

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY15 Adjusted Base	FY16 Recommended	% Change Over FY15	FY17 Recommended	% Change Over FY16
TOTAL	0	0	0.0	0	0.0

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY15 Adjusted Base	FY16 Recommended	FTE Change Over FY15	FY17 Recommended	FTE Change Over FY16
TOTAL	0.00	0.00	0.00	0.00	0.00

AGENCY DESCRIPTION

The authority is governed by a 12-member board of directors composed of public, legislative and ex officio members. Six public members are appointed by the Governor with the advice and consent of the Senate. The chief executive officer of the Wisconsin Economic Development Corporation and secretary of the Department of Administration serve by virtue of their governmental positions. One senator and one representative of each party are appointed by their respective legislative houses.

The authority is organized into ten units: Administration, Communications, Business Development, Executive, Finance, Information Technology, Legal, Commercial Lending, Risk and Compliance, and Single Family Housing. The authority's functions include financing for home ownership and rental housing development, allocation of federal tax credits, special needs housing, small business loan guarantees, and various agricultural production and business financing.

MISSION

The mission of the authority is to serve Wisconsin residents and communities by working with others to provide creative financing resources and information to stimulate and preserve affordable housing, small businesses and agribusiness.

Wisconsin Housing and Economic Development Authority

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Note: Goals, objectives and activities have been modified.

Program 1: Facilitation of Construction

Goal: Continually improve and expand affordable housing options for low- and moderate-income residents.

Objective/Activity: Provide a consistent supply of affordable housing with connection to high-need census tracts and employment creation. With a variety of financing tools, tax credits and federal resources, the authority can prioritize resource allocation to areas where there is a growing need or population and achieve high-quality outcomes. The authority's first completed action item was to design the calendar years 2015-2016 Qualified Allocation Plan for tax credit allocation to meet priority needs of cities and rural areas for housing.

Goal: Nurture key partnerships by working across business lines and achieve housing and economic development impacts in the state.

Objective/Activity: Work closely with sister agencies, including Wisconsin Economic Development Corporation and Departments of Workforce Development, Health Services and Administration, to understand strategic goals, linkage to clientele, and how the authority can work better toward achieving the state's housing and economic development goals. The authority collaborated with the Department of Health Services in requesting federal grant funds that would allow the authority to integrate residents with special needs into tax credit housing. The authority also established a linkage with the Department of Workforce Development to provide employment opportunities for emerging businesses in order to meet requirements, some of which were for federal funding sources. The authority is examining ways to become more efficient with Homeownership Mortgage Loan Program (HOME) funding, reporting and monitoring with the Department of Administration.

Goal: Target opportunities to provide financing on existing tax credit developments in order to preserve affordable housing for the future.

Objective/Activity: As developments come to the end of the 15-year tax credit period, many properties have the option to convert to market rate. The authority designed a loan product that fits well with its mission to ensure an adequate supply of affordable housing and attract new lending opportunities. Using its earnings, the authority has generated resources to help provide fixed rate financing to new partners with similar goals of providing affordable housing options for the workforce, elderly and families.

Goal: Align resources to the authority's strategic goal—the Transform Milwaukee initiative. The initiative's focus is on areas connecting Milwaukee's 30th Street Industrial Corridor, the Menomonee Valley, the Port of Milwaukee and the Aerotropolis.

Objective/Activity: Commit funding and tax credit allocation to address economic conditions, improve quality of housing stock, attract employers and attract other private funding sources to rebuild the initiative's area. The authority's strategy is to be a long-term partner in these areas, improve infrastructure, create better neighborhoods for unemployed and underemployed citizens, and offer employment opportunities through the authority's emerging business program.

Goal: Generate new sources of capital.

Objective/Activity: Create partnerships with foundations, private entities, financial institutions and the Federal Home Loan Bank of Chicago to generate new, flexible sources of capital.

Wisconsin Housing and Economic Development Authority

Program 5: Wisconsin Development Reserve Loan Guarantees

Goal: Increase public awareness of the authority's economic development programs. Embark on aggressive outreach efforts through marketing, promotions and one-on-one conversations to explain the authority's programs and services. Existing programs are good and filling niches but have not been aggressively promoted or integrated with other efforts.

Objective/Activity: Ensure that lenders and customers have a clear understanding of programs and services, in an effort to improve relationships with the authority. Market programs and address misperceptions that keep the authority from having a greater impact across the state. The approach to be used includes a marketing plan, brochures, fact sheets, one-on-one meetings with lenders across the state, attendance at events and conferences, and an improved Web site. One key element of this strategy involves pairing home office underwriters with community relations officers in regions across the state.

Goal: Act as an advocate for economic development across the state. Identify economic development programs, including authority programs and services as well as those of partners, and educate others on opportunities the programs offer.

Objective/Activity: Educate staff on existing programs and services, educate lenders and customers on existing opportunities, and research potential new and expanded products and services. Educate and train staff and customers on ways to leverage the authority's economic development programs with other programs, such as the Small Business Administration's 7a and 504 loan guarantee programs.

Goal: Identify opportunities or unmet needs where the authority can have a collaborative and unique role in the economic development of the state.

Objective/Activity: Serve as a catalyst for deals that would not have happened, bring together partners that would not have connected and make things happen that might have fallen through the cracks. Coordinate affordable housing and economic development efforts to target communities statewide; work with community relations officers across the state to identify special opportunities; utilize the authority's Economic Development Resource Manual to utilize appropriate programs and services at local, state and federal levels; and cultivate partnerships that might be linked in unexpected ways.

Goal: Improve internal processes and procedures. Increase capacity and service delivery by improving internal procedures.

Objective/Activity: Using the tools of the Lean Government initiative, staff will be trained to identify areas of improvement that will provide the most internal and external value.

Goal: Leverage limited resources through external funding and partnerships. Identify and pursue external funding and forge strategic partnerships.

Objective/Activity: Improve the authority's ability to expand the capacity of existing programs and services and pursue new opportunities as they arise. Research potential sources and write grants, identify potential partners, and create formal partnerships.

Goal: Successfully apply for federal New Markets Tax Credits and effectively administer and place remaining credit allocations.

Object/Activity: Collaborate with communities to identify high-impact New Markets Tax Credit projects, especially rural projects that will enhance the state's chances for receiving additional tax credit allocations.

Objective/Activity: Work internally to maximize the authority's partnership with outside economic development organizations to produce the most powerful application, thereby increasing Wisconsin's chances of receiving the credits.

Wisconsin Housing and Economic Development Authority

PERFORMANCE MEASURES

2013 AND 2014 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2013	Actual 2013	Goal 2014	Actual 2014
1.	HOME loan volume.	\$110,466,000	\$105,500,000	\$110,466,000	\$141,000,000
1.	Multifamily loan volume.	\$55,000,000	\$98,600,000	\$55,000,000	\$50,700,000
1.	Capital ratio.	22.4%	23.7%	22.4%	27.9%
5.	Economic development programs.	\$67,270,000	\$50,166,025	\$67,270,000	\$3,760,208

Note: Based on fiscal year.

2015, 2016 AND 2017 GOALS

Prog. No.	Performance Measure	Goal 2015¹	Goal 2016	Goal 2017
1.	HOME loan volume.	\$205,000,000	\$205,000,000	\$205,000,000
1.	Multifamily loan volume.	\$40,000,000	\$40,000,000	\$40,000,000
1.	Capital ratio.	30.42%	30.42%	30.42%
5.	Economic development programs.	\$16,700,000	\$6,700,000	\$6,700,000

Note: Based on fiscal year.

Note: Goals are based on the authority's 2015 budget, as the 2016 and 2017 budgets are not completed until June 2015 and June 2016, respectively. Goals for 2016 and 2017 are subject to change and may be affected by the status of the financial market.

¹Goals for 2015 have been modified.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Creation of Forward Wisconsin Development Authority

Wisconsin Housing and Economic Development Authority

**Table 1
Department Budget Summary by Funding Source (in thousands of dollars)**

	ACTUAL FY14	ADJUSTED BASE FY15	AGENCY REQUEST FY16	AGENCY REQUEST FY17	GOVERNOR'S RECOMMENDATION FY16	GOVERNOR'S RECOMMENDATION FY17
GENERAL PURPOSE REVENUE	\$2,500.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Aids to Ind. & Org.	2,500.0	0.0	0.0	0.0	0.0	0.0
TOTALS - ANNUAL	\$2,500.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Aids to Ind. & Org.	2,500.0	0.0	0.0	0.0	0.0	0.0

**Table 3
Department Budget Summary by Program (in thousands of dollars)**

	ACTUAL FY14	ADJUSTED BASE FY15	AGENCY REQUEST FY16	AGENCY REQUEST FY17	GOVERNOR'S RECOMMENDATION FY16	GOVERNOR'S RECOMMENDATION FY17
5. Wisconsin development loan guarantees	\$2,500.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTALS	\$2,500.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Wisconsin Housing and Economic Development Authority

1. Creation of Forward Wisconsin Development Authority

The Governor recommends creating the Forward Wisconsin Development Authority by combining the Wisconsin Economic Development Corporation and the Wisconsin Housing and Economic Development Authority to provide greater coordination on economic development within a single authority. See Wisconsin Economic Development Corporation, Item #1; and Forward Wisconsin Development Authority, Item #1.

