

Being the Bridge: Coalition,  
Communication, and Compromises on the  
Bipartisan Housing Package

**Wisconsin Housing and Economic Development Authority**

Legislative Advocacy: State Advocacy

**HFA Staff Contact**

Kylie Wagner

[kylie.wagner@wheda.com](mailto:kylie.wagner@wheda.com)

## **NCSHA Annual Awards for Program Excellence**

### **ADVANCE THE OVERALL MISSION OF THE AGENCY; ACHIEVE STRATEGIC OBJECTIVES**

The vision of the Wisconsin Housing and Economic Development Authority (WHEDA) is that all people in Wisconsin have an affordable place to call home. Purposeful strategic goals will help realize this vision – 1) Be *the authority* on housing in Wisconsin, 2) Increase housing choices for people across the state, and 3) Center human experience in operations and decisions.

In 2023, WHEDA’s Legislative Program team facilitated unprecedented advocacy work on a package of proposals called the Bipartisan Housing Package. Democrats and Republicans united to address Wisconsin’s affordable housing crisis and Governor Tony Evers signed this package into law in June 2023. The work to create, improve, and advocate for the package advanced WHEDA’s mission to help Wisconsin thrive by expanding access to affordable housing choices.

Throughout the five months from the first meeting to bill signing, WHEDA’s Legislative Liaisons embodied the Authority’s strategic goals by being the go-to resource on housing for the package’s coalition members, increasing housing choices through the four bills in the package, and centering human experience as a people-first organization. Over the next 10 years, the four newly created loan programs and the associated \$525 million in funding will have an unmatched impact on the construction and rehabilitation of affordable housing for rent and ownership in Wisconsin. Public and private partnerships between municipalities and developers will leverage both groups’ expertise and financial resources, as was the intent of the legislation.

### **DEMONSTRATE COALITION BUILDING; FORGE EFFECTIVE RELATIONSHIPS WITH STATE LEGISLATORS**

The Wisconsin Legislature created WHEDA in 1972 as a quasi-governmental entity. Today, the Authority functions independently of the State’s Biennial Budget in operations and administration, though the Chief Executive Officer (CEO) & Executive Director is appointed by the Governor and confirmed by the Wisconsin State Senate.

Beginning January 2023, WHEDA’s Legislative Program team organized visits between the Authority’s CEO & Executive Director, Elmer Moore, Jr., and the 33 State Senators who would later vote on his confirmation. In a goodwill effort to cross legislative houses and familiarize Moore with the Legislature, the Legislative Liaisons coordinated meetings with State Representatives of the Assembly, including the Chair of the Assembly Committee on Housing and Real Estate, Representative Robert Brooks (R-Saukville). Rep. Brooks introduced WHEDA to the package and founded the coalition.

WHEDA became an integral member of the coalition that was formed after that initial January meeting and worked to create and introduce the Bipartisan Housing Package. Additional members included the Wisconsin REALTORS® Association, League of Wisconsin Municipalities, Wisconsin Builders Association, Wisconsin Towns Association, and Wisconsin Counties Association. The entire coalition had only one in-

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person meeting, on March 15, 2023, but communicated daily through emails and phone calls, as well as weekly virtual meetings.

The Bipartisan Housing Package was introduced for co-sponsorship on May 9, 2023, but required revisions to ensure the proposals were functional. Subsequently, the WHEDA team met with state senators and representatives, which included leadership offices, to share the status of the bill package, the Authority's work and position on each proposal, and the revisions that were required to be made through an amendment.

On May 18, 2023, the Senate and Assembly housing committees held public hearings on the four bills in the Bipartisan Housing Package. WHEDA prepared written testimony, which Moore presented alongside Legislative Liaison Samantha Linden. After the hearing, the authors of the package offered an amendment to meet WHEDA's required revisions. During the Assembly hearing, Rep. Brooks stated:

"WHEDA has been instrumental in putting together and guiding us through this process...I want to publicly thank them for being as accommodating as they have been because we have had a lot of meetings and I truly appreciate it."

### **ANTICIPATE, IDENTIFY, AND PRIORITIZE LEGISLATIVE ISSUES; EMPLOY ANALYTICAL SKILLS TO ANTICIPATE AND IDENTIFY THE POTENTIAL RAMIFICATIONS OF ISSUES**

When WHEDA was introduced to the idea of the Bipartisan Housing Package, the four proposals looked vastly different from the bills that moved through the Senate and Assembly, even though there were only three months between the initial proposal in February and the introduction of the formal legislation in May. During that time, there were hundreds of communications between WHEDA's staff of housing experts, internal partners, and external partners. The Authority shared information, identified concerns in the legislation, offered solutions, and steered the coalition toward necessary compromises.

By the time the coalition met in person at the Wisconsin State Capitol's Assembly Parlor in March, the WHEDA team had reviewed multiple drafts of each proposal and created line-by-line analyses to help executive leadership understand the language and implications of the bills. The primary proposal of the Bipartisan Housing Package, Assembly Bill 264 (2023 WI Act 14), went through nine rounds of revisions before it was introduced for co-sponsorship.

Many of the revisions required in the legislation were necessary to ensure that WHEDA would have the flexibility and authority to implement and administer these new programs. Early drafts of the legislation had no requirements for long-term affordability beyond initial occupancy, even in rental housing, so changes were made to add industry standards into definitions along with affordability requirements for rentals and ownership of housing. An area of potential challenge in WHEDA's rollout of the programs was the financial cost. Much discussion went into ensuring that the Authority would be allowed to use monies from the allocated funds to cover the cost of administering these programs. In addition, clarifications were made regarding allowable investment of the funds and the use of principal returned to make future awards.

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WHEDA's liaisons made compromises in the legislation's inclusion of language that requires developers to provide personal guarantees on the loans made under the new programs, along with preventing funds generated from a Tax Incremental District (TID) from being used in the development's capital stack. These requirements were identified as areas of concern with the potential for serious ramifications, including the possibility that developers would be discouraged from applying. In the end, the authors felt that both items were necessary based on a political determination of risk.

While the Authority could not have anticipated the introduction of these programs, nor the level of investment that they would receive, the team's legislative expertise and access to other WHEDA subject matter experts allowed for easy communication to identify areas of concern, prioritize revisions, and request changes in the proposals' language. Effectively working with and maintaining communication lines between a large group of Representatives, Senators, the Governor's Administration, and coalition members allowed the process to move quickly; from idea generation to introduction and public hearing, votes in both Houses, and bill signing by the Governor; what could normally be a two-session or four-year process was completed in just under five months.

### INNOVATIVE AND REPLICABLE

The work and advocacy by WHEDA's team on the Bipartisan Housing Package was innovative because the Authority has traditionally functioned autonomously from the Wisconsin Legislature. However, in 2019, WHEDA was the target of legislative action to transfer \$10 million of program revenue from WHEDA's financial stewardship to the state's General Fund. This action demonstrated the need for a well-developed Legislative Program at WHEDA, which would enable the Authority to respond to proposed legislation and build relationships required to prevent actions like the transfer of funds. Such a program allowed WHEDA to be proactive and promote its own legislative priorities with bipartisan housing leaders for the first time.

Through the Legislative Program's analysis, material creation, and testimonial presentations, WHEDA received \$525 million for four new programs, the *largest housing investment in state history*. A well-developed legislative muscle is necessary for every Housing Finance Authority. This model is replicable and can be a valuable tool to address the nation's affordable housing crisis at the state level.

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### VISUAL AIDS

#### Legislation

- Infrastructure Access Loan
  - AB 264 / Act 14 - [2023 Assembly Bill 264 \(wisconsin.gov\)](https://legis.wisconsin.gov/bills/200/ab_264)
- Restore Main Street Loan
  - AB 265 / Act 15 - [2023 Assembly Bill 265 \(wisconsin.gov\)](https://legis.wisconsin.gov/bills/200/ab_265)
- Vacancy-to-Vitality Loan Program
  - Ab 267 / Act 17 - [2023 Assembly Bill 267 \(wisconsin.gov\)](https://legis.wisconsin.gov/bills/200/ab_267)
- Home Repair and Rehab Loan (Home R&R Loan)
  - AB 268 / Act 18 - [2023 Assembly Bill 268 \(wisconsin.gov\)](https://legis.wisconsin.gov/bills/200/ab_268)

#### [Assembly Committee on Housing and Real Estate Hearing](#)

WHEDA appears from 1:49:50 – 2:22:12



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Press Releases

- [Gov. Evers Signs Bipartisan Package of Affordable Housing Legislation \(June 22, 2023\)](#)
- [WHEDA Applauds Governor's Signing of Bipartisan Housing Legislation \(June 22, 2023\)](#)
- [WHEDA Statement on 2023-25 Biennial Budget \(July 5, 2023\)](#)
- [Gov. Evers, WHEDA Announce New Programs Emerge From Historic Bipartisan Housing Legislation \(December 7, 2023\)](#)

**To: Assembly Committee on Housing and Real Estate**  
**From: Elmer Moore Jr., CEO and Executive Director, Wisconsin Housing  
and Economic Development Authority**  
**Date: May 18, 2023**  
**RE: Workforce Housing Package**

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Chairman Brooks, Vice Chair Penterman, and members of the Assembly Committee on Housing and Real Estate.

I am Elmer Moore, Jr., CEO and Executive Director of WHEDA, the Wisconsin Housing and Economic Development Authority. I am here today to share information on the Workforce Housing Package and Assembly Bill 39 (AB39), legislation aimed at addressing challenges Wisconsin faces in providing affordable housing.

Wisconsin needs more than 120,000 rental units to meet the needs of its residents. Nearly 170,000 residents pay more than half their income on rent or mortgage payments. That number should be no more than 30 percent of a household's income. Without access to decent, stable, and affordable housing our Wisconsin workforce struggles to afford necessities such as quality food, childcare, and transportation.

Various factors contribute to the insufficient supply of housing: scarcity of land, restrictive land-use controls, insufficient infrastructure, expensive building materials, cumbersome permitting processes, and NIMBYism. The severity of these barriers varies from place to place, but taken as a whole, they almost always hamper the production of housing.

I thank Representative Brooks, Senator Quinn, and the many authors of the Workforce Housing package for spearheading efforts to address our housing crisis and for including us in the discussion of how WHEDA can be an instrument for these bills.

We also appreciate the proposed creation of new loan products, expansion of the Housing Rehabilitation Loan program in Assembly Bill 267 (AB267) and the expansion of the State Housing Tax Credit (HTC) program in AB39. We are confident that WHEDA can administer these proposed programs, should each proposal receive appropriate investment from the state.

Assembly Bill 264 (AB264), the Residential Housing Infrastructure Revolving Loan Program, is an opportunity to spur development by offering 0% interest loans to finance infrastructure for affordable housing projects. To be eligible for the funding, the municipality must voluntarily revise zoning ordinances and other regulations that impact development time and costs. WHEDA has heard anecdotally that this is an area of great need and opportunity.



AB264 ensures that affordability is maintained through income limits on renters and homeowners, and reporting requirements on rents that are not to exceed 30% of 100% of the Area Median Income (AMI) for 10 years.

AB264 includes language on both rural and senior housing set-asides and a semi-annual application process. This legislation gives WHEDA the flexibility to operate the loan program while setting strong parameters to measure eligibility, cost reductions, needs of a community, and loan terms.

We do, however, recommend the removal of Page 6, Line 17, which prevents money in the fund from being invested under WHEDA's sound financial practices. We use monies in the fund to cover real and necessary costs administering the program, so freeing WHEDA to invest money may recuperate some of those costs, leaving more of the funds to deploy. We would otherwise be forced to split any appropriations from the state for this fund into multiple FDIC insured accounts to prevent unexpected losses. WHEDA feels the safe and responsible investment of the fund is the most preferable solution. A similar change is recommended for Assembly Bill 265 (AB265) and Assembly Bill 268 (AB268) as well.

Like the Residential Infrastructure Revolving loan program (AB264), the Main Street Housing Rehabilitation Loan Program (AB265) and the Commercial-to-Housing Conversion Loan Program (AB268) contain many of the same conditions for project eligibility. The 10-year affordability periods for rental and homeownership are included as is the 30% rural set-aside in both these bills. Additionally, the political subdivisions that are home to a project must work to reduce the costs for developers and show their efforts to WHEDA using a cost reduction analysis form for loan eligibility.

The fourth piece of legislation, AB267, provides technical improvements to current law. In 2022, the Wisconsin Legislature created a workforce housing rehabilitation loan program administered by WHEDA, under 2021 Wisconsin Act 221 (Act 221). This proposal gained unanimous support in the Senate and nearly unanimous support in the Assembly, and helped bring to light the rehabilitation needs of single-family homeowners across the state living in aging housing stock.

More than 60 percent of single-family structures in Wisconsin were built before 1980. Many require substantial repair, modernization, or energy-efficiency upgrades. While Wisconsin's current housing stock and established neighborhoods provide great value compared to new construction, these homes need investment and rehabilitation to maintain decent, safe, and sanitary conditions for many years to come.

While Act 221 helped highlight this issue, the legislation included no state appropriation and prevented WHEDA from borrowing capital at reasonable rates, due to the lack of an implementable repayment schedule. Under Act 221, the loans would be repaid upon the sale or transfer of title of the home, or when the home is vacated by the owner and the owner's family. This uncertain repayment schedule and other concerns in Act 221 prevented WHEDA from implementing the program.

WHEDA is glad to see renewed interest in addressing issues in the Housing Rehabilitation Loan Program, both through AB267 and in Governor Evers' budget proposal, which is similar. A new technical fix is required in AB267, where the cap on the loan is limited to \$50,000 or "125% of the assessed value of the residence" (Page 3, lines 21-23). WHEDA recommends the correction reflect the "appraised" value, rather than the "assessed" value.

Finally, AB39 expands the State HTC program. We appreciate Representative Armstrong's efforts to increase the amount of credits and effectiveness of the program by raising it from \$42 million to \$100 million. WHEDA first supported Governor Evers' proposal to expand the State HTC program through the 2023-2025 biennial budget to \$100 million, as well.

The State HTC program has been administered by WHEDA since its creation in 2017. It continues to be one of the most effective and efficient tools to address the affordable housing shortage in Wisconsin. In years 2021, 2022, and 2023, WHEDA administered a competitive process awarding \$99.5M in Federal and State HTCs, of which \$21 million came from the State HTC program. Since 2021, the State and Federal HTC programs have supported the development of more than 4000 affordable housing units in communities like Ashland, Ashwaubenon, Green Bay, Eau Claire, Hayward, Sun Prairie, and Barron.

AB39 would expand the existing program under WHEDA's administration from \$42 million to \$100 million without requiring any financial support from the state. WHEDA estimates 13 additional developments would be awarded annually, creating approximately 858 extra units a year. This would be especially impactful in rural areas where the cost to build is higher and more credits are needed per unit developed.

Thank you for the opportunity to provide testimony on AB39, AB264, AB265, AB267, and AB268. On behalf of the entire WHEDA staff, we appreciate the opportunity to support the development of legislation addressing Wisconsin's shortage of affordable housing.

We look forward to continuing to work with you and the authors of these bills to meet our technical needs in these proposed programs. We hope to see appropriate state investment for them to work as intended. I would be happy to answer any questions you may have at this time.

**Contacts:** Kim Plache, Deputy Director, [Kim.plache@wheda.com](mailto:Kim.plache@wheda.com);  
Samantha Linden, Policy Analyst, [Samantha.linden@wheda.com](mailto:Samantha.linden@wheda.com)



# LEGISLATIVE ALERT

## SLATE OF WORKFORCE HOUSING LEGISLATION BECOMES LAW



**BY JOE MURRAY**

WRA DIRECTOR OF POLITICAL & GOVERNMENTAL AFFAIRS

With statewide housing inventory levels at historic lows and median home prices continuing to rise, Wisconsin has a serious workforce housing shortage. Fortunately, Gov. Tony Evers recently signed into law a bipartisan package of bills intended to increase workforce housing in Wisconsin.

This slate of bills will provide new financing tools to fund infrastructure investments, rehabilitate and repair older housing stock, convert units above main streets and vacant commercial buildings into available workforce housing, and limit the ability of “not in my backyard” (NIMBY) opponents to influence the development-approval process.

### LEGISLATION IN PLAY

- **AB 264/SB 293:** Provides infrastructure revolving loans for streets, sewer, water and more to service new residential development.
- **AB 265/SB 294:** Offers main street housing rehabilitation revolving loans to repair and rehabilitate residential rental housing above existing buildings with a commercial use on the main floor.

- **AB 266/SB 296:** Executes a judicial review of local government decisions to increase certainty and predictability in the development-approval process.
- **AB 267/SB 297:** Implements a Wisconsin Housing and Economic Development Authority (WHEDA) program to fund low-interest loans for the rehabilitation of certain residential properties created under 2021 Wis. Act 221.
- **AB 268/SB 295:** Provides vacant commercial-to-housing conversion revolving loans to fund the redevelopment of commercial buildings into new residential workforce housing.

### LEGISLATION STATUS

Gov. Evers signed all five of these legislative priorities into law last month. Watch for more details in future editions of *Wisconsin Real Estate Magazine*.