



**Proposal seeking La Crosse Community Foundation Support
to
Advance Renter Equity Programs in the City of La Crosse**



Factors determining need:

- La Crosse's area housing studies show a large and growing deficit of housing units (1,800 units in the City of La Crosse alone and a need of 200+ per year in the coming years)
- La Crosse County's housing study identifies a shortage of attainable housing county-wide serving median incomes and below, which has an impact on wealth mobility, talent recruitment, economic security of young people, impacts on urban sprawl and potential population stagnation (written about in the recent MPO studies).
- The majority of developers in the area look to rental investment or high values homes due to the costs and banking complexities of condos or missing middle styles of housing and rental units as a percentage of total housing is gaining market share (35 to 40%) however, the occupancy of rental units is consuming a growing share of young and lower to median income people which also is a demographic with higher turnover.

Why renter equity matters:

- Helps address a growing wealth gap between renters and homeowners especially with young and racial minorities
- Helps with wealth stability and a pool of funds that can be used for emergencies, education, debt reduction and other important life events,
- It creates a pathway to homeownership
- It fosters a sense of community and vested interest in neighborhoods



Proposal

Apply for up to \$20,000 from the LCF matched by at least \$5,000 from the City's Redevelopment Authority to:

1. Hire the Urban Land Institute's Technical Advisory Services or a like Consulting Entity to:
 - a. Provide detailed research on successful renter equity programs and where these programs can be improved
 - b. Provide alternative organizational structures and an evaluation of stakeholder benefits from each alternative (ROI analysis per stakeholder)
 - c. Provide a thorough analysis of overall stakeholder benefits including the financial advisement/management organization, the renter, the developer/landlord and the community (including the Redevelopment Authority). (To be used in the attraction of participating developers.)
 - d. Provide a detailed recommendation on accounting structure, tax structure and benefits and management, accrual of renter equity investment management and distributions for both renters and developer/landlords including application of funding recommendations.
 - e. In concert with financial partners, provide alternatives to investment options including recommendations on developer seed capital advantages and disadvantages and risk structure.
 - f. Provide a pre-requisite structure for participation which may include vesting periods, auto-pay, financial education opportunities and property management options by renters to boost investment.
 - g. Provide a detailed recommendation on the percentage and structure of investment to advantage renters with meaningful impact

More information on ULI's technical advisory services:



<https://americas.uli.org/programs/advisory-services/>

Summary:

The resulting document will be used by the City Redevelopment Authority and City Planning Department to grow public private partnerships in housing infill that include renter equity offerings. The current interest by River Point District Developers and participating financial management companies in La Crosse ensure program implementation. A funding partnership between the PCF and City RDA is also strategic in advancing La Crosse as the program will capture national attention, which may in turn foster investment interest in the City.

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