



REALTORS' ASSOCIATION OF SOUTH CENTRAL WISCONSIN

# Creating Nonconforming Uses Hurts Affordable Housing In Madison

3,400 Members

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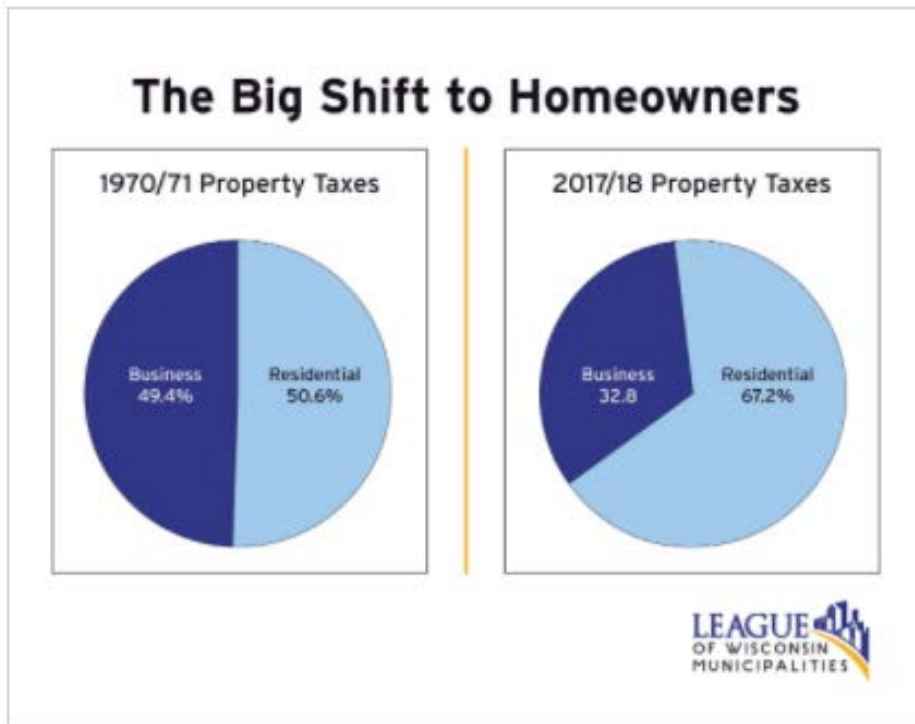
# The Big Shift

- Total amount of property taxes that the city of Madison can collect is strictly limited by state law.
- The size of the property tax pie is relatively the same from one year to the next.
- When commercial properties receive lower assessments, the real estate tax burden shifts to residential properties and small business. See: <https://www.youtube.com/watch?v=h7Kurxbd5qE&feature=youtu.be>

# Dark Store on Steroids

- Down zoned commercial users such as Amazon will be able to argue not only should the assessed value be based on the value of similar properties that are closed and vacant – **the value should be further reduced because of its non-conforming status.**
- Expect all newly created non-conforming properties to challenge and receive significantly lower property assessments (either from the assessor or from the courts).

# The Big Shift



- A League of Municipalities’ study showed that “dark store” and *Walgreens* tax loopholes may increase residential tax bills by 8 percent.
- The City’s proposed new policy will worsen that problem.

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- Less than 5% of houses are affordable for a household making Dane County's Median Income.
- Nearly half of renters in Dane County are cost-burdened, or paying more than 30% or more of their income on rent.

# Creating Nonconforming Uses Hurts Affordable Housing In Madison

- The City has for years looked for ways to create more affordable housing in Madison.
- Adopting a policy that will shift the real estate tax burden further onto residential properties will make housing in Madison less affordable for both renters and home owners.