

WHEDA State Housing Tax Credit Program

Wisconsin Housing & Economic Development Authority

Legislative Advocacy: State Advocacy

HFA Staff Contact

Brenda Marquardt

brenda.marquardt@wheda.com

2019 NCSHA Annual Awards for Program Excellence

Background

Driven by a mission to stimulate the state's economy and improve the quality of life for residents by providing affordable housing and business financing products, the Wisconsin Housing and Economic Development Authority (WHEDA) has been the state's housing leader for over 47 years. Our success depends upon forward thinking and adaptability to offer financing tools that meet market need and empower more people.

On March 28, 2018, Wisconsin Act 176 was signed into law establishing a state housing tax credit program. This program was tremendous news for the entire state of Wisconsin. The economic benefits are incredible, including the stimulation of quality rental housing, the creation of construction jobs, a reduction in cost burdens for renters, and an infusion of private capital throughout Wisconsin.

Program Specifics

The new state program provides a tax incentive for private investment in the development and rehabilitation of affordable rental housing. Since 1986, WHEDA has been the sole administrator for federal housing tax credits in Wisconsin and was chosen to lead the new state program including certification of eligibility and monitoring compliance.

The state tax credit program must be matched with the federal 4% housing tax credits increasing the leverage and creating the potential for a significant expansion of affordable housing across the state. State housing tax credits are realized over a six-year period and there is no sunset to the program.

Results

WHEDA was motivated to award its first round of state tax credits before the end of 2018 to enable more affordable housing for Wisconsin residents. The timeline was ambitious, but WHEDA staff were up for the challenge and were committed to advancing WHEDA's mission with this valuable new resource.

2018 WHEDA State Housing Tax Credit Awardee Timeline:

- March 28, 2018 – Wisconsin Act 176 was signed into law establishing a state housing tax credit program
- April 2018 – WHEDA created the 2018 state housing tax credit process and procedures
- May 2018 – WHEDA conducted developer information sessions on the new tax credit program
- May 21 to June 29, 2018 – WHEDA accepted state tax credit applications
- July 2 to August 15, 2018 – WHEDA reviewed and scored state tax credit applications
- August 23, 2018 – WHEDA held a news conference to announce the state housing tax credit awardees
- May 2019 – Five of the state housing tax credit developments have closed with the other four scheduled to close within the next 30 days.

The inaugural round of state housing tax credits awards totaled \$6.6 million to fund nine developments and create 1,065 affordable rental units. The additional 1,065 units of rental housing would not have been realized if WHEDA would not have implemented the new state tax credit program in 2018, less than five months from Act 176 being signed into law.

Even with a condensed application timeline, WHEDA received 15 state tax credit applications representing \$10.4 million in requests in 2018. With a total available pool of approximately \$7 million, this demonstrates the continued need for affording housing in Wisconsin.

The \$6.6 million in state tax credit awards will be matched with \$6.6 million in federal 4% tax credits increasing the leverage and enabling more affordable housing to be constructed. The 2018 state tax credit allocation will generate nearly \$40 million in credits over their six-year lifespan. Overall, the new state program will generate \$191 million in total development under its first allocation.

For the 2019 housing tax credit cycle, WHEDA established one Qualified Action Plan (QAP) and timeline for its the state and federal housing tax credit application process. For its second round of state housing tax credits, WHEDA received 22 applications, which requested \$15 million in tax credits. With a total available pool of \$7.3 million in state tax credits, there is a consistent market demand for more affordable housing in Wisconsin.

On April 4, 2019, WHEDA announced its second award of \$7.3 million in state housing tax credits. The state tax credits will advance an additional 975 units of affordable rental units and are worth more than \$43.8 million over a six-year life span.

Between August 2018 and April 2019, WHEDA has announced two allocations of state housing tax credits totaling nearly \$14 million. With this new state resource, WHEDA has been able to create an additional 2,040 units of affordable housing for Wisconsin residents.

Media Coverage

[Nine affordable housing projects awarded \\$6.6 million in tax credits from WHEDA Ceremony kicks off Whitetail Ridge development in Paddock Lake](#)

[Kenosha County affordable apartments among winners of new state tax credit](#)

[Fitchburg getting state housing tax credits](#)

[329 affordable housing units to be funded by state housing tax credits in Fitchburg, town of Madison](#)

[Two new affordable housing developments in Fitchburg and Madison are getting \\$2.1 million in tax credits from the state, supporting the creation of 329 residential units \(Scroll down for story\)](#)

[Multifamily Maxwell development nears completion in Hudson](#)

[Two Superior apartment complexes will be renovated](#)

[Two Dane County affordable housing projects receive \\$2.1 million in state housing tax credits](#)

[Housing Project Awarded State Tax Credits in Green Bay](#)

[Broadway Lofts in Green Bay awarded state tax credits](#)

[The Broadway Lofts were recognized on Thursday for creating affordable housing \(2nd story in newscast\)](#)

[Sheboygan awarded two housing tax credits to build more apartments](#)

[State tax credits spur planned improvements at 2 Chippewa Valley affordable apartment complexes](#)