue from the residential sector. Municipalities on the urban fringe are increasing in family income while La Crosse residents have remained relatively stagnant. This suggests that the central city is losing ground in attracting middle and upper income families.

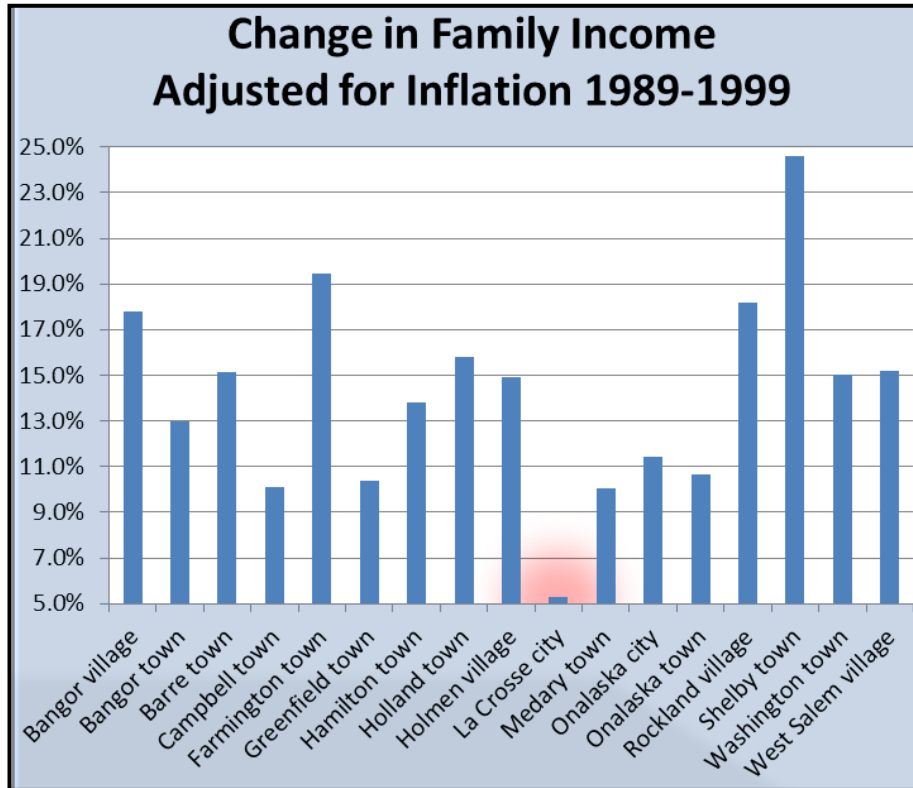


Figure A-14, Source: US Census 2000 Summary Tape File 3 (STF 3) – Universe Families; US Census 1990 Census 2000 Summary File 3 (SF 3) Universe Families

It is estimated that as much as forty percent of the total land in the City of La Crosse is tax-exempt for the social and economic betterment of the region. Home to two medical centers, three universities, and the county seat, tax-exempt entities are reluctant to offer payments in lieu of taxes. Businesses have yet to sufficiently incentivize local housing, and bedroom communities have yet to grasp the importance of operating as a regional body.

Throughout the country, abandoned business districts and deteriorated central cities have given way to inexpensive suburban growth. There is also precedence for regional cooperation in reducing municipal competition and incentivizing urban housing and reinvestment. The Housing Task Force was charged to improve the housing stock in the central city, as a mechanism to reverse the downward cycle of the central city and improve our regional economy. Support is needed from municipal leaders, businesses, and non-profits agencies to reverse urban decline; without regional cooperation, future generations may not have the career opportunities that were once previously afforded.

**Regional Entertainment Center**

Downtown La Crosse has everything one would expect from a larger city. The concentration of restaurants and lounges provide patrons with an abundance of dining choices all within walking distance. The La Crosse Center holds national and international performers. The La Crosse Community Theatre has been providing a full season of musicals, dramas, and comedies since 1963. The Pump House Regional Arts Center offers three visual art galleries, and performances at the Dayton Theatre. The La Crosse Symphony Orchestra is a popular attraction for visitors and residents. Other live

performing arts centers include the Muse Theater, Viterbo University, and the University of Wisconsin-La Crosse.

The Children’s Museum of La Crosse is three floors of fun, interactive exhibits. It was opened in 1999 and is the first museum of its kind in the region. The Swarthout Museum located adjacent to La Crosse’s Main Public Library contains exhibits and discusses topics related to La Crosse’s rich history.

Festivals keep community traditions alive and provide a destination to reunite old friends for a common celebration. The City of

La Crosse is the headquarters for major regional festivities.

### ***Great American Main Street Champion***

Founded in 1980 The Main Street program at the National Trust for Historical Preservation has helped communities nationwide revitalize their downtowns. Guided by Four points, the Main Street program has helped raise 49 million dollars in reinvestment in traditional commerce districts; and, in the process, transform how local governments view historic preservation.

The region benefits from having a vibrant downtown due to what it can bring to a community. By keeping local business located in the center of a City, a community is able to generate a healthy tax base as well as a focal point for tourists and other visitors to the region.

In 2002, La Crosse won The Great American Main Street Award due to the City’s comprehensive plan for revitalizing the downtown. In 1990 a partnership between the private interests of Downtown Main Street Inc. and the City led to the creation of the *City Vision 2000* master plan for rejuvenating the historic commercial district downtown. Because of these efforts, La Crosse has one of the biggest National Registered Commercial Districts in the state, containing 98 historic buildings. With the additions of Century Link’s Midwest Regional Headquarters and Logistics Health downtown employment is at an all-time high. The City also turned the former Pioneer Foundry into an expanded Piggy’s Restaurant and a new store, the Wine Guys. The City also spent \$2 million dollars refurbishing the historic Doerflinger Building. Since Downtown Mainstreet Inc. and the City started working on rehabilitating the downtown, they have added 170 residential units on upper floors. Some 100 buildings located in this historic district have had their storefront façades and other parts of their structure restored; and, in the process, increased the property value by an additional 40 million dollars throughout TIF District 6 and the downtown area.

#### **Festivals**

- Riverfest
- Oktoberfest
- Art Fair on the Green
- Crazy Days Downtown
- Mardi Graz
- Great River Jazz Fest
- Winter Rec Fest
- Farmers Markets
- Irish Fest
- Fitness Fest

#### **Arts & Entertainment**

- La Crosse Loggers Baseball
- Pumphouse Regional Arts Center
- La Crosse Center Concerts/Plays
- La Crosse Symphony Orchestra
- New Community Theater Complex
- Muse Theater
- Live Nightly Bands
- University of Wisconsin-La Crosse Theater
- Viterbo University Theater
- Jazz on the Green
- Comedy Clubs
- Regional Shopping District
- Riverside Amusement Park
- Historic Rivoli Movie Theater

### *Proximity to Natural Amenities*

La Crosse holds a distinct advantage over other National communities when it comes to its physical location. Nestled within the Mississippi River Valley, La Crosse is bordered by the river to the west and the bluffs to the east. La Crosse's location on the Mississippi River and the sheer physical beauty of its landscape make it a desirable location to raise a family or pursue a career.

In 1912 the Hixon family and other in the community saved Granddad's Bluff from being quarried and donated the land to the City for use as a park. Hixon Forest is an 800 acre park located within the City's limits that allows for year-round recreational use for the public. Various trails running through the forest allow the public the opportunity to experience the scenic prairie and bluff lands that make La Crosse such a beautiful city.

Much of La Crosse's bluff lands have been preserved because of the efforts of the Mississippi Valley Conservancy, the Wisconsin DNR, and the City. Running along the east side of the City, these well-preserved bluffs remind us of a bygone era and create a scenic backdrop for the City. Various hiking trails allow the public to access these bluffs and enjoy the magnificent views they have to offer. Granddads Bluff which is accessible by vehicle, allows the public the opportunity to enjoy the view without having to hike through the woods.

Pettibone Park, located across the main channel of the Mississippi River from downtown La Crosse, is best known for its copper-roofed gazebo and it's well-maintained beach and beach house. Founded in 1901 the park was originally in Minnesota before becoming the property of the City of La Crosse. From volleyball to disc golf to fishing and hiking, Pettibone Park has provided the citizens of La Crosse with a multitude of recreational activities for over one hundred years. Black River Beach Community Center on La Crosse's north side has been a favorite swimming destination for the community since 1947. The beach is fully equipped with a neighborhood center that includes meeting space, restrooms, a bath house and volleyball nets. There is also a boat ramp making it a convenient location for the north side community to access the Black River.

La Crosse is located at the convergence of three rivers and enjoys the recreational benefits of being on the Black, La Crosse and Mississippi Rivers. This unique proximity to three rivers provides the community with plenty of fishing and other marine-oriented activities. Upper Pool 8 and Lower Pool 7 of the Upper Mississippi Wildlife Refuge are located along La Crosse's stretch of the Mississippi River. The refuge provides a perfect habitat for migratory birds and other creatures; and, in the process, gives the community a chance to experience wildlife in a natural setting.

Two major state bike trails meet in La Crosse providing the community yet another outdoor recreational opportunity. The 22 miles of the La Crosse River Trail serve as the link between the Elroy-Sparta State Trail and the Great River State Trail. Developed from the abandoned Chicago and Northwestern Railroad lines, the La Crosse River State Trail is known for its beauty as it follows the La Crosse River, often crossing it via reconstructed railroad bridges. Running north along the Mississippi River out of La Crosse, The Great River State Trail takes you on a journey that is surrounded by the beautiful scenery of the 7 Rivers Region. Between these three trails, the community has access to over 75 miles of trails that run from Elroy all the way to Perrot State Park near Trempealeau.



La Crosse enjoys an extensive park system with 45 city parks. 1,400 acres in the City are dedicated for green space, so there are plenty of facilities available for various recreational uses. Two of the City's more prominent parks are Riverside Park and Myrick EcoPark. Riverside Park is located in downtown La Crosse along the Mississippi River. From this facility the public enjoys a commanding view of the Mississippi and Black Rivers, as well as Pettibone Beach across the main channel of the Mississippi River. During the summer, river-tour rides are available from Riverside Park further enhancing the community's ability to enjoy the wildlife and scenic views that the Mississippi River has to offer. Myrick Park, located across from the UW campus on La Crosse Street, has several unique opportunities for various recreational activities that the other City parks do not. Myrick Park is at the head of an extensive trail that runs through La Crosse's marshland separating the City's north and south corridors. This trail allows people to experience the wildlife and beauty of La Crosse's marshland from the comfort and convenience of a paved walking trail. The Kids Coulee, an impressive playground facility, is also located inside Myrick Park. Myrick and Riverside Parks are the crown jewel in La Crosse's park system.

## **Transportation Amenities**

### ***Transit System***

The MTU service provides ridership access to roughly 80,000 residents in La Crosse, Onalaska, Campbell, Shelby, and La Crescent totaling 1,160,000 annual riders with 52 area stops. MTU has an ongoing relationship with the University of La Crosse, Viterbo, and Western Technical College to provide a high level of service for students on and off campus. The U-Pass program provides unlimited ridership to students, significantly lowering the costs while helping to reduce parking needs. The Safe Ride program is a free downtown service provided to students living in the campus area who prefer to leave their keys at home and return in a responsible manner. Bike racks have been installed on all our busses, so commuters can make a seamless and convenient connection to their destination. It is our mission to provide public transportation that is safe, reliable, and convenient while providing access for independent living, a cleaner environment, and an empowered community.

### ***Bike & Pedestrian Network***

With the community's strong commitment to providing multimodal access, life in La Crosse presents a unique sense of place and as a destination not only for visitors, but as a marketing tool for prospective businesses and their employees. If you visit cities with high economic growth rates it's easy to understand why people want to live there. Bike and pedestrian facilities are abundant in the City and form a personal connection to the community. People on streets bring excitement to downtown markets and energy to daily commuters, and it is an essential component to a healthy community.

The City of La Crosse takes pride in our distinction as an Ecomunicipality and as a nationally designated Bike Friendly Community. Adoption of the Complete Streets ordinance sends the message that residents, politicians, and business the importance of a robust bike and pedestrian network. Residents have access to 20 miles of bike and pedestrian paths that span throughout the La Crosse Marsh, Hixon Forest, and along the La Crosse River into Riverside Park. La Crosse is also home to one of the top-rated mountain biking destinations in the Midwest totaling 13 miles of rugged bluff land shared-use trails.

In 2012, a bike pedestrian bridge will be constructed on the north side providing a safe bypass to the I-90 interchange, and a direct connection to the industrial park. A new dedicated paved path will extend south from the new pedestrian bridge and connect commuters to La Crosse's historic north side

business district. This development will also link residents and visitors to the Great River State Trail and the La Crosse River State Trail. To the City's south, a picturesque commuter path starting at the Gundersen VIP trail continues the length of Isle La Plume, along Swift Creek, and ending at the Market St. Bridge a few blocks from downtown and the riverside trails. The City's Bike and Pedestrian Plan will explore options to establish a paved bike trail that stretches along the Black River on La Crosse's north side and along the Mississippi River south to Goose Island.

Safety is paramount to an effective bike network. A proper network ensures that commuters of all levels reach their destination safely and efficiently. Neighborhood routes connecting to the central business district, hospital facilities, higher learning campuses, and other employment areas are progressing through their planning stages. The City's bike/ped plan will set guiding principles, prioritize capital improvement projects, and detail implementation strategies to fill the gaps in the existing infrastructure. But a plan can only take a project so far; seeing such projects through to completion will take support and cooperation from community stakeholders.

## Models of Success

### Effective Community Programs

#### *Reinvestment in Old Neighborhoods*

There are many examples, as you look across the country, of models for successful reinvestment in older neighborhoods. This section will illustrate a few of those models that the Housing Task Force has studied and discussed – the Phillips Partnership and Sunnyside Up. These models show that coordinated efforts amongst community stakeholders can lead to the reversal of negative trends and some impressive turnarounds for even the most challenged neighborhoods.

**Phillips Partnership** – “The Phillips neighborhood in Minneapolis was plagued by crime and disinvestments despite years of hard work by neighborhood groups, foundations and public officials” (*PhillipsPartnership.org*). This neighborhood is making a turnaround however, fueled by coordination between many private and public sector stakeholders near the Phillips neighborhood – including, Honeywell, The Children's Hospital, Allina Healthcare, The Fannie Mae Foundation, Abbot Northwestern Hospital, Phillips Eye Institute, Wells Fargo, Hennepin County, The City of Minneapolis, and others. These partners have worked together to identify strategic investments, coordinate redevelopment and public improvement efforts, and leveraged private investment in the area, which has resulted in great changes for the neighborhood.

The Phillips Partnership Strategy is:

- Building bridges to solve issues that span public agency jurisdictions, traditional appropriations categories, and individual corporate interests;
- Diagnosing the underlying causes of urban decay and exploring systematic cures;
- Mustering resources that are available but have been unorganized; and
- Putting the best strategic minds to work alongside the most knowledgeable and most personally invested people living and working in Phillips.

“Guided by a community-defined development agenda, the Phillips Partnership and its members have helped mobilize \$1.5 billion in resources benefiting Phillips since 1997. The neighborhood is now a city leader in property value increases, job gains, and infrastructure development. The need for improvement remains compelling, but the tide has shifted” (*PhillipsPartnership.org*). The partnership has facilitated and funded projects such as:

- The Phillips Park Initiative – a comprehensive urban redevelopment effort of community residents and organizations to provide housing opportunities for a mix of incomes and to strengthen the Phillips neighborhood. To date this initiative has created over 29 new homeownership opportunities in townhomes, condominiums, and carriage houses (led by the Phillips Eye Institute and Lutheran Social Service);
- Portland Place – a \$12m project to build 52 new owner-occupied homes (led by Honeywell);
- East Phillips Infill Campaign – a campaign that developed 21 new homes on targeted city-owned vacant lots with the goal of concentrating activity in areas where new residences would have strong residential support from neighbors (led by the Fannie Mae Foundation);
- Joseph Selvaggio Initiative – a \$6.8m investment in home-improvement grants, multi-unit housing rehabilitations, and Streetscaping improvements, targeting investments and working to increase overall property values in the neighborhood (led by Allina Health System);
- Phillips Housing Resources: A User Guide for Local Programs and Agencies – a guide to housing counselors, foreclosure prevention services, home improvement programs, programs for responsible landlords, and programs for homebuyers (put together by the Phillips Partnership in cooperation with Carleton College and Project for Pride in Living);
- Phillips Partnership Housing Stabilization Initiative – offers up to \$7,500 to homeowners for exterior home improvements and \$5,000 for downpayment assistance in a targeted area.

“As a result; crime has decreased by 62% from 1998 – 2009, the private sector created 6,300 new jobs and invested \$730 million into 5 campuses (Allina, Abbott Northwestern, Wells Fargo Mortgage, Children’s Hospital and Phillips Eye Institute; the largest hospital-based job training program in the country was established, and market values grew in Phillips beyond city averages” (*PhillipsPartnership.org*). This program has been extremely successful in the Phillips Neighborhood of Minneapolis, and there is no reason why similar results couldn’t be realized in La Crosse, if the right partners were to commit to working together in a coordinated effort.

More information on how this could be applied in La Crosse can be found at: <http://bit.ly/laxcospheres>

**Sunnyside Up!** – The Sunnyside neighborhood lies between the Downtown Evansdale campuses of West Virginia University (WVU) and downtown Morgantown, West Virginia. This neighborhood has many assets and challenges – many of which are very similar to those facing the city of La Crosse. Among the challenges were poor property maintenance, limited building codes, parking constraints, constricted traffic, a lack of green space, and limited capital.

*“Deterioration of housing stock and related infrastructure in Sunnyside has significantly increased in recent years. In 2003, the City designated Sunnyside as a blighted district. Campus Neighborhoods Revitalization Corporation (CNRC), supported by the City of Morgantown and West Virginia University, has initiated a revitalization effort for the neighborhood. Based upon Sunnyside’s existing characteristics, assets and challenges, CNRC has developed a vision to energize and guide residents,*

local leaders and other stakeholders to implement development improvements and policy amendments. The centerpiece of these efforts is the Comprehensive Revitalization Plan.

*The Comprehensive Revitalization Plan seeks to create an urban neighborhood known for its livability, convenience, and character. With a diversity of housing types, mixed-use development, infrastructure improvements and civic amenities, Sunnyside will be attractive to students, faculty, urban professionals and young families.” [www.morgantown.com/sunnyside/Sunnyside.pdf](http://www.morgantown.com/sunnyside/Sunnyside.pdf)*

This is another example of cooperation amongst numerous stakeholders to revitalize a neighborhood and reverse negative trends. Through collaborative efforts of student, landlords, property and business owners, city officials, university officials, and others, the neighborhood continues to achieve success with programs such as:

- The establishment of a TIF District and its use in public infrastructure projects such as sidewalk improvements, new bus stops, LED street lighting, and a new plaza area at Summit Hall;
- A design assistance program available to property owners in need of assistance and suggestions for rehabilitation projects;
- A façade program which provides up to \$3,000 in matching grants for exterior renovation projects on existing housing units in the neighborhood;
- A graffiti control program which offers rewards for information that leads to arrests in graffiti cases.
- The Mini-Mod Rehabilitation Program, which provides affordable financing to landlords to renovate existing rental units – up to \$20,000 per unit in low interest loans;
- The facilitation of a number of mixed-use development projects in the neighborhood, working with developers to provide new, quality housing units and amenities in the neighborhood – such as Mountaineer Place and Beachview Place.

This project is an example of campus neighborhood improvements that can be accomplished with the university, city, and other stakeholders work together with a common vision and plan. This approach seems to be a natural fit to the city of La Crosse – particularly in neighborhoods rooted in student rental. Data shows that the city of La Crosse shares many similar assets and challenges with Morgantown.

### ***Better Regulatory & Inspection Priorities***

The role of regulation and inspection should be grounded in protecting the investment of property owners. There are also some examples of how other communities are doing a better job of protecting investments in neighborhoods, which in turn will lead to increased investment. We have looked at a few of those examples.

**St. Cloud Rental Licensing Program** – The City of St. Cloud, MN requires owners to license their rental property. Properties must be kept in compliance with ordinances designed to keep neighborhoods safe, or they risk losing their license to rent. The program is presented as a partnership between the City, the landlords, and the tenants to make sure that housing is safe for everyone.

The City has committed to working with property owners to provide information and answer questions on regulations, notify them when there are tenants-based complaints or violations, and help identify resources to assist with correcting any violations. The landlords are expected to cooperate with necessary inspections (routine or complaint driven) and to correct any violations within a reasonable

timeframe. Failure to correct violations may result in fines and/or revocation of the rental license. The City Council will consider revocation of the rental license when there have been four violation in any 12 month period of the following ordinances – Refuse and Garbage, International Property Maintenance Code, Zoning, Nuisances, Animal Control, Rental Licensing, Noise Control, and Landlord Responsibilities. If a rental property is found to be unlicensed the property owner is subject to administrative citations. The tenants are expected to comply with their leases and City ordinances, and to report violations so proper correction can be done.

It is clear that any successful rental licensing program will require cooperation from all stakeholders. If the municipality expects compliance from landlords and tenants, they must also be willing to be a good partner in helping enforce both ordinance and lease violations.

### ***Employer Assisted Housing Programs***

Employer Assisted Housing (EAH) is an employer provided benefit that helps employers to achieve business goals, while helping employees with homeownership or rental housing. Many EAH programs offer multiple benefits – home-buying education sessions, one-on-one housing counseling, and financial incentives such as forgivable loans, matched savings, or gifts toward housing expenses.

EAH programs have been found to have many important benefits to the employers such as greater productivity of employees who live closer to work, greater loyalty and less turnover of employees, reduced on-site parking needs, as employees are able to walk or bike to work, etc. These types of programs can also work to stabilize surrounding neighborhoods, as quality employees are encourage to make their homes there.

The Wisconsin Housing and Economic Development Administration (WHEDA) has taken an active role in working with Wisconsin employers to identify their goals and structure an EAH program that meets their needs and the needs of their employees. One example is Pitney Bowes in Appleton. They have a call center with over 300 employees and they were having trouble finding quality, dedicated workers. Their employees tended to be more transient and were experiencing significant turnover costs. They found that a solution to their issues was to partner with a non-profit housing agency to provide employer assisted housing. So far they have had over 45 employees participate in the counseling portion of the program and have helped eight employees to purchase homes in the neighborhood, and they are thrilled with the results and impact that it has had on their workforce.

Similar creative collaborations have occurred in the construction phase of the employer assisted housing process using land grants. For example, *UC Irvine* is able to maintain a community of affordable homes for employees by retaining the land in a trust. Likewise, *University of California Davis* is able to provide, 37 affordable homes for faculty and staff at Aggie Village on University property because of a land grant. Employer assisted housing is not a new idea to La Crosse. For example, Gundersen Lutheran has maintained an employer assisted housing program for several years. According to their website, residents of those units enjoy their accommodations.

*"The residency program and the La Crosse area foster a sense of community, almost from the first day you arrive. The on-site housing enables resident families to have a great social support network, and the low cost of living enabled my wife to spend more time at home*

*with our kids. Also, the area offers a wealth of activities, both indoor and outdoor." —Tom Klemond, Former Internal Medicine Chief Resident*

Mayo Health System has also recently implemented an EAH program for their employees, and other employers in the La Crosse area are starting to look at similar programs. Given the location of some of our most challenged neighborhoods in close proximity to significant employment, EAH seems to have a lot of potential to encourage reinvestment in those neighborhoods – which would lead to great benefit for area employers as well.

## National Trends

### *Sustainability*

The most widely accepted description of sustainability is where economic prosperity, ecological integrity and social and cultural vibrancy is in balance. A systems view of sustainability shows that the economy and society are bound by the ecological limits. The Earth Charter from 2000 conveys that sustainability is a task in progress by stating “We must join together to bring forth a sustainable global society founded on respect for nature, universal human rights, economic justice, and a culture of peace.”

The Conference on the Human Environment was convened by the UN in 1972 where it was globally acknowledged that more research was needed on the inter-relationships between the environment and socio-economic issues. The concept of sustainable development emerged in the 1980s and since has spread throughout the globe. In 1997 the Alliance for Global Sustainability was created to bring scientists and engineers together to address complex issues and to tie environmental, economic and social goals together. In 1999 Dow Jones launched Sustainability Indexes to track financial performance of leading sustainability driven companies worldwide. Three years later, the United Nations General Assembly declared 2005-2014 the Decade for Education and Sustainable Development. Today, sustainability tends yet to stymie some people, but its meaning is motivating individuals, institutions, businesses and organizations to this holistic way of looking at the world.

In 2010 the University Wisconsin Extension and UW Colleges hosted a Sustainable Communities Public Policy Forum. More than 700 people throughout Wisconsin participated and identified current policies and resources as well as policy ideas to help Wisconsin move forward. The policies and recommendations generated through the Forum provide a foundation for developing and implementing state and local policies that support community sustainability.

Where is sustainability predicted to go into the future? An increasing bicycle culture, the implementation of carbon taxes, and increasing emphasis on urban foodsheds are just a few. We are seeing some of these trends locally in La Crosse, while some are still at a national or global scale. Over the next decade, World Changing, lists the following as the top sustainability trends:

- **Bike usage will continue to rise across cities**—Bicycles as a use of transit will continue to increase as cities continue to expand their bicycle networks.
- **The rise of cellulosic biofuels**—Offer the promise of creating a viable energy source from waste products, such as wood waste, grasses, corn stalks, and other non-food products.
- **Information and Communication Technologies will drive advances in sustainable urban development**—Opportunity areas include: energy smart grids, traffic congestion monitoring and

pricing systems, e-water management application including leakage detection and purification, e-green building applications, intelligent public transportation and logistics and more.

- **Implementation of carbon taxes**—Carbon taxes have been proposed for oil, natural gas and coal as a way to adjust for the vast environmental damage these activities do to the earth.
- **The end of “cheap oil” will make sprawl more expensive**—With market uncertainty for oil prices and supply, suburban automotive dependent sprawl will decline.
- **Focus on urban agriculture and foodsheds**—As fuel prices rise and unexpected shortages occur, food prices will rise rapidly, especially for food transported long distances. The alternative is greater local and regional food production in and around cities.
- **Resiliency planning: cities, towns, homes**—Resiliency is about making a system or one’s self stronger and more able to survive adversity. The emphasis is on using collective community resources, including knowledge and skills, that people have in their own sphere of influence, versus waiting for top-down government decrees.

### *Senior and Young Adult Preference for Living in Urban Core*

As Baby Boomers find themselves as Empty Nesters living in the suburbs they are beginning to desire a location closer to the amenities that they need and enjoy. Restaurants, theaters, the art, sporting events, universities, shopping, hospitals and such are all destinations that attract the Baby Boomers and are traditionally located in the urban core. Locating a smaller, one level home allows for the Baby Boomer to transition through their adult years in a place more suitable for their needs and more adequately adaptable to all stages of life.

In addition, across the Nation Universities and Colleges have been either partnering with developers or acting as the developer to construct Senior Housing that has an affiliation to the Institute of Higher Learning. Here, seniors are allowed to audit classes, access all of the facilities at the institution and become mentors to the students. This has been a successful model.

Similarly, Young Professionals graduating from college and finding their first employer tend to be attracted to the same amenities. Ample night life opportunities, entertainment and the “hip” feeling of living in the Urban Core that cannot be found in the suburbs where they spent their childhood. These National Trends are creating an environment ripe for development of downtown living units for all ages, incomes and abilities.

### *Increasing College Enrollment*

According to Projections of Education Statistics Through 2020, a September 2011 report by the National Center for Education Statistics, between 1995 and 2009, the number of students enrolled at colleges and universities increased by 43%. This trend is expected to continue in the next decade as well.

The report indicates that between 2009 and 2020, enrollment in postsecondary institutions will rise by approximately 13%. As widely anticipated, high school enrollments in colleges and universities will level out after growth throughout the 90s and the report suggests that there will be an increase in the number of 25 to 29 year olds enrolled.

The age of who enrolls will not be the only factor to change under the federal projection. The number of part-time students is forecasted to increase more quickly than will full-time students and the rate of increase for Hispanic and Latino enrollments would greatly outpace those of other racial groups. And

the gender gap, already a concern for many in higher education, will widen: with enrollments of women growing by 16 percent and men by just 8 percent, as the department projects, by 2020 women would make up 59 percent of all postsecondary students, up from the current 57.1 percent.

President Obama has set an ambitious goal of making the United States the first in the world in college completion by 2020, promising to increase the percentage of people ages 25 to 34 who hold an associate's or bachelor degree from 40 to 60 percent. America once topped the charts for college completion rates, however according to recent studies by the College Board, the U.S. has fallen to 12<sup>th</sup> place among 36 developed nations for the number of 25 to 34 year olds with a college degree.

To help advance this goal, the National Association of Independent Colleges and Universities and Council of Independent Colleges have engaged in a new initiative: Building Blocks 2020. The effort highlights work by colleges and universities to: raise enrollment and graduation rates, expand college-going overall, increase graduation rates in areas of national need, and provide students the tools and skills they need to succeed in college.



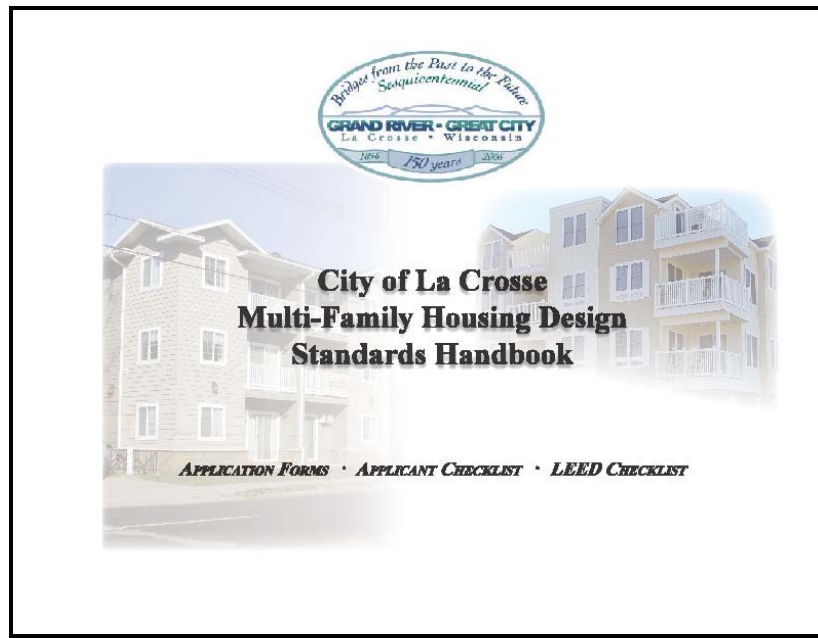
## Foundation and Objectives

### Review of Current Housing Policies

#### Multi-Family Design Review

During the 1980's, the City of La Crosse saw a boom in the number of multi-family housing units being built. La Crosse has one of the highest ratios of students per capita in the state, and that is a predominate factor for the large number of multi-family developments. Over time, single family neighborhoods around the University of Wisconsin-La Crosse, Western Technical College, and Viterbo University have experienced higher concentrations of multi-family structures for student housing. Because these institutions are relatively dispersed in Central La Crosse a large area of the City has been impacted by poorly designed multi-family development. The thought at the time was to approve any development n hopes that such development would increase tax base. Unfortunately, this approach left many neighborhoods with large multi-family structures void of architectural variety or curb-appeal and a contributing factor to residential disinvestment in struggling neighborhoods.

In 2010, the City of La Crosse adopted its first Multi-Family Design Review ordinance as a mechanism to improve neighborhood aesthetics and instill long-term confidence in La Crosse neighborhoods. The ordinance sets minimum design standards such as building form, scale, and neighborhood context, as well as parking lot design, landscaping, and building mechanicals.



#### Rental Registration and Inspection Program

At some level, all traditional single-family owner-occupied neighborhoods have experienced an increased conversion of rental-occupied housing. This phenomenon can be viewed a contributing factor of the out-migration of middle-income families and a reflection of their lack of confidence in maintaining home values. The City's rental inspection program began in 2003 and is designed to track the number of

rental properties in the City, and to ensure that rental units meet minimum life-safety and maintenance standards. Currently there are nearly 10,000 rental units registered in the program.

Without registration, inspectors have a difficult time determining which properties are rentals and which properties are owner-occupied. Multi-family inspections are relatively easy to administer since most of these dwellings are located in multi-family districts. A problem for inspectors is the rentals located in traditional single-family neighborhoods that were previously owner-occupied and are not documented. These rentals blend into traditional single-family neighborhoods but over time have changed the character of such neighborhoods. The primary concern is the number of unrelated individuals living on premise, and the inability to keep pace with the rental turnovers. What is certain are the testimonies from neighborhood representatives who have perceived an uptick of code violations, a lack of accountability from landlords, and an overall change in neighborhood demographics.

Under the assumption that neglected rental properties are on the rise and traditional owner-occupied neighborhoods are being converted to rentals, the rental inspection program was implemented in 2003 mandating that all rentals be inspected every five years or upon transfer to a new property owner. Unfortunately in 2009 the rental inspection program was suspended leaving a substantial gap in data and the ability to measure the effectiveness of the program. Rentals could still be inspected if a code violation was suspected, if the property was sold, or if the property had failed to be registered, but this approach shifts accountability away from property owners and onto the tenants, most of which are unaware of minimum maintenance standards. Starting in 2012, the rental inspection program will be back online.

Data still need to be accumulated and analyzed in order to confidently assert whether or not the proximity to rental properties impact the quality and value of owner-occupied residential properties. However, City of La Crosse building inspector data indicates a nearly 2:1 ratio in the number of code violations issued for rental properties when compared to owner-occupied units (see **Figure A-7**).

The map on the following page (**Figure B-1**) illustrates the encroachment of multi-family dwellings in traditional single-family neighborhoods. A long-term goal of the rental registration program is to illustrate the change over time of the conversion of single-family owner-occupied homes to rental units. That data will then be used to show whether or not a correlation exists between the value of residential properties and its proximity to rental properties over time.

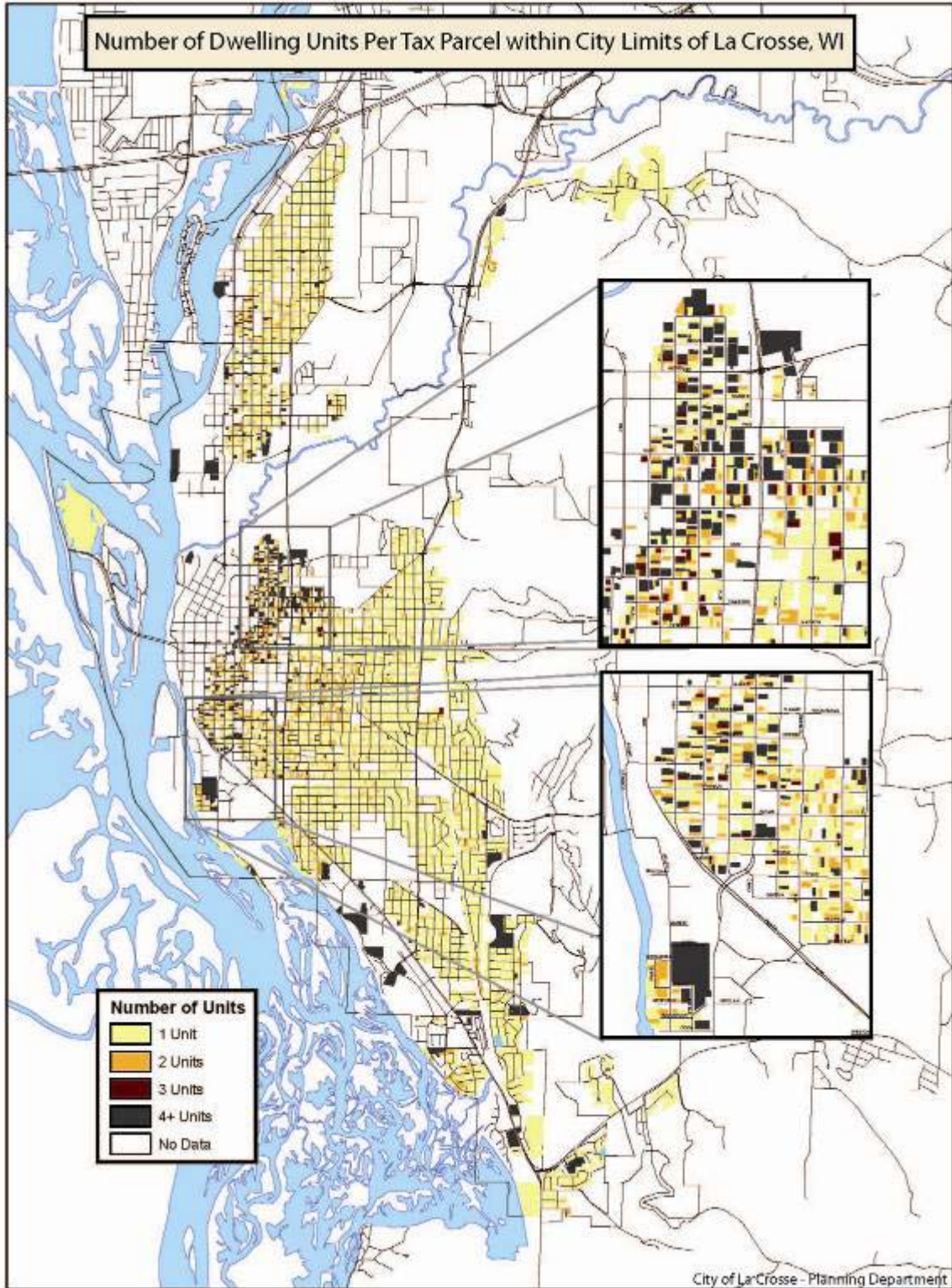


Figure B-1

Source: City of La Crosse Assessors Department

### ***Vacant Building Registration Program***

The rise in foreclosed homes across the nation and the out-migration of the City's middle-class has prompted active diligence to ensure that the blighting influence of such structures does not spread and become a greater community problem. The Vacant Building Registration Program (VBRP) has gained attention as a premier strategy to prevent abandoned homes from sitting vacant for years attracting squatters, vandalism, and arson. The intent of the program is twofold. First, the registration allows administrators to take stock of the current situation and determine the extent of the problem. And second, it is an attempt to prevent owners from abandoning their property in the first place.

The fees generated from this program provide funding for either remediation or for razing the building. Upon notification that a building is vacant or abandoned the responsible party shall register the property, otherwise City staff is authorized to register the property if needed. Once registered, the property will be inspected for fire safety and building code violations. Fees begin to increase every six months if violations are not corrected within the timeframe allotted. Any unpaid fee will be attached to the property tax bill as a special assessment. Over time, back taxes and fees will outpace the value of the building expediting the foreclosure process.

Older homes are among the first to be neglected, vacated, and abandoned. On the following page (**Figure B-2**) is an illustration of the age of La Crosse's housing stock and housing conditions.

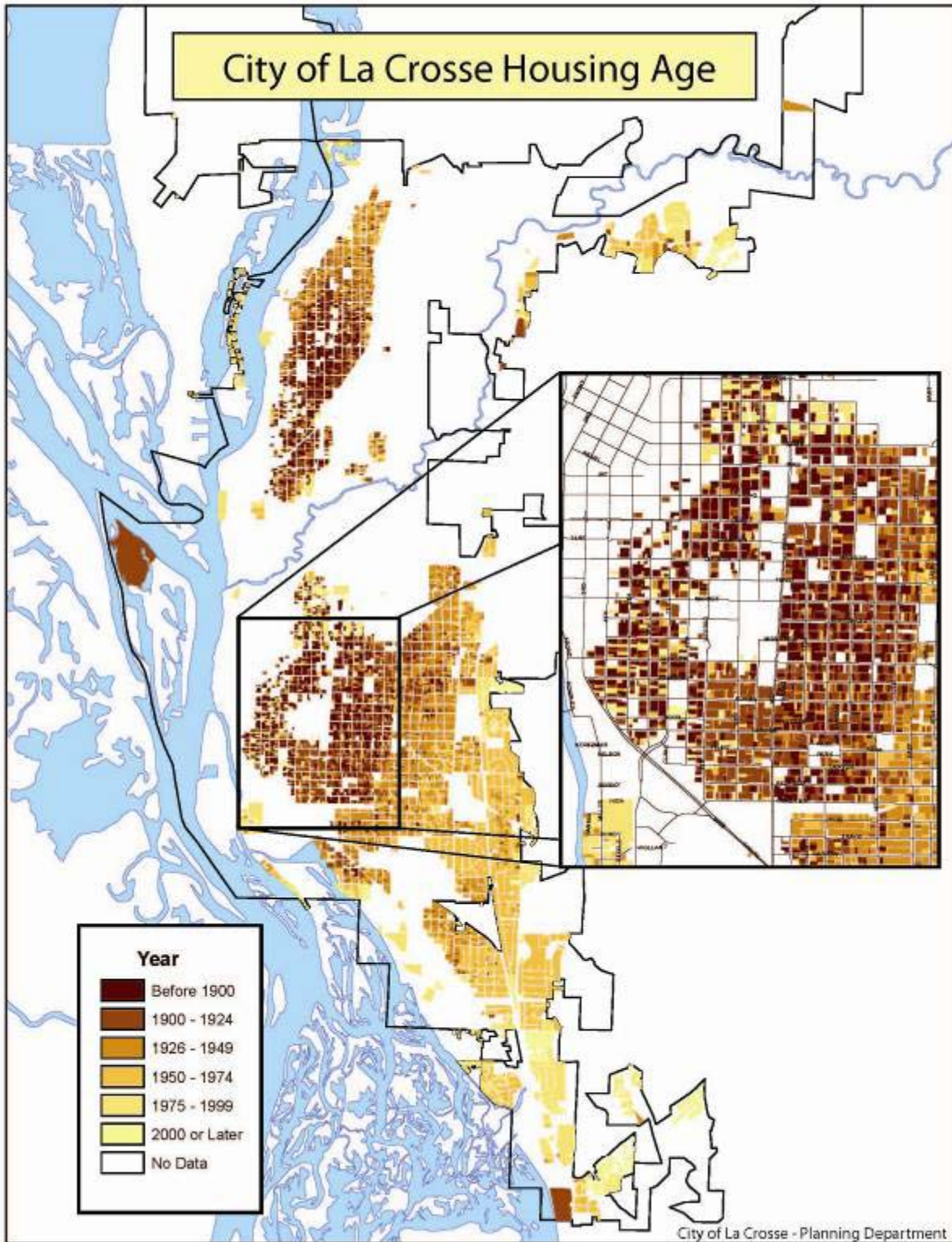
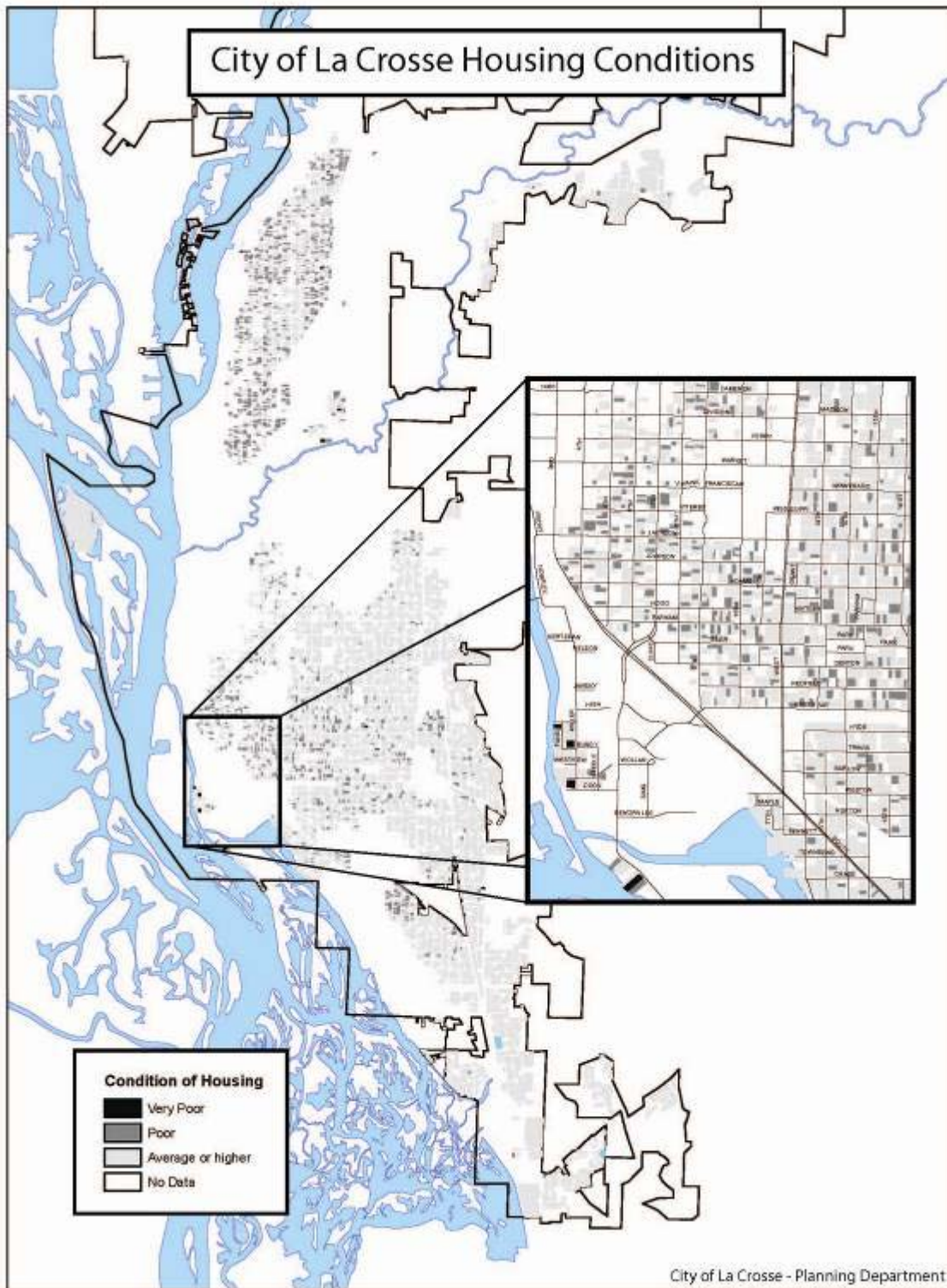


Figure B-2

Source: City of La Crosse Assessors Department



**Figure B-3**  
Source: City of La Crosse Assessors Department

**Housing Programs**

The list (**Table B-1**) below provides specific information on housing programs that are currently implemented in the City of La Crosse.

| <b>Name</b>   | <b>Description</b>  | <b>Income Restrictions</b>  | <b>First Time Homebuyer Requirement</b>                  | <b>Loan/Grant?</b>  |
|---|---|---|--|---|
| <b>Housing Rehabilitation Program</b>                         | Households are provided a maximum loan of \$25,000 to correct any code violations and make any other desired modifications to their home. | Yes, households must be at or below 80% of the county median income (CMI) | Must have lived in the home for 3 years to qualify.      | Deffered Loan, at 3% simple interest.   |
| <b>Lead Hazard Reduction Grant</b>                            | This program provides monies to remove lead hazards form homes/apartments build prior to 1978 where a child under the age of 6 resides.   | Yes, up to 80% of the CMI   | No   | Forgivable grant at 20% a year for 5 years.   |
| <b>Single Family Housing Development</b>                      | This program provides either newly constructed homes, or rehabilitated homes, to income qualified households.                             | Yes, up to 80% of the CMI   | Yes, must not have owned a home in the past three years. | Down payment assistance is availabe in the form of a Deferred Loan at 3% simple interest. The equity that is provided with the home is forgivable at 10% a year over a 10 year time period.   |
| <b>Neighborhood Stabilization Program</b>                     | This program provides either newly constructed homes, or rehabilitated homes, to income qualified households                              | Yes, up to 120% of the CMI  | Yes, must not have owned a home in the past three years. | Down payment assistance is available in the form of a Deferred Loan at 3% simple intereste. The equity that is provided with the home is forgivable at 10% a year over a 10 year time period. |
| <b>Wisconsin State Trust Fund Housing Replacement Program</b> | This program provides either newly constructed homes, or rehabilitated homes, households.   | No Income Restrictions  | No   | No Laon or grants provided.   |

Table B-1

### Housing Is Economic Development

When one thinks of “economic development” the first thing that generally comes to mind is jobs. Therefore, most communities focus the bulk of their economic development resources trying to incent the creation, retention, or attraction of jobs. However, the case can easily be made that housing and neighborhoods are equally, if not more, important as jobs to a community – and should therefore warrant more consideration when allocating resources.

Municipalities and their economic development professionals cannot afford to overlook housing as an important part of the community’s economic development plan. In most communities, residential use represents the largest tax revenue source for the municipality, because it represents the largest percentage of the municipality’s total assessed value. In La Crosse, residential class properties (triplex or smaller) make up over \$1.59B in tax base, or 53% of the total assessed value of the municipality (using 2011 assessments). Residential uses larger than a triplex are classified as commercial, but if these were included, the percentage of the total tax base that is housing is even greater.

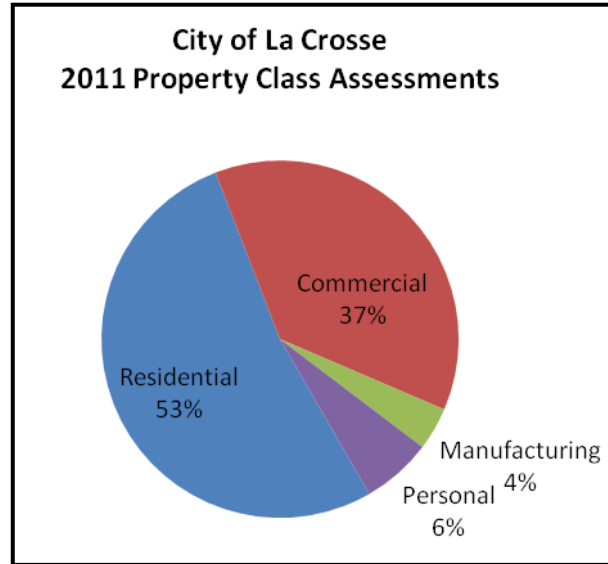


Figure B-4

Successful communities take a comprehensive approach to economic development – not focusing on only jobs attraction, or only housing, or only transportation infrastructure, etc. To be successful, the community must recognize the interconnectivity of all of these components and allocate resources wisely to address the most pressing issues. The City must realize the impact that deteriorating residential neighborhoods have on the businesses that boarder them. The City must recognize the strain that the lack of quality housing close to employment centers puts on our transportation infrastructure. In addition, the City must recognize that neglecting our natural and cultural amenities will have a negative impact on property values and the entrepreneurial culture of a community. Successful economic development embraces the need for a comprehensive approach to each of these issues and spreads its resources for maximum impact.

One might argue that the City of La Crosse has not paid enough attention to the residential component of economic development and that this trend must change in order for the City to achieve its future potential. The City cannot ignore the other components of successful economic development – or it will find itself with a different set of issues in years to come – but must ensure housing is part of the overall economic development strategy for the fiscal health of the community.



### **Mutual Interests & Guiding Principles**

The resolution creating the Housing Task Force (HTF) laid out the charge of preparing a report identifying the most cost effective recommendations to reverse the current housing trends in the City of La Crosse, including but not limited to:

- Effective program examples from other communities that have met similar challenges to address deteriorating housing stock, aging housing stock, neighborhood deterioration, housing rehabilitation, and new housing replacement;
- Zoning and regulatory options, such as student district zoning and occupancy limits;
- Practices to stimulate private investment, such as best uses for Tax Increment Financing;
- Inspection code enforcement priorities to enhance the highest property values;
- Capital priorities that best contribute to reinvestment and redevelopment.

As the HTF started its work, the participants accepted the charge of the resolution and identified some mutual interests and guiding principles that provided a solid foundation for their work. The task force made it their mission to draft a plan that would provide a blueprint for the many stakeholders to work together to achieve the following:

- Reverse the current trend of declining housing stock;
- Reverse the neighborhood deterioration;
- Reduce the property tax burden within the City;
- Improve the economic health of the City, County, and the entire region.

The HTF recognized from the start that a successful housing market must include options for all – single-family and multiple-family options, rental and owner-occupied options, options that meet the needs of all income levels, and options for all ages and stages of life. A truly sustainable housing model will be flexible to meet the changing needs of populations, but rigid enough to protect the investment of property owners. A plan must be developed that will enhance the livability and profitability of the housing market.

### **Target Audiences**

#### *Retain Current Residents*

As illustrated in Section A of this report, the City of La Crosse has been losing population for well decades. As people moved to suburban living and City taxes increased, among many other factors, the population in La Crosse County has shifted out of the City of La Crosse. Therefore, as we look at target audiences to attract to the City of La Crosse, we first need to recognize why people are leaving and try to “plug those holes.”

An interesting case study in population growth can be found in Kalamazoo, MI, where an effort called the Kalamazoo Promise offered full college scholarships to residents of the community. The community saw huge growth in population, as people moved there to take advantage of “the Promise.” Since Kalamazoo had seen a prolonged decline in population for many years prior, community leaders will say that the Promise effort and the results that they realized were as much about stopping people from leaving as it was about attracting new people.

#### *Attract Young Adults and New Families*

Section A of this report also illustrates the declines in school enrollment numbers in the School District of La Crosse. As enrollment declines the District constantly needs to adjust and deal with inefficiencies

in the system. On the flip side, if the community was able to attract new families with school-aged children, the School District would be able to realize more efficiencies in serving their students and the tax burden could be lessened.

#### *Create Opportunities for Middle Class*

During the years of declining populations in the City of La Crosse, it is not surprising that it was primarily upper and middle class residents that were moving out. While many with means are moving out, many that are dependent upon City and County services have stayed closer to those services. This has worked to create some concentrations of poverty within the City, as well as concentrations of low-valued housing. To lessen the challenges that arise out of high concentrations of poverty and low value, the community must focus some efforts on creating housing opportunities for middle and upper class residents. This will work to encourage socio-economic diversity and build a healthier overall housing market.

#### *Target Unfavorable Perceptions*

##### *Restore Sense of Place*

In the “Community Building Blocks” section above, many of our tremendous community assets are highlighted. It will be important that we recognize those assets and truly use them as building blocks to restore a sense of place back into our community. Somewhere along our development path we started to stray away from the creation of neighborhoods in favor of subdivisions, and we let our neighborhoods start to deteriorate. We need to target efforts at creating and enhancing neighborhoods that people will enjoy living in.

There are many ways to restore a sense of place back into our neighborhoods. Parks can add beauty, function, and pride to neighborhoods, but they must be well maintained and have amenities that will draw people in to use them. Streetscaping can be used to enhance the safety and appeal of various transportation options. Safe and attractive transportation corridors are important to connect people from their home to the surrounding amenities such as employment, shopping, and entertainment. The bottom line is we need to create places people want to live - places that are hard to leave because of the quality of life they offer.

##### *Restore Confidence in Investment*

A home purchase is typically the single largest investment a person will make in life. Currently many people just don’t feel safe investing in the City of La Crosse housing market. The trends of people moving out suggest that resale may be more difficult. Higher tax rates relative to other options suggest a higher carrying cost. Unkempt and deteriorating neighboring properties will bring down the value of surrounding properties. All of these factors work together to erode “investor” confidence.

We need to help people (potential investors) see the full picture of their “investment.” As fuel prices go up, it will be financially smarter to live closer to work. As demands on time increase, many will realize that they prefer to spend it with family and friends, rather than with a windshield or a lawnmower. We need to help people see the many benefits of living closer to work, healthcare, entertainment, and the many other amenities that are offered in the urban core.

We also need to make a statement that the City and other stakeholders in the community are going to help protect the investments that are made here. Whether it is through less tolerance of crime by

citizens, the police, and the courts, better enforcement of property maintenance ordinances through inspections, proactive neighborhood improvement programs by neighborhood organizations, or housing incentive programs by area employers and other stakeholders, potential City of La Crosse “investors” need to be reassured that they are making a wise decision by purchasing a home.

*Increase Public and Private Will to Support Revitalization*

Many are not interested in working to revitalize older neighborhoods and properties, largely because it has become much easier to build new and leave the old behind. However, this practice must stop, because it is not sustainable. Local government has a history of being quick to incent new development – seeing the creation of new tax base as a never-failing positive for the community. In reality, the cost of community services often exceeds the tax revenues on new, sprawling developments. We need to help our public officials see the true cost of development, and look for ways that we can encourage more efficient development patterns that include in-fill and revitalization of older neighborhoods.

## Policy and Strategy Options

### Review of Policies & Priorities

#### Capital Expenditures

Public Capital Expenditures are often used to stimulate commercial development through construction of infrastructure (streets, roads, utilities and parking facilities). The same can be true for stimulating residential neighborhood development and revitalization as other communities have demonstrated (e.g. Phillips neighborhood in Minneapolis, MN and Marquette neighborhood in Milwaukee, WI).

Close examination of City & County capital expenditure policies and priorities should be considered to better serve the need for housing as economic development in the City of La Crosse. Strategic use of Capital Projects could combine with private sector investments to stimulate the growth of residential tax base if targeted to specific neighborhoods including:

- Streets, Storm Water, Boulevards, Water & Sewer utilities
- Demolition, property assembly and site preparation
- Public facilities (Parks, Community Centers and other amenities)

Infrastructure assets are built at tremendous cost and their decline can have far reaching effects on property values and neighborhood reinvestment. The Governmental Accounting Standards Board (GASB) Statement 34, requires that local governments report the value of their infrastructure assets in their financial statements on an accrual basis, in order to identify problems in keeping up with replacement of public infrastructure. *“Deferring maintenance on such assets can also create significant unfunded liability. In general, maintenance should remain relatively stable (in constant dollars), relative to the amount and nature of the assets”.* Evaluating Financial Condition – A handbook for Local Government, International City County Management Association.

Current City & County Capital Improvement Plans do not seem to prioritize between types of Capital needs. Both units of government adhere to self imposed limits on debt that restrict the ability to replace infrastructure in relation to the useful life of the asset, thereby deferring maintenance to future years. Funding capital expenditures within a self imposed constant of debt service or total debt per year cannot meet infrastructure needs in the face of inflationary pressures on highway and roadway construction costs, which have risen by 70% nationally since December 2003.

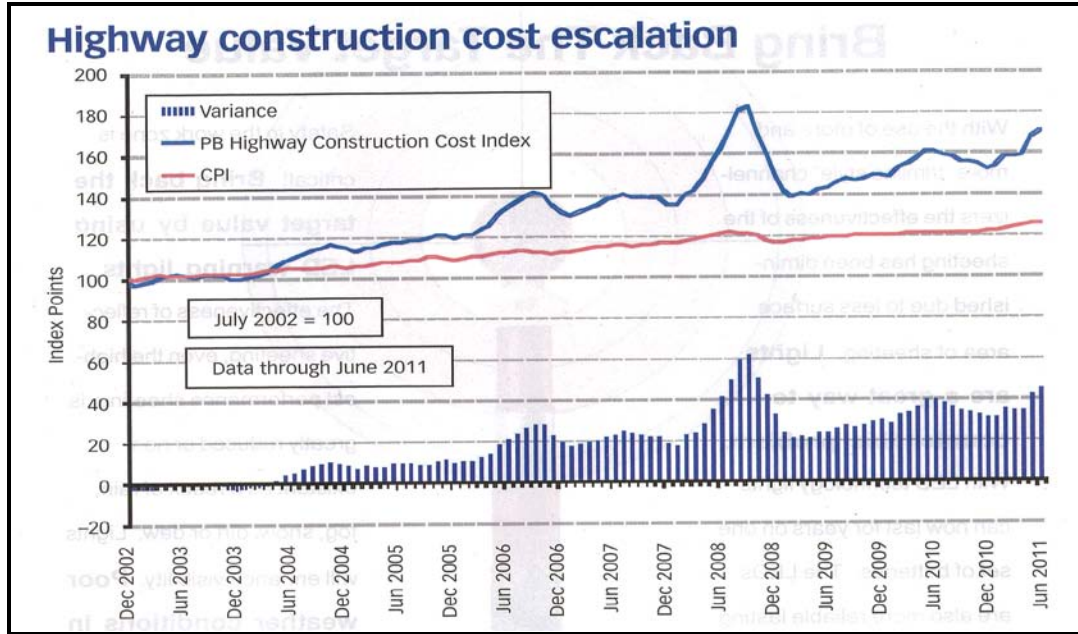


Figure C- 1

Recent data prepared by the County Highway Commissioner (Table C-1) documented similar trends locally over the same period: 62% increase in cost of base rock; 52% increase in the cost of Hot-mix Asphalt; 141% increase in the cost of Seal Oil and 156% increase in the cost of Fuel.

| Material Cost Trends 2004 - 2011 |         |         |         |         |         |         |         |         |            |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|------------|
| Material                         | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | % Increase |
| Lime Chip                        | \$12.35 | \$12.45 | \$13.32 | \$13.95 | \$13.95 | \$13.07 |         | \$12.95 | 4.86%      |
| Granite Chip                     | \$17.57 | \$17.83 | \$18.39 | \$19.33 | \$18.28 | \$18.28 | \$20.17 | \$20.35 | 15.82%     |
| Slag                             |         |         |         |         | \$38.11 | \$38.11 | \$30.00 | \$34.92 | -8.37%     |
| Seal Oil                         | \$0.78  | \$0.84  | \$1.03  | \$1.36  | \$1.23  | \$1.82  | \$1.91  | \$1.88  | 141.02%    |
| Crack Filling Material           | \$0.42  | \$0.42  | \$0.42  | \$0.42  | \$0.42  | \$0.42  | \$0.44  | \$0.42  | 0.00%      |
| Base Rock                        | \$4.00  | \$4.99  | \$5.70  | \$5.45  | \$6.40  | \$6.35  | \$6.20  | \$6.50  | 62.50%     |
| Hotmix Asphalt                   | \$28.87 | \$29.30 | \$31.75 | \$37.66 | \$36.96 | \$44.26 | \$46.91 | \$43.86 | 51.92%     |
| Fuel                             | \$1.23  | \$1.87  | \$2.15  | \$2.37  | \$2.89  | \$1.90  | \$2.42  | \$3.15  | 156.05%    |

Table C- 1

The County has identified over \$37 million of unmet roadway needs mostly outside incorporated areas. Addressing this need will be challenging since 83% of County roadway construction is paid by local property taxes, and approximately 70% of County taxpayers are located within incorporated Cities and Villages.

Among the policy questions that must be asked in the area of Capital Expenditure policies are:

- To what extent are capital expenditure policies causing us to fall behind the actual replacement needs of infrastructure assets, thereby deferring maintenance to future budgets?
- Are our current capital expenditure and debt limits serving the communities' needs?
- What options are available to better stimulate housing neighborhood development and revitalization through targeted Capital Expenditures?
- What is the greatest return on investment for capital expenditures, measured in terms of increased residential tax base?
- What options for collaboration by the City and County in the area of Capital Expenditures could better leverage increased residential development in the City of La Crosse?

**Recommendations to Consider by City and County Policy makers:**

1. Independent of current Capital Improvement Plans and current debt and funding policies, the City and County should separately evaluate the Capital needs of public infrastructure maintenance and replacement, in order to identify the gap between funding and actual needs for asset replacement. In light of this analysis, the City and County should re-evaluate the effectiveness of current self imposed debt limits and options for maintaining a stable level of funding for infrastructure, consistent with actual costs.
2. The City and County should consider developing Capital Expenditure policies that differentiate between types of capital needs, while analyzing the return on investment for various levels of expenditure, measured in terms of tax base:
  - a. Annual Infrastructure replacement, striving to avoid deferred maintenance
  - b. Capital projects linked to stimulating commercial development
  - c. Capital projects linked to stimulation of residential development
  - d. Capital Equipment needs of Departments
3. Target Capital projects to specific neighborhoods (street improvements, site preparation, storm water, public facilities etc.) in order to leverage private investment to the maximum amount possible, combined with the various Strategy Options identified within this report:
  - a. Tax Increment Financing assistance policies that leverage private investment
  - b. Employer assisted housing programs, as a condition of public investment
  - c. Targeted Bank financing programs for rehabilitation, new construction and improvements
4. Form a Joint City-County staff work group with assistance from City & County financial advisors and the local lending community, to develop policy options for expanding the effectiveness of Capital Expenditure and Debt policies in order to address the needs identified by the Housing Task Force, including examination of options to increase the amount of available resources:
  - a. Opportunities for using lower cost debt because of historically low interest rates
  - b. Consider longer term debt to expand the amount of funding at lower annual cost (e.g. 20 year term in some cases, or 10 year balloon w/ 20 year amortization)
  - c. Front loading of debt for major infrastructure projects contingent upon private investment
  - d. Evaluate use of special assessments to supplement infrastructure investments

- e. Uses of other funding sources (e. g. industrial revenue bonds and New Market Tax credits)
- f. Collaborative projects that combine mixed use development to increase employment, while enhancing residential tax base to compete for State grants that fund job creation
- g. Combined financing between City & County of high value projects with greatest return on investment measured in enhanced residential tax base

**Economic Development Priorities**

Over the past thirty years the La Crosse region has fared well when unemployment statistics are compared to other regions of the state as shown in the table below.

| Year | La Crosse MSA | Wausau MSA | Sheboygan MSA | Eau Claire MSA |
|------|---------------|------------|---------------|----------------|
| 1980 | 5.8           | 7.6        | 6.3           | 6.8            |
| 1990 | 3.8           | 4.1        | 4.1           | 5.2            |
| 2000 | 3.3           | 3.3        | 2.5           | 3.5            |
| 2010 | 6.5           | 8.8        | 8.7           | 7.2            |

Table C- 2, Source: Local Area Unemployment Statistics, WI Dept. of Workforce Development

The City’s economic development priorities in the past have focused on private business opportunities and revitalizing the downtown. The City has utilized tax increment financing, infrastructure and industrial park development, and loan to business programs to promote economic vitality in the City. The City has benefited from these priorities with the creation of jobs and a thriving downtown. However the City has not had the same kind of economic focus on retaining those residents with good paying jobs by improving housing quality and the City’s neighborhoods. As discussed in Section B of this report, housing is economic development. Ensuring that workers that spend their working day in La Crosse actually want to live within its boundary is of upmost economic concern to the overall well-being of the City.

The City’s economic priorities need to shift to housing and neighborhoods if the City and County are to take a comprehensive approach to economic development. The City’s main priority over the next decade should be housing in an effort to shift neighborhood redevelopment just far enough for the private sector to take over the redevelopment efforts. It is not to say that typical job-creation economic development should be completely set aside, but rather an inclusive approach that provides economic incentives to the business, housing, infrastructure, and natural sectors of our community.

At the same time, the City should set policy and a clear path for the future course of economic development in the City. Tight budgets will mean fewer projects funded with smaller amounts making it increasingly important to set a clear structure and prioritization method for funding.

**County Policy on Sprawl**

La Crosse County adopted its Comprehensive Plan in March of 2008. Below are excerpts from the plan which address the County’s adopted policies on Land Use and Growth Management.

(2) Land Use and Growth Management Goal.

- (b) Work in partnership with area municipalities to manage and guide future growth, recognizing that land is an irreplaceable resource. Enhance the quality of life by protecting both natural

resources and farmland and by promoting urban infill and redevelopment. Guide growth to developed areas where public facilities and services can be economically provided.

- (d) Guide intensive new development requiring higher levels of municipal utilities and services to cities, villages, or rural hamlets with available services.

In reviewing current development statistics, it would appear that La Crosse County's policies on improving land use patterns and reducing sprawl have been fairly effective in the recent past. La Crosse County has only approved one additional sub-division over the past five years in an area not served by public sewer and water. This sub-division is also a bit unique in that it has been discussed and proposed for more than 10 years. Our current supply of developed, but vacant lots is still large. At more than 2,400 lots. This number is both surprising, and frightening, but it is shrinking. We were at a peak in 2009 of 2,550 vacant lots. That being said, the economy has had a significant effect on the number of requests for approval of new developments that have been submitted. A continued vigilance by staff and elected officials will be necessary to continue to encourage these land use policies. This economic downturn has allowed staff to do a good job of educating the public and policy makers of the importance of land use decision making. We hope to show good progress towards implementing the recently adopted policies on reducing sprawl, and improving land use planning in La Crosse County.

## Policy Options

### *Zoning Issues*

#### *Student Housing District*

Create an overlay zoning district in a defined area around the University of Wisconsin-La Crosse and Western Technical College, and around Viterbo University to encourage student housing development in concentrated locations and avert single-family owner-occupied neighborhoods from being converted to student rentals.

The student overlay district(s) would make the process easier for developers to obtain permits to construct student apartments. Instead of developers having to go to the common council for a rezoning to construct student lodging, developers would only need approval from the Design Review Committee. Strict design and living standards would be applied to ensure that structures built within the district mesh with existing structures and represent high quality student housing.

#### *Occupancy Limits*

Enforce the current code that gave 15 years and an affidavit for all housing units to conform to the occupancy limits. Currently the City of La Crosse allows 3 unrelated individuals per single family residency unit. Over time, changing from 3 unrelated to 2 unrelated would help reduce the conversion of low-valued single-family homes to rental properties. Currently, R-2 districts allow 4 unrelated per unit, and R-3 through R-5 allows 5 unrelated persons per dwelling.

### *Landlord & Rental Licensing*

Years and data demonstrate that more city services are dedicated to rental-occupied properties than owner-occupied properties and that those additional costs are paid by all property owners. Landlord and rental licensing is a mechanism to ensure proper accountability, and more equitably attribute costs associated with rental inspections and code violations. A rental license would be a fee based program set on the number of rental units per tax parcel. A license fee would help to offset additional costs



associated with providing city services to rental properties, and licenses could be revoked for maintenance violations or for multiple nuisance calls per given year. Rental licenses could be good for five years from the date the inspection department conducts the rental inspection.

### ***Rental Inspections***

The rental inspection program was halted in 2009, and resumes again in 2012. The goal of this program is to ensure landlords are current with maintenance standards and other rental regulations. This program also ensures policy makers are well informed of neighborhood demographics and characteristics that could impact the ability to attract middle-income families. The Inspection Department is charged to monitor the condition of rental properties throughout the City. There are roughly 10,000 rental units in the City taking the Inspection Department approximately five years to cycle through all the rental units. Increasing inspection frequency may result in continuous uniformity.

### ***Residential Parking Permits***

Access to residential parking has become an increasing problem surrounding all three college campuses due to student density and an overall increase of auto dependency. Unregulated off-campus parking has made the choice easy for students to drive to school, park in surrounding residential neighborhoods, and walk a few blocks to campus.

Residential parking permits would ensure on-street parking access to residences living on that block. Each parcel would be given a select number of on-street parking permits based on its residential zoning district. To prevent students from re-parking after every class, only permitted cars would be allowed to park on such streets during regular school hours. Permit signs would detail parking requirements and that any unpermitted vehicle will be ticketed.

### ***Improved Enforcement***

Enforcement is a critical component to an effective housing policy. The citation amount for code violations and arrests should at least mirror the administration costs associated with providing the service. Ideally, the fees should generate a surplus of revenue to be paid back into the general fund to lower taxes and offset the financial impact property owners experience in troubled neighborhoods. Property owners should get one order to correct, and then if the violation is not fixed, a ticket should be issued.

### ***Neighborhood Revitalization Targets***

After reviewing the data that is summarized in the Situation Analysis section of this report and maps showing property values and crime statistics, it is apparent that housing revitalization efforts should be targeted in a few neighborhoods in order to make the biggest impact on the community as a whole. The following areas were identified by the task force as targets for revitalization efforts:

- **Powell-Hood-Hamilton / Washburn Area**

As we talk about the Powell-Hood-Hamilton / Washburn area, the Task Force has essentially put loose boundaries around these two defined neighborhoods within the City. The area has rough boundaries of Green Bay Street to the south, West Avenue to the east, Main Street to the north, and the river to the west. The area is primarily residential with some commercial uses sprinkled throughout and on the edges. It contains the campuses of Viterbo University and both Gundersen Lutheran and Mayo Health Systems.

- **Goosetown / Campus Area**

The Goosetown-Campus area is loosely the area that surrounds the campuses of the University of Wisconsin - La Crosse and Western Technical College, bounded on the west by Downtown La Crosse

- **Northside Floodplain Area**

The Northside of La Crosse has large areas that are within the floodplain, which adds complexity to redevelopment and property improvement. The Task Force identified these floodplain areas as targets where public-private partnership may be the only way to achieve necessary revitalization.

Each of these target areas offers some great building blocks that can be tapped to help kick-off revitalization efforts and also to help sustain those efforts for true long-term change. In discussions of the Task Force, we referred to “Spheres of Influence” – in reference to employment centers, neighborhood amenities, and transportation linkages that are in close proximity to these neighborhoods, giving them potential for redevelopment.

## Program Options

### *Housing*

The good news is that there are many housing program options available as the City moves forward to improve housing and neighborhoods. Many of the options described below have been utilized in communities across the nation. The key for La Crosse is to pick the combination of programs that best fits our community and will move us forward in re-engaging our neighborhoods.

#### **Reinvest La Crosse**

TIF financing may be used to leverage funds to incentivize housing reinvestment. Essentially, the program would be marketed as a “grant program” that is funded through increased tax revenues spurred by reinvestment in housing. The program is tiered to prevent sinking money into properties that shouldn’t be rehabbed. Low valued properties would only get funding for demolition, lot consolidation (buying two or more low-valued properties), fill, etc. Higher valued properties would qualify for windows, electrical upgrades, additions, single family reconversion, new garages /carriage house, etc. Total grant dollars could range anywhere from 5-25%, depending on the term of the TIF District, if the financing comes from the City’s tax increment only, or if all taxing jurisdictions within City (County, School District, Western Technical) authorize full TIF allocation.

#### **Renovation Design Assistance**

Some people are willing to invest in rehabbing older housing units; other people are very skilled at seeing the possibilities for rehabbing older housing units; the problem is that those are not always the same people. This program would help make that connection and provide some incentive into the process, such as a grant for architectural and engineering costs. This is similar to some of the television shows on HGTV and others that help home buyers to see the potential of rehabbing older housing.

### ***Tool Exchange***

The purpose of this program would be to give homeowners, renters, and tenants the tools they need to tackle home improvement projects big and small by providing free home improvement tools through an exchange. Participants would make a small deposit, check out their tools, use them, return them, and get their deposit back. This project would rely on public, private, corporate donations of improvement tools.

### ***Home Improvement Brochure***

This would be a low cost and effective way to offer suggestions to homeowners on targeted and low-cost improvements they can make to their home in order to raise the property's value and curb appeal; such improvements would be beneficial to the homeowner, the neighborhood, and the city. The publisher of the brochure may partner with private companies who could advertise in the brochure to help offset its costs.

### ***Paint & Fix Up***

This is an existing City program in which interested property owners can apply to receive up to \$300 for paint or stain for their home and up to \$500 to make exterior repairs to their home or detached garage - for a total of up to \$800. Currently rental properties are also eligible but they must provide matching funds. This program could be modified or expanded.

### ***Replacement Housing Program***

This program creates new, owner occupied, single family dwellings in a manner that is consistent with period architecture and is still affordable. It is currently not designed to rebuild entire neighborhoods, but rather to eliminate the worst housing and improve the environment so others will reinvest in adjacent housing.

### ***Housing Rehabilitation Program***

The current City program provides owner-occupied households with a maximum loan of \$25,000 to correct any code violations and make any other desired modifications to their home. This program could potentially be expanded or modified to have a larger impact on the City's housing market.

### ***WHEDA Programs***

The Wisconsin Housing & Economic Development Authority has several programs that were reviewed as part of the Housing Task Force's comprehensive review of outside funding options. In particular, the Community Land Trust model and employer assisted housing programs have the ability to improve demand within the City of La Crosse and should be further reviewed to determine how these programs can be used locally. Currently, Mayo Health Partners and Gundersen Lutheran have employer assisted housing programs within a set radius around their respective campuses. These programs could be implemented by other employers in the various neighborhoods to improve housing conditions, encourage owner-occupancy, and increase livability in local neighborhoods

### ***Rental Conversion Program***

There have been many homes in some of our target neighborhoods that have been converted from single-family, owner-occupied housing to rental housing. While this is not always a bad thing, rental housing is sometimes more transient in nature and there isn't as much incentive for reinvestment. This

program would develop some incentive to convert homes back into single-family homes from rental. The incentives offered could take a variety of forms.

#### ***Residential Conditions Assessment***

This tool would assist in prioritizing housing redevelopment opportunities. A condition assessment report would be developed that would include items like architectural integrity, aesthetics, condition of roof, siding, foundation, overall site, etc. The assessment could then be completed for homes within an identified area and results could be mapped to identify priority areas. The Building & Inspections Division may be incorporated if interior assessments are of interest.

#### ***Flood Insurance Grants***

This program could provide home improvement grants in the amount of flood insurance costs. The program would not pay for a home's flood insurance, but rather provide funding to allow the homeowner to make needed improvements to the home. The City could also try to lower our ISO rating from 8 to 6 or 5.

#### ***Public Safety***

Neighborhood revitalization must start with safety. The Task Force had significant discussion about the importance of public safety to revitalization efforts. It is absolutely essential that residents feel safe in their neighborhood and their home if we expect them to take pride and invest their time and money in that neighborhood and home. The Task Force engaged the City's Police Department, Fire Department, and Inspection Department in discussions, as these three departments are the primary players in delivering public safety to the community. Through these discussions we were able to develop some options for programs that would work to enhance public safety.

#### ***Better Education/Enforcement of Codes***

Increasing the level of code enforcement within the City may improve housing standards over time, as violators are targeted, and investors are encouraged to maintain their properties at an increased standardized level. This may include increased funding/staffing within the Inspection Department. This could also include working with the apartment owners association to better educate them on the codes and standards and help them to improve the tools they have to enforce codes and standards through their lease agreements.

#### ***Fire Department Liaison***

The community could utilize the Fire Department staff to act as community liaisons to better educate neighborhood residents in lower valued housing as to the common causes of fire-related accidents in order to decrease needs for emergency fire services.

#### ***Better Enforcement of Laws***

There is no question that crime is an issue in some of our target neighborhoods. Much of the discussion at the Task Force meetings indicates that there are laws on the books that would help to clean up some of these situations, but that we need to do a better job of enforcing them.

#### ***Nuisance Ordinance***

The Police Chief talked about an ordinance that would implement a graduated scale of fines for excessive police calls to a property. For example, maybe on the "x-number" police call to a property in a

year the property owner would be given a penalty, then on the next call they would receive a another, higher penalty, and on the next it would be even higher, and so on. The penalties could potentially be placed as a special assessment on the property.

### ***Ideas from Operation Impact***

The Task Force looked at Operation Impact in the City of Milwaukee for examples of how City law enforcement and other public resources can partner with private donors and local businesses to address public safety concerns and encourage revitalization. Operation Impact is working to address issues in Milwaukee’s south side neighborhoods, through public-private partnership. Some of the ideas that may translate to our target areas in La Crosse are discussed below.

- ***Beat Cops, Private Security, and Late Night Outreach*** – There was a big effort to increase the presence and visibility of law enforcement on the streets and at the right times. The police department assigned beat cops to specific areas to work closely with the residents of that area and with the building sanitation inspectors for that area. In addition, some businesses in the area hired private security that worked closely with the police to identify issues and monitor the neighborhood. They also recognized that life is different in these neighborhoods during late night hours, so they make an effort to establish a presence at night and reach out to individuals that were on the street at that time.
- ***Neighborhood Ambassadors and Weekend Warriors*** – They hired ambassadors that worked in those neighborhoods doing community service work such as litter pick-up, graffiti removal, and neighborhood outreach. These ambassadors wore uniforms to help with the visibility and act as a crime deterrent. In addition, volunteer groups of “weekend warriors” go out twice a month on weekends to perform services such as yard work for elderly and disabled, graffiti removal, general clean-up, etc – focused on making the neighborhoods more aesthetic and welcoming.
- ***Improved Lighting and Surveillance Cameras*** – The City installed alley lighting in many areas and improved the street lighting throughout the neighborhoods. They also worked with businesses to install surveillance cameras in commercial areas and in other areas that were known for criminal activity.
- ***Landlord Compact*** – Landlords in the area organized and signed a compact – promising to share information regarding bad tenants and to work closely with police and community prosecutors to get the bad elements out of the neighborhood for good.
- ***Church Efforts*** – Churches in the area were engaged and church members were asked to work to improve the neighborhood. They organized the “Prince of Peace Corps” in which each church took ownership of two square blocks around their church to keep it clean and deter criminal activity.
- ***Neighborhood Walks*** – City Alderman, Police, Sanitation Supervisors, and others from City hall organized regular neighborhood walks with community partners to get into the neighborhoods and see the issues first hand. Residents were notified of the walks so they could join in and talk with the City officials.
- ***Court Watch*** – Citizen volunteers monitor key court cases that affect the area and work to organize residents to go to court, write victim impact statements, etc.

### ***Infrastructure***

Below are just a few infrastructure programming options that can be utilized to advance neighborhood revitalization. The City is making great strides in the bicycle/pedestrian corridor improvements, but with

a Bike/Ped Plan currently in process more work will be identified to make the City connected for alternative types of transportation.

### ***Guerilla Landscaping***

Our neighborhoods are full of public spaces, and some of them could use a facelift or at least a little more TLC. The idea of guerilla landscaping is that groups of people who are interested in improving the neighborhood would get together and spruce up those public spaces with new attractive landscaping projects done in a very short period of time (and potentially not waiting for the normal approval process).

### ***Land Swap Projects***

Create long-term plans to reposition or re-route roadways or repurpose former park & industrials lands to allow for redevelopment of housing, possibly out of the floodplains.

### ***Bicycle/Pedestrian Corridor Improvements***

Making our neighborhoods more accessible to bicycles and pedestrians only increases the livability and positive experience of our neighborhoods. These mobility enhancements are a major factor in creating places where people want to live, by making their lives, easier, healthier, and safer, with more people moving about the neighborhood and paying attention to their surroundings.

### ***Public-Private Partnerships***

One of the biggest lessons learned from this task force process is that true, impactful neighborhood revitalization is going to take partnership. Public officials must learn to work together with and assist neighborhood stakeholders, and neighborhood stakeholders must learn to trust and rely on public officials. Every successful model that we looked at from across the country relied upon partnerships to make the necessary changes. Below are a few examples of how we can better work together and engage various stakeholders in this revitalization work.

### ***Rental Business Model Education/Assistance***

City and County staff, along with real estate professionals, should work with owners of “sideways motels” and other poor quality rental properties to review an improved business model for developing affordable rental properties and assisting in the removal of these properties which have a proven track record of offering a low quality of life to residents and a significant drain on the public dollar.

### ***Realtor Partnerships***

The Realtors Association and private realty companies should consider offering their members and employees free educational sessions which demonstrate the opportunities for them and their clients relative to purchasing homes in targeted redevelopment areas – including local and state housing programs that may help facilitate central city rediscovery. These programs could qualify for continuing education credits. In addition, marketing materials which promote the benefits and potential cost savings regarding living in the City, could be distributed by realtors through City/County & realty firm partnerships.

### ***Private Equity Group***

Organization developed to pool investment funds in order to maximize impact of reinvestment. Equity group could be individuals, organizations, etc. with interest in redevelopment within specific geographic

area. Private equity group could work with local lenders and municipality to use TIF financing for redevelopment, with portion of TIF revenues redistributed to private equity group for specified period in order to share risk of investors.

### ***Community REIT***

Essentially a community (or neighborhood) focused real estate investment trust (REIT). This funding mechanism would be a public investment tool that would pool investor dollars and finance projects that would deliver a double bottom line. Local investors would hopefully realize a financial return on their investment, while also seeing dividends from the improvement of their neighborhood – helping to increase their property values and their quality of life. Main difference between a private equity group and a REIT is the REIT is essentially a “pass through Corporation” and would not manage properties, only providing the pooling of investors dollars.

### ***Home Improvement Classes***

Teaching inexperienced individuals how easy and cost effective home improvement can be may be one of the roadblocks between that individual and making improvements to their home’s ascetics. Hosting home improvement classes at neighborhood centers or other locations could offer these educational opportunities.

### ***Home Improvement Coupon Book***

This would be a cheap and effective way to offer suggestions to homeowners on targeted and low-cost improvements they can make to their home in order to raise the property’s value and curb appeal; such improvements would be beneficial to the homeowner, the neighborhood, and the city. The publisher of the brochure may partner with private companies who could advertise in the brochure to help offset its costs.

### ***Employer Assisted Housing***

Employer-assisted housing programs help employers promote affordable housing solutions for their workers. They can provide a variety of benefits, including financial assistance, education programs, and housing counseling. This Field Guide explores how EAH programs work and offers resources to promote the concept among employers

### ***La Crosse Neighborhood Partnership***

Modeled on the Phillips Neighborhood in Minneapolis, this program would forge partnerships amongst neighborhood stakeholders (businesses, residents, non-profits, foundations, government entities, etc) to create a strategic plan for reinvestment in the neighborhood, and leverage their collective resources to bring the neighborhood back.

### ***Builders Association Engagement***

The Builders Association should be working with contractors to find a balanced workload and market, and increase affordability through the power of buying in bulk and providing work in a sector of our economy that is struggling.

### ***Bank Incentives***

Local lenders could provide incentives to potential homeowners who will buy, build, or remodel in these targeted areas, perhaps by offering lower interest rates or waiving some closing costs.

***Land/Capital Assemblage***

Local Government could work on ways to assist local developers in land and capital assemblage to help facilitate improved development deals in these targeted neighborhoods.

***Return Publicly-Owned Property to Private***

The City and County government should work to find publicly-owned sites that could provide clean infill sites for future private development but have been determined to be beneficial if placed back on the tax rolls.

***Urban Living Marketing***

There are certainly benefits to living in City of La Crosse, and we need to do a better job of touting those benefits to people who are looking at housing options. For many years, the “American Dream” has been a house in the suburbs on a big lot in a brand new subdivision, but there are trends that suggest that may be changing for many people. We could do a better job of helping people to consider the benefits of living in the City. A big part of this could also be targeted at changing the unfavorable perceptions about urban living.



## Recommendations and Implementation

### Housing Taskforce Efforts

The Housing Task Force spent six months performing an intense analysis of the issues that are facing the City's housing market and discussing potential strategies to stimulate investment and revitalization of the market. This report presents the situation and offers some suggestions for strategies that the community – City, County, and Private Stakeholders – should consider for implementation. Many of these strategies have been proven to work in other communities across the country, and there is no reason why they would not work in the City of La Crosse. The main obstacle that these other communities have overcome, that it remains to be seen if La Crosse can conquer, is apathy. Our housing market is in trouble, and it will take the efforts of many different stakeholders to turn it around. The Task Force hopes that this report will help to bring those stakeholders to the table – kick starting a collaborative effort that will change the community for the better.

This section will prioritize some of the strategies from Section C above and offer some direction for moving forward with this effort. It will offer the insight of the industry professionals that have been a part of this process. It will suggest some more detailed planning and strategy development. It will pass the baton of leadership to the ***City of La Crosse Neighborhood Revitalization Commission***.

### Priority of Strategies

The Housing Task Force was strategically created to pair public officials with industry professionals in housing development, real estate, non-profit housing and financial services, property management, banking, and business development. This provided the opportunity to explore the issues and potential solutions from different perspectives. Therefore, this report offers a unique conglomeration of thoughts and viewpoints that will prove to be valuable as work is continued.

The following priorities for next steps were identified through discussion and survey of the Task Force members. The Task Force looked at city-wide solutions, as well as those that would make an impact on the specific target area. The Task Force also worked to identify 1) strategies that would be relatively easy and offer immediate, visible results and 2) strategies that may take more coordination and effort, but would offer big impacts.

The following list shows the top ten strategies (from those discussed in Section C of this report) that got attention in the survey of the Task Force:

1. Better Education and Enforcement of Existing Codes and Standards
2. Better Enforcement of Existing Laws
3. Reinvest La Crosse
4. La Crosse Neighborhood Partnership
5. Private Equity Group
6. Replacement Housing Program
7. Neighborhood Commissions
8. Guerilla Landscaping
9. Landlord and Rental Licensing
10. Community Reinvestment REIT

The following lists prioritize strategies that were felt could have either immediate or big impacts on each of the specific target areas that have been discussed.

***Powell-Hood-Hamilton-Washburn Area:***

**Big Impact**

Reinvest La Crosse  
La Crosse Neighborhood Partnership  
Better Education & Enforcement of Codes

**Quick Impact**

Better Enforcement of Existing Laws  
Better Education & Enforcement of Codes  
Guerilla Landscaping

***Goosetown-Campus Area:***

**Big Impact**

Student Overlay District  
Landlord & Rental Licensing

**Quick Impact**

Better Enforcement of Existing Laws  
Better Education & Enforcement of Codes

***Northside Floodplain Area:***

**Big Impact**

Better Education & Enforcement of Codes  
Reinvest La Crosse  
Land Swap Projects

**Quick Impact**

Better Enforcement of Existing Laws  
Better Education & Enforcement of Codes

**Enforcement of Existing Laws**

The enforcement of existing laws was a big part of the discussion of the Task Force and quickly rose to the top of the priority list for moving forward. The City needs to be able to offer an attractive environment for investment of developers, residents, and business, and this starts with safety and security. It is absolutely essential that residents feel safe in their neighborhood and their home if we expect them to take pride and invest their time and money in that neighborhood and home.

***RECOMMENDATION:*** The Task Force would recommend that the City spend some time examining its philosophies and priorities, as well as its current procedures and abilities, when it comes to the enforcement of existing laws and codes. This examination should include the Police Department, Fire Department, and Inspection Department in discussions to look for new ways that they can interact with each other and the public to enforce current laws and deliver a safer environment. Then, the City needs to be ready to provide the resources to give them the ability to do this work.

There is currently some perception that La Crosse is a city that does not hold violators accountable for their actions. It is absolutely essential to redevelopment efforts that we reverse that perception to one in which potential investors feel that their investment will be protected, and families feel that this is the best place to make their home. We need to send a loud and clear message to criminals and negligent property owners that they will be held accountable in the City of La Crosse.

**TIF/Economic Development Policy**

Tax Incremental Financing is one of the most powerful tools that a municipality has to encourage and participate in economic development projects. Unfortunately, the City of La Crosse, not unlike most municipalities, has been primarily reactionary in its use of TIF in the past. This has resulted in the inequitable use of TIF, and the eroding of public confidence in this potentially powerful economic development tool.

**RECOMMENDATION:** It will be important for the City to examine its use of TIF and other economic development tools and develop a policy that will align its use of those tools with the community’s long-term strategic plans. The use of TIF funding and other public incentives for economic development projects should be driven by how those projects will deliver outcomes that support the long-term strategic goals of the City. A policy should be developed that lays out those goals and priorities and explains how TIF will be available to assist in accomplishing them – whether it is through grants, loans, infrastructure development, etc.

**RECOMMENDATION:** It will be important for the County to examine its ability to partner in economic development projects and develop a policy that will align its participation with its long-term, strategic economic development goals. A policy should be developed that lays out those goals and priorities and explains how the County will be able to assist in projects that will accomplish them.

### **Build Upon Community Building Blocks**

Section A-2 of this report is titled “Community Building Blocks” and illustrates many of the assets that the City of La Crosse has that should be built upon as efforts are made to revitalize the City’s housing market. Two of the main building blocks are the proximity to natural amenities and the transportation amenities that the City offers.

**RECOMMENDATION:** The City should support the efforts to brand our community as a destination for silent sports activities and dedicate resources to enhancing the facilities for those recreational opportunities. Building and enhancing world-class facilities, such as trails, roads, waterways, parks, etc. and improving the safety and ease of connecting to those facilities from existing neighborhoods within the City will enhance the draw to living in these neighborhoods as silent sports continue to grow in popularity.

**RECOMMENDATION:** The City should consider the recommendations in the 2009 transit plan by Bourne Transit Consulting, titled “*La Crosse Municipal Transit Utility: Market Segment Plan*”. The transit system is one of the great benefits to living in the City, but it could be an even greater benefit if the system could be made more convenient and efficient. More efficient travel will be important as sustainability becomes more of a priority in our community, and the City could be positioned well to take advantage of that trend.

### **Detailed Neighborhood Plans**

Although dilapidated housing examples are seen in many areas of the City, they are most concentrated in these three neighborhoods:

1. Powell-Hood-Hamilton / Washburn Area
2. Goosetown / Campus Area
3. Northside Floodplain Area

A special focus on these neighborhoods has the ability to garner the most momentum to illustrate an improving housing environment within the City of La Crosse. The prioritization of these neighborhoods, and the alignment of capital improvements assigned to these areas will help accomplish the greatest strides toward a City-wide housing stock improvement.

***RECOMMENDATION:*** The community – City, County, and Private Stakeholders – should spend time developing specific, strategic, detailed plans and strategies for each of these areas. The development of these plans was not within the scope of work for the Task Force, and could not be achieved in a six-month timeframe. However, it will be important that the stakeholders in each of these areas come together to do this work. The hope of the Task Force is that the data and strategies in this report will be used to formulate the specific plans for those areas.

### **Neighborhood Revitalization Commission**

The logical governmental entity that should be able to pick up this report and continue this work is the ***City of La Crosse Neighborhood Revitalization Commission (LNRC)***. As this report stresses, success will be dependent upon collaboration of all stakeholders, but there needs to be someone pushing it along and coordinating efforts. This should be the role of the ***LNRC***. There will be some continuity from the Housing Task Force, as a few members will also serve on the ***LNRC***. Staff will also provide continuity, as staff from both the City and County will be available to assist the Commission. The Housing Task Force hopes that the ***LNRC*** will consider the specific recommendations of this report for inclusion in their short-term workplan. It will also be important that the LNRC, with the help of City and County staff, works to keep the issues identified in this report on the forefront of community priorities, and that they continue to pull even more community stakeholders to the table to work on addressing these issues.