

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY23 Adjusted Base	FY24 Recommended	% Change Over FY23	FY25 Recommended	% Change Over FY24
GPR	0	100,000,000	0.0	0	-100.0
TOTAL	0	100,000,000	0.0	0	-100.0

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY23 Adjusted Base	FY24 Recommended	FTE Change Over FY23	FY25 Recommended	FTE Change Over FY24
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.

Wisconsin Housing and Economic Development Authority

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.

Wisconsin Housing and Economic Development Authority

PERFORMANCE MEASURES

2021 AND 2022 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2021	Actual 2021	Goal 2022	Actual 2022
3.	Homeownership Mortgage Loan Program loan volume.	\$250,000,000	\$375,439,121	\$275,000,000	\$287,797,400
3., 5.	Capital ratio.	28.1%	29.2%	28%	29.4%
5.	Commercial lending volume, including multifamily housing and economic development.	\$271,800,000	\$201,004,000	\$189,500,000	\$159,331,900

Note: Based on fiscal year.

2023, 2024 AND 2025 GOALS

Prog. No.	Performance Measure	Goal 2023¹	Goal 2024	Goal 2025
3.	Homeownership Mortgage Loan Program loan volume.	\$275,000,000	\$300,000,000	\$300,000,000
3., 5.	Capital ratio.	28%	28%	28%
5.	Commercial lending volume, including multifamily housing and economic development.	\$189,500,000	\$207,800,000	\$207,800,000

Note: Based on fiscal year.

Note: Goals are based on the authority's 2023 budget, as the 2024 and 2025 budgets are not completed until June 2023 and June 2024, respectively. Goals for 2024 and 2025 are subject to change and may be affected by the status of the financial markets.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Workforce Housing Rehabilitation Loan Program
2. State Housing Tax Credit Increase
3. Capital Reserve Fund Bonding Limit Increase
4. Headquarters Exemption from Real Estate Taxation
5. Removal of Statutory Limit on Employee Salaries

Wisconsin Housing and Economic Development Authority

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

	ACTUAL FY22	ADJUSTED BASE FY23	AGENCY REQUEST FY24	AGENCY REQUEST FY25	GOVERNOR'S RECOMMENDATION FY24	GOVERNOR'S RECOMMENDATION FY25
GENERAL PURPOSE REVENUE	\$0.0	\$0.0	\$0.0	\$0.0	\$100,000.0	\$0.0
Aids to Ind. & Org.	0.0	0.0	0.0	0.0	100,000.0	0.0
TOTALS - ANNUAL	\$0.0	\$0.0	\$0.0	\$0.0	\$100,000.0	\$0.0
Aids to Ind. & Org.	0.0	0.0	0.0	0.0	100,000.0	0.0

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

	ACTUAL FY22	ADJUSTED BASE FY23	AGENCY REQUEST FY24	AGENCY REQUEST FY25	GOVERNOR'S RECOMMENDATION FY24	GOVERNOR'S RECOMMENDATION FY25
6. Workforce housing rehabilitation	\$0.0	\$0.0	\$0.0	\$0.0	\$100,000.0	\$0.0
TOTALS	\$0.0	\$0.0	\$0.0	\$0.0	\$100,000.0	\$0.0

Wisconsin Housing and Economic Development Authority

1. Workforce Housing Rehabilitation Loan Program

Source of Funds	Agency Request				Governor's Recommendations			
	FY24		FY25		FY24		FY25	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	100,000,000	0.00	0	0.00
TOTAL	0	0.00	0	0.00	100,000,000	0.00	0	0.00

The Governor recommends funding to increase the authority's ability to provide low-interest and forgivable loans to low- to moderate-income households for renovations or repairs, including lead remediation, to their current home. The Governor also recommends the authority use a portion of these funds to create housing navigator positions to promote awareness and usage of all of the authority's housing products.

2. State Housing Tax Credit Increase

The Governor recommends making the following changes 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 #19.

3. Capital Reserve Fund Bonding Limit Increase

The Governor recommends increasing the limit on notes and bonds the authority can issue that are secured by a capital reserve fund to continue to finance projects supported with an allocation of state and federal housing tax credits.

4. Headquarters Exemption from Real Estate Taxation

The Governor recommends exempting the authority's new headquarters and parking facility from real estate taxation. See Shared Revenue and Tax Relief, Item #36.

5. Removal of Statutory Limit on Employee Salaries

The Governor recommends modifying current law to remove limits on state authority employee salaries to improve recruitment and retention. See Wisconsin Health and Educational Facilities Authority, Item #2.