

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY21 Adjusted Base	FY22 Recommended	% Change Over FY21	FY23 Recommended	% Change Over FY22
TOTAL	0	0	0.0	0	0.0

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY21 Adjusted Base	FY22 Recommended	FTE Change Over FY21	FY23 Recommended	FTE Change Over FY22
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, Community and Economic Development, 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

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.

PERFORMANCE MEASURES**2019 AND 2020 GOALS AND ACTUALS**

Prog. No.	Performance Measure	Goal 2019	Actual 2019	Goal 2020¹	Actual 2020
3.	Homeownership Mortgage Loan Program loan volume.	\$400,000,000	\$481,000,000	\$425,000,000	\$366,000,000
3., 5.	Capital ratio.	30.4%	28.6%	28.3%	28.8%
5.	Commercial lending volume, including multifamily housing and economic development.	\$167,800,000	\$125,982,000	\$212,967,000	\$214,381,000

Note: Based on fiscal year.

¹Goals for 2020 have been modified as described in the 2019-21 Executive Budget.

2021, 2022 AND 2023 GOALS

Prog. No.	Performance Measure	Goal 2021¹	Goal 2022	Goal 2023
3.	Homeownership Mortgage Loan Program loan volume.	\$250,000,000	\$275,000,000	\$275,000,000
3., 5.	Capital ratio.	28.1%	28%	28%
5.	Commercial lending volume, including multifamily housing and economic development.	\$271,800,000	\$189,500,000	\$189,500,000

Note: Based on fiscal year.

Note: Goals are based on the authority's 2021 budget, as the 2022 and 2023 budgets are not completed until June 2021 and June 2022, respectively. Goals for 2022 and 2023 are subject to change and may be affected by the status of the financial market.

¹Goals have been revised for 2021.

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GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. State Housing Tax Credit Increase
2. Additional Equity Investments in Small Businesses
3. Pilot Program for Homeless Children and Youth

1. State Housing Tax Credit Increase

The Governor recommends making the following changes to the State Housing Tax Credit Program to help address the need for affordable housing in the state: (a) increasing the limit on the total amount of state housing tax credits that may be authorized annually by the authority from \$42 million to \$100 million; and (b) increasing the credit period from six taxable years to ten taxable years. The Governor also recommends modifying current financing requirements for developments to allow the authority to continue to allocate state housing tax credits even if the federal private activity tax-exempt bond volume cap limit is reached. See Department of Revenue, Item #28.

2. Additional Equity Investments in Small Businesses

The Governor recommends increasing the limit on how much the authority may invest of its general funds in small businesses and start-up companies from \$1 million in total to \$1 million annually. The Governor also recommends modifying the requirements for businesses the authority may invest funds in by: (a) increasing the employee cap from fewer than 25 full-time employees to fewer than 50 full-time employees; and (b) increasing the limit on gross annual sales from less than \$2,500,000 to less than \$5,000,000.

3. Pilot Program for Homeless Children and Youth

The Governor recommends creating a pilot program that gives priority to homeless children and their families on the authority's federal Housing Choice Voucher Program list.

