

2014 Entry Form
(Complete one for each entry.)

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name _____

HFA _____

Submission Contact _____

Phone _____ **Email** _____

Qualified Entries must be received by **Tuesday, July 1, 2014.**

For more information about Qualified Entries, [click here to access the 2014 Entry Rules.](#)

Use this header on the upper right corner of each page.

HFA _____

Entry Name _____

Communications	Homeownership	Rental Housing	Special Needs Housing
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs
Legislative Advocacy	Management Innovation	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input type="checkbox"/> NO

2014 NCSHA Annual Awards for Program Excellence
Wisconsin Housing and Economic Development Authority (WHEDA)
Special Achievement | Participation Lending Program

Background

For over 40 years, the Wisconsin Housing and Economic Development Authority (WHEDA) has been the housing leader in the state of Wisconsin. Since its creation by the Wisconsin Legislature in 1972, WHEDA has financed more than 68,000 affordable rental units and has helped more than 110,000 families purchase their first homes.

In January 2011, WHEDA went through a major transformation to expand its economic development activity to match its long-standing affordable housing commitment. This strategic approach has refocused WHEDA to both increase employment, as well as affordable housing opportunities for Wisconsin residents. For WHEDA to contribute toward helping Wisconsin's most vulnerable citizens—the unemployed and those without adequate housing—obtain more secure, comfortable lives, it had to expand its economic development commitment by targeting resources to create and retain businesses, jobs and entrepreneurs, serve high-unemployment communities, and maximize community impact.

Throughout its history, WHEDA has been blessed to have many economic development tools at its disposal. More than \$42 million in loans have been made under WHEDA's small business guarantee programs. WHEDA is always looking for innovative ways to help small businesses in Wisconsin. In 2013, an award-winning small business became the first to take advantage of a new WHEDA economic development tool: The Participation Lending Program (PLP).

Details

WHEDA's PLP is intended to provide Wisconsin businesses with financing that could not otherwise be secured through traditional lending. The program partners WHEDA with local community participating lenders: banks, credit unions, economic development corporations, community development financial institutions, small business investment corporations and other entities that provide commercial loans in Wisconsin. This partnership allows lending to businesses that create and retain jobs, and promote economic development throughout Wisconsin. The PLP was WHEDA's response to small business owners and community economic development organizations that requested WHEDA offer financial options that supplement or fill gaps in commercial lending.

Businesses eligible for the PLP include:

- Facilities for manufacturing or commercial real estate activities;
- National or regional headquarters;
- Retail sale of goods or services;
- Storage or distribution of manufacturing activities;
- Materials, components or equipment;

- Research and development activities;
- Recreation and tourism that serve to attract visitors to Wisconsin;
- Production, packaging, processing or distribution of raw agricultural commodities;
- Railroad operations;
- And recycling.

As part of the PLP, WHEDA gives priority to economic development projects that:

- Maintain or increase employment in Wisconsin;
- Are located in an area of high unemployment or low average income;
- Provide services or activities that would otherwise not be available in the community or in Wisconsin;
- Are more than 50% owned by women or minorities;
- Are business with current gross annual sales of \$5 million or less or that employ 250 or fewer people;
- Are for new businesses,
- Are for businesses that have less than 50% of their ownership held or controlled by another business and have their principal business operations in Wisconsin;
- And businesses that have multiple financial institutions or other financing sources participating in the project.

The First Request

WHEDA approved and set aside a \$12 million pool of general reserve funds to initiate the program. The Calumet County Bank made the first request for a participation loan under WHEDA's new PLP. Calumet County Bank wanted a loan participation of \$750,000 on a \$2.55 million loan for LaClare Farms, an existing dairy goat farm operation located in Chilton, WI. Larry and Clara Hedrich had been operating the business for almost 17 years.

In 2008, LaClare Farms began producing their own brand of artisan cheeses. Their first brand name, Evalon, was named the Grand Champion of all cheese varieties at the 2011 U.S. Cheese Championships. The cheese is made by the Hedrichs' daughter, Katie Hedrich, who is a licensed cheese maker. Hedrich is the youngest cheesemaker to earn the prestigious award and only the second woman in contest history to be named U.S. champion. The honor spurred considerable interest, resulting in more orders, requiring additional cheese to be made.

Growth in the business called for plans to expand from Chilton to Pipe, WI. Loan proceeds would fund construction of a new facility featuring a multi-faceted 35,000 sq. ft. operation including:

- A new milk production facility housing hundreds of goats;
- A small creamery designed for artisan production;
- An on-farm store housing LaClare Evalon cheese and other products;

- A food service operation integrated with an agri-tourism approach;
- And a specialty small-scale milk hauling operation.

The existing location in Chilton would be used to raise young stock for the dairy herd. The project was anticipated to create 13 full-time equivalent positions, each paying over \$23,000 per year.

Moving Forward

WHEDA approved a loan participation of \$750,000 on a \$2.55 million loan for LaClare Farms, the first under the PLP. LaClare Farms held its grand opening for its new Pipe facility in November 2013.

Today, LaClare Farms has over 450 milking goats; and that's not enough for the growing business! The artisan cheese market continues to expand and develop throughout the United States. Consumers have shown a willingness to pay a premium for quality artisan cheeses. Although cow milk and cheese are popular in the U.S., goat milk and byproducts are the preferred dairy products in Europe and most parts of the world. According to an MSU study in August 2011, more than 50% of the goat cheese products consumed are imported, with the majority coming from France. This creates an opportunity for U.S. goat cheese production, which still lags far behind that of European countries.

LaClare Farms uses one million pounds of goat milk and its new location is one of the largest in Wisconsin. While there are other models like LaClare Farms in the cow dairy industry, their new facility is one of the first of its kind for the goat industry.

WHEDA's PLP is one of a diverse range of business financing programs designed to stimulate Wisconsin's economy, promote economic development in urban and rural areas, and maximize community impact through the creation of living wage jobs. The PLP is designed to provide Wisconsin businesses with essential financing through public-private partnership between WHEDA and local lenders.

Since the start of this new program, WHEDA has closed six small business participation loans that are projected to create or retain 443 jobs. These investments represent over \$5.6 million in WHEDA loan participation and over \$13.5 million total lending from partner banks.