

Infrastructure Access Loan Launch Event

Wisconsin Housing and Economic Development Authority

Communications: Special Event Marketing

HFA Staff Contact

Kylie Wagner

kylie.wagner@wheda.com

Wisconsin Housing and Economic Development Authority (WHEDA)

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NCSHA Annual Awards for Program Excellence

OVERVIEW

WHEDA used technology to its advantage to launch its latest new product to developers and municipalities statewide. The Infrastructure Access Loan offers competitive funding access to \$275 million in state resources to cover the costs of installing, replacing, upgrading, or improving public infrastructure related to workforce housing or senior housing. The developer typically covers these costs and passes them on to renters and homebuyers in their monthly rent and mortgage payments.

Two weeks before the event, invitations were sent to potential participants. When invitees registered, they were asked to answer questions to determine if they had projects intended to be submitted for funding and if so, where they were located. This information provided a pipeline for WHEDA’s Community and Economic Development (CED) team, enabling them to follow up with those in their region and encourage applications. The invites also included a request for livestream attendees to provide a physical mailing address to receive a participation packet.

Participants received their WHEDA-branded packet before the event which included an expandable folder, printed award plans and term sheets for the program, a notepad and pen for use during the event, a highlighter for marking important information in the printed material, a magnet with a QR code to take them directly to frequently asked questions and other resources on wheda.com, a balloon, and a sticker that said, “I’M MAKING HOUSING HAPPEN!”

Participation was hugely successful with 558 online attendees. The program consisted of a brief welcome by WHEDA Chief Executive Officer (CEO) & Executive Director, Elmer Moore, Jr., an explanation of the participant packet materials, a brief overview of the program presented by CED team members, and a push button that opened the application portal.

REPLICABLE

This campaign is easily replicable because the cost is moderate and can be handled by a small team. WHEDA’s Marketing and Communications team of six pulled off planning the event with a total expense of less than \$10,000. Costs incurred included a membership to Zoom, branded premiums, printing, and postage. Utilizing Zoom’s widely recognized technology to host a virtual event made it easy for many people to attend, regardless of location.

RESULTS OF ENGAGING THE AUDIENCE

Attendees were very complimentary of the event. Someone stated, “This was the best debt discussion I’ve ever been a part of!” Many similar sentiments were shared during and after the event—evidence that the experience was well received. Participants eagerly asked questions and provided input in the chat throughout the event. This livestream launch event aimed to cultivate at least 10 applications in the first funding round. WHEDA received seven requests to set up an application portal not even 24 hours

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after the event. Furthermore, pre-registration questions resulted in generating over 140 leads from municipalities and developer partners interested in using the new funding source.

BENEFITS THAT OUTWEIGH THE COSTS & EFFECTIVE USE OF RESOURCES

The primary goal of the event was to announce the opening of the Infrastructure Access Loan program’s first round of funding. As the sole administrator, WHEDA needed to get the word out to as many people as possible in a timely manner, without significant expense, while also cultivating relationships with decision-makers across the state who may have projects worthy of funding. All these desired outcomes were achieved by using readily available resources. This allowed the WHEDA team to garner outreach to participants in all areas of the state and provide an exciting, engaging atmosphere to begin utilizing the program. The sales pipeline has proven to be a tremendous asset to the Community and Economic Development team as a starting point for WHEDA to deploy these funds.



The only real expenses for the launch event were the printing of program information, premium items for the participant packet, mailing costs, and minimal decor. The Authority used as many in-house resources as possible. The small but mighty Marketing and Communications team handled all outreach and event planning, including in-house branding for the campaign.


WHY THE INFRASTRUCTURE ACCESS LAUNCH EVENT IS AWARD-WORTHY

The most compelling reasons for why the Infrastructure Access Launch Event is award-worthy:

- The campaign followed a strategic process that can be easily replicated for other marketing and event campaigns in the future. By outlining key audiences and end goals with processes along the way, this model can be applied to future endeavors.
- Actively engaged key stakeholders and the media in a fun, engaging way for what would otherwise have been a dry, boring subject. The event format encouraged and enabled the audience to interact and participate. Participants engaged in the chat, remained online for the entire event, and set up application portals soon after.
- Results were measured based on event participation, sales pipeline development, and the number of application portals established. This event caught the attention of the media, who helped spread the word about the program.
- Engagement that was achieved far outweighed the cost that was incurred.
- WHEDA employees were essential to the success of this event. In addition to the Marketing and Communications team, five other employees assisted with the packet creation, mailing, presentation of key information, and attended the event to provide a live studio audience.
- All campaign efforts worked toward the organization’s strategic initiatives.

VISUAL AIDS



Infrastructure Access Loan
**LIVE STREAM
LAUNCH EVENT**
March 28 3-4 p.m. 

Register now for this invitation-only event!

Gather your team and join us virtually on Thursday, March 28, 2024 from 3:00 to 4:00 p.m. for a livestream launch event to celebrate the new Infrastructure Access Loan Program being administered by WHEDA!


This invitation-only event will provide program specifics, including a review of sample projects, the availability of funding, and a special announcement.

[Register here!](#)


Register by March 25 at 4:00 p.m. to receive a participation packet! Registration is limited.
Those registering after the deadline will receive the documents electronically before the event and the physical packet after the event.

If you have questions, please contact us at home@wheda.com.


Learn more about the new [Bipartisan Housing Legislation Package](#) loan products created to increase affordable housing options across Wisconsin.



**RESTORE
MAIN STREET**







VACANCY-TO-VITALITY



**INFRASTRUCTURE
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Infrastructure Access Loan
**LIVE STREAM
LAUNCH EVENT**

March 28 3-4 p.m.



The Infrastructure Access Launch Event is just a couple of days away, and we are looking forward to having you join us. We will share new information about this and other WHEDA loan programs and have some fun, too!

Follow this link to join the Zoom event:

[Zoom Link](#)

Once you join the meeting, please rename yourself to include your first name, company, and location so that we can properly acknowledge you during the event.

Watch your mail for your participation packet! If it does not arrive before the event, no worries! You can access the reference documents online and you'll get your packet later.

Ready to get started now?

Set up your Procorem WorkCenter while waiting for the application period to open. Developers and governmental units intending to apply for the first round of Infrastructure Access funding and other funding opportunities through WHEDA must complete [this form](#) and submit it to our tech team at CLproductsupport@wheda.com for each project and each resource requested. You will receive email confirmation that your WorkCenter has been created. Once your WorkCenter has been created, you can continue to use it for future funding rounds for all programs.

See you all in a couple of days!

If you have questions, please contact us at home@wheda.com.

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THANK YOU
for attending the Infrastructure
Access Loan Launch Event!



The Infrastructure Access Launch Event was a huge success! Thank you to those who were able to tune in for what was said to be "the most exciting debt discussion" some participants "had ever been a part of."

In case you weren't able to attend, we recorded the session and have posted the slides used during the presentation:

[Recording & Slides](#)

If you haven't already done so, you must request a Procorem WorkCenter to submit your application. Take a moment to submit your request before the deadline on April 19.

We look forward to seeing your applications on April 30!

If you have questions, please contact us at home@wheda.com.

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Copies of the initial, secondary, and final emails, in order, that were sent to event invitees.

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Each packet was hand-stuffed by WHEDA's Marketing and Communications team in an assembly line format, utilizing a large conference room near the marketing bay at WHEDA Headquarters.



These two images show the Participation Packet materials sent to registrants before the event. All materials fit perfectly in the folder, allowing WHEDA to overnight the packets in large mailing envelopes via the United States Postal Service (USPS).

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Photos don't do it justice, but WHEDA's six-person Marketing and Communications team (with a few extra hands) accomplished stuffing, addressing, and sending out nearly 500 Participation Packets in a matter of 24 hours.

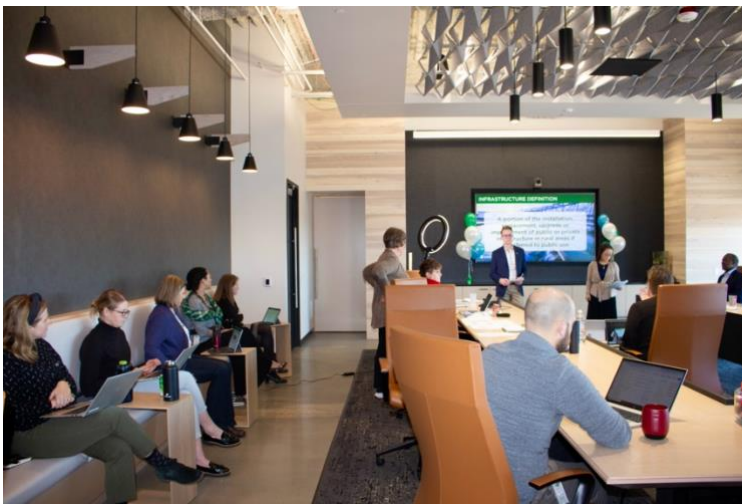
Mailers were categorized in labeled boxes based on the number of Participation Packets in the envelope (1, 2, 3, or more) for each project's team members. Thanks to the help of USPS and a large truck, all envelopes were picked up in one fell swoop and expedited to their recipients just in time for the event!



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WHEDA Public Affairs Program Manager Raechelle Belli sat behind the camera that was connected to her laptop to run and monitor the live stream through Zoom. Presenters stood in front of the camera to utilize the in-room screen. After the launch event, attendees received a copy of both the presentation slides and Zoom recording to refer to while working on their applications in the future.



Community and Economic Development Officers Jon Searles and Mai Xiong walked attendees through the application process and answered questions as they were submitted in the Zoom chat. The Marketing and Communications team used signs that said "Quiet," "Clap," "Cheer," and "Countdown" to keep the in-room audience engaged and create further excitement for online attendees.

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PUBLICATIONS

- [New loan programs could expedite affordable housing developments in Wisconsin's small municipalities \(December 7, 2023, BizTimes\)](#)
- [Low-interest loan programs promote home construction \(April 1, 2024, Wisconsin Public Radio\)](#)
- [Gov. Evers, WHEDA: Announce workforce and senior housing infrastructure funding program \(April 9, 2024, WisPolitics\)](#)

THE BOND BUYER

TRENDS IN THE REGIONS

Options open for public-private partnerships on workforce housing

By [Jennifer Shea](#) April 17, 2024, 8:00 a.m. EDT9 Min Read

Wisconsin's Housing and Economic Development Authority last week rolled out its Infrastructure Access Loan program, a partnership with developers and local governments to build more workforce housing, against the backdrop of a worsening housing affordability crisis.

Housing supply shortages and high home prices have driven existing home sales to a nadir last seen during the Great Recession, and mortgage applications have hit a 20-year low, as Fitch Ratings noted in a [March report](#) on workforce or "essential" housing, as it terms homes for the middle-income earners such as teachers, police officers and health care workers that every community needs.

Renter households face a steep climb to homeownership, with buyers [paying well over 7%](#) for 30-year fixed mortgages, and home prices [near October's all-time high](#) after a 6.03% year-over-year increase [in January](#), according to the Case-Shiller Home Price Index.



A worker builds an affordable housing development in Minneapolis in 2023. Housing market conditions are pushing more state and local governments to partner with developers on workforce housing projects. Bloomberg News

In Wisconsin, a WHEDA spokesperson said, the new program has rules in place "to ensure continued affordability." For example, multifamily housing is to be rented out to people with annual income at or

below 100% of the area median income. For owner-occupied single-family housing, homebuyers' annual income may not exceed 140% of AMI.

Credit rating analysts said workforce housing has really evolved over the last four years or so, driven by the needs of middle-income residents who want to be able to live near where they work.

The Fitch report highlighted two approaches to creating more affordable and workforce housing. One involves bonds issued by [joint power authorities](#) on behalf of municipal governments to finance the conversion of market-rate apartments to rent-restricted units.

There are multiple examples of this approach in California, but Fitch deemed those examples somewhat speculative, from their bullet maturities to their lack of set rent levels by unit to their high leverage and reliance on rent increases to pay the debt.

The other involves public-private partnerships with developers to create new workforce housing.

"Cities and states have increasingly entered into partnerships with private developers to create workforce housing, leveraging the use of tax-exempt bonds, tax incentives, low-rate government loans and other subsidies to encourage development," Fitch noted.

Federal support is also part of the picture, from multiple federal agencies. For example, Fitch pointed to the Infrastructure Investment and Jobs Act of 2021, which created more low-cost financing options through the Department of Transportation for projects that incorporate public transit access into their development plans.

The DOT programs include the Transit-Oriented Development program, which spans commercial, residential, office and entertainment land uses. Transit-oriented development projects [are now also eligible](#) under both of the longstanding Railroad Rehabilitation and Improvement Financing and Transportation Infrastructure Finance and Innovation Act programs.

TIFIA provides direct loans, loan guarantees and standby lines of credit to transportation projects with an investment-grade rating, and the RRIF program provides direct loans and loan guarantees to develop railroad infrastructure projects with a credit rating.

"The most vulnerable affordable housing transactions in our rated universe are those secured by properties with no enhancement or federal support that may not cover higher operating costs that we expect to persist in the near term," S&P Global Ratings noted in a [January report](#) on the public finance housing outlook.

Karen Fitzgerald, senior director and sector head for community development at Fitch, said that between housing market conditions and new federal support mechanisms, there's the potential for a significant uptick in activity on the workforce housing front this year.

Bonds could be one source of financing in addition to low-interest loans, she said: "We've seen some structures where there's a subordinate tax-exempt financing or even maybe taxable sub-debt that they're including... This could lead to more issuance in the debt markets."

S&P Managing Director and Analytical Manager Caroline West said they're seeing different actors trying to "get every idea out there that they can" in terms of financing affordable and workforce housing projects, because the need is so great. From housing finance agencies to public housing authorities to community development financial institutions, everyone is trying to tackle the problem.

"The financing gets so complicated," she said. "There's just no easy way to do this. In the capital stack, there could be a developer piece, there's this tax credit, and this and that, and just having to pool all these different things together... it's so much effort just to figure out how to finance these things. It is not simple."

Fitzgerald noted that "there's been a significant dropoff in the deals that were unrated, just because interest rates have gone up, and those deals are just not viable anymore," but she suggested programs like the ones at DOT may start to bear fruit soon.

"The TOD program is relatively new, and so developers are coming in and just starting to submit applications for the financing," she said. "But we expect [an increase in activity] this year... There's over \$100 billion available in lending capacity through TIFIA and RRIF. And that's not all affordable [housing], obviously, but there's certainly a big supply of available lending capacity out there."

The DOT's Build America Bureau, which administers those programs, did not respond to requests for comment.

S&P's Nora Wittstruck, managing director and sector leader for the housing team, said the rating agency has not yet gotten any official requests to rate projects that use TIFIA, but "it's something that is being pursued" lately.

"We have anecdotally had a lot of conversations with market participants who are pursuing TIFIA as a way to help support affordable or essential housing, or a combination thereof — multi-family units in proximity to transit-oriented development," she said. "So it's definitely a lever that market participants are pursuing. We can't really say whether or not we'll ever actually get a project that includes that component in the capital stack."

"We've received several inquiries on getting a rating on either the TIFIA or RRIF program for workforce or affordable housing," Fitzgerald said. "The key for those is, they often get some additional financing in grants or even subordinate debt from the local municipality. So they're able to put together a financing because the rate is so low that they may be able to meet the coverage levels in our criteria to qualify for investment grade."

Fitch said in its report that standalone and single-borrower essential housing projects' ratings are capped at A-plus. But lower ratings are more common due to lack of pricing flexibility and vulnerability to the local real estate market's fluctuations.

The rating agency considers several factors in rating workforce housing deals. One is whether the deals assume the same rent levels across all units, regardless of area median income levels. Another is the potential for future cash flow volatility if projects rely too heavily on renters at 120% of AMI, whose rising incomes could eventually outstrip the project's income limits.

Fitch also examines the percentage differential between a project's rent levels and local market rents. Higher or market-rate rent levels "could potentially limit future rent growth at the project," Fitch noted in its report.

Another factor analysts consider is that "some of the essential housing projects are subject to local rent control ordinances that limit the rent increases, and so that can over time pressure the ability to offset operating expenses," said Kasia Reed, director of community development and social lending at Fitch.

S&P also flagged rising operating expenses as a challenge in its report. In 2024, "housing entities will have to balance robust demand with competing operational costs," the rating agency said. "Rental housing owners and operators will face rising costs, and some may struggle to maintain operating performance without offsetting rent increases."

Those rising costs include escalating insurance premiums, climbing labor costs and higher interest rates.

"We expect [social housing providers] will continue facing higher property-level costs as their portfolios increase, though federal funding partly mitigates these pressures," S&P said, adding: "Federal financial support [remains] integral to ratings stability across the sector."

"A lot of these projects have experienced significant increases in their expense levels," Fitch's Fitzgerald said. "In some cases, expense increases have been outpacing rent increases. And rents have gone up quite a bit, but now they're starting to stabilize and in some cases go down. So there's concern that because of the rent increase restrictions, there's a limit to how much that project owner can raise rents to cover additional expenses. And for that reason, we say, for it to be at the A or A-plus level, it probably would have to be highly subsidized."

Reed noted that state HFAs are increasingly addressing essential or workforce housing financing [through their bond programs](#) and other loan initiatives. But Fitzgerald said the public-private partnership route is also gaining steam, with developers starting to take advantage of the various workforce housing financing options out there.

"They're able to take advantage of this low interest rate financing," she said. "And it's just taken some time for them. [For] the projects that they have [underway], they have drawings and specifications, so they've probably used a lot of the time since the [Infrastructure Investment and Jobs] Act was passed to develop these projects. And now they're ready to move forward with the financing portion of it."

These new public-private partnerships all involve new construction, she added.

The Infrastructure Access Loan program in Wisconsin provides loans to cover costs usually borne by developers, such as the costs of installing, replacing, upgrading or improving infrastructure related to workforce or senior housing. Applicants can receive loans covering up to 20% of the total development cost of residential housing, at interest rates of 3% or 1% in municipalities with fewer than 10,000 people.

The governor's office referred all questions to WHEDA. A WHEDA spokesperson said that regarding future issuance to support workforce housing, "Bond issuance is one of many financing strategies employed by WHEDA to finance housing construction. WHEDA will continue to use all funding resources at its disposal to continue to address the housing shortage in Wisconsin."

In a statement, WHEDA CEO and Executive Director Elmer Moore Jr. said reducing costs for developers means lower costs for residents, too.

"This new program gives us yet another opportunity to add much-needed affordable housing throughout the state by helping developers and municipalities reduce the cost of development — a price that is normally passed on to working individuals, families, and seniors in their rent or mortgage," he said.

Jennifer Shea

Midwest Reporter