

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY19 Adjusted Base	FY20 Recommended	% Change Over FY19	FY21 Recommended	% Change Over FY20
TOTAL	0	0	0.0	0	0.0

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY19 Adjusted Base	FY20 Recommended	FTE Change Over FY19	FY21 Recommended	FTE Change Over FY20
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, Marketing and Communications, Business and Community Engagement, Executive, Finance, Information Technology, Legal, Commercial Lending, Risk and Compliance, and Single Family Housing. The authority's primary functions include financing for home ownership, rental housing and business development. In addition, the authority allocates federal New Markets Tax Credits and Low-Income Housing Tax Credits, as well as oversees the U.S. Department of Housing and Urban Development Section 8 contract administration in Wisconsin.

MISSION

The mission of the authority is to stimulate the state's economy and improve the quality of life for Wisconsin residents by providing affordable housing and business financing products.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Note: Goals, objectives and activities have been revised.

Program 3: Homeownership Mortgage Assistance

Goal: Continue to grow as a trusted provider of innovative single-family home loan products and services to expand affordable housing options.

Objective/Activity: Through outward bound sales activity and "features and benefits" marketing, increase the lender network statewide. Continue to innovate the internal process to guarantee top tier lender partnerships and service levels. Locate new sources of funding to ensure a steady stream of down payment assistance will be readily available for first-time home buyers. Through strategic planning, seek new sources of funding to support new products designed to fill gaps in the standard secondary market offerings.

Program 5: Wisconsin Development Loan Guarantees

Goal: Increase and preserve the supply of multifamily housing for low- and moderate-income families, seniors, and veterans; connect affordable housing with services, including those who are homeless or at risk of becoming homeless; encourage housing development in areas of economic opportunity and rural locations; and coordinate housing development with community development plans.

Objective/Activity: With a variety of financing tools, tax credits and federal resources, the authority can prioritize resource allocations to meet its strategic goals.

Goal: Offer unique business financing programs designed to stimulate Wisconsin's economy, promote economic development in urban and rural areas, and maximize community impact through the creation and retention of living wage jobs.

Objective/Activity: Through loan guarantees, tax credits and other federal resources, create leverage to attract private capital investment for business expansion. Continue to use Wisconsin's allocation of state small business credit initiative funds from the U.S. Treasury as well as seek new funding sources to expand the access of capital to small businesses. Through the Greater Wisconsin Opportunities Fund, the authority's community development entity, the authority has applied for New Markets Tax Credits for the next federal cycle.

Goal: Provide specialized, niche, collateralized loan participation for qualifying economic development projects that represent sound Wisconsin business, but which are unable to attract additional private capital for expansion without the authority.

Objective/Activity: Continue outreach and information services to expand lender partnerships, work with local economic development corporations and community stakeholders to identify opportunities for participation lending, and offer authority participation loans in conjunction with local lenders for business expansion that creates and retains jobs.

Wisconsin Housing and Economic Development Authority

PERFORMANCE MEASURES

2017 AND 2018 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2017	Actual 2017	Goal 2018¹	Actual 2018
3.	Homeownership Mortgage Loan Program loan volume.	\$210,000,000	\$336,200,000	\$350,000,000	\$427,500,000
3., 5.	Capital ratio.	34.36%	32.40%	30.54%	30.20%
5.	Commercial lending volume, including multifamily housing and economic development. ²	\$97,900,000	\$72,700,000	\$100,000,000	\$173,800,000

Note: Based on fiscal year.

¹Goals for 2018 have been modified as described in the 2017-19 Executive Budget.

²In the previous biennium, multifamily loan volume and economic development programs were individual performance measures. These performance measures are now blended into the commercial lending volume measure.

2019, 2020 AND 2021 GOALS

Prog. No.	Performance Measure	Goal 2019¹	Goal 2020	Goal 2021
3.	Homeownership Mortgage Loan Program loan volume.	\$400,000,000	\$440,000,000	\$440,000,000
3., 5.	Capital ratio.	30.40%	30.00%	30.00%
5.	Commercial lending volume, including multifamily housing and economic development. ²	\$167,800,000	\$135,000,000	\$135,000,000

Note: Based on fiscal year.

Note: Goals are based on the authority's 2019 budget, as the 2020 and 2021 budgets are not completed until June 2019 and June 2020, respectively. Goals for 2020 and 2021 are subject to change and may be affected by the status of the financial market.

¹Goals have been revised for 2019.

²In the previous biennium, multifamily loan volume and economic development programs were individual performance measures. These performance measures are now blended into the commercial lending volume measure.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Tax-Exempt Bonds and Notes

Wisconsin Housing and Economic Development Authority

1. Tax-Exempt Bonds and Notes

The Governor recommends an increase in the limit on the total amount of tax-exempt bonds and notes that can be issued by the authority from \$600 million to \$1 billion. The increase is needed to meet additional demand for tax-exempt bonding due to 2017 Wisconsin Act 176, which created a state income and franchise tax credit program for qualified low-income housing developments.

