



# Apartment Association of Southeastern Wisconsin

*Advocating for Sustainable Rental Housing*

November 3, 2022

I am Bill Lauer. I have been a rental property owner since 1989 in Milwaukee and in Madison low-income neighborhoods. I am a past board member of the Apartment Association of S.E. Wisconsin, and the Madison Landlord Council. I opened the first Oxford House, a sober living co-op, in Madison in 2000 and have been responsible for opening 12 more throughout the state. I am also a founding member of the Truth Project which until Covid, brought weekly groups and weekend intensives to 3 Wisconsin Prisons. I helped to start the Family House, a reentry house, operated by The Table of the Saints in Milwaukee. I have also staffed numerous 12 step meetings in the Dane County criminal justice system. I was also a member of the Treatment & Intervention committee of the Wisconsin Association of Alcohol and Other Drug Abuse. Because of my history, I offer a very unique perspective into these issues.

As requested, this is focused on Milwaukee County which has different programs than the rest of the state. I am not including reentry group housing where a person has access to peer support, programming or other “clues to success” like coaching in my remarks. I’m going to say a lot. This is not an easy problem. It’s taken a few years to create the fear and stigma of formerly incarcerated people and a few pieces of legislation won’t fix this overnight.

Physical damage to property is not that much of an issue. Returning people are not any more prone to damaging property than anyone else. From my experience: owners screen for criminal activity because they do not want trouble at their property, they fear nuisance ordinances, and they fear getting sued (civil liability) if they knowingly rent to a person with a criminal history who then reoffends. The first two issues result in lost rent, and the third represent a risk of losing their assets.<sup>1</sup> Much of the housing that is available in Milwaukee comes from owners

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<sup>1</sup> <https://docs.legis.wisconsin.gov/statutes/statutes/823>

of 2-4 rental units.<sup>2</sup> Not the high rises on Prospect Ave or the 3<sup>rd</sup> Ward. Not many people are going to be released to Downer Avenue. Right? Nationally 77% of 2-4 family rentals are owned by Mom and Pops owners of fewer than 10 rental units. Milwaukee follows this trend.<sup>3</sup>

These areas are where many small owners, often times members of minority groups, start their businesses because it's easier to get a foot in the door. They are more likely to rent to people with histories than out of state corporations or HUD financed municipal housing projects. Small owners in these areas usually have less risk tolerance. They have little ability to absorb losses which then directly impacts the quality of the housing in those areas. Each dollar lost represents a dollar not available to maintain the housing stock. The legislative approach of requiring more from owners has failed. We often forget that small owners also carry the burden of regulations meant for larger corporations.

A different approach is needed to maintain and improve housing quality. We need to help the owners that are willing to work with these populations, that is, literally we need to remove the liabilities of renting to this population. Steps in that direction are to restrict the use of Nuisance laws<sup>4</sup> or preempt them all together, remove the liability of owners for the actions of their tenants, and spend money to support people who work with this population of people.

Owners have become the de facto police of their property. We hold owners more responsible than their tenants who commit the crime. It is easier to threaten the owner than to arrest people. Many owners won't take the risk because they fear that they could lose their property and everything they have worked for. We have raised a generation that knows their rights, but does not understand their responsibilities. Their behavior impacts the neighbors directly. The rights they are infringing upon are other tenants, not the owner's rights. If the tenant won't follow the contract, the owner or manager is obligated to intervene to protect the other tenants thereby being the bad guy. This has to change if we are to solve the problem.

After someone has been out of prison for a while and they have secured employment, housing becomes an issue as they attempt to move up or buy a house. People are impacted by barriers caused by their behavior as reported on

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<sup>2</sup> <https://www.nar.realtor/blogs/economists-outlook/landlord-statistics-from-the-2018-rental-housing-finance-survey>

<sup>3</sup> Landlord Statistics from the 2018 Rental Housing Finance Survey nar.realtor

<sup>4</sup> <https://city.milwaukee.gov/ImageLibrary/Groups/ccClerk/Ordinances/Volume-1/CH80.pdf>

CCAP. Local research is lacking, but our numbers indicate that people who have made it 5 years without reoffending usually don't reoffend, and present the same housing risks as people in the general population. Incidentally 5 years is about the same time that a drug users chances of relapse falls into single digits. Also people who have not been evicted for 5 years usually won't be again. While limiting how long records are available on CCAP might make it easier to find housing, it shifts the financial risk of a tenant's behavior back to the landlord.

I acknowledge that 5 years is too long to wait. People with criminal records need housing now. Housing providers need assurances that the rental applicant will not impact the property or other renters. Talking to P.O.s is useless because my experience is that they will tell you anything you want to hear. They won't or can't put anything in writing, or make any promises, but expect you the landlord to take all of the risk.

Another problem is that people are arrested and subsequently evicted while waiting for trial. Or they skip out in the middle of the night. Or they are placed on a P.O. hold. Oftentimes convictions and evictions overlap, making finding housing upon reentry a more complicated problem.

Our focus has to be on changing the landlord/tenant relationship so that either population does not fall victim to the other. Landlords are seen as the "enemy" instead of people doing a necessary job. They often create other jobs in the community. They bring their own money to the table. Quick intervention is a key to success. Support programs such as peer mentoring like Expo or Table of the Saints yield better results, with less recidivism. Mediation might be helpful to quickly resolve issues. Until the landlord is seen as part of the team and treated with some respect, not much else will change.

We can provide returning people with a housing certificate that can be earned while in prison, similar to an employment certificate, where the state assumes the risk of the person's behavior. Wisconsin Act 123 of 2019<sup>5</sup>, created 2 new and relevant statutes. Wisconsin Statute §895.492, which creates a model for civil liability protections and §973.25 creates a model for the certificate. This certificate could also be earned by people who are on active supervision.

I support Grant programs for repairs and improvements instead of tax credits or security deposit incentives. Giving me a \$500 tax credit against my state income tax doesn't cover the \$2000 I just lost enforcing the rental agreement or the re

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<sup>5</sup> <https://docs.legis.wisconsin.gov/2019/related/acts/123>

rental costs. And any security deposit does not cover the risk of being sued. Giving me \$500 toward materials might be a better use of that money. Couple that with a jobs training program to do the actual work and you have created a huge incentive for owners to take the risk of renting to returning people while improving the most impoverished neighborhoods.

Thank You,  
Are there any questions for me?

Respectfully submitted,

Bill Lauer