



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2744/1
EVM:cjs

2019 BILL

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

Analysis by the Legislative Reference Bureau

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

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

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

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mixed-income development primarily to serve persons of low income or persons of low income and persons of moderate income with housing, commercial, and neighborhood amenities or other support services.”

Under current law, if the estimated cost of a housing authority project exceeds \$25,000, the authority must solicit bids and award the contract to the lowest qualified and competent bidder. This bill increases the threshold that is applicable to a housing authority to the federal simplified acquisition threshold amount. This amount reflects the threshold beneath which certain federal grant recipients may use simplified purchasing procedures. Currently, this amount is \$250,000.

Because this bill directly or substantially affects the development, construction, cost or availability of housing in this state, the Department of Administration, as required by law, will prepare a report to be printed as an appendix to this bill.

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

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

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

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

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

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

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1 income exceeds 120 percent of the median income for the area, unless an applicable
2 guideline or regulation of the federal department of housing and urban development
3 permits the household to qualify as having moderate income.

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

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

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

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

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

14 66.1201 (24) (a) In this paragraph, "threshold amount" means the simplified
15 acquisition threshold amount described under 2 CFR 200.88. When a housing
16 authority has the approval of the council for any project authorized under sub. (9) (a)
17 or (b), the authority shall complete and approve plans, specifications, and conditions
18 for carrying out the project, and shall advertise by publishing a class 2 notice, under
19 ch. 985, for bids for all work which the authority must do by contract. The authority
20 is not required to submit for bidding any contract in an amount of \$25,000 or less
21 than the threshold amount, but if the estimated cost of the contract ~~is between~~
22 ~~\$10,000 and \$25,000~~ exceeds the threshold amount, the authority shall give a class
23 2 notice, under ch. 985, of the proposed work before the contract is entered into. A
24 contract subject to bidding shall be awarded to the lowest qualified and competent
25 bidder. Section 66.0901 applies to the bidding.

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

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

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

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

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

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

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

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

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

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

21 106.50 **(5m)** (am) Nothing in this section prohibits an authority, as defined in
22 s. 66.1201 (3) (b), or an instrumentality, subsidiary, or not-for-profit affiliate of an
23 authority from discriminating based on source of income when renting housing
24 units, provided that the discrimination is material to an identified objective of the

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1 authority or for the purpose of transitioning the renter to economic self-sufficiency
2 and is consistent with federal law.

3 **SECTION 12. Initial applicability.**

4 (1) The treatment of section 66.1201 (10) (i) of the statutes first applies to a
5 tenant displaced on the effective date of this subsection.

6 (2) The treatment of section 66.1201 (24) (a) of the statutes first applies to a
7 contract entered into on the effective date of this subsection.

8 (END)